

COBHAM ELECTRONIC SYSTEMS SIGINT INC.
TERMS AND CONDITIONS OF SALE
(Non U.S. Customers)
May 2011

1. ACCEPTANCE

Except as otherwise agreed to in writing between the purchasing party who issues the Order ("Buyer") and Cobham Electronic Systems SIGINT Inc. ("Seller"), the following sets forth all of the terms of the purchase and sale of Products, as hereinafter defined, between Seller and Buyer and supersedes all prior agreements, offers, representations and negotiations between them to the extent that they conflict or are in addition to the terms contained herein, this being intended as a final expression and complete and exclusive statement of the terms of the sale. Acceptance by Seller of Buyer's purchase order ("Order") is expressly made conditional on Buyer's assent to these terms and conditions. Acceptance by Buyer of the products described on Seller's acknowledgment or, if no acknowledgment is sent by Seller, delivered to Buyer ("Products") shall constitute acceptance of the terms hereof. These terms and conditions may not be varied except by a written agreement with legal consideration subsequently signed by an Officer of Seller.

2. WARRANTY - (Warranty clause does not apply to cost reimbursement Orders)

Seller warrants for a period of twelve (12) months from the date of original shipment that the Products will be free from defects in material and workmanship and will be in conformity with applicable specifications and drawings (the "Specifications"); provided, however, that this warranty shall not apply to any Product (i) which shall have been improperly altered, installed, or connected in any way, or abused or misused physically or electrically, (ii) on which the trademark shall have been defaced or obliterated, (iii) which has been reworked or repaired by any party other than the Seller without Seller's prior written authorization, or (iv) where the maintenance requirements of the Product or the instructions as to storage of the Product have not been complied with in all respects. Buyer shall request written return material authorization within the warranty period prior to the return of any nonconforming Products. If a Product is found not in conformance with this warranty, it will be covered by this warranty only if written authorization is requested within a period of twelve (12) months from the date of original shipment by Seller and the Product is received by Seller within this twelve (12) month warranty period or within thirty (30) days of such written authorization. Authorization for return must be secured from Seller and will not commit Seller to the making of any repair or replacement hereunder. Requests for return authorization should list types and quantities of Products involved, the reason for the request, information concerning operating conditions involved, and the period of use. In addition, the Order number and, where possible, the original invoice number covering the original purchase of the Products involved must be shown. Returned Products must be shipped, transportation prepaid, by the most practical method of shipment. Shipping costs will be credited to the Buyer for all Products found to be subject to warranty adjustment. Excessive transportation costs will not be allowed. Seller can accept no billing for packing, inspection, labor charges or other incidental costs in connection with any Products returned. Unless otherwise requested by Buyer, returned Products found not subject to this warranty will be sent back to Buyer, transportation collect. In all cases, Seller's determination will be final.

With respect to Products found not in conformity with this warranty, the remedy will take the form, at Seller's option, of a replacement or repair of the defective or nonconforming Product. In the event that it is uneconomical to replace or repair warranted Products, Seller may, at its sole option, remit the dollar equivalent based upon the original Product sales price and said remittance will be calculated by applying the pro rata percentage of the unexpired warranty to the original Product sales price. **THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, OR THOSE ARISING FROM COURSE OF DEALING OR USAGE IN TRADE)). IN NO EVENT WILL SELLER BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING FROM BREACH OF THIS WARRANTY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITIES OF SUCH DAMAGES. THE FOREGOING CONSTITUTES BUYER'S SOLE REMEDY AND SELLER'S SOLE LIABILITY FOR NON-CONFORMING PRODUCT OR BREACH OF WARRANTY.** In the event of replacement pursuant to the foregoing warranty, such warranty shall apply to the replaced Product. In the event of repair pursuant to the foregoing warranty, the validity of the foregoing warranty will be twelve (12) months from the date of shipment of the repaired Product less the period of time between the date of original shipment and the date on which Seller received return of the Product for repair.

3. DELIVERY

- (a) Unless otherwise explicitly agreed upon in writing, seller's shipment terms are Ex Works per Incoterms 2000, at which time passage of title shall also occur.
- (b) Seller shall not be liable by reason of any delays in performance caused by war, fire, strikes, floods, earthquakes, accidents, Government priorities or regulations, delays in transportation, shortages of materials and/or supplies or any other causes beyond its reasonable control. If shipment of any Product is delayed at Buyer's request, Seller may invoice Buyer for such Product and risk of loss of such Product will pass to Buyer on the date that Seller is prepared to make shipment to Buyer.
- (c) Rescheduling of shipments shall be by mutual agreement. Notwithstanding the foregoing, the Seller's extensive line of products requires close coordination of the Buyer's requirements with the Seller's production schedules to avoid possible delays in shipment. Accordingly, the Seller reserves the right to ship in advance of the Seller acknowledged schedule date unless the Buyer is established as a "Just in Time" (JIT) account. Unless otherwise stated on the face hereof, Seller may ship all the goods furnished hereunder at one time, or in separate parts or lots from time to time within the shipping period herein provided. Claims that the Seller did not ship the total quantity of goods shown on the face hereof will be researched and reconciled with all due diligence.

4. PAYMENT

- (a) Payment shall be due and payable thirty (30) days from date of invoice. No discounts are allowed. Payment shall not be withheld on account of any claim by Buyer against Seller. Seller reserves the right, among other remedies, either to cancel the Order or suspend deliveries in the event Buyer fails to pay for any invoice or shipment when payment becomes due.
- (b) Any tax, duty, custom, or other fee of any nature imposed upon this transaction by any federal, state or local government authority shall be paid by the Buyer, in addition to the price quoted or invoiced. In the event Seller is required to prepay any such tax, duty, custom or other fee, Buyer will reimburse Seller therefor.
- (c) All payments are to be made in the agreed to currency appearing on the face of the Order. If made by check, the check must be drawn on a first rate bank situated in the country of the Seller. All banking charges, if any, are to be pre-paid by the Buyer.

5. CANCELLATION

- (a) In the event that either party defaults in any of the terms, conditions, obligations, undertakings, covenants, or liabilities set forth herein, the other party shall give the defaulting party written notice of such default. If the defaulting party does not diligently commence to remedy such default within sixty (60) days following receipt of written notice thereof, the party giving notice may cancel the Order by providing the defaulting party with a written notice of cancellation. In addition, either party may cancel the Order by providing written notice to the other party in the event the other party becomes insolvent, unable to meet its debts as they become due, files a petition for bankruptcy under any chapter of the bankruptcy laws in the country of the Buyer or Seller as applicable, enters into any arrangement or composition with creditors, or goes or is put into liquidation. Cancellation of the Order shall not relieve either party from its obligations hereunder which shall have accrued prior to such cancellation. Cancellation by Buyer of the Order pursuant to this article shall be Buyer's sole and exclusive remedy for any breach by Seller.
- (b) Orders accepted by Seller can only be canceled for Buyer's convenience to the extent its contract has been terminated by its customer and then by providing written notice at least thirty (30) days prior to the acknowledged ship date. In the event an Order is canceled for Buyer's convenience, Buyer will be liable for the sales price of all finished goods, plus the total cost of all work in process, all raw materials purchased for the Product, including long lead time and/or bulk material, a reasonable profit and any other commitment made by, or cost incurred by, the Seller for the specific purpose of complying with the Order. In no event will Buyer's liability under this section exceed the total value of the canceled portion of the Order.
- (c) Buyer agrees that for any cancellation or termination of the Order, it will provide payments to Seller for all Products and services already supplied, and for any non-recurring engineering already performed. Buyer additionally agrees to

return all Seller's confidential materials at cancellation or termination of the Order.

6. GOVERNING LAWS AND EXPORT CONTROL

- (a) Sale of the Product(s) shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, United States, without regard to principles of conflict of law nor the rules of the United Nations Convention on Contracts for the International Sale of Goods (CISG). Any action arising out or pertaining to this Order shall be initiated and maintained in a court of competent jurisdiction exclusively in the Commonwealth of Massachusetts, United States. Both parties agree to waive trial by jury. A waiver by Seller of any of these terms and conditions shall not be deemed to be a continuing waiver, but shall apply solely to the instance to which the waiver is directed. No action shall be brought for any breach by the Seller more than one (1) year after the occurrence of the cause of action therefore.

- (b) Buyer shall be bound by the same U.S. Government Export Controls to third party countries as are imposed upon Seller for sales originating in the U.S., or if not the U.S., the export controls the country of origin, specifically including but not limited to the requirements of the Arms Export Control Act, 22 U.S.C.2751-2794, the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq., and the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. The Order is subject to any applicable export approval as may be required by the U.S. Government or the country of origin as applicable. Without limiting the foregoing, both parties agree that they will not transfer any export controlled item, data, or services, to include transfer to any foreign persons, whether or not employed by or associated with, or under contract to them, without the authority of an export license, agreement, or applicable exemption or exception.

7. FORCE MAJEURE

In the event of strikes, natural disasters, war, civil unrest, other events outside the control of the Seller, as well as other force majeure cases commonly recognized under applicable law ("Force Majeure"), the Seller shall be released from performing its contractual duties under this Order to the extent that such Force Majeure is partially or wholly preventing the Seller from performing its contractual duties as performed prior to the Force Majeure incident or as performed in the normal course of business. In such an event, the Seller shall inform the Buyer about the nature of the Force Majeure incident and the expected duration of the incident. In no event shall the Seller be responsible or liable for any claim in connection with the non-performance or late performance of its contractual duties for the duration of a Force Majeure event. In the event the Force Majeure event lasts longer than 180 days, Seller has the right to terminate this Order for convenience.

8. TAXES AND IMPORT DUTIES

Except as expressly agreed to in writing by Buyer and Seller, any and all customs, duties, taxes or other fees in any form which may be charged or assessed with respect to the importation into any foreign country of any Product, documentation or information furnished or sold shall be for the account of and paid for by the Buyer.

9. PATENT INDEMNIFICATION

Subject to the provisions of Clause 15, Limitation of Liability, Seller shall defend, indemnify and hold harmless Buyer and its customer from any court awarded monetary damages (including reasonable expenses and attorney fees) arising from any suit or claim brought against Buyer or its customer, for infringement of any Patents, Copyrights, Intellectual Property, or other proprietary rights arising solely from Buyer's use or sale of the specific items supplied by Seller under this Order, provided that:

- (a) Seller shall have sole control of the defense and settlement thereof;
- (b) the liability claimed shall have arisen solely because of Seller's selection as to the design, composition or manufacture of said items;
- (c) the liability claimed shall not have arisen due to Seller's compliance with Buyer's design or print, nor from Seller's compliance with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications, nor from modifications to the item arising after delivery, made by any other party than the Seller;
- (d) such items are used by Buyer in the form, state or conditions as delivered by Seller;
- (e) the liability claimed shall not have arisen due to use of such items for other than their intended application, nor due to use of such items in combination with any materials where such infringement or claim thereof would not have occurred, but for such combination;
- (f) Buyer shall be in full compliance with all the provisions of this Contract/order;
- (g) Buyer promptly informs Seller in writing of the existence of any matter Buyer asserts to be covered by this provision;
- (h) Buyer furnishes to Seller all information and assistance in connection therewith which may be reasonably requested by Seller from time-to-time; and
- (i) Buyer agrees not to make any prejudicial statements against Seller.

In the event the use of such items is enjoined, and in conjunction with the provisos above, Seller shall, at its option, either obtain for Buyer the right to continue using such items, or replace or modify such items so that they are non-infringing, or grant Buyer a credit for the purchase price of such Product. Seller shall not be liable to Buyer or its customer under this provision if any claim for infringement is based upon any of the provisos listed above. **IN NO EVENT WILL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM SUCH INFRINGEMENT, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.** This provision states the sole and exclusive remedy of Buyer and the entire liability of Seller with respect to infringement of any Patents, Copyrights, Intellectual Property, or other proprietary rights of any third parties.

10. DATA AND INTELLECTUAL PROPERTY RIGHTS

- (a) Any technical data or information which Seller discloses to Buyer is and shall remain proprietary to Seller and shall be protected by Buyer in the same manner as Buyer protects its own confidential information, but with no less than a reasonable degree of care. Buyer agrees not to disclose any such data to any third party, including its affiliates, nor to reverse engineer, disassemble or decompile any tangible objects or software that embody Seller's confidential information, nor to develop second sources to manufacture any component or Product containing Seller's confidential information, nor use such confidential information for any purpose other than as intended by Seller.
- (b) Nothing shall be deemed to transfer to either party any right, title, or license of any kind in any of the other party's intellectual property, regardless if it's existing or background intellectual property or any future developments or modifications thereto. Any developments made by Buyer or its customer to Seller's intellectual property shall vest in Seller. Buyer's use of any Seller's intellectual property shall be limited to contract purposes.
- (c) Unless otherwise expressly set forth in writing by Seller, non-recurring engineering charges and all charges of a similar nature which may be billed to Buyer for work performed by Seller in connection with the sale of Products from Seller to Buyer (including but not limited to tooling charges, partial preparation charges, drawing or design charges, set-up or fit-up charges, and the like) represent only part of the cost thereof incurred by Seller. Buyer does not acquire any right, title or interest in, or license (either express or implied) to, any drawings, designs, inventions or intellectual property, or any tooling or other tangible property, by virtue of any such charges.

11. TEST DATA

Unless specifically noted hereon, qualification tests and any test data are not included in the selling price. Qualification tests may be performed by the Seller and test data supplied at the specific request and expense of the Buyer.

12. OBSOLESCENCE

In the event it becomes necessary to replace obsolete or unobtainable materials necessary to manufacture the deliverable items, it is agreed that an equitable price and schedule adjustment will be made to the Order. Such adjustment will include non-recurring and recurring costs, and any associated impact.

13. INSURANCE

The Buyer shall maintain for the performance of this Order workers compensation, commercial general liability (CGL), automobile liability (AL), third party bodily injury and property damage liability (including product liability) insurance with reasonable limits as is common in the industry. The Buyer shall provide the Seller thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of required insurance, provided however such notice shall not relieve

the Buyer of its obligations to maintain the required insurance. If requested, the Buyer shall provide the Seller with a "Certificate of Insurance" evidencing Buyer's compliance with these requirements. Buyer agrees, to the fullest extent permitted by applicable law, to indemnify and hold harmless Seller, its officers and employees, from and against any and all claims, liabilities, losses, costs, damages and expenses by reason of property damage or personal injury, including death, of whatsoever nature or kind, for any reason, arising out of or as a result of Buyer's activity or omissions under this Order, whether arising out of the actions or inactions of Buyer or of its employees. Additionally, Buyer shall indemnify Seller from any claims caused by its instructions, for damages caused to Seller while working on the Buyer's site and for third party claims for any unauthorized use of Seller's deliverable items.

14. DISPUTES

Buyer and Seller shall attempt in good faith to resolve any dispute or disagreement ("Dispute") arising from the Order promptly by negotiation between executive management of each party who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for administration of the Order. If any Dispute is not settled to the mutual satisfaction of Buyer and Seller, then it shall be settled at the option of either Party by any court of competent jurisdiction exclusively in the Commonwealth of Massachusetts, United States in accordance with the laws of the Commonwealth of Massachusetts, United States, without regard to principles of conflict of law nor the rules of the United Nations Convention on Contracts for the International Sale of Goods (CISG). .. Both parties agree to waive trial by jury.

15. LIMITATION OF LIABILITY

The aggregate cumulative total liability for which Seller is obligated to pay Buyer hereunder, which is Buyer's exclusive remedy and is in full satisfaction of all liability, whether for breach of warranty or contract, indemnifications herein, tort (including negligence), counterfeit parts, procurement, strict liability, or otherwise, shall be limited to Seller's acts or omissions which are both its fault and which directly caused the loss, and shall not exceed the payments made to Seller in connection with those Products purchased under the Order which gave rise to such liability, and in no event shall such liability exceed \$5 million. Buyer shall have the obligation to mitigate all damages. In no event shall Seller have any liability for any lost revenues, lost profits, lost contracts, lost business, loss of use, economic loss, downtime, liquidated, indirect, special, consequential, incidental, or punitive damages arising out of or in connection with the Order, even if Seller has been advised of the possibilities of such damages. All claims under law or in equity or otherwise, are limited by this Order.

16. ASSIGNMENT

This Order in connection hereto, shall not be assigned by either party without the written consent of the other party, which shall not be unreasonably withheld, delayed, or conditioned. Notwithstanding the above, Seller may assign this Order, without consent, in whole or in part for the purposes of corporate reconstruction, reorganization or analogous proceeding, or to (a) any affiliate or subsidiary or (b) a third party in the event of merger, recapitalization, conversion, consolidation, other business combination or sale of all or substantially all of the assets of Seller connected with this Order to such third

party, provided that in all cases of assignment the assignee effectively undertakes to perform all of the obligations of the assignor as though the assignee had been an original party to this Order.

17. SUPPLEMENTAL TERMS AND CONDITIONS RELATING TO DEFENSE CONTRACTS

If this Order is for the ultimate sale of Product for a Government Defense Contract, supplemental terms and conditions may apply, in which case they shall be set forth in a separate attachment to Seller's acknowledgement of the Order.