



L-3 Communications ASA Limited

Purchase Terms & Conditions

Interpretation

1.1. In these Conditions:

Conditions mean these Conditions and any additional Conditions stated on the front of the Order.

Contract means the Order and the Seller's acceptance of the Order.

Counterfeit Item means an item that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a supplier in the supply chain.

Franchised Distributor means a distributor with whom the OCM or OEM has a contractual agreement to buy, stock, re-package, sell and distribute its product lines.

Goods means the Goods (including any part(s) thereof) defined in the Order.

Independent Distributor (Broker) means a non-franchised distributor that purchases parts with the intention to resell them.

OCM means Original component manufacturer.

OEM means Original equipment manufacturer.

Order means this L-3 Purchase Order incorporating these Conditions.

L-3 means L-3 Communications ASA Limited.

Price means the total Price of the Goods and/or the Services as defined on the front of this Order.

Seller means the Seller as defined on the front of this Order.

Services means the Services (if any) described in the Order.

1.2. In these Conditions, reference to any statute or a provision of a statute shall, unless the context otherwise requires, be construed as a reference to that statute or provision as from time to time amended, consolidated, modified, re-enacted, extended or replaced.

1.3. In these Conditions references to the masculine include the feminine and the neuter and to the singular include the plural and vice versa as the context admits or requires.

1.4. In these Conditions the headings will not affect their interpretation.

2. Basis of Purchase

2.1. The Conditions are the only Conditions upon which L-3 is prepared to deal with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.

2.2. This Order constitutes an offer by L-3 to purchase the Goods and Services subject to the Conditions. No Order shall be accepted until the Seller accepts the offer, either expressly, by signing and returning the acknowledgement to L-3, or impliedly, by commencing work as described in the Order.

2.3. No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of Order, specification or similar document will form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.

2.4. The Conditions apply to all L-3 purchases and any variation to the Conditions shall have no effect unless expressly agreed in writing and signed by a duly authorised representative of L-3.

3. Specification and Statutory Requirements

3.1. The Goods shall be of the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the Order, statement of work and specification and/or patterns supplied or advised by L-3 to the Seller. L-3's rights under the Conditions are in addition to the statutory Conditions implied in favour of L-3 by the sale of Goods act 1979.

3.2. Prior to and following the delivery or performance of all such Goods and Services to be supplied by the Seller, Seller shall provide to L-3 such information as L-3 reasonably requires to enable compliance with the health and safety at work act 1974, and other relevant statutory provisions.

4. Price and Payment

4.1. The Price shall be exclusive of any applicable value added tax which shall be payable by L-3 subject to receipt of VAT invoice; but inclusive of all other charges.

4.2. No variation in the Price or extra charges will be accepted by L-3.

4.3. Payment of the Price shall be made to the Seller within thirty days of receipt of a valid invoice following delivery of the Goods and completion of the Services net monthly account basis, but time shall not be of the essence of the Contract.

4.4. Without prejudice to any other right or remedy, L-3 reserves the right to set off any amount owing at any time from the Seller to L-3 against any amount payable by L-3 to the Seller under the Contract.

4.5. The prices established by this contract are firm fixed prices unless otherwise stated in the contract. Seller warrants that any unit prices charged herein do not exceed the unit prices charged by Seller to other customers in substantially similar transactions.

5. Despatch and delivery

5.1. Delivery of all Goods and performance of all Services shall be made in accordance with the Incoterm stated on the front of the Order (or, if there is none stated, carriage paid), during normal business hours (Seller to inform himself of these), on the due delivery date specified on the Order and at

the address referenced in the Order unless otherwise notified in writing by L-3.

5.2. L-3 shall not be bound to accept any Goods delivered or Services performed in advance of the due delivery date specified on the front of the Order and shall be entitled to refuse receipt of such Goods within its premises without any liability to the Seller whatsoever in respect thereof. Without prejudice to the foregoing and in any event, L-3 shall not be required to pay invoices for Goods delivered or Services performed by the Seller in advance of the due delivery date any earlier than if those Goods had been delivered or Services completed on the due date.

5.3. The time of delivery of the Goods and of performance of the Services specified in the Order is of the essence of the Contract.

5.4. If the Goods are not delivered or the Services not performed on the due delivery date then, without prejudice to any other rights which it may have, L-3 reserves the right to:

- cancel the Contract in whole or in part;
- refuse to accept any subsequent delivery of the Goods or performance of the Services which the Seller attempts to make;
- recover from the Seller any expenditure reasonably incurred by L-3 in obtaining the Goods or Services in substitution from another supplier; and
- claim damages for any additional costs, loss or expenses incurred by L-3 which are in any way attributable to the Seller's failure to deliver the Goods or complete the Services on the due delivery/completion date.

5.5. Where L-3 agrees in writing to accept delivery by instalments the Contract will be construed as a single Contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle L-3 at its option to treat the whole Contract as repudiated.

5.6. If the Goods are delivered to L-3 in excess of the quantities Ordered L-3 shall not be bound to pay for the excess and any excess will be and will remain at the Seller's risk and will be returnable at the Seller's expense.

6. Inspection and testing

6.1. L-3 reserves the right to inspect or test Goods and/or Services at the Seller's premises at any time prior to delivery.

6.2. If the results of such inspection or testing cause L-3 to be of the opinion that the Goods and/or services do not conform or are unlikely to conform with the Order or to any statement of work, specifications and/or patterns supplied or advised by L-3 to the Seller, L-3 shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition L-3 shall have the right to require and witness further testing and inspection.

6.3. Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the Goods and Services and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.

6.4. If any of the Goods or Services fail to comply with the provisions set out in this condition 6 L-3 shall be entitled to avail itself of any one or more remedies listed in condition 13.

6.5. Following delivery of the Goods and/or completion of the Services, L-3 shall carry out inspection and testing thereof within a reasonable time following delivery/completion. In the event that there is any discrepancy between the Goods and/or Services specified in the Order and those Goods delivered/Services provided to L-3, such discrepancy will be notified to Seller in a discrepancy report and L-3 shall be entitled to avail itself of any one or more remedies listed in condition 13. In addition to the foregoing, if, subsequent to any inspection and testing following delivery/completion, any Goods and/or Services are found to contain defects not reasonably apparent at the time of inspection then the provisions of condition 13 shall also be available to L-3.

7. Property rights, title and risk of loss

7.1. Title and risk of loss to the Goods supplied will pass to L-3 on delivery of the Goods.

7.2. Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by L-3 to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods and/or performance of the Services shall at all times be and remain the exclusive property of L-3 and shall be marked or otherwise identified as such by the Seller but shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to L-3 at Seller's cost and shall not be disposed of other than in accordance with L-3's written instructions, nor shall such items be used or copied or otherwise reproduced otherwise than as authorised by L-3 in writing. Seller shall ensure that L-3's interest in such items is noted on any applicable policy of insurance in accordance with condition 11.2.

7.3. All materials, equipment, tools, patterns, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data manufactured or supplied by Seller to L-3 pursuant to the Order shall vest in L-3 and shall be marked or otherwise identified as such by the Seller, notwithstanding L-3 permitting retention of such items by Seller. Risk of loss in such items shall remain with Seller during the period of such retention and Seller shall ensure that L-3's interest in such

items is noted on any applicable policy of insurance in accordance with condition 11.2. Upon notification by L-3 to Seller, Seller shall forthwith deliver up such items to L-3 as L-3 shall direct.

8. Spares

8.1. The Seller shall supply promptly to L-3 at a fair and reasonable Price such spare parts as may be ordered by L-3 to maintain and repair the Goods within twenty (20) years from the date of delivery of the Goods. In the event that such spare parts become obsolete or not available, Seller shall advise L-3 thereof and promptly propose to L-3 alternative replacements.

9. Confidentiality

9.1. The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by L-3 or its agents and any other confidential information concerning L-3's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors as need to know the same for the purpose of discharging the Seller's obligations to L-3 pursuant to the Order and shall ensure that such employees, agents or subcontractors are subject to like obligations of confidentiality as bind the Seller.

10. Force majeure

10.1. Neither party shall be held liable nor deemed to be in default for any failure to fulfil its obligations under the Contract which arise due to circumstances beyond the reasonable control of the party claiming force majeure.

11. Warranties, liability and insurance

11.1. The Seller shall keep L-3 indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by L-3 as a result of or in connection with:

- defective workmanship, quality or materials;
- an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods or provision of the Services;
- any claim made against L-3 in respect of any liability, loss, damage, injury, cost or expense sustained by L-3's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods and/or Services as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Seller;
- failure of the Seller to comply with all or any part of condition 15.

11.2. The Seller shall cause to be maintained policies of adequate public liability insurance and product liability insurance and such other insurances as L-3 reasonably considers appropriate and shall produce to L-3 upon request copies of such policies and most recent policy premium renewal receipts.

12. Termination

12.1. L-3 shall be entitled to cancel the Contract in whole or in part at any time and for any reason by giving written notice to the Seller whereupon all work on the Contract shall be discontinued and L-3 shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss and shall take full account of the Seller's net savings of costs arising from such cancellation. Upon payment therefore, Seller shall deliver all parts of the Goods which are work in progress or completed but not delivered.

12.2. L-3 shall be entitled to terminate the Contract forthwith without liability to the Seller by giving notice to the Seller at any time if:

- the Seller commits a breach of any of the terms and Conditions of the Contract;
- any distress, execution or other process is levied upon any of the assets of the Seller;
- the Seller has a bankruptcy Order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a qualifying floating charge holder (as defined in Paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding up of the Seller or for the granting of an Administration Order in respect of the Seller, or any



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proceedings are commenced relating to the insolvency or possible insolvency of the Seller;

(d) the Seller ceases or threatens to cease to carry on its business; or

(e) the financial position of the Seller deteriorates to such an extent that in the reasonable opinion of L-3 the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.

12.3. Termination under this condition shall be without prejudice to the rights of L-3 which may have accrued up to the date of termination. The Conditions which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

13. Remedies

13.1. Without prejudice to any other right or remedy which L-3 may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of this Contract L-3 shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by L-3:

(a) to rescind the Order;

(b) to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;

(c) at L-3's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply replacement Goods carriage paid and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;

(d) to refuse to accept any further deliveries of the Goods but without any liability to the Seller;

(e) to carry out or have carried out, at the Seller's expense, any work necessary to make the Goods comply with the Contract; and

(f) to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

14. Offset compensation (applicable to foreign supplies with an Order in excess of £10,000)

14.1. The Seller shall provide every assistance to L-3 to certify to the benefit of L-3 communications and/or its subsidiaries by the competent authority in the country of the Seller, the eligibility and the valuing of this Contract as a compensation credit and for this validation to be considered validated from the date of this Contract.

15. Compliance with export controls (applicable to Goods of foreign origin or content)

15.1. The Seller guarantees that the export control classification for the Goods and all parts thereof as stated on the front of the Order is compliant with all applicable export control regulations and that performance of the Seller's obligations under this Contract will not contravene any applicable export control regulations.

15.2. The Seller is responsible for obtaining all and any export licences necessary for the performance of its obligations under this Contract. If the Goods and/or any of their components are subject to national or international export control regulations, the Seller may request L-3 to provide information as may be reasonably required by the Seller in connection with obtaining licences according to the applicable regulations.

15.3. The Seller will provide L-3 with all information as reasonably required by L-3 to assess the export and re-export restrictions affecting the Goods and/or their components. The Seller warrants that all information provided to L-3 is true and accurate.

15.4. If Seller is not compliant with any part of this condition 15, the Seller shall notify L-3 immediately by written notice.

16. Goods Warranty

16.1. Seller warrants to L-3 that all Goods delivered pursuant to this order, unless specifically stated otherwise in this Order, shall:

(a) be new;

(b) be and only contain authentic materials obtained directly from the OEM or OCM or through the OEM's or OCM's Franchised Distributor. Note: Independent Distributors (Brokers) shall not be used without written consent from L-3;

(c) be free from Counterfeit Items.

16.2. The Seller also warrants that for period of twelve (12) months from final acceptance by L-3 all Goods delivered pursuant to this order shall be free from defects in workmanship, materials, and design and conform to all specifications, drawings and requirements of this Order and be suitable for the purpose intended.

16.3. If the Goods are rejected by L-3 for any non-compliance the Seller shall, at the sole discretion of L-3 and at the Seller's own cost and expense, promptly replace or repair the non-conforming goods.

17. Changes

a) By written order, Buyer may from time to time direct changes for: (i) technical requirements; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities, delivery schedules or both; (v) amount of Buyer-furnished property; (vi) time of performance; (vii) place of performance; and,

(viii) terms and conditions of this contract required to meet Buyer's obligations

(b) If any such change causes an increase or decrease in the price or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for equitable adjustment within thirty (30) days after the change is ordered, and an equitable adjustment shall be made. However, nothing in this provision shall excuse Seller from proceeding immediately with the directed change(s). Changes shall not be binding upon Buyer except when specifically confirmed in a written Subcontract or Change Order. Only the Buyer Procurement Representative has authority on behalf of Buyer to make changes to this contract.

19. Compliance

19.1 Seller shall: (i) comply with the requirements of the Foreign Corrupt Practices Act, as amended, (FCPA) (15 U.S.C. §§78dd-1, *et. seq.*), regardless of whether Seller is within the jurisdiction of the United States; (ii) neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery; and, (iii) Seller hereby agrees not to interact with any government official, political party or public international organisation on behalf of Buyer without the prior written permission of the Buyer's Procurement Representative.

19.2 Seller represents that each chemical substance constituting or contained in products sold or otherwise transferred to Buyer hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 *et seq.*) as amended.

20. Standards of Business Ethics and Conduct

Buyer will conduct its business fairly, impartially, and in an ethical and proper manner. Buyer's expectation is that Seller also will conduct its business fairly, impartially, and in an ethical and proper manner and in doing so Seller will adhere to Buyer's published Code of Ethics, which is available at <http://www.l-3com.com/suppliers/ethics-information.html> or <http://www.l-3com.com/code-of-ethics-and-business-conduct>—english or if available Seller's version which is consistent with the terms of Buyer's Code of Ethics. Seller shall not engage in any personal, business or investment activity that may be defined as a conflict of interest, whether real or perceived. If Seller has cause to believe that Buyer or any employee or agent of Buyer has behaved improperly or unethically under this contract, Seller is encouraged

21. Release of Information

Seller shall not publish any information developed under this contract, nor disclose, confirm, or deny any details about the existence or subject matter of this contract, or use Buyer's name in connection with Seller's sales promotion or publicity without prior written approval of the Buyer.

22. Order of Precedence

In the event of a conflict between these Terms and Conditions and other portions of the Contract, the order of precedence shall be: (a) any typed provisions on the face of Buyer's Contract specifically modifying the terms of this Contract; (b) these Terms and Conditions; and, (c) any other provisions set forth in the Buyer's Contracts including any terms and conditions stated or referenced therein.

23. Independent Contractor Status

Seller is, and shall remain, an independent contractor during the performance of this Contract.

24. Communication with Buyer's Customer

Buyer shall be solely responsible for any and all communication with Buyer's customer regarding this or any related Contract.

25. Conflict of Interest

It is understood and agreed that the Seller, under the terms of this Contract, or through the performance of this Contract, it is neither obligated nor expected to deliver or provide material or perform work, which will place the Seller in an Organisational Conflict of Interest (OCI), which could serve as a basis for excluding the Seller from supplying products or services to a U.S. Government customer. It will be the Seller's responsibility to identify any situation in which the potential for an OCI exists. **Failure to provide such notice will be considered a material breach of this Contract.**

26. Standards on Slavery and Human Trafficking in the Supply Chain

(a) Seller – Pursuant to the California Transparency in Supply Chains Act and consistent with our commitment to excellence and corporate social responsibility, Buyer supports the eradication of human trafficking and slavery in supply chains around the world, including in our own. Buyer sets forth the following Standards that its Sellers shall meet in order to do business with Buyer: - Seller that provides goods or services to Buyer shall operate in full compliance with the laws of their

respective countries and with all other applicable laws, rules and regulations.

- Seller shall employ only workers who meet the applicable minimum legal age requirement for employment in the country or countries in which they are doing business. - Seller shall not employ any prison, indentured or forced labour.

- Seller shall comply with all applicable laws, regulations and industry standards on working hours and working conditions.

- Seller shall certify that materials incorporated into goods provided to Buyer comply with the laws regarding slavery and human trafficking of the country or countries in which Seller is doing business.

(b) If Buyer determines that supplier has violated these Standards, L-3 Communications may, in its discretion, either terminate this Contract and/or require the supplier to implement a corrective action plan as a condition of future business.

27. Conflict Minerals

By accepting these terms and conditions, Seller agrees to timely respond, to the best of its knowledge and belief following a reasonable country of origin due diligence inquiry in accordance with the OCED framework or other prevailing industry standard, to any request by, or on behalf of, Buyer, for information on the origin, source and chain of custody information of 3TG (tin, tantalum, tungsten, and gold) minerals necessary to the functionality or production of a product manufactured by you or supplied by you to Buyer. In addition, you understand and acknowledge that any information you provide in this regard may be used by Buyer to comply with its reporting obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act, including filing a Form SD and Conflict Mineral Report with the U.S. Securities and Exchange Commission.

28. Liens

Seller shall keep its work and all goods supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from performance of this Contract by Seller or by any of its vendors or contractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment.

29. Survivability

All of the provisions of this Contract shall survive the termination (whether for convenience or default), suspension or completion of this Contract unless they are clearly intended to apply only during the term of this Contract.

30. General

30.1. The Contract is personal to the Seller and the Seller shall not assign or transfer or contract or purport to assign or transfer or contract the Contract or any part thereof without the prior written consent of L-3.

30.2. In any event, and notwithstanding anything to the contrary herein, nothing in this Contract is intended to, or shall, confer any benefit on any third party (whether referred to herein by name, class, description or otherwise) or shall confer any right of any third party to enforce a term contained in this Order.

30.3. Each right or remedy of L-3 under the Contract is without prejudice to any other right or remedy of L-3 whether under the Contract or not.

30.4. Failure or delay by L-3 in enforcing or partially enforcing any provision of the Contract will not be construed as a waiver of any of its rights under the Contract.

30.5. No waiver by L-3 of any breach of or any default under any provisions of the Contract by the Seller shall be considered as a waiver of any subsequent breach or default of the same or any other provision and will in no way affect the other terms of the Contract.

30.6. If any provision of the Contract is held by any competent authority to be invalid, void, voidable, unenforceable or unreasonable, in whole or in part, the validity of the other provisions of the Contract and the remainder of the provision in question shall not be affected thereby.

30.7. The Contract shall in all respects be governed by and construed in accordance with the laws of England. In the event of any dispute arising in connection with this agreement the parties undertake to make every effort to reach an amicable settlement. Failing such a settlement the dispute shall be finally settled under the rules of conciliation and arbitration of the international chamber of commerce by three (3) arbitrators appointed in accordance with the said rules. The arbitration shall be held in London, England.