

11 February 2010

LEGAL OPINION IN RESPECT OF THE LEASEHOLD PREMISES OF ASPOCOM
ELECTRONICS PRIVATE LIMITED AT NOKIA TELECOM SEZ,SIPCOT,
INDUSTRIAL PARK PHASE III, CHENNAI-BANGALORE HIGHWAY,
SRIPERUMBUDUR, TAMILNADU.

- Documents Perused : (i) Sub-Lease Agreement between Nokia India Private Ltd. and ACI.
- (ii) Letter of Approval dated 07/07/2006 of the Development Commissioner.
- (iii) Extension letter dated 15/06/2007 of the Development Commissioner.
- Lessor : Nokia India Private Limited
(hereinafter referred to as "Nokia")
2nd Floor, Commercial Plaza,
Radisson Complex, National Highway,
No.8,Mahipalpur, New Delhi-110037.
- Lessee : Aspocomp Electronics India Private Ltd.
(hereinafter referred to as "ACI")
Nokia Telecom SEZ,SIPCOT,
Industrial Park Phase III, Sriperumbudur,
Tamilnadu-602105.
- Brief Description of Property : Piece of land demarcated on the site Master Plan Rev.107 s 01(21 August 2006) as Factory premises with total area admeasuring 22,477 square metres.
(hereinafter referred to as "premises")
- Government tax : Not indicated in the Agreement.
- ACI's Contractual Status : Sub-Lessee with right to develop the leasehold portion.

URS

Summary of Terms of Lease & Tenure

SIPCOT has granted a 99 year lease of 210.87 acres of land to Nokia in the SIPCOT Industrial Park Phase III, Chennai vide a registered Lease Deed dated 19 July 2005. The aforesaid lease deed purports to confer a right on Nokia to sub-lease specific portions of the Nokia SEZ Facility to third parties. The sub-lease arrangement between Nokia and ACI is consequent to the Letter of Approval dated 07/07/2006 issued by the Office of the Development Commissioner, Department of Commerce, Government of India under the provisions of the Special Economic Zones Act for the specific purpose of setting up a unit within the Nokia Telecom SEZ.

1. Grant of Sub-Lease & Consideration Clause

Under the Sub-Lease Agreement dated 10 January 2007, Nokia granted lease of 22477 sq. metres to ACI for period of 33 years from 10 January 2007 till 10 January 2040 subject to specific terms and conditions. The sub-lease is subject to the conditions stipulated in the Letter of Approval dated 07-07-2006. ACI can exercise a right of renewal for the premises with Nokia till 19 July 2103 on payment of an additional fee of Rupee One.

ACI was to pay Nokia towards consideration for lease of premises a Fee of EUR 176052 (one hundred seventy six thousands fifty two) within a period of 30 days from the date of the Sub-Lease Agreement. ACI is not entitled to refund of the sub-lease fee except in the manner provided for in the agreement. Calculation of the sub-lease fee is on a pro-rata basis of occupancy by ACI of relative and total footprint area within the Nokia SEZ Facilities.

Clause 1.3 reserves with Nokia the right to inspect the premises subject to 72 hours prior notice to satisfy itself if the premises is used in accordance with the terms and conditions of the Agreement and that there is no contravention of the terms of the Agreement. Nokia reserved the right to grant easementary rights or impose restrictions which do not interfere with ACI's use of the premises.

URS

2. Adherence to Lease Documents Clause

Clause 2 states that the Sub-Lease Agreement between Nokia and ACI is subject to the lease documents between Sipcot and Nokia. ACI is deemed to have notice of the lease documents and it has undertaken not to contravene any of the provisions of the lease documents. Both Nokia and ACI have undertaken to indemnify each other in the event of either Nokia or ACI causing any injury ,loss or damage to the other contracting party and such injury, loss or damage arising out of breach of any terms and conditions of either the Lease Agreement between SIPCOT and Nokia or the Sub-Lease Agreement between Nokia and ACI.

3. Covenants by Nokia

Nokia states that further to its Lease Agreement with SIPCOT it has absolute right, power and authority to deal with the premises. Nokia declares that it has not entered into any MOU/LOI/Agreement/Transactions with any third party with respect to the premises which is subject matter of the Sub-Lease Agreement with ACI. Nokia further confirms that there is no pending or threatened litigation which would affect rights of ACI.

Nokia undertakes to ensure that ACI has peaceful and quiet enjoyment of the premises, common use areas and additional facilities. Nokia also undertakes to sign applications, no objection certificates or any documents prescribed by the statutory or government authorities for ACI to use the premises and for ACI to avail the exemption /benefits provided by the Central or State Governments.

Nokia further undertakes to comply with all the laws regulations ,orders or decisions of the government or statutory authority to safeguard the business operations of ACI. Nokia undertakes that ACI will be liable to pay Nokia the costs ,charges, expenses and fees only as contemplated in the Sub-Lease Agreement.

4. Improvements to the Premises

ACI's right to construct any building or structure within the premises is subject to the following conditions. ACI would be responsible for obtaining all requisite sanctions, approvals, clearance and permissions for construction of the building or erection of any

URS

structure in the Premises and shall conform to all statutory regulations and conditions stipulated in the Lease Document..

ACI would have to ensure that its constructions conform to the building plans ,norms, guidelines specified by Nokia, Sipcot and the local body. ACI would have to get the building plan approved by Nokia prior to seeking the approval of the Appropriate Authority. ACI has to follow Nokia's directions and make its own independent Arrangements for Rainwater harvesting.

Costs and expenses for construction of improvements or erection of any structure would have to be borne by ACI. All expenses pertaining to materials ,machines and labour to be borne by ACI .

ACI would have to comply with all statutory obligations and liabilities regarding it staff and employees. ACI is bound to adhere to time schedules. Improvements to premises would remain the property of ACI but cannot be altered or removed from the premises after expiry or termination of the lease.

5. Use of premises & Covenants of the Sub-Lessee

ACI is permitted to use the premises for the purpose as agreed between ACI and Nokia in the Sub-Lease Agreement and for the operations authorized by the Letter of Authority issued by the Office of the Development Commissioner, Department of Commerce, Ministry of Commerce, Government of India.

ACI is permitted to use the Premises strictly in accordance with the consent granted by the Ministry of Environment and the Pollution Control Board and would have to obtain the requisite approvals/licenses/permits for permitted use at their own cost..

ACI is obliged to comply with all laws, ordinance, rules and statutes in using the premises. ACI is also obliged to comply with rules and regulations as mutually agreed in writing with Nokia.

URS

ACI is obliged to maintain the premises in a neat and orderly manner and no property of ACI is to be stored outside the premises except as approved by Nokia and subject to the storage conditions stipulated by Nokia. ACI is permitted to display their signboard.

ACI is not to cause any damage to the premises or dig wells or drainage without prior approval of Nokia. ACI is permitted to store and dispose waste at its own cost without nuisance to Nokia or other units.

6. No-Lien Clause

ACI would have no right to create mortgage, lien, charge or encumber Nokia SEZ Facility. However, ACI would have the right to mortgage the improvements it carries out in the premises with the prior written intimation to Nokia. The right of ACI to mortgage would not extend to creating multiple mortgages with respect to Improvements. On termination of the Sub-Lease Agreement, ACI would have to settle outstandings and release the mortgage.

On ACI's failure to release the mortgage, Nokia or any third party designated by it will have the right to redeem such mortgage and become the legal and beneficial owner of the improvements. In the event of cost of redemption exceeding the cost of Improvements, ACI would be obliged to pay the difference to Nokia or the third party. ACI is obliged to discharge any claim against premises or improvements failing which Nokia shall be at liberty to do the same and charge the same towards additional Sub-Lease Fee. Details of any acknowledgement of any claim or charges received by ACI is to be intimated to Nokia immediately.

7. Access to SEZ, Premises & Common Use Areas

Nokia reserves the right to control the access to the Nokia SEZ facilities and would permit free access to staff, employees, agents or visitors of ACI. Nokia would create park infrastructure and facilities as detailed in Annexure A of the Sub-Lease Agreement and ACI would pay Nokia for the same on a prorata basis.

URS

8. Infrastructure Costs Clause

Nokia having incurred costs towards provision of infrastructure ,ACI would have to pay Nokia EUR 1099253.25% payable by the end of 4th quarter in the calendar year 2006. 25% would be payable by end of quarters 1,2 and 3 in the calendar year 2007.As regards the schedule of payments, it is open to Nokia and ACI to agree mutually on a schedule of payments. However ACI is liable to pay the entire sum before commercial production commences.

ACI is further obliged to contribute pro-rata for any ongoing infrastructural costs as contemplated by the Sub-Lease Agreement. ACI is not entitled to any refund of any of the infrastructural costs for any reason whatsoever.

9. Operating Resources and Costs

The Agreement stipulates that ACI would have to bear the actual costs of operating resources for shared services development purposes and Additional Facilities as agreed by both Nokia and ACI. Nokia would negotiate with service providers on behalf of ACI and would as the developer plan and build the actual distribution infrastructure.

10. Hazardous Materials

ACI would require the prior written consent of Nokia if it intends dealing with Hazardous Materials in the premises. On receiving consent ,if the hazardous materials results in injury or contamination to person or property, ACI is liable to restore premises to its original condition. In the event of any immediate remedial response required ,Nokia's prior consent would not be necessary.

ACI would be liable to meet the costs of cleaning up and returning the premises to its original condition in the event of ACI committing any breach of the terms. ACI is liable to indemnify Nokia in the event of any loss liability or damage arising out of dealing in Hazardous Materials in the premises.

ues

11. Taxes

All taxes ,fees, charges ,duties and claims with respect to the premises under lease to ACI is to be borne by ACI. However, taxes pertaining to the Nokia SEZ Facilities would be borne exclusively by Nokia.

12. Indemnity & Limitation of Liability

Either Party will have to indemnify and hold the other party harmless from all claims, damages or causes of action for damages claims regarding the failure to comply with the obligations under the Sub-Lease Agreement or Letter of Approval dated 7 July 2006 issued by the Office of the Development Commissioner, Department of Commerce, Ministry of Commerce, Government of India.

In the use of the premises ,neither of the parties are liable to each other in the event of injury or damage to party or person for the reasons of failure to furnish any utility or facility or interruption of the same which is otherwise not caused by or attributable to the other party or by factors beyond the control of the contracting parties or by criminal acts of third parties..

13. Termination

Nokia has granted this lease subject to the terms of the Sub-lease and the understanding that ACI will supply its products to Nokia. However, in the event of fundamental alteration in the business relationship, both ACI and Nokia would decide on appropriate exit conditions. Neither of the contracting parties are entitled to terminate the Sub-Lease Agreement within five years from the date of the Agreement. In the event of the SEZ authority withdrawing or cancelling the Letter of Authority ,the Sub-Lease Agreement would stand automatically terminated.

URS

ACI'S Right to terminate

ACI has the right to terminate this Sub-Lease by giving 180 days notice of termination in writing to Nokia for any breach committed by Nokia of any of the terms and conditions and the same not being rectified within 60 days of the written notice.

Nokia's Right to terminate the Sub-Lease

Nokia has the right to terminate the Sub-Lease by giving 180 days notice in writing to ACI on the winding-up of ACI or acquisition of ACI by a competitor of Nokia or by a material breach of the Sub-Lease Agreement which is not rectified by ACI after the 60 day written notice.

14. Stamp duty

ACI has paid the stamp duty prescribed by the Stamp Act for registering the Sub-Lease Agreement.

15. Miscellaneous Provisions

ACI has no right to assign or further sublease the premises to any other person than its affiliate companies. Both parties are obliged to maintain the confidentiality of the terms and conditions of the Sub-Lease Agreement. Time is deemed to be the essence of the Sub-Lease Agreement. Failure of either party to enforce any provision of the Agreement would not constitute a waiver. Invalidity of a provision shall not affect the Agreement.

16. Conduct of the Parties on Termination

Annexure B deals with the conduct of the parties on termination of the Sub-Lease Agreement. On termination of the sub-lease, ACI is obliged to handover vacant possession of the premises to Nokia within an agreed period of time. Clause (ii)

WRS

specifically excludes Nokia from incurring any liability in the event of termination of the Sub-Lease Agreement. In the event of Nokia granting a fresh sub-lease to a third party ,Nokia is obliged to refund to ACI an amount equivalent to the book value of the Sub-Lease fee of the premises as indicated in the books of accounts of ACI within 30 days of execution of the fresh sub-lease or within 30 days of receipt of the fresh sub-lease fee whichever is later.

Nokia further reserves vide clause (v) the right to facilitate the purchase of the improvements by an third party at a value negotiated between such third party and ACI. In the event of ACI and the third party not being able to arrive on the value of the improvements ,then the value would be determined by an independent valuer appointed jointly by Nokia and ACI. Clause (vi) further provides that ACI reserves the right to receive in addition to the aforesaid amount, the infrastructure costs as reflected in the books of accounts of ACI. ACI is liable to pay all charges to Nokia towards Maintenance and Additional Facilities from the date of termination till the date of sale of the improvements.

17. Letter of Approval

The Sub-Lease Agreement between Nokia and ACI is consequent to the Letter of Approval dated 07/07/2006 issued by the Office of the Development Commissioner, Department of Commerce, Government of India under the provisions of the Special Economic Zones Act for the specific purpose of setting up a unit within the Nokia Telecom SEZ.

The Letter of Approval granted to ACI is for the specific purpose of manufacturing printed circuit boards. The Letter of Approval stipulates specific terms and conditions. These terms and conditions include certain export obligations on commencement of production.

Subsequently on ACI's request for extension of the validity period of the LOA, the Office of the Development Commissioner had extended the period from 07-07-2008.

URS

There is no document furnished to us indicating that the letter of approval has been withdrawn or cancelled. The Letter of Authority has however no legal force. In the event of the appropriate authority not cancelling or withdrawing the Letter of Approval, we are of the opinion that the Sub-lease between ACI and Nokia is subsisting and valid.

CONCLUSION

- i. We are of the opinion that the Sub-lease Agreement has been duly executed, registered and stamped in accordance with law.
- ii. We confirm that the Sub-lease between Nokia and ACI is valid, binding and enforceable on both parties.
- iii. We have perused the original Sub-Lease Agreement dated 10 January 2007 and confirm that the document is authentic.
- iv. The lease term granted is proper under the local law and regulations. The right of extension vested with ACI is also valid. However the same will be subject to the law in force at the time of extension.
- v. ACI's right is to build and use premises for the operation authorized under the Letter of Approval issued under the SEZ Act.
- vi. ACI's right to mortgage is a right limited to mortgaging the improvements in the premises. ACI has no independent right to dispose, transfer or assign the property.
- vii. Though the Sub-lease is subject to terms of the main lease arrangement between SIPCOT and Nokia, the relevant documents not being accessible, we can only indirectly gather from the other available existing documentation namely the SEZ

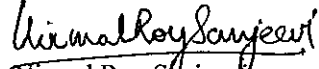
URS

J.M. Dharma Sanjeevi
Nirmal Roy Sanjeevi
Advocates

11

approval that Nokia has a right to lease the premises.

For M/s. J.M.Dharma Sanjeevi & Nirmal Roy Sanjeevi


Nirmal Roy Sanjeevi

Authorised Signatory & Advocate