

SOHARD Embedded Systems GmbH IP LICENSE AGREEMENT

This IP License Agreement (“License”) is entered into as of _____, 20__ (the “Effective Date”) between _____, with an office at _____ as licensee (“_____” or “Licensee”), and SOHARD Embedded Systems, with an office at Wuerzburger Str. 197, 90766 Fuerth, Germany as licensor (“SOHARD” or “Licensor”).

1. Definitions. In this License, unless the context is otherwise required, the following expressions will have the following meanings:

- (a) “Documentation” means all manuals, guides and other documentation relating to the installation, use, operation, or updating of the Licensed Materials which is listed in Exhibit D attached hereto.
- (b) “End User” means a customer of the Licensee who purchases or agrees to purchase a copy of the Licensed Products.
- (c) “Intellectual Property Rights” means patents, trademarks, copyrights, design rights (whether registered or unregistered), and any other intellectual property rights, where the context so admits or requires, and one or more of the foregoing.
- (d) “Licensed Material” collectively means the Licensed Software and Documentation.
- (e) “Licensed Software” means the current version of the _____ IP which materially conforms to the Technical Data Sheet, as well as any updates thereto that SOHARD delivers to Licensee pursuant to this License.
- (f) “Licensed Products” means any integrated circuits designed, manufactured or marketed by or on behalf of Licensee that incorporate all or any part of the Licensed Software or were designed using any of the Licensed Materials.
- (g) “Maintenance Services” means those maintenance services described in Exhibit B attached hereto.
- (h) “One-Time Licensee Fees” means the fees defined in Section 2 of Exhibit A attached hereto.
- (i) “Product Royalty Fees” means the fees defined in Section 3 of Exhibit A attached hereto.
- (j) “Technical Data Sheet” means the SOHARD published functionalities for the Licensed Software along with other documents, all as set forth in Exhibit C attached hereto.
- (k) “Technology Transfer Fee” means the fees defined in Section 1 of Exhibit A attached hereto.

2. License. Subject to the terms of this License, SOHARD hereby grants Licensee a nonexclusive, worldwide, non-transferable and non-sublicensable license to (a) copy and use the Licensed Materials internally, solely for the design, simulation, implementation and manufacture of Licensed Products, (b) incorporate or insert the Licensed Software into Licensed Products and (c) distribute the Licensed Products to End Users.

3. Restrictions on Use. The Licensed Materials are not designed, intended, or authorized for use in components of systems intended for, or in relation to, the operation of, weapons, weapons systems, nuclear installations, means of mass transportation, aviation, life-support computers or equipment (including resuscitation equipment and surgical implants), pollution control, hazardous substances management, or for any other application in which the failure of the Licensed Product could create a situation where personal injury or death may occur.

Should Licensee provide any Licensed Product for any such unintended or unauthorized application, Licensee shall indemnify and hold SOHARD and its officers, employees, subsidiaries, affiliates, and distributors harmless against all claims, costs, damages, expenses, and reasonable attorney fees arising out of, directly or indirectly, any claim of personal injury, death, or other damage associated with such unintended or unauthorized use, even if such claim alleges that SOHARD was negligent regarding the design of the Licensed Materials.

4. Intellectual Property Rights. Licensee acknowledges and agrees that other than the limited license granted in Section 2 above, SOHARD retains all right, title and interest, including, but not limited to all Intellectual Property Rights, in and to the Licensed Materials.

To protect such Intellectual Property Rights, Licensee shall not nor permit any third party to reverse engineer, disassemble, or otherwise decompile the Licensed Software, except to the extent that (a) these actions are indispensable for obtaining information necessary to create the interoperability of an independently created computer program with the Licensed Software, (b) such information has not been made accessible by SOHARD to Licensee within a reasonable time despite having been requested in writing, and (c) these actions are carried out in a Member State of the European Union or another signatory country of the European Economic Area; any information obtained through actions in accordance with this Section 4 may under no circumstances be used for any purposes other than for the creation of interoperability of the independently created computer program and in particular not for the development, production, or marketing of computer programs whose features and functions are similar to that of the Licensed Software, for the production and testing of interfaces to the Licensed Software for the purpose of subsequently passing these on to third parties or for any other actions infringing the copyright hereto; such information may not be disclosed to third parties, unless this is necessary for the interoperability of the independently created program and is made to third parties not outside a Member State of the European Union or another signatory country of the European Economic Area. Without limiting any of the foregoing, Licensee may not modify or prepare derivative works of the Licensed

Materials in whole or in part, except when necessary for the use of the Licensed Materials in accordance with the purpose of this License or for trouble shooting. Nothing contained in this License will be construed as conferring by implication or otherwise upon either party any license or other right except the licenses and rights expressly granted hereunder to a party hereto.

5. Indemnity. (a) SOHARD will indemnify and defend Licensee against any action or claim brought against Licensee by a third party, to the extent that the action is based on a claim that the Licensed Materials infringe or misappropriate Intellectual Property Rights. If the Licensed Materials become, or in SOHARD's opinion are likely to become, the subject of a claim of infringement or misappropriation, SOHARD may, at its option and expense, elect to (i) obtain the right of continued use for Licensee, or (ii) replace or modify the Licensed Materials not yet incorporated or inserted into Licensed Products by Licensee so that they are no longer subject to the claim of infringement without materially impairing their functionality.

The indemnity obligation set forth in this Section 5(a) shall not apply to the extent that such claim is the result of (i) Licensee's use of the Licensed Materials not in accordance with the terms of this License, (ii) any modification to or revision of the Licensed Materials other than by SOHARD, or (iii) Licensee's use of other than the most current version of the Licensed Materials provided to Licensee by SOHARD.

(b) Licensee agrees to indemnify and hold SOHARD harmless from and against any and all claims (including reasonable attorneys' fees and costs of litigation) resulting from, or in connection with, results Licensee has obtained through the use of the Licensed Materials not in line with this License or the misuse of the Licensed Materials by Licensee.

(c) The indemnities provided by either party in this License are conditional upon the party relying on an indemnity (i) giving the other party prompt written notice of the third party claim, (ii) permitting the other party to defend or settle the claim, (iii) not at any time admitting liability in respect of the whole or any part of the claim, or agreeing to settle or dispose of the claim, and (iv) providing all reasonable assistance to the indemnifying party in defending or settling the claim. Subject to the provisions in Section 9, this Section 5 states the entire liability of the indemnifying party and the indemnified party's sole and exclusive remedies for the claims covered by the indemnity.

(d) The indemnities provided herein shall be available for 12 months from the date of the delivery of the Licensed Materials.

6. Copying. Licensee may copy the Licensed Materials as set forth in Section 2 above and for archival and back-up purposes, provided always that Licensee will at all times and in each instance, reproduce all copyright notices and proprietary legends on each copy in the same manner as such notices and legends appeared on the original. No other copies may be made without SOHARD's prior written consent.

7. Term; Termination. (a) This License will commence upon the Effective Date and will remain effective for an initial term of one (1) year. This License will then automatically renew for additional one-year terms unless terminated for convenience

by either party giving three (3) months written notice prior to the expiration of the initial term or any renewal thereof.

(b) In the event that either party is in material breach or default of this License, the other party may terminate this License upon thirty (30) days written notice, specifying the nature of the breach or default, provided such breach or default is capable of being cured but has not been cured by the end of the fifteen (15) day notice period. Failure to pay any license fee is, without limitation, considered a material breach and cause for termination of the License by SOHARD under this Section 7(b) and also shall be cause for suspension of performance by SOHARD of any of SOHARD's obligations under this License.

(c) Either party may terminate this License for cause at any time. Licensee may do so by destroying the Licensed Materials and all copies thereof.

(d) Upon termination of this License, the licenses, rights and covenants granted hereunder and the obligations imposed hereunder will cease, except as otherwise expressly provided for herein, and Licensee will return or destroy and, upon SOHARD's request, certify to the destruction of, the Licensed Materials, including all copies and all relevant documentation and all copies of any other Confidential Information (as defined in Section 12 hereof) in Licensee's possession.

8. Warranty. (a) The Licensed Software will under normal use conform substantially to the applicable Technical Data Sheet attached hereto as Exhibit C. Guarantees or guaranteed qualities will be binding on SOHARD only if expressly designated as such in writing.

(b) Licensee's exclusive remedies, and SOHARD's sole liability, for the Licensed Software that does not meet the requirements of Section 8(a) will be (i) to correct the non-conforming Licensed Software within a reasonable time or to deliver a replacement, (ii) if the Documentation is in error, modify the Documentation to accurately reflect the Licensed Software's intended functionality, or, where rectification or replacement delivery fail, (iii) permit Licensee to choose either to proportionately reduce the license fees or to rescind this License as to the non-conforming Licensed Software and refund a pro-rata share of the license fees actually paid to SOHARD, provided SOHARD does not remove the defect as set forth in Section 8(b)(i) or (ii) within a reasonable time. Any claims for compensation of expenses after Licensee has remedied the defect itself or by a third party will be excluded.

(c) The warranty period will be limited to twelve (12) months from the date of delivery of the Licensed Software. Any further warranty claims whatsoever will be excluded subject to any potential limited claims for damages and infringement of Intellectual Property Rights covered by Sections 9 and 5.

9. Limitation of Liability. (a) SOHARD is liable for damage only to the extent that it (i) is caused by SOHARD through the slightly negligent breach of a material obligation, which jeopardizes the purpose of the License, or of an obligation the meeting of which only enables the orderly performance of this License, or (ii) is caused by gross negligence or willful intent on SOHARD's part, or (iii) results from the assumption of a guarantee.

(b) In the cases of Section 9(a)(i) or (iii), SOHARD's liability will be restricted to the damage typically foreseeable for this type of license agreement. This shall also apply in the case of a grossly negligent violation by simple vicarious agents (i.e. not legal representatives or executive staff).

(c) The parties agree that the damage typically foreseeable for this type of license agreement does not exceed an amount equal to either the one-time license fee paid or properly payable by Licensee to SOHARD for the applicable Licensed Materials or all product royalty fees paid or properly payable by Licensee to SOHARD for the applicable Licensed Materials in the preceding twelve months.

(d) In the cases of Section 9(b), SOHARD will not be liable for any indirect or consequential damage or loss of profit.

(e) Licensee will take adequate precautionary measures against the loss of data, in particular by making, at least once daily, back-up copies of all programs and data in machine-readable form. SOHARD will not be liable for the loss of data and programs to the extent that this would have been avoidable by adherence to this obligation. In all other points, any liability on SOHARD's part for loss of data will be subject to the limitations of this Section 9.

(f) In the cases of Section 9(b), the limitation period for Licensee's claims for damages shall be two (2) years from the point in time the claim arose and Licensee became aware thereof; irrespective of this awareness, the limitation period for Licensee's claims for damages shall be three (3) years from the damaging event. For claims for damages based on defects, the limitation period shall be twelve (12) months.

(g) Except for cases of liability according to the Product Liability Act [Produkthaftungsgesetz], in the event of personal injury, or in the event of fraudulently concealed defects, the aforementioned limitations of liability including limitation periods apply to all claims for damages, irrespective of their legal basis.

(h) The aforementioned limitations of liability including limitation periods also apply to claims for damages against SOHARD's employees or agents.

10. Export Restriction. Licensee agrees that Licensee will not export or re-export the Licensed Materials, reference images or accompanying documentation in any form without the appropriate governmental licenses. Licensee's failure to comply with this provision is a material breach of this License. Licensee agrees to indemnify, defend, and hold SOHARD harmless from any claims, damages or suits resulting from its failure to comply with this Section 10.

11. Non-Transferable. Licensee may not provide design data or information including, but not limited to, schematics, hardware description language, source code, or netlist files, to a third party without prior written approval from SOHARD. Licensee may provide device programming files, bit-stream files or PROM files to third parties without prior approval in order to manufacture the Licensed Product.

12. Non Disclosure. Except as otherwise expressly permitted in this License, Licensee will hold in confidence the Licensed Materials and all other information received hereunder from SOHARD, including trade secrets, which is marked as

SOHARD's proprietary information or for which confidentiality or the need to keep secret is apparent from the circumstances or the content ("Confidential Information") until this information becomes publicly available.

Licensee will not use the Confidential Information except to exercise its rights and perform its obligations hereunder, or disclose or make Confidential Information available in any form to any person other than to Licensee's employees and contractors who "need to know" such Confidential Information, are located on Licensee's premises, and are bound by written agreements which protect the Confidential Information no less stringent than required under this Section 12.

Licensee will maintain a system consistent with semiconductor industry standards to protect Licensee's own confidential business information, including written agreements with Licensee's employees, and will protect the confidentiality of the Confidential Information using such a system to the same extent, but in no event will Licensee use less than reasonable measures to so protect the confidentiality of the Confidential Information.

The obligations in this Section 12 do not extend to any information which is (a) already known to Licensee prior to obtaining it from SOHARD, or (b) becomes hereafter publicly known by virtue of disclosures not attributable to Licensee, its agents, employees, consultants, contractors, or any other person or entity under similar restriction not to make such disclosures, or (c) are disclosed to Licensee by any other person who is under no obligation restricting such disclosure, or (d) is independently developed by Licensee, or (e) has to be disclosed under statutory law or due to an unappealable court decision or an order under administrative law .

13. Non-Assignment. Without SOHARD's prior written consent which shall not be unreasonably withheld, neither this License nor any interest herein or part hereof will be transferable or assignable by Licensee.

14. Governing Law. This Agreement shall be governed and construed in all respects by the laws of the Federal Republic of Germany. Licensee agrees to submit to the exclusive jurisdiction of the courts of Nuremberg-Fuerth when a dispute arises that the parties are unable to settle amicably or through ADR.

15. Reports and Audit. In the case that the parties have agreed on the payment of Product Royalty Fees depending on the number of Licensed Products created by Licensee as remuneration according to Section 3 of Exhibit A attached hereto, Licensee agrees to maintain accurate and reasonably complete records relating to Licensed Products created by Licensee (the "Records"). Such Records shall be maintained in accordance with recognized commercial accounting practices so they may be reasonably audited.

Within the first thirty days of the month following the close of each Licensee fiscal quarter, Licensee will submit to SOHARD a royalty report specifying the number of Licensed Products created in the quarter and any other royalty bearing activity for the quarter. If no royalty bearing activity has occurred for a quarter, Licensee shall submit a report to SOHARD stating that no royalty bearing activity occurred during such quarter.

All of the Records will be available for inspection, copying and audit by SOHARD or its representatives during normal business hours during the Term of this License and for a period of one (1) year following the expiration or earlier termination of this License; provided that (i) SOHARD shall give Licensee reasonable prior written notice; (ii) such audit will not unreasonably interfere with the day-to-day operations of Licensee; and (iii) such audit will be at SOHARD's sole expense, unless a significant discrepancy to the disadvantage of SOHARD is found to exist, in which case the reasonable cost of such audit will be borne by Licensee. A significant discrepancy will be deemed to exist if the aggregate amount of fees owing to SOHARD as shown by such audit exceeds five percent (5%) of the aggregate fees paid with respect to such period audited pursuant to this License.

The obligation to pay and the payment of such interest will not operate to extend any payment due date. SOHARD waives no rights by accepting late payment with interest. Interest under this Section 15 will be due and payable on the date the outstanding balance is paid to SOHARD. If interest accrues, then amounts paid by Licensee shall be credited first against interest and then against principal.

16. Payment Terms; Taxes. (a) If the parties agree on the payment of a Technology Transfer Fee and a One-Time License Fee as remuneration, the Technology Transfer Fee and the One-Time License Fee are due upon conclusion of this License and payable within thirty (30) days from the date of invoice.

(b) If the parties agree on the payment of Product Royalty Fees as remuneration, the Product Royalty Fees are due on a quarterly basis and payable within thirty (30) days of the end of each quarter. Licensee will make the royalty payment when it submits the quarterly royalty report, in accordance with Section 15 above.

(c) The fees listed in Exhibit A attached hereto are net prices and do not include taxes; therefore, all taxes, tariffs and transportation costs related to this License (including any value added or sales taxes) other than taxes on Licensor's income, shall be borne by Licensee. The Licensee shall pay or reimburse Licensor for all sales, use, excise, personal property, value-added, or other federal, state or local taxes, duties, or any similar assessments based on the licenses granted or the services provided under this License or on the Licensee's use of the Licensed Materials.

(d) For the avoidance of doubt, withholding taxes, if any, will have to be borne by Licensee. Licensee shall make all license or product royalty payments to be made by it without any tax deduction, unless a tax deduction is required by law. If a tax deduction is required by law to be made by Licensee, the amount of the payment due from Licensee shall be increased to an amount which (after making any tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required. Licensee is not required to make such an increased payment, if and to the extent SOHARD on the date on which the payment falls due has provided Licensee with a tax exemption certificate which allows Licensee to abstain from withholding the tax. Licensor shall apply for and deliver such certificate to Licensee with reasonable efforts. Licensee shall support Licensor in applying for such certificate also with reasonable efforts. If and to the extent Licensee making the payment is able to demonstrate that the payment could have been made to SOHARD

without the tax deduction had SOHARD complied with its obligations mentioned before, Licensee is not required to make an increased payment as aforementioned.

17. Maintenance Services. (a) Licensee may obtain Maintenance Services against payment of a maintenance fee (the "Maintenance Fee") as set forth in Section 4 of Exhibit A attached hereto. SOHARD shall provide Licensee these maintenance and support services as described in Exhibit B attached hereto (the "Maintenance Services"), if Licensee and SOHARD agree the Maintenance Service agreement in Exhibit B.

18. General.

(a) Unenforceability. If for any reason a court of competent jurisdiction finds any provision of this License, or portion thereof, to be unenforceable, the remainder of this License shall continue in full force and effect.

(b) Headings. Save as otherwise provided herein, references to Sections and Exhibits are to those contained in this License. Headings are inserted for convenience only and do not affect the construction of this License.

(c) Entire Agreement. This License contains the entire agreement and understanding between the parties with respect of the subject matter herein and supersedes all prior agreements, understandings and representations. No addition or modification to this License is valid unless made in writing and signed by SOHARD and Licensee. Licensee's terms and conditions will not modify or be a part of this License.

(d) Notices. All notices relating to this License must be sent by certified or registered mail, postage prepaid to the respective addresses shown above, or at any later address of which written notice is given, attention of each party's authorized representative or designee. Each of the parties may communicate with the other by electronic means and such communication is acceptable as a signed writing. Both of the parties agree that for all electronic communications, an identification code (called a "user ID") contained in an electronic document is sufficient to verify the sender's identity and the document's authenticity.

(e) Counterparts. This License may be executed in counterparts, and all executed counterparts shall be deemed to be the original executed License.

In witness whereof, the parties have executed this IP License Agreement as of the Effective Date by their duly authorized representatives.

Agreed and accepted by and on behalf of:

SOHARD Embedded Systems GmbH

By _____
(Authorized Representative)

Title: _____

Date: _____

LICENSEE:

(Name of Licensee)

By _____
(Authorized Representative)

Title: _____

Date: _____

EXHIBITA – FEES

Licensee shall pay SOHARD the following fees as individually agreed by the parties:

1. Technology Transfer Fee

Licensee shall pay SOHARD a technology transfer fee (the “Technology Transfer Fee”) in the amount of EUR _____. The Technology Transfer Fee shall be due and payable in accordance with Section 16(a) of this License.

2. One-time License Fees

Licensee shall pay SOHARD a one-time license fee (the “One-Time License Fee”) in the amount of EUR _____. The One-Time License Fee shall be due and payable in accordance with Section 16(a) of this License.

3. Product Royalty Fees

Licensee shall pay SOHARD a product royalty fee (the “Product Royalty Fee”) based on the number of the Licensed Products it creates.

The amount of the Product Royalty Fee per Licensed Product shall depend on the number of Licensed Products created in each calendar quarter as follows:

Number of Licensed Products	Product Royalty Fee
0 to [please complete]	

Licensee shall provide reports on the number of Licensed Products it creates to SOHARD in accordance with Section 15 of this License, and payment shall be made in accordance with Section 16(b) of this License.

4. Maintenance Fees

The Maintenance Fee for any Maintenance Services for the _____ IP is EUR _____ per hour/day/week/month. Maintenance is ruled by a separate Maintenance Agreement as set forth in Exhibit B

EXHIBIT B - MAINTENANCE and SUPPORT Agreement to the IP License Agreement between SOHARD Embedded Systems and _____

1. Maintenance Services. SOHARD shall provide the following Maintenance Services to Licensee if Licensee and SOHARD agree as seth forth hereaftera.

(a) SOHARD shall make commercially reasonable efforts to correct and repair any failure, malfunction, defect or non-conformity in any Licensed Software, so that it performs materially in accordance with the applicable Technical Data Sheet following notification as specified below by Licensee to SOHARD of a failure, malfunction, defect or nonconformity, which prevents the Licensed Materials from performing in accordance with the Specifications.

(b) SOHARD shall use commercially reasonable efforts to supply corrections to verified and reproducible Licensed Software errors, which may be in the form of bug fixes for the Licensed Software, at no additional charge.

2. Malfunction Reports.

Licensee's contacts shall report errors and defects to SOHARD's support specialists. Upon the execution of this License, SOHARD shall provide Licensee with a list of the telephone and facsimile numbers of these representatives and Licensee shall provide SOHARD a list of its authorized contacts for maintenance services.

Agreed and accepted by and on behalf of:

SOHARD Embedded Systems GmbH

By _____
(Authorized Representative)

Title: _____

Date: _____

LICENSEE:

(Name of Licensee)
IP License Agreement

By
(Authorized Representative)

Title: _____

Date: _____

EXHIBIT C – TECHNICAL DATA SHEET

Exhibit C, Technical Data Sheet, consists of the following documents, attached hereto and made a part hereof by reference, in descending order of precedence:

EXHIBIT D – DOCUMENTATION

SOHARD will provide the following deliverables to support Licensee’s implementation of SOHARD’s _____ IP cores: