

Narda-MITEQ

DOMESTIC STANDARD CONDITIONS OF SALE

Unless otherwise agreed in writing, the following Standard Conditions of Sale shall apply to any Buyer's Order accepted by Narda-MITEQ (hereinafter "Seller"). The Buyer-Seller contract shall be formed when Buyer's Order is accepted by Seller.

1. PRICES.

Prices for all Seller supplied products (including Software as defined below) ("Products") and services are current as of the date of Seller's quotation (the "Quotation"), but are subject to change if Buyer requests changes or Delivery is delayed due to Buyer's delay in furnishing needed information. Prices are exclusive of all taxes, which for the purpose of these terms includes all taxes, assessments, import duties or other charges imposed by any government except for taxes based on Seller's net income, all of which shall be paid directly by Buyer. If for any reason Seller is required to pay taxes on behalf of the Buyer, the Buyer shall reimburse Seller upon invoice for any taxes which Seller pays.

2. ACCEPTANCE OF BUYER'S ORDER.

Seller's acceptance of Buyer's Order is expressly made conditional on Buyer's acceptance of these Domestic Standard Conditions of Sale, which are in lieu of any additional or different terms contained in Buyer's Order or other document of communication pertaining to Buyer's Order. Buyer's assent to the terms and conditions contained herein shall be conclusively presumed from Buyer's acceptance of all or any part of the Products or services or from any payment, whether in full or partial, by Buyer.

3. ORDER, TERMS OF PAYMENT & CONFIRMATION.

- A. Unless otherwise stated in the Quotation, payment terms are net thirty (30) days from date of invoice, with no discount for earlier payment.
- B. Orders are subject to Seller's written confirmation and approval by Seller's credit department.
- C. Payment terms are net thirty (30) calendar days from the date of the invoice.
- D. Invoices not paid when due are subject to a finance charge of one and one half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. If after default, this contract is placed with an attorney for collection, Buyer agrees to pay reasonable attorney's fees.

4. DELIVERY, ACCEPTANCE AND RISK OF LOSS.

- A. Unless otherwise stated in the Quotation, delivery shall occur ex-works (Incoterms 2010) on carrier's equipment at Seller's facility, ("Delivery").
- B. Acceptance shall occur upon Delivery and will be presumed unless Buyer demonstrates within fourteen (14) days thereafter that the Product does not conform to the warranty set forth herein. Buyer agrees to make inspection of the Products delivered hereunder immediately upon receipt thereof.
- C. Risk of loss shall pass to Buyer upon Delivery. Transportation shall be at Buyer's sole risk and expense, and any claims for loss or damage in transit shall be against the carrier only.

5. WARRANTY.

- A. Seller warrants its products to be free from defects in material and workmanship for a period of (a) three years for Standard Catalog Products including Amplifiers (b) two years for all SATCOM Products and (c) one year for all Non-Catalog Products including Integrated Assemblies. The designation of "Standard Catalog Products", "SATCOM Products", "Non-Catalog Products" and "Integrated Assemblies" will be determined by Seller. Seller's liability shall be limited to the repair or replacement of the defective item, at the Seller's sole option, provided: (1) Seller is promptly notified in writing upon the discovery of any defect; (2) Buyer assumes payment of all transportation charges; and (3) Any part/item alleged to be defective shall be returned to Seller at 435 Moreland Road, Hauppauge, NY 11788-3926 for inspection, properly packed and all expenses prepaid by Buyer.
- B. During the Warranty Period, if equipment fails to meet the foregoing warranties, Seller shall, at its option, correct the failure by: (1) repairing defective or damaged parts or equipment, or (2) making available any necessary repaired or replacement parts, or (3) by providing new or refurbished parts or new or refurbished equipment. Seller will be responsible for shipping charges incurred in returning repaired parts, replacement parts, or equipment to Buyer. All warranty work must be conducted during normal business hours at Seller's place of business. Any repaired or replacement parts or equipment

furnished hereunder shall be warranted for the remaining unexpired portion of the original Warranty Period of that part or equipment. The original Warranty Period shall not be extended, unless agreed to in writing by Seller. Where such failure cannot be corrected by Seller's commercially reasonable efforts, Seller will refund to Buyer the fees paid for the parts or equipment less depreciation.

- C. Seller's obligations under Paragraph B. shall not apply to any Equipment, or part thereof, which (i) has been modified or otherwise altered other than pursuant to Seller's written instructions or written approval or, (ii) is normally consumed in operation or, (iii) has a normal life inherently shorter than the warranty periods specified, or (iv) is not properly stored, installed, used, maintained or repaired, or (v) where modifications or repairs have been made by other than Seller, or their authorized agents, or, (vi) has been subjected to any other kind of misuse or detrimental exposure, or has been involved in an accident.
- D. The preceding paragraphs set forth the exclusive remedies for claims based upon defects in or nonconformity of the Equipment, whether the claim is in contract, warranty, tort (including negligence), strict liability or otherwise, and however instituted. Upon the expiration of the warranty period, all such liability shall terminate. The foregoing warranties are exclusive and in lieu of all other warranties, whether oral, written, expressed, implied or statutory. NO IMPLIED OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.

6. LIMITATIONS OF LIABILITY.

- A. THE TOTAL LIABILITY OF SELLER, INCLUDING ITS SUBCONTRACTORS OR SUPPLIERS, ON ANY AND ALL CLAIMS WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR INTELLECTUAL PROPERTY INFRINGEMENT) OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE PERFORMANCE OR NON-PERFORMANCE OF ANY AGREEMENT RESULTING HEREFROM OR FROM THE MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR, REPLACEMENT OR USE OF ANY EQUIPMENT OR THE FURNISHING OF ANY SERVICE, SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE EQUIPMENT OR SERVICE WHICH GIVES RISE TO THE CLAIM. EXCEPT AS TO TITLE ANY SUCH LIABILITY SHALL TERMINATE UPON THE EXPIRATION OF THE APPLICABLE WARRANTY PERIOD SPECIFIED IN THE ARTICLE ENTITLED "WARRANTY".

- B. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR INTELLECTUAL PROPERTY INFRINGEMENT) OR OTHERWISE, SHALL SELLER, OR ITS SUBCONTRACTORS OR SUPPLIERS, BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFIT OR REVENUES, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, FACILITIES, SERVICES OR REPLACEMENT POWER, DOWNTIME COSTS OR CLAIMS OF BUYERS CUSTOMERS FOR SUCH DAMAGES. IF BUYER TRANSFERS TITLE TO, OR LEASES THE EQUIPMENT SOLD HEREUNDER TO, OR OTHERWISE PERMITS OR SUFFERS USE BY, ANY THIRD PARTY, BUYER SHALL OBTAIN FROM SUCH THIRD PARTY A PROVISION AFFORDING SELLER AND ITS SUBCONTRACTORS AND SUPPLIERS THE PROTECTION OF THE PRECEDING SENTENCE.

7. INDEMNIFICATION.

- A. Buyer agrees to defend, indemnify and hold harmless Seller, its parent, subsidiaries and affiliates, and their respective directors, officers, employees and representatives, harmless from any claims, demands, liabilities, costs, expenses or judgments arising in whole or in part, directly or indirectly, out of the negligence by Buyer or Buyer's customers, agents, or employees involving the use of the Products or services supplied by Seller. This indemnification shall include all costs, attorney's fees and other expenses paid or incurred by or imposed upon Seller in connection with the defense of any such claim.
- B. Buyer agrees to notify Seller promptly in writing of any notice, suit or other action against Buyer based upon a claim that the Products or services delivered by Seller under this Order, infringe a U.S. patent, copyright, or trade secret of a third party. Seller will defend at its expense any such action, except as excluded below, and shall have full control of such defense, including all appeals and negotiations. Buyer will provide reasonable assistance to Seller in such defense. Seller will pay all settlement costs or damages awarded against Buyer, but Seller shall not be liable to Buyer for any indirect, consequential or incidental damages, including but not limited to, loss of profits.
- C. In the event of such notice, suit or action, Seller may at its option and at its expense procure for Buyer the right to continue using the Product or services or modify the Product or services to render such non-

infringing, or accept return of the Product and replace such with a substantially equivalent non-infringing Product, or accept return of the Product and refund or credit to Buyer the amount of the original purchase price, less a reasonable charge for depreciation and damage.

- D. The preceding agreements by Seller in this clause shall not apply (1) to any Product or portion thereof, manufactured to specifications furnished by or on behalf of Buyer; (2) to any infringement arising out of the use of the Product or services in combination with other equipment not furnished by Seller; (3) to use in a manner not normally intended; (4) to any patent, copyright, or trade secret in which Buyer, or subsidiary or affiliate thereof, has a direct or indirect interest; (5) if the claim arises out of compliance with an industry standard (6) if Buyer did not provide Seller with prompt notice, authority, information and assistance necessary to defend the action; (7) if any supply to be furnished under this Order is to be delivered to the United States Government, unless Buyer's contract with the Government for the product obligates Buyer to provide indemnification to the Government for intellectual property rights infringement, but in that event, only to the same extent as Buyer's obligation. The foregoing states the entire liability of Seller for patent, copyright, trademark and trade secret infringements by the Products or services delivered by Seller under this Order.

8. EXCUSABLE DELAYS.

Seller shall not be liable for delays in delivery or performance or for failure to manufacture or deliver or perform due to (i) causes beyond its reasonable control, or (ii) acts of God, acts of Buyer, acts of civil or military authority, governmental priorities, strikes or other labor disturbances, floods, epidemics, war, riot, delays in transportation or car shortages, or (iii) inability on account of causes beyond the reasonable control of Seller or its suppliers to obtain necessary materials, components, services, or facilities. In the event of any such delay, the date of delivery or of performance shall be extended for a period equal to the time lost by reason of the delay.

9. SECURITY TITLE.

Security title and right of possession without legal process of the Equipment sold hereunder shall remain with the Seller until all payments hereunder (including deferred payments whether evidenced by note or otherwise) shall have been made in cash, and the Buyer agrees to do all acts necessary to perfect and maintain such right and security title in the Seller. It is the intention of the parties that the Equipment delivered hereunder shall remain personal property until all payments have been made in full.

10. CHANGES.

Buyer may at any time request changes to the order within the general scope of work called for. If such changes cause an increase or decrease in the price of the Product, Buyer shall be notified to this effect, and Seller shall not be obligated to proceed with such changes until it receives a written change order, and agrees in writing to accept such change. Seller shall also be entitled to an extension of the delivery schedule as a result of such change(s).

11. CANCELLATION CHARGES.

- A. Orders accepted by Seller are subject to cancellation by Buyer only upon the express written consent of Seller. Upon such cancellation and consent, Seller shall cease work and hold for Buyer all completed and partially completed Products and work in progress and Buyer shall pay Seller for all work and materials that have been committed to and/or identified to Buyer's Order plus a cancellation charge as prescribed by Seller, in addition to a reasonable profit to Seller.

12. OBSOLESCENCE OF PARTS.

While Seller intends to provide parts in accordance with original design requirements, Seller reserves the right to make part substitutions provided the substituted part has the same form, fit and function as the item it replaces.

13. CONFIDENTIAL INFORMATION.

Buyer acknowledges that all drawings, diagrams, specifications, devices, information, documents and other materials (except as established to be in the public domain) furnished by Seller and identified as "Confidential" or "Proprietary Information", including but not limited to manuals provided by Seller ("Confidential Information"), contain valuable proprietary information or trade secrets developed at great expense by Seller. Buyer agrees to hold Confidential Information in confidence, and not to use, reproduce, distribute, or make available Confidential Information except to Buyer's employees (and agents who agree to these terms) who may use it as part of their duties. Buyer agrees to report promptly to Seller any unauthorized disclosure of any Confidential Information.

14. SOFTWARE LICENSE.

As part of this transaction, computer software, firmware and associated documentation ("Software") may be delivered in printed or machine -readable form. Under this Agreement, Buyer is granted a non-exclusive, non-transferable, royalty-free license to use Software solely on the Product designated in the Quotation in the normal course of Buyer's business, and for no other purpose or business; no source code will be supplied. All right, title and interest in intellectual property and associated

intellectual property rights in any data, documentation, or software delivered under this Agreement or embedded in Products delivered, and any derivatives thereof are exclusively vested in and shall remain with Seller, and their structure, organization and code are the valuable trade secrets of Seller. Software is agreed to contain, and shall be treated as, Confidential Information. Buyer shall maintain all copyright, proprietary and other notices on Software, and shall not modify, adapt, translate, decompile, disassemble or reverse engineer or otherwise attempt to discover the source code or object code of any delivered Products or software unless such restriction is deemed a violation of the law (All information necessary to achieve interoperability with independent computer programs is available from Seller in accord with applicable provisions of the U.S. and other government directives concerning software interoperability). The Buyer shall not cause any copyright, identification labels or legal notices contained with the Products, software, or data to be modified, removed, suppressed, or in any other way made inconspicuous. The Buyer shall make only a single copy of the software for use only as a backup and shall label the copy of the software with the copyright, trademark and proprietary notices in the same form which appear in or on the software and related materials delivered to Buyer by Seller. All delivered software, documentation, and design information shall be considered Confidential Information of Seller and shall not be disclosed by Buyer to a third party, except as expressly permitted by this Agreement, or as approved in writing by Seller. No markings, of any kind, shall be removed from any delivered Products, software, documentation, packaging, or media. Buyer acknowledges and agrees that any violation of this Software License clause will amount to irreparable harm to Seller and Seller will be entitled, in addition to any other rights and remedies it may have at law or in equity, to injunctive relief without the necessity of posting bond. Buyer shall be responsible for indemnifying Seller for any cost incurred by Seller to prevent such injury. Buyer may not rent, lease, transfer, network, display, or distribute the Software. Buyer may install copies of the software solely as needed to make use of these license rights. The terms and conditions of the licenses granted by this Agreement will apply to any and all upgrades, enhancements, updates and modified versions of the Software that may be provided by Seller to the Buyer. No other licenses to the Software are granted to the Buyer or any third-party. If Buyer sells or otherwise disposes of Buyer-owned media on which any Software is fixed, such media must be erased before any sale or disposal. Seller is under no obligation to supply updates to the software except where expressly agreed to by the parties in writing.

15. GENERAL.

- A. Buyer shall be responsible for the timely obtaining of and payment for any license, permit or other governmental authorization required in connection with this transaction, including but not limited to any export or import license, exchange permit, or the like, even if any such authorization is applied for by Seller. Buyer and Seller shall provide reasonable assistance to each other in securing such authorizations. Seller shall not be liable and Buyer shall not be relieved of its obligations hereunder if any such authorization is delayed, denied, revoked, restricted or not renewed. Buyer represents and agrees that it will deal with all items purchased hereunder and all technical data and technology relating thereto in conformity with all applicable laws and regulations of the U.S., including the U.S. Foreign Corrupt Practices Act and all U.S. export licensing laws. Buyer agrees that it shall not trans-ship, divert, re-export or otherwise dispose of any U.S.-origin goods or technology obtained from Seller except as said laws and regulations may expressly permit.
- B. The provisions of these conditions of sale are for the benefit of the parties hereto and not for any other person. The delegation or assignment by Buyer of any or all of its duties or rights hereunder without Seller's prior written consent shall be void.
- C. Each Party will comply with applicable federal, state and local laws and regulations as of the date of Seller's acceptance of Buyer's Order which relate to equal employment opportunity (including applicable provisions of Executive Order 11246, as amended), workmen's compensation, and the manufacture in Seller's facilities of the Products delivered hereunder (including applicable provisions of the Fair Labor Standards Act of 1938, as amended). The price and, if necessary, delivery of any Equipment will be equitably adjusted to compensate Seller for the cost of compliance with laws or regulations except as specified above.
- D. Upon execution, this contract shall be governed and construed in accordance with the laws of the State of Florida without reference to its conflict of laws provisions or the UN Convention for the International Sale of Goods. Buyer and Seller specifically agree that any controversy, claim, or action relating to the relationship between the parties, this contract, or the Products or services purchased or licensed hereunder, shall be brought and tried in Florida. All objections to venue are hereby waived by Buyer, and Buyer consents to service or process by certified mail or courier service addressed to the Buyer address on the front of the Quotation. The parties hereby waive trial by jury with respect to any dispute relating to this contract. Any failure of either party to require performance by the other party of any obligation shall

not affect said party's full right to require such performance at any other time. The waiver by any party of any remedy for breach of any provision hereof shall not be taken as a waiver of any remedy with respect to any other breach of such provision or any other provision. Each provision of this contract shall be treated as separate and independent, and the unenforceability of any one provision shall not impair the enforceability of any other. To the extent any provision is held to be excessively broad or unenforceable, it shall be construed by limiting and reducing it to be enforceable to the full extent possible. These Domestic Standard Conditions of Sale constitute the entire understanding between Buyer and Seller concerning the subject hereof, and any representation, promise, understanding, proposal, agreement, warranty, course of dealing or trade usage not expressly contained or referenced herein shall not be binding on Seller. No modification,

amendment, rescission, waiver or other change shall be binding on Seller unless assented to in writing by Seller.

- E. SELLER DOES NOT ASSUME ANY OBLIGATIONS OR LIABILITIES IN CONNECTION WITH THE SALE OF ITS PRODUCTS OTHER THAN THOSE EXPRESSLY STATED IN THIS INSTRUMENT AND DOES NOT AUTHORIZE ANY PERSON (INCLUDING SELLER'S MANUFACTURER'S REPRESENTATIVES AND SALES AGENTS) TO ASSUME FOR SELLER ANY OTHER OBLIGATIONS OR LIABILITIES.