

MDA Systems Ltd.

PURCHASE TERMS AND CONDITIONS

1. APPLICABLE LAW

The laws of the Province of British Columbia, Canada shall govern the legal obligations of the parties and the interpretation of the Contract.

2. SUSPENSION, CHANGES, AND CANCELLATION

Purchaser may suspend or cancel its order, or change quantities, specifications, design, drawings or method, place or time of delivery. Equitable adjustments will be made by Purchaser if price or time for performance are affected, but only upon notice to Purchaser from Seller to like effect and upon Seller establishing to the satisfaction of Purchaser of the effect upon price or time for performance. No adjustments will be made to the contract for goods already delivered. No alteration, modification or other change shall be effective or binding on Purchaser, until written and signed by Purchaser.

3. APPROVAL OF GOODS

The goods shall be subject to inspection and approval by Purchaser upon receipt, and Purchaser shall have a reasonable time therefor. If any of the goods do not conform to the requirements of the contract, Purchaser may reject any or all of the goods. Approval by Purchaser of part of the goods shall not relieve the Seller of its obligations to the rest.

Rejected goods at Purchaser's option may be held for Seller's disposition instructions, or returned to Seller, the costs for which shall be borne by Seller. No act of payment by Purchaser shall be considered an inspection or approval of any or all of the goods by Purchaser.

4. TITLE/WARRANTY/COMPLIANCE

The Seller warrants that it has good and marketable title to the goods to be provided, and that such goods are and shall be free of any claim, liens, charges or encumbrances of any kind, and that it has the full and lawful authority to transfer title to the goods. Seller warrants the goods to be provided shall meet and conform to the specifications, drawings, samples, or descriptions furnished or adopted by the Purchaser, and shall be of good material and workmanship and free from defect.

Seller shall comply, and ensure the compliance of all employees, subcontractors, suppliers, or agents with all applicable Federal, Provincial, State, Municipal or local laws, rules and regulations.

5. PATENT INDEMNITY

Seller shall be responsible for and shall save harmless and indemnify the Purchaser from and against all losses, costs, damages, claims and demands of any nature whatsoever including legal fees and costs arising out of or by reason of the performance or purported performance hereunder by the Seller, including without limitation those made or sustained in respect of property damage, personal injury (including death) and infringement of copyright, trademark, trade secret, patent of invention or the proprietary rights of others.

6. WAIVER

Waiver by the Purchaser of the strict performance of any term, condition, covenant or agreement herein, shall not of itself constitute a waiver or abrogation of such term, condition, covenant or agreement, nor be a waiver or abrogation of any subsequent breach of same, or any other term, condition, covenant or agreement herein.

7. EXCUSABLE DELAY

Neither party shall be in default from any failure to perform hereunder, if such failure arises from causes beyond the control of and without the fault or negligence of such party. Such causes include: acts of God; or of the public enemy; or of Government in either its sovereign or contractual capacity; fire; strike or lockout; epidemic; quarantine restrictions; freight embargo; or unusually severe weather. The party claiming relief herein shall give prompt notice to the other, together with all necessary information with respect to the circumstances.

8. TIME IS OF THE ESSENCE

Time is of the essence with respect to delivery. If seller is unable for any reason to deliver as specified it shall forthwith give notice to the Purchaser.

9. HEADINGS

Headings are inserted for convenience only and are not a part of the terms or conditions herein.

10. ASSIGNMENT

Neither this contract, nor any agreement created therefrom, nor any of the rights or obligations herein contained shall be assigned or otherwise be transferred in whole or in part by the Seller.

This purchase order, contract, or any agreement created therefrom, or any of the rights or obligations herein contained may be assigned or otherwise be transferred in whole or in part by the Purchaser, in its sole discretion.

11. OWNERSHIP OF DRAWINGS, DESIGNS

Ownership of any documents including designs, specifications or drawings supplied by Purchaser or produced by Seller upon request of the Purchaser shall at all times rest with Purchaser.

12. ENTIRE AGREEMENT

This order, together with all documents, drawings and specifications attached or incorporated hereto by reference shall upon acceptance by Seller comprise the entire agreement (Contract) between the parties, and supersede all other previous statements, representations, or agreements, and whether oral or written.

13. SET-OFF

Purchaser may set off against any amounts owed to Seller under this Contract any amounts that become due or owing to Purchaser by Seller.

14. CONFIDENTIAL INFORMATION

Seller agrees to hold in confidence at all times all proprietary information which Seller receives or acquires from Purchaser by whatever means. Any disclosure by Seller shall only be upon a need-to-know basis and in furtherance of Seller's obligations herein and Seller shall ensure that the recipient, including Seller's employees, assume obligations identical to Seller's obligations under this Clause.

15. INSPECTION

Purchaser shall have the right to conduct intermediate inspections or tests of the goods or their components, at any time prior to shipment. Seller shall grant the Purchaser reasonable access to Seller's or its suppliers facilities for such purposes and cooperate with Purchaser. Any intermediate inspections or test by Purchaser shall not constitute a final inspection or test nor relieve Seller from any of its obligations herein.

16. INDEPENDENT CONTRACTOR

Seller is and at all times shall be an Independent Contractor of Purchaser and at no time considered and agent, servant or partner thereto.

17. CURRENCY

Unless otherwise expressly stated herein, prices referred to are in Canadian Dollars, fixed, and inclusive of all taxes and duties of any kind.

18. PUBLICITY

Use of the Purchaser's name by the Seller for the purpose of advertising or solicitation of business without the prior written consent of the Purchaser is expressly forbidden.

19. PERMITS, LICENSES, AND IMPORT/EXPORT APPROVAL (Authorizations)

The Seller shall be solely responsible to obtain and maintain all governmental and regulatory approvals applicable to the import or export of the Products or Services supplied or provided by Seller hereunder, including but not limited to import and export permits, licenses, compliance with export and re-export controls regulations, directives, and completion and registration of any applicable technical assistance agreements. Seller further agrees to do all things and provide such assistance as is reasonably necessary, at no additional charge, to permit Purchaser to re-export the Products or Services supplied or provided by Seller hereunder. Notwithstanding any limitations of liability specified in this Purchase Order, Seller shall be responsible for any and all costs or delays resulting from failure to obtain Authorizations.

20. CANADIAN INDUSTRIAL AND REGIONAL BENEFITS

The Buyer shall be the sole recipient of any industrial, regional or technological offset credits, including those associated with the Government of Canada's IRB or ITB policies, arising from the Work performed under this PO.