

DRS Tactical Systems, Inc. Terms and Conditions of Sale ARMOR Products

All quotations and sales by DRS Tactical Systems, Inc. ("DRS") for the sale of ARMOR products are subject to these terms and conditions. These terms and conditions (hereinafter, this "Agreement") apply to any Buyer purchase orders ("Order(s)") for computer systems and/or related products and/or services and support ("Product(s)") provided by DRS. By accepting delivery of any Product and/or making any payment to DRS for any Product, the Buyer unconditionally and irrevocably accepts the terms and conditions of this Agreement

1 Acceptance of Order – Entire Agreement – Modification

This Order is for the purchase and sale of the Products described on the face of the Order strictly upon the terms and conditions set forth herein, which shall be attached to and become a part of any Order issued to DRS by Buyer. DRS hereby objects to any terms and conditions proposed by Buyer in the Order that are inconsistent with or in addition to this Agreement, and any such unilateral Buyer terms and conditions shall be treated as proposals for addition to the Order and shall be void and of no effect unless and until specifically agreed to in writing by DRS. The return of the Order acknowledgment copy by DRS, commencement of performance, or acceptance of any payment under the Order shall not constitute acceptance of any terms and conditions proposed by Buyer. These terms and conditions constitute the entire agreement and understanding between the Buyer and DRS relative to the Order and no change to or modification of this Agreement shall be binding upon DRS unless in writing and signed by a duly authorized representative of DRS.

2 Payments

All payments under Orders placed pursuant to this Agreement shall be made in U.S. dollars and shall be due net 30 calendar days after the date of the invoice unless otherwise mutually agreed. No discounts, set-offs or offsets are authorized. Each shipment shall be separately invoiced and paid when due without regard to other shipments. If Buyer does not make payment in accordance with the terms of the payment specified, DRS may, at its option, (a) cancel the Order, or (b) suspend or refuse to perform any further work under the Order unless Buyer immediately pays for all products/services that have been delivered and pay in advance for all products/services to be delivered. Any remedies hereunder shall be in addition to any remedies available at law or in equity.

3 Taxes

A. Domestic Taxes - All prices are exclusive of federal, state, or local sales, use, excise, and similar taxes of the U.S. Government or any political subdivision thereof applicable to the sale or to the products/services sold. Any such taxes will be separately itemized on DRS invoices and paid by Buyer, whether or not such taxes are presently or hereafter applicable, assessed or arising out of this transaction, and, without limitation of the foregoing, whether in the nature of a gross receipts, property, excise, sales or use tax imposed upon the Buyer, DRS, or the products/services. Unless the Buyer provides DRS with a valid and correct tax exemption certificate applicable to Buyer's purchase of Product and the Product ship-to location, Buyer is responsible for sales and other taxes associated with the order.

B. Foreign Taxes and Duties - The prices contained herein do not include any foreign taxes and/or import/export duties applicable to the products/services to be furnished hereunder. All such foreign taxes and import/export duties shall be paid for by the Buyer.

4 Shipping/F.O.B. Origin

Shipment of the products shall be FOB origin (DRS facilities). All required shipping costs, insurance, export/import duties, taxes (foreign and domestic) and any other related costs and risks consistent with the

designated shipping method shall be borne by the Buyer for delivery of the products to Buyer's chosen destination. Packaging of the products is included in the price quoted for delivery and shall be in accordance with the standard commercial practices of DRS.

In the absence of prior agreement as to shipping, DRS may select a carrier. DRS responsibilities for any loss or damage ends and title passes, when products are delivered to carrier, to Buyer, or to Buyer's agent (including, without limitation, any test house or value added service provider), whichever occurs first.

5 Force Majeure

DRS shall be excused from and shall not be liable to the Buyer for any failure to perform or delay in performing this Order by reason of causes beyond its control and not occasioned by its fault or negligence "Force Majeure" (excusable delay), including but not being limited to, acts of God or the public enemy; civil wars, insurrections or riots, fires, floods, explosions, earthquakes or other catastrophes or serious accidents; epidemics, plagues or quarantine restrictions; any action or inaction of government, governmental authorities acting in either an executive or sovereign capacity, and allocation regulations, foreign exchange control regulations, or import and export regulations affecting materials or facilities due to any of the foregoing causes. Force Majeure causes shall not affect the rights or obligations of the parties under this Agreement unless the cause for the delay by its nature affects an Order placed pursuant to this Agreement. Upon the occurrence of a Force Majeure event, DRS will notify the Buyer of the delay and the cause. DRS shall not be liable to Buyer or its customers for damages as a result of Force Majeure.

The Buyer agrees to provide DRS with an equitable adjustment commensurate with the impact of the Force Majeure. Specifically, DRS shall have the option to (a) obtain a schedule adjustment, (b) obtain a schedule and price adjustment as mutually agreed in writing by both Buyer and DRS, or (c) terminate the Order, depending upon the nature and duration of the delay.

6 Warranty

DRS warrants Products assembled or customized by it against defects caused solely by faulty assembly or customization for three (3) years after delivery. All other products, components and materials utilized in any assembled or customized products, are covered by, and subject to, the terms, conditions, and limitations of our standard warranty, which warranty is expressly in lieu of any other warranty, express or implied, of or by DRS or the manufacturer. Buyer's exclusive remedy, if any, under these warranties is limited, at the election and expense of DRS, to either (a) refund of Buyer's purchase price, less a 25% re-stocking fee, (b) repair by DRS or the manufacturer of any Products found to be defective, or (c) replacement of any such defective Product. Use of the Buyer's part number on any Order is for convenience only and does not constitute any representation by DRS with respect to the performance, specifications, or fitness of any part for any purpose.

The Products are not designed, tested, certified or warranted for use in high risk applications including, but not limited to, the operation of nuclear facilities, aircraft navigation or air traffic control systems, communications systems in which a failure could cause death or serious injury or property damage, especially emergency or 911 communications systems, medical systems, life support, weapons systems or any other potentially life critical uses. Buyer understands and agrees that DRS makes no assurances that the Products are suitable for any such high risk applications. The Buyer shall indemnify, defend, and hold DRS harmless for any use of the Products in any such high risk applications. As between DRS and Buyer, Buyer is responsible for the design and implementation of configurations, systems and networks suitable for the risks involved in the Buyer's applications and operating environments.

DRS does not warrant that the Products will be error-free or meet the Buyer's requirements. This warranty does not cover damage due to external causes, including accident, abuse, misuse, neglect, improper storage, problems with electrical power, service (including installation or de-installation) not performed or authorized by DRS, usage not in accordance with product instructions, normal wear and tear, and problems caused by incorporating or using parts and components not approved by DRS. The warranty does not cover any non-DRS software or anything added or modified after shipment by DRS. Warranty service and technical support may be discontinued by DRS for nonpayment. Overdue invoice balances shall suspend DRS's warranty obligations. EXCEPT AS SPECIFICALLY STATED IN THIS SECTION 6, DRS DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE PRODUCT, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR TRADE USAGE.

7 Limitation of Liability

DRS does not accept liability beyond the remedies set forth herein, including but not limited to any liability for Product not being available for use, lost profits, loss of business or for lost or corrupted data or software, or the provision of services and support. In no event shall DRS be liable to Buyer or its customers for any consequential, special, indirect, incidental or punitive damages, even in advised of the possibility of such damages, or for any claim by a third party. Buyer agrees that for any liability related to the purchase of Product, DRS is not liable or responsible for any amount of damages above the amount paid for the applicable Product. Notwithstanding anything in this Agreement to the contrary, the remedies set forth in this Agreement shall apply even if such remedies fail their essential purpose.

8 Software and Product Specification

8.1 Software.

DRS may distribute Software, including Software licensed by Microsoft Corporation, with the Products. All Software distributed with the Products is subject to the license agreement shipped with the Software. Buyer agrees that they are bound by, and will abide by, all Software licensing agreements if and when: (a) for preloaded Software, the Products are first used; or (b) for Software delivered with the Products, the Software packaging is opened or the seal on the Software package is broken. Any warranty provided on Software is provided by the licensor and may vary.

8.2 Product Specification.

The Products have been tested and certified to meet their stated specifications as documented in the applicable product sheet. Current specifications for standard product are available on the DRS Tactical Systems, Inc. website.

9 Cancellation of Order

No Order may be cancelled, rescheduled or reconfigured by the Buyer without prior written authorization by DRS and, in such event, Buyer will be liable to DRS for any additional costs and expenses incurred by DRS.

10 Acceptance of Product/Delivery

Products are deemed accepted by Buyer unless Buyer notifies DRS in writing within 30 days of delivery of product shortages, damage or defect. No returns may be made for any reason without a Return Authorization Form issued by DRS. If Buyer refuses to accept tender or delivery of any Products or returns any Products without authorization from DRS such Products will be held by DRS awaiting Buyer's instruction for 20 days after which DRS may deem the Products abandoned and dispose of them as it sees fit, without crediting Buyer's account or incurring any liability to Buyer.

11 Governing Law and Regulations

The applicable laws governing this Agreement and any Order issued hereunder shall be in accordance with the laws of the State of Florida, excluding its conflict of laws principles, and United States federal laws including its provision of the Uniform Commercial Code (UCC) and in accordance with any required U.S. regulations concerning the export of products, but specifically excluding the provisions of the 1980 U.N. Convention for the International Sale of Goods.

12 Dispute Resolution

All disputes and claims relating to this Agreement, the rights and obligations of the Parties under this Agreement, and/or any claims or causes of action relating to the performance of either Party, shall first be referred for resolution to the respective Party's executive management. If such persons cannot resolve such matter within thirty (30) calendar days of commencing good faith negotiations, then the Parties may agree to jointly participate in alternate dispute resolution or either Party may file suit in the United States in a court of competent jurisdiction. Notwithstanding, either Party may immediately seek injunctive relief in a court of competent jurisdiction against improper use, disclosure, or threatened improper use or disclosure of proprietary information.

13 Product Returns

Returns of any type must be approved by Seller in writing and all return documentation must contain Seller's Return Material Authorization ("RMA") identification number. Returned shipments not approved by Seller or not properly identified will be refused by Seller. The request for return must include the serial number and full identification of the products to be returned and a detailed description as to the nature of defect or problem. Proper handling procedures must be used in the packing and shipping of all returned products. Products must be returned in the same or equivalent container in which they were shipped with the RMA Number clearly visible on the package. Buyer retains title to products returned for repair.

14 Export Compliance

The Buyer shall not, directly or indirectly, export, re-export, transfer, furnish, or transship Products in violation of any applicable export control laws and regulations of any country having jurisdiction over the Products or the parties to this Agreement ("Export Laws"), including without limitation, the U.S. Export Administration Regulations, the Enhanced Proliferation Control Initiative (EPCI) Regulations, the Foreign Asset Control Regulations and any economic sanctions imposed by the United States Government upon any foreign country. Buyer represents and warrants that the Products will not be destined for a prohibited chemical, biological or nuclear weapons or missile use. Buyer agrees, at Buyer's own expense, to comply with all applicable Export Laws and will, in accordance with the indemnification provisions



of this Agreement, indemnify, defend and hold DRS harmless from any claim against DRS due to Buyer's violation or alleged violation of any Export Laws. Should the United States Government fail to approve an export license required for the Product or subsequently cancel such license, the parties shall meet to examine the practicality of a solution to meet the original intent of the transaction.

15 Trademarks; Trade Names

Buyer agrees that it will not use in any way DRS's trademarks and trade names, and it will not publish, or cause to be published any statement, or encourage or approve any advertising or practice, which may be detrimental to the good name, trademarks, goodwill or reputation of DRS or the Products. Buyer agrees to change or withdraw, at the Buyer's own expense, any material or activity that DRS decides is inaccurate, objectionable or misleading or a misuse of the DRS name, trademarks, service marks, or DRS logos. Buyer is prohibited from stating or implying that the Buyer and DRS are partners, creating the impression that DRS is affiliated with the Buyer or has sponsored, authorized, approved or endorsed the Buyer's business, or any offer or any marketing, advertising or promotion thereof. Buyer may not register or use any domain name or business name containing any confusingly similar name or mark to any DRS name or mark.