



A SUBSIDIARY OF COMTECH TELECOMMUNICATIONS CORP.

COMTECH SYSTEMS, INC. GENERAL TERMS AND CONDITIONS OF SALE

The following general terms and conditions shall apply to any resultant agreement. Changes to these terms and conditions shall be approved in writing by an authorized Comtech representative.

1. PRICES

- (a) All prices are quoted in United States dollars (USD) unless otherwise noted. Prices are based on the quantities specified and the expected delivery schedule from the date of receipt by Comtech of an acceptable purchase order and down payment, if applicable, whichever is received last. Prices are subject to written confirmation in the event that the price or quantities specified in Buyer's purchase order are different from those specified in Comtech's quotation/proposal.
- (b) Delivery charges and insurance shall be charged in accordance with the agreed delivery terms and include packing for airfreight or under deck ocean freight in accordance with Comtech's standard practice.
- (c) All prices quoted are exclusive of any charges or taxes (including VAT, sales, usage and excise taxes) applicable from the U.S. en route to the final destination or country of Buyer. Should Comtech become liable for the payment of any non-U.S. charges or taxes, then upon submission to Buyer of reasonable evidence, the Buyer shall immediately pay to Comtech the amount indicated, but in no event shall this exceed thirty (30) calendar days. Any additional tax imposed in the country of origin subsequent to the date of this quotation/proposal shall be added to the agreed prices upon reasonable evidence of proof.

2. DELIVERY

- (a) Unless otherwise agreed to by the parties in writing, the delivery terms shall be EXW (EX WORKS), INCOTERMS 2000, Orlando, Florida, United States. Terminal handling charges shall be the responsibility of the Buyer. At its sole discretion, Comtech may make partial deliveries, and early deliveries up to thirty (30) days, without penalty.
- (b) Title and the risk of loss shall pass to the Buyer, upon: A) certification of the Comtech Factory Acceptance Test (FAT); or B) delivery of the goods to the carrier at Comtech.
- (c) Comtech will make consular declarations in good faith, according to its best ability and judgment, but without liability for any errors or incorrect declarations.
- (d) The expected delivery date(s) and/or period(s) specified in the quotation/proposal are only estimates. The final delivery date(s) and/or period(s) will be confirmed to Buyer upon Comtech's receipt of the following items:
 - (i) An order acceptable to Comtech;
 - (ii) Evidence of completion of payment arrangements satisfactory to Comtech (e.g., notice of confirmation from a U.S. bank that the Buyer's irrevocable Letter of Credit is in conformity with Section 5 hereof);
 - (iii) Down payment, if required under the milestone/advanced payment schedule;
 - (iv) Comtech's receipt of an approved U. S. Government Export License and a completed End User Certificate (Form DSP), if required; and
 - (v) All information and other documents necessary to permit Comtech to proceed immediately and without interruption.
- (e) Notwithstanding such confirmation, Comtech shall not be liable on account of any delay in the delivery of, or for inability to deliver, any item(s) of goods, if such delay or inability results directly or indirectly from

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a Force Majeure event, as defined in Section 3. Under no circumstances shall Comtech be liable for incidental, consequential or special damages for delay in the delivery of or failure to deliver any item(s) of goods.

- (f) Where Comtech is prevented from delivery for a period of thirty (30) days or more by reason of the Buyer or for any cause referred to in Section 3, then after providing written notice to Buyer, Comtech may deliver such goods by placing the goods in protected storage in Comtech's warehouse or in a public warehouse. Title and risk of loss to the goods shall pass to the Buyer at the time the goods are placed in storage and delivery shall be deemed complete for the purpose of entitling Comtech to receipt of full payment. All storage charges and related expenses incurred by Comtech for such storage shall be paid by the Buyer. Upon the written request of the Buyer or after a reasonable amount of time, Comtech shall either complete delivery to Buyer or dispose of such goods in a commercially reasonable manner. All payments received from the disposal of the goods shall be credited to Buyer's account providing all storage charges and related expenses have been paid by the Buyer.
- (g) Comtech will use all reasonable means to notify the Buyer to provide the Buyer with the necessary information pertaining to the delivery.
- (h) Should the Buyer elect to accept or inspect the goods prior to shipment then Buyer shall give Comtech 30 days advanced written notice of such intent.

3. FORCE MAJEURE

- (a) A Force Majeure event means any law, order regulation, direction, or request of the United States Government or any other government having jurisdiction over Comtech, its subcontractors, and/or its suppliers, or of any department, agency, or corporation of any one or more of such governments; failure or delay of transportation; insurrection; riots; national emergencies; war; acts of public enemies; strikes or other labor difficulties; inability to obtain necessary labor, manufacturing facilities; material, or components from Comtech's usual sources; fires, floods, or other catastrophes; acts of god; acts or omissions of the Buyer; petroleum and/or natural gas shortage; or any cause beyond the reasonable control of Comtech; that prevents, delays or interrupts performance by Comtech. A Force Majeure event shall also include a delay caused where a US Government contractor is given delivery priority over the contracted delivery of a purchased or subcontracted item or service on order by Comtech. Upon the occurrence of a Force Majeure event, Comtech shall give prompt written notice to the Buyer describing the Force Majeure event and any resulting delay. Comtech shall be excused from performance provided that the parties use reasonable efforts to avoid or remove such causes of interrupted performance. Both parties will proceed to perform their obligations immediately upon removal or cessation of such Force Majeure event.
- (b) To the extent that delay is caused by an act or omission of Buyer or any of the Buyer's contractors or employees then Buyer agrees that an equitable adjustment shall be made to the Contract Price, performance/delivery schedule or both.

4. WARRANTY

- (a) Comtech warrants that the equipment will be free from defects in material or workmanship at the time of shipment and that it conforms to applicable specifications. The Buyer shall exercise any and all warranty claims within a period of one (1) year from subject to further limitations that parts furnished but not manufactured by Comtech shall bear the warranty given by such other manufacturer. The Buyer shall notify Comtech in writing of such defect within this warranty period. Upon the request of Comtech, the Buyer shall return the equipment, transportation and all other costs prepaid, to a location designated by Comtech. Comtech's obligations under this warranty are limited to the repair or replacement of parts having such defects, and shipment to the Buyer of such repaired or replacement parts. The Buyer shall pay for labor connected with the field removal and/or reinstallation of warranted equipment or parts. The warranty is subject to the following exceptions:

The warranty does not apply to:

- (i) Products that have been altered or misused;

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- (ii) Losses or damage in transportation;
- (iii) Damage due to the removal or reinstallation of parts from equipment; and
- (iv) Consequential damages arising from use of equipment or parts.

(b) EQUIPMENT REPAIR WARRANTY

Comtech warrants that the equipment repair will be free from defects in material or workmanship at the time of shipment and that it will conform to applicable specifications. The buyer shall exercise any and all warranty claims within a period of ninety (90) days from the time of shipment or through the end of the original one (1) year warranty period, whichever is later, subject to farther limitations that parts furnished, but not manufactured by Comtech, shall bear the warranty given by such other manufacturer. The Buyer shall notify Comtech in writing of such defect within this warranty period. Upon the request of Comtech, the Buyer shall return the equipment, transportation and all other costs prepaid, to a location designated by Comtech. Comtech's obligations under this warranty are limited to the repair or replacement of parts having such defects, and shipment to the Buyer of such repaired or replacement parts. The Buyer shall pay for labor connected with the field removal and/or reinstallation of warranted equipment or parts. This warranty is subject to the following exceptions:

- (i) Products that have been altered or misused;
 - (ii) Losses or damage in transportation;
 - (iii) Damage due to the removal or reinstallation of parts from equipment; and
 - (iv) Consequential damages arising from use of equipment or parts.
- (c) Buyer must inspect all goods upon delivery and within seven (7) calendar days advise Comtech in writing of any obvious physical defects, discrepancies, and/or shortages observed between the goods physically inspected and the corresponding packing list provided by Comtech, Comtech will repair or replace such goods in accordance with the terms of this warranty agreement contingent on settlement with the carrier.
- (d) Buyer must obtain a return material authorization (RMA) from Comtech prior to returning any goods.
- (e) COMTECH'S WARRANTY, AS STATED HEREIN, IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND COMTECH NEITHER ASSUMES, NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT, ANY OTHER OBLIGATION OR LIABILITY TO ANY PERSON IN CONNECTION WITH THE SALE OR USE OF COMTECH'S PRODUCTS.
- (f) THE WARRANTY IS NOT TRANSFERABLE UNLESS APPROVED, IN WRITING, BY COMTECH SYSTEMS AND WILL NOT BE UNREASONABLY WITHHELD. SHOULD THE BUYER PASS ON TO ANY OTHER BUYER, LESSEE, OR OTHER USER OF COMTECH'S PRODUCTS, THE AFOREMENTIONED WARRANTY, THE BUYER SHALL INDEMNIFY AND HOLD HARMLESS COMTECH FROM ANY CLAIM OR LIABILITY OF SUCH OTHER BUYER, LESSEE, OR USER BASED UPON ALLEGATIONS THAT THE BUYER, ITS AGENTS, OR EMPLOYEES HAVE MADE ADDITIONAL WARRANTIES OR REPRESENTATIONS AS TO PRODUCT PREFERENCE OR USE.

5. PAYMENT TERMS

- (a) Payment shall be made in USD through a confirmed irrevocable Letter of Credit (LOC) in favor of Comtech Systems, Inc. drawn upon a U.S. bank acceptable to Comtech, in accordance with the Uniform Customs and Practice for Documentary Credits published by the International Chamber of Commerce. The LOC shall be valid for a period of time not to exceed ninety (90) days from the scheduled delivery date(s) and otherwise sufficient to enable Comtech to receive payment in full. The LOC shall be in a form acceptable to Comtech, shall provide for payments to Comtech for one hundred percent (100%) of the invoice value of each delivery and shall authorize partial payments against partial deliveries payable at sight.
- (b) Upon shipment, payment shall be made to Comtech from the confirming bank upon presentation of the following documents: A) a copy of the corresponding invoices(s); and B) a copy of any shipping document

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sufficient to support proof of delivery to the Buyer (Bill of Lading, Multi-modal Transport Document, Sea Waybill, Mate's Receipt, Air Waybill, Consignment Note, Warehouse Warrant, Freight-forwarder's Documents or Packing List) or certification by Comtech pursuant to subsection (e) of Section 2 above. All bank charges in connection with said Letter of Credit shall be the responsibility of the Buyer.

6. ACCEPTANCE

Acceptance shall be made by certification of the successful completion of Factory Acceptance Tests (FAT) at the Comtech facility by the Comtech Quality Control representative. Comtech will provide a copy of the certification with the shipping documents. Buyer can provide Comtech with a written request to witness certification of the FAT at the Comtech facility. In such case, Comtech will provide Buyer reasonable notification of the scheduled date of the FAT.

7. EXPORT/IMPORT LICENSES AND GOVERNMENT REGULATIONS

- (a) Comtech and Buyer shall cooperate and assist each other in every manner reasonably possible in securing any export or import license. Comtech shall in no event be liable for any government's delay, failure or refusal to issue, or cancellation or suspension of any such license.
- (b) The Buyer understands and agrees that diversion of the goods to any country other than that provided on the U.S. export license is strictly prohibited.
- (c) Unless otherwise expressly provided in the agreement, Buyer assumes all responsibility for the importation, installation, and operation of the goods, including the obtaining of all permits, licenses, or certificates required. Comtech shall in no event be liable for the failure of any government to issue any such permit, license, or certificate.

8. CHANGES

- (a) Buyer may make changes within the general scope of a resulting contract in drawings, designs, specifications, packing, or time or place of delivery; or required additional work. Buyer changes shall be in writing and shall be subject to Comtech's written agreement and adjustment. If any accepted change causes an increase or decrease in the cost of, or the time required for performance, an equitable adjustment shall be made to the price, schedule or both, and the contract shall be modified in writing accordingly. The amount of the claim may be proposed at the time of acceptance of the change by Comtech, or any later date up to ninety (90) days from the date the change was asserted. Supplies or materials made obsolete or excess as a result of a change shall be identified in Comtech's claim for adjustments, Buyer shall have the right to prescribe the manner of disposition for such supplies or materials.
- (b) Comtech has the right to make any changes or modifications to the drawings, designs, specifications or packing in order to improve the functionality, quality or reliability of any product, provided that such changes do not unreasonably affect form, fit, function, performance, cost or operation of the product.
- (c) No addition to or modification of this Agreement can be effective or binding on either of the Parties hereto unless reduced to writing and executed by the respective duly authorized representatives of each of the Parties hereto. Oral or other unwritten agreements, even if acted upon by one or both parties, shall not affect or modify this agreement until they are reduced to writing and accepted by both parties.

9. INTELLECTUAL PROPERTY

Buyer acknowledges Comtech's right, title and interest in and to Comtech's Intellectual Property (patent, copyright, trade mark/name, trade secret, etc) and any registrations that have issued or may issue thereon, and Buyer agrees that it will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title and interest. In connection with the use of the Intellectual Property, Buyer shall not in any manner represent that it has any ownership in the Intellectual Property or registrations thereof, and the Parties hereby acknowledge that any use of the Intellectual Property shall inure to the benefit of Comtech.

10. SOFTWARE/FIRMWARE SUBLICENSE

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Comtech hereby grants the Buyer a sublicense, if applicable, solely for the use of the products purchased under this contract and the Buyer shall not distribute duplicate, copy or otherwise use any software/firmware for other than its intended purpose.

11. RELEASE OF INFORMATION

Buyer shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the Comtech Company name (or the name of any division, affiliate or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating a website content or for products or service endorsement without prior written approval of Seller.

12. GOVERNING LAW

- (a) Except as expressly provided herein, the validity, construction, and performance of this Agreement is governed by and interpreted in accordance with the laws of the State of Florida, USA.
- (b) Any and all disputes and/or claims arising under the agreement and not otherwise settled by the parties through negotiation shall be settled by binding arbitration in Orlando, Florida USA. The arbitration shall be in accordance with the Rules of the American Arbitration Association. Each party will nominate one arbitrator to carry out arbitration. The two arbitrators shall appoint a third arbitrator to act as Chairman. The ruling of the arbitrators shall be final and binding decision.
- (c) Unless otherwise expressly provided in the agreement, any resulting contract should be written in the English Language. Otherwise, in the event of inconsistency between any terms of said contract and any translation, the English language meaning shall control.

13. EFFECTIVE DATE OF CONTRACT

Notwithstanding any other section of this proposal/quotation, any resulting contract shall not be binding upon the parties hereto nor shall the time schedule included herein become effective until receipt by Comtech of a fully executed copy of the contract and the Letter of Credit described in Section 5. The date of latest receipt of either document shall be referred to as the "effective date" and all schedules shall be based thereon.

14. ASSIGNMENT

Unless otherwise expressly provided in the agreement, Buyer may not assign or transfer the agreement, or any of its rights hereunder, without the prior written consent of Seller.

15. LIMITATION OF LIABILITY

THE TOTAL LIABILITY OF COMTECH FOR ALL CLAIMS OF ANY KIND FOR ANY LOSS OR DAMAGE, WHETHER IN AGREEMENT, WARRANTY, EQUITY, INTENDED CONDUCT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, OR CLAIMS FOR INDEMNIFICATION ARISING OUT OF, IN CONNECTION WITH, OR RESULTING FROM THE PERFORMANCE OR NON-PERFORMANCE BY COMTECH SHALL IN NO CASE EXCEED THE TOTAL PRICE PAID FOR ALL EQUIPMENT AND SERVICES PROVIDED UNDER THIS AGREEMENT. COMTECH SHALL NOT BE LIABLE TO BUYER FOR LOST PROFITS OR REVENUE, LOSS OF DATA OR FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OF ANY NATURE WHATSOEVER, FOR ANY ACTION ARISING UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE RESULTING FROM THE USE OF GOODS PURCHASED HEREUNDER, OR THE FAILURE OF THE GOODS TO PERFORM. ANY CLAIMS BY OR DAMAGES TO THIRD PARTIES, OR FOR ANY OTHER REASON. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NO CLAIM, DEMAND FOR MEDIATION OR ARBITRATION, OR CAUSE OF ACTION WHICH AROSE OUT OF AN EVENT OR EVENTS THAT OCCURRED MORE THAN ONE YEAR PRIOR TO THE FILING OF A DEMAND FOR MEDIATION OR ARBITRATION OR

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SUIT ALLEGING A CLAIM OR CAUSE OF ACTION MAY BE ASSERTED BY EITHER PARTY AGAINST THE OTHER.

16. TERMINATION

The Buyer may not terminate, in part or whole, unless it is mutually agreeable to by Comtech Systems.

17. OTHER CONDITIONS

- (a) Unless otherwise agreed to by Comtech, the goods provided by Comtech are not for resale.
- (b) The agreement, including the drawings, specifications and Statement of Work provided under Comtech's proposal comprises all the terms, conditions, and agreements of the parties hereto with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, publications, and understandings of any nature whatsoever. No agent, employee, or representative of Comtech has any authority to bind Comtech to any affirmation, representation, or warranty, except as stated in this Agreement and unless such affirmation, representation, or warranty is specifically included within the agreement it shall not be enforceable by the Buyer or any assignee of Buyer.
- (c) All notices required or permitted to be given hereunder shall be in writing and delivered to the address listed on the signature page of the Agreement by (i) certified mail, return receipt requested, (ii) internationally recognized overnight courier, (iii) by hand, or (iv) electronically by facsimile. Any notice given pursuant to this Section is effective upon receipt as evidenced by the Postal Service return receipt card, courier, hand delivery with written confirmation, or other commercially recognized method. Either party hereto may change its address by a notice given to the other party hereto in the manner set forth above. All Purchase Orders and invoices to be delivered pursuant to this agreement should be delivered via a delivery provider that provides proof of delivery, such as certified mail, overnight mail, or private courier company.
- (d) Comtech's quotation/proposal is subject to change at any time upon written notice and expires as indicated in the attached proposal, unless otherwise indicated herein or extended in writing by Comtech. Any order or orders placed hereon are subject to written acceptance in the United States by Comtech. In the event Comtech does not receive, within thirty (30) days after receipt of the Buyer's order, evidence of completion of payment arrangements satisfactory to Comtech, Comtech shall have the right, at its option, to cancel, without prior notice, the contract(s) resulting from its acceptance of the order.
- (e) Comtech's acceptance of any purchase order is hereby expressly made conditional on Buyer's acceptance of all of Comtech's terms and conditions stated in this document and/or elsewhere in the quotation/proposal. Except as provided herein, these terms and conditions are precedent to any other terms or conditions provided in any resulting purchase order containing other terms or conditions, or by any other agreement of the parties.
- (f) This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms and conditions of their agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in any contract(s) resulting from acceptance of any order(s) placed pursuant hereto.
- (g) The terms of Section 4, 5, 7, 9, 11, 14, 15, and 16 may survive partial termination of the agreement, if applicable.