

General Terms & Conditions of Sales and Services in the USA and Canada
AFT microwave Inc., 1000 N West Street, Suite 1200, Wilmington, DE 19801, USA**1 Applicability; Entire Agreement**

The AFT microwave Inc. quotation including the AFT microwave Inc. ("AFT Inc.") specifications, these terms and conditions of sale and services ("Conditions") and all attachments thereto constitute an offer to sell and shall with the buyer's purchase order ("PO") constitute the agreement (the "Contract") between AFT Inc. and the buyer with respect to all services, products and parts thereof (hereinafter called "AFT Inc. Product") furnished to the buyer by AFT Inc. The AFT Inc. quotation supersedes all prior correspondence, quotations, representations, warranties and other communications, either oral or written submitted by AFT Inc. Issuance of buyer's PO purporting to accept AFT Inc.'s quotation shall be deemed to accept these Conditions, to the exclusion of any terms which may be printed on the reverse of the buyer's PO form or otherwise are included in buyer's PO. The failure of AFT Inc. to object to any provision in conflict with these Conditions, however such provision may be communicated to AFT Inc., shall not be construed as a waiver by AFT Inc. of the provisions hereof nor of the acceptance of such conflicting provision. Fulfillment of buyer's order does not constitute acceptance of any of buyer's terms and conditions and does not serve to modify or amend these Conditions. These Conditions may only be changed in writing executed by authorized representatives of buyer and AFT Inc. In the event of a conflict in the terms of the documents the following priority shall apply: (1) the AFT Inc. quotation; (2) the AFT Inc. specifications; (3) these Conditions; and (4) buyer's purchase order.

2 Delivery; Transfer of Title and Risk of Loss

Unless otherwise specified in the AFT Inc. quotation, delivery will be made to the buyer Free Carrier FCA, Incoterms in their current version, from the AFT Inc. HQ's facility in Germany. Title and risk of loss or damage shall pass to the buyer on delivery. Delivery dates specified are best expected dates and are dependent upon the cooperation of buyer to provide data, materials and decisions on a timely basis. AFT Inc. shall not be liable for any delays, loss, or damage in transit.

Any export or other special packaging or special transportation shall be charged to and paid by the buyer. Except as otherwise provided herein or in the AFT Inc. quotation, AFT Inc. shall not be responsible for freight transportation, insurance, shipping, storage, import duty, brokerage, handling, demurrage, or similar charges. If such charges are by the terms of sale included in the contract price, any increase in rates becoming effective after the date of Contract shall be for the account of and responsibility of the buyer.

3 Payment Terms; Security Interest

All payments of invoiced amounts due to AFT Inc. must be made in advance of delivery as 100% down payments unless otherwise set forth in AFT Inc.'s quotation or agreed between AFT Inc. and buyer in writing.

In case the parties, in the quotation or otherwise, mutually agree on a payment term other than payment in advance and any payment becomes past due, the buyer shall pay interest on all late payments at the lesser of the rate of one percent (1%) per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse AFT Inc. for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Conditions or at law (which AFT Inc. does not waive by the exercise of any rights hereunder), AFT Inc. shall be entitled to suspend the delivery of any Products or performance of any Services if buyer fails to pay any amounts when due hereunder and such failure continues for thirty (30) days following written notice thereof.

Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with AFT Inc., whether relating to AFT Inc.'s breach, bankruptcy or otherwise.

If AFT Inc. agrees in writing to payment of the purchase price after delivery of the AFT Inc. Products, buyer hereby grants to AFT Inc. a lien on and security interest in and to all of the right, title, and interest of buyer in, to and under the AFT Inc. Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing, as collateral security for the payment of the purchase price for such AFT Inc. Products. The security interest granted under this provision constitutes a purchase money security interest under the Delaware Uniform Commercial Code.

4 Installation Services

Installation services are not included in the quoted price, unless specifically shown as a separate item in the AFT Inc. quotation. Services to assist with installation may be provided to buyer upon request. Such services shall be charged to buyer at the then current AFT Inc. standard service rates for standard working hours plus out of pocket expenses. Standard working hours shall include travel time. Where overtime hours are required, overtime premium charges shall also be charged to the buyer. Invoicing terms shall be net thirty (30) days at the time such services are provided by AFT Inc. unless such installation services by AFT Inc. are agreed upon in writing, buyer has the sole responsibility for properly installing and operating the AFT Inc. Product in accordance with the manuals supplied by AFT Inc.

5 Design Changes

Buyer agrees to follow AFT Inc.'s documented ISO 9001, in its latest issue, procedures regarding the processing of Design Changes and shall ensure that all changes are properly approved by buyer's authorized personnel without delay. The buyer is responsible and shall pay AFT Inc. all increased costs, including overheads and profit thereon due to buyer's Design Changes or specifications. Any design study requested by buyer to estimate the cost of a proposed Design Change or specifications shall be made by the AFT Inc. personnel, or the personnel of its parent company, AFT microwave GmbH ("AFT Germany") at the AFT group's headquarters in Germany assigned to the original design. If the buyer authorizes the proposed Design Change, the contract price shall be increased or decreased by the amount quoted by AFT Inc. for the proposed change, unless otherwise agreed between buyer and AFT Inc., and the Contract schedule shall be extended or compressed as mutually agreed by the parties based on the amount of time stated in the AFT Inc. design study, or equal to the time lost or gained by reason of the

change. The schedule for all materials or components affected by any design study shall be extended by a period equal to the hold time, if any, associated with such study, whether or not the buyer authorizes or approves the proposed change.

6 Patents

AFT Inc. warrants that the AFT Inc. Products shall be delivered free of any rightful claim of a third party for infringement of any valid United States patent. Upon prompt notification from buyer in writing and given all the reasonably necessary authority, information and assistance for the defense of same, AFT Inc. shall defend or settle in its sole judgement, at AFT Inc.'s expense, any suit or proceeding brought against the buyer based upon a claim that an AFT Inc. Product constitutes an infringement of such a patent. AFT Inc. shall pay all damages and reasonable documented costs awarded against the buyer due to such infringement.

In case the AFT Inc. Product is held in such suit to constitute an infringement and its use is enjoined, AFT Inc. shall, at its expense and option, either procure for the buyer the right to continue to use the AFT Inc. Product, or replace same with a non-infringing product or part, or modify same so it becomes non-infringing, or remove the AFT Inc. Product and refund the purchase price of the infringing part of the AFT Inc. Product (less reasonable depreciation for any period of use) and any transportation costs separately paid by the buyer.

The patent warranty shall not apply to:

- (i) any product or part which is modified or manufactured to the buyer's design;
- (ii) any product of a third party as specified by the buyer incorporated in the AFT Inc. product;
- (iii) the use of any AFT Inc. Product furnished to buyer in combination with other products not furnished by AFT Inc., unless the AFT Inc. product, per se, infringes the asserted patent; or
- (iv) any infringement relating to buyer's prescribed manufacturing processes.

As to any such excluded product or part thereof, AFT Inc. assumes no liability for patent infringement and the buyer shall hold AFT Inc. harmless against any infringement claim arising therefrom. The foregoing states the entire liability of AFT Inc. for patent infringement by an AFT Inc. Product or any part thereof.

7 Intellectual Property Rights & Software Licenses; Confidentiality

All AFT Inc. intellectual property rights, including, without limitation, all industrial and other intellectual property rights comprising or relating to patents, trademarks, internet domain names, works of authorship, designs copyrights and copyrightable works, software and firmware and all rights, interests, and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered and including all registrations and applications for, and renewals or extensions of, such rights or forms of protection pursuant to the laws of any jurisdiction throughout in any part of the world (" Intellectual Property Rights") and technology provided or disclosed by AFT Inc. shall be considered proprietary and shall remain the exclusive property of AFT Inc. and AFT Inc. shall retain all rights of ownership in and title to such Intellectual Property Rights and technology. Any goodwill derived from the use by buyer of AFT Inc.'s Intellectual Property Rights inures to the benefit of AFT Inc. or its licensors, as the case may be. No rights are granted or implied to buyer to use any such AFT Inc. Intellectual Property Rights except as may be specifically agreed to in writing by AFT Inc.

The AFT Inc. Product may use computer software. Computer software that is custom developed by AFT Inc. specifically for the buyer under the terms of the contract ("Custom Software") shall be delivered to the buyer with the AFT Inc. Product. All title, right and interest in and to such Custom Software will remain the ownership of AFT Inc.

All non-public, confidential or proprietary information of AFT Inc. (" Confidential Information"), including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by AFT Inc. to buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" in connection with this Contract is confidential, solely for the use of performing this Contract and may not be disclosed or copied unless authorized in advance by AFT Inc. in writing. Buyer shall protect such Confidential Information using at least the same degree of care and diligence as buyer reasonably employs to protect its own confidential information but no less than a commercially reasonable degree of care and diligence. Upon AFT Inc.'s request, buyer shall promptly return all documents and other materials received from AFT Inc. AFT Inc. shall be entitled to injunctive relief for any violation of this Section 7. This Section 7 does not apply to information that is: (a) in the public domain; (b) known to buyer at the time of disclosure; or (c) rightfully obtained by buyer on a non-confidential basis from a third party.

8 Limited Warranty

Except as otherwise provided herein, AFT Inc. warrants that the AFT Inc. Product will be free from defects in workmanship and material and shall conform to the AFT Inc. specifications for a period of twelve (12) months from the date of delivery to buyer. Upon prompt notification from the buyer of any failure of the AFT Inc. Product to conform to this warranty during the warranty period, and provided the AFT Inc. Product has been properly installed, maintained and operated in accordance with AFT Inc. recommended procedures and not repaired or altered by buyer without AFT Inc.' s permission, AFT Inc. will make repairs, adjustments, or replacements to the defective part(s) at AFT Inc.' option. Buyer shall maintain accurate and complete records regarding equipment operation and maintenance and service procedures performed on the AFT Inc. Product. The buyer agrees to return the defective unit to AFT Inc. production facility at the buyer's expense after initiating a formal Return Material Authorization (RMA) process sent to sales@aft-microwave.com confirmed in written form by AFT Germany HQs. AFT Inc. will return corrected or replacement parts to the buyer. AFT Inc.' s warranty excludes consumable items and wear parts, such as but not limited to cooling elements, ferrites, O-rings gaskets, flange gaskets, lubricants, solvents or chemicals, which by their nature require periodic replacement.

With respect to third party equipment integrated into the AFT Inc. Product, warranties for such items are limited to the warranty extended to AFT Inc. by the supplier. AFT Inc. hereby assigns to the buyer all warranties received from its suppliers to the extent AFT Inc. can and agrees to assist the buyer in making any claim pursuant to the said warranties.

Except for the limited warranties set forth in this Section 8, AFT Inc. makes no other warranty, expressed or implied, and hereby expressly disclaims any warranty of merchantability or fitness for a particular purpose. The remedies set forth in Section 8 shall be the buyer' s sole and exclusive remedy and AFT Inc.' s entire liability for any breach of the limited warranties set forth in this Section 8.

9 Limitation of Liability and Remedies

In no event, whether as a result of breach of contract, warranty, tort (including negligence) or otherwise, shall AFT Inc. or its suppliers or subcontractors be liable for any special, consequential, incidental or punitive damages including, but not limited to, loss of profit or revenues, loss of use of the AFT Inc. Product or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement equipment, down time costs, or claims of buyer's customers for such damages regardless of whether such damages were foreseeable and whether or not AFT Inc. has been advised of the possibility of such damages, and notwithstanding the failure of any agreed or other remedy of its essential purpose. If the buyer transfers title to or leases the AFT Inc. Product to any third party, the buyer shall obtain from such third party a provision affording AFT Inc. and its suppliers and subcontractors the protection of the preceding sentence.

In no event, whether because of breach of contract, warranty, tort (including negligence) or otherwise, shall AFT Inc.' liability to the buyer for any loss or damage arising out of, or resulting from this Contract, or from its performance or breach, or from the products or services furnished hereunder, exceed the price of the specific product or service which gives rise to the claim. Except as to title, any such liability shall terminate upon the expiration of the warranty period specified in "limited warranty".

If AFT Inc. furnishes the buyer with advice or other assistance which concerns the AFT Inc. Product or any system or equipment in which the AFT Inc. Product may be installed and which is not required pursuant to this Contract, the furnishing of such advice or assistance will not subject AFT Inc. to any liability, whether in contract, warranty, tort (including negligence), or otherwise. Buyer's property damage and business interruption insurance shall include waivers of the respective insurer's subrogation rights as to claims against AFT Inc., its subcontractors, suppliers, subsidiaries and affiliates.

The remedies provided either party in the contract are such party's sole and exclusive remedies. The limitation of liability set forth in this Section 9 shall not apply to (i) liability resulting from AFT Inc.'s gross negligence or willful misconduct and (ii) death or bodily injury resulting from AFT Inc.' s acts or omissions.

10 Indemnification

Buyer shall indemnify, defend and hold harmless AFT Inc. and its officers, directors, employees, agents, affiliates, successors and assigns (collectively, "Indemnified Party") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, fees and the costs of enforcing any right to indemnification under this Agreement and the cost of pursuing any insurance providers, incurred by Indemnified Party (collectively, "Losses"), arising out or resulting from any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity or otherwise (a "Claim") brought by a third party arising out of or relating to:

- (a) any negligent or more culpable act or omission of buyer or any agents, employees, contractors or subcontractors ("Personnel") engaged or appointed by buyer (including any recklessness or willful misconduct) in connection with the performance of this Contract;
- (b) any bodily injury, death of any person or damage to real or tangible personal property caused by the willful or negligent acts or omissions of buyer or its Personnel;
- (c) buyer' s misuse of AFT Inc. Products, including, without limitation, use of the AFT Inc.' s Products other than in compliance with AFT Inc.' s instructions and product manuals or unauthorized modifications of the AFT Inc. Products;
- (d) product information and designs provided to AFT Inc. by buyer for the customization of AFT Inc. Products; or
- (e) any failure by buyer or its Personnel to comply with any applicable laws, statutes, regulations, rules, codes or common law.

11 Excusable Delays; Force Majeure

AFT Inc. shall not be liable for delays in delivery or performance, or for failure to manufacture, deliver or perform, due to:

- (i) a cause beyond AFT Inc.'s reasonable control;
- (ii) an act of God, act of a public enemy, compliance with laws, governmental acts or regulations, fire, accident, unusually severe weather, act of civil or military authority, governmental priority, strike or other labor disturbance, embargoes, travel restrictions, flood, earthquake, epidemic, war, riot, acts or threats of terrorism, delay in transportation or car shortage; or
- (iii) acts of the buyer including, failure of buyer to supply AFT Inc. in a timely manner with all necessary information or other specified items required by AFT Inc. to design, manufacture and test the AFT Inc. Product, failure or delay by buyer to approve or reject proposed design changes, changes of scope, design or specification made by buyer which result in additional time being required to design, manufacture and test the AFT Inc. Product; failure or delay by buyer to provide access to AFT Inc. to those portions of buyer's plant required by AFT Inc. for installation of the AFT Inc. Product; interference by buyer or buyer's trades during installation; failure or delay of buyer to advise AFT Inc. of required equipment safety or guarding changes within five (5) days of design review meeting.

AFT Inc. will notify the buyer promptly of any material delay excused by (i) and (ii) above and will specify the revised delivery date as soon as practicable. In the event of any such delay, there will be no termination arising from the delay and the date of delivery or of performance shall be extended for a period equal to the time lost by reason of delay.

In the event of any delay arising as contemplated in (iii) above, the buyer shall pay AFT Inc. compensation for the costs actually incurred by reason of such delay, including carrying charges, transportation charges, storage charges, travel charges, personnel charges and reasonable overhead and profit thereon

12 Termination by Buyer for Convenience

Buyer may terminate the contract in whole or in part for buyer' s convenience. In the event of such termination, buyer shall pay AFT Inc. upon demand for all costs and expenses already incurred or commitments made by AFT Inc. for materials and labor, including, without limitation, for overhead, design, processing, handling, fabrication, packaging, shipping, travel, supplier termination, and restocking charges.

13 Termination by AFT Inc. for Cause

If buyer becomes insolvent or bankrupt or breaches a provision of the contract and does not remedy such breach within ten (10) calendar days of written notice by AFT Inc., AFT Inc. may terminate the contract in whole or in part effective ten (10) calendar days after said notice was given. In the event of such termination, AFT Inc. shall have the right to take possession of all materials and components related to the AFT Inc. Product in whatever stage of design, manufacture, or installation it is at such time, except such AFT Inc. Product which has already been delivered and paid in full by buyer. AFT Inc. shall be under no obligation to finish the work, provide further support or information, or provide further AFT Inc. Product. In the event of such termination, buyer shall pay AFT Inc. for all work performed prior to the termination, including costs and expenses already incurred and commitments made by AFT Inc. for materials and labor, including, without limitation, for overhead, design, processing, handling, fabrication, packaging, shipping, travel, supplier termination, and restocking charges, plus reasonable expenses incurred after termination to recover or protect the AFT Inc. Product and related materials and components, plus a reasonable profit for Product ordered by buyer prior to termination.

14 Termination by buyer for Cause

If AFT Inc. becomes bankrupt or insolvent or breaches a material provision hereof and does not commence to remedy such breach within ten (10) calendar days of being given written notice by buyer, buyer may terminate the contract in whole or in part effective ten (10) calendar days after such notice was given. In the event of such termination, buyer shall have the right to take possession of the AFT Inc. Product (in whatever state of design or manufacture it is at such time) and of all materials and components related to the AFT Inc. Product, immediately by payment from buyer to AFT Inc. for costs and expenses already incurred or commitments made by AFT Inc. prior to such termination for materials and labor, including, without limitation, for overhead, design, processing, handling, fabrication, packaging, shipping and travel. Upon such payment, buyer shall have the right to the continued use of the AFT Inc. Product, including the related materials and components, and buyer may then finish the work by any reasonable means buyer deems appropriate. The remedy provided to buyer in this Section 14 shall be buyer's sole and exclusive remedy in respect of any bankruptcy or insolvency of AFT Inc. and in respect of any breach of this Contract by AFT Inc. other than in respect of events described in the limited warranty (see Section 8) or patents (see Section 6).

15 Taxes

The prices quoted by AFT Inc. are exclusive of all applicable federal, state / provincial or local taxes, unless otherwise stated. The buyer shall pay the gross amount of any present or future sales, use, excise, value added, or other similar tax applicable to the price, sale or delivery of any AFT Inc. Product or services furnished hereunder or to their use by the buyer or AFT Inc. The buyer shall furnish AFT Inc. with evidence of exemption from any such taxes acceptable to the taxing authorities. The buyer shall assess and remit any applicable tax to taxing authorities not otherwise invoiced by AFT Inc.

16 Assignment

Neither party shall assign the contract without the prior written consent of the other party. Notwithstanding the foregoing, AFT Inc., services under this Contract may be subcontracted, assigned to and performed by AFT Germany or any of AFT Inc.'s affiliates without requiring buyer's permission or consent.

17 No Third-Party Beneficiaries

This Contract is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Conditions.

18 No Agency

AFT Inc. and the buyer are independent contractors. No agency relationship or partnership exists between them, and neither of them has the right to enter into a contract on behalf of or as an agent or representative of the other.

19 Notices

All notices required or permitted under this contract shall be in writing and personally delivered or mailed, by registered or certified mail, return receipt requested, by internationally recognized courier service (e.g. FedEx, UPS, DHL with all fees pre-paid). Facsimile transmission to the address or facsimile number set out on the AFT Inc. quotation will not be considered a legal effective notice and must be confirmed with the delivered or mailed original. AFT Inc. or buyer may change their respective addresses by written notice to the other. Except as otherwise provided in this Contract, a notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the notice has complied with the requirements of this Section 19.

20 Survival Beyond Completion

The rights and obligations of each party with respect to confidentiality, indemnification, limitations of liability, disclaimers, representations, warranties, and other terms and conditions set forth herein shall survive termination of the contract or final acceptance of the work.

21 Governing Law

The validity, interpretation and performance of the Contract shall be governed by and construed in accordance with the laws of the state of Delaware, USA. Buyer and AFT Inc. hereby submit to the exclusive jurisdiction of the Courts situated in the state of Delaware, USA for resolution of disputes arising out of or relating to this Contract.

22 Severability

If any term or provision of this Contract is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction.