

TERMS AND CONDITIONS OF SALE AND LICENSE

The foregoing order acknowledgement, pursuant to which (a) Aerolux Limited ("Seller") will sell and deliver the type and number of products set forth on the order acknowledgement (the "Products") and license any technology embedded within the Products and the object code version of computer software or code embedded within or running on the Products (the "Technology") to the buyer identified in the order acknowledgement ("Buyer"), and (b) Buyer will purchase and accept or cause to be accepted the Products and license the Technology from Seller, is governed by the following terms and conditions (together, the order confirmation and these terms and conditions form the "Order Acknowledgement"):

1. FORMATION OF AGREEMENT

This Order Acknowledgement will only become effective upon Buyer's assent to its terms and conditions, which will prevail over any inconsistent terms in the Purchase Order or other document tendered by Buyer. Buyer's or its agent's acceptance of any Products will constitute Buyer's acceptance of this Order Acknowledgement and any subsequent Order Confirmation. Buyer may also accept this Order Acknowledgement by any other method under law. Buyer will be presumed to have accepted this Order Acknowledgement and any subsequent Order Confirmation unless Buyer rejects it in writing within 7 days from the date of this Order Acknowledgement. If Buyer rejects this Order Acknowledgement in accordance with the foregoing, then neither party will be bound to sell, license or pay for the Products or otherwise be bound by any term or condition of this Order Acknowledgement. However, Buyer will return all Products delivered to Buyer under the rejected Order Acknowledgement at its expense and will hold the Products for Seller's benefit as Seller's fiduciary agent and bailee until returned.

Should the Buyer wish to cancel the Purchase Order following the aforesaid 7 day period, then penalty clauses as laid out below will apply:

10%	From 7 days following Order Acknowledgement up until 10 weeks before delivery
25%	6 to 10 weeks before delivery
50%	4 to 6 weeks before delivery
75%	2 to 4 weeks before delivery
85%	from 2 weeks before delivery onward

Where possible, equipment not required by the Customer will be restocked and resold, with a 25% restocking fee, however this will not apply to any customer special orders, variants or modifications carried out for a particular customer.

2. SALE AND LICENSE

2.1 Sale of Products. On and subject to the terms and conditions herein, Seller will sell the Products to Buyer and Buyer will purchase them from Seller. Such sale will give Buyer title to and the right to physical possession and use of the Products. However, title to the Products will remain in Seller until Buyer has paid Seller in full for the Products.

2.2 Licensed Intellectual Property. On and subject to the other terms and conditions herein, Seller grants Buyer a nontransferable (except as set forth in Section 8.3), non-exclusive, limited right to (a) install the Technology on aircraft (solely for use in connection with the Products) and operate the Technology in accordance with the specifications, if any, attached to this Order Acknowledgement, and (b) use the materials relating to the Products and Technology, including drawings, diagrams, specifications, training manuals and user manuals, that Seller provides to Buyer (the "Documentation") and Seller's trademarks and service marks relating to the Products (together, the Technology, Documentation and such trademarks and service marks will be the "Licensed Intellectual Property") in accordance with Seller's current usage policies, solely for purposes of installing and operating the Products and Technology, provided that Buyer will not remove, alter or obscure any of Seller's proprietary marks on the Products. Buyer will not use the Licensed Intellectual Property other than as provided in this Section 2.2. Buyer will not use the Licensed Intellectual Property apart from the Products or replicate the Licensed Intellectual Property so that Seller possesses or creates more copies of the Licensed Intellectual Property than the number of Products delivered to Seller.

3. SHIPMENT AND PAYMENT

3.1 Shipment. Seller will package and ship the Products to Buyer at the address set forth in the Order Acknowledgement at Buyer's cost. Unless otherwise specified in the Order Acknowledgement, the Products will be Ex Works (as defined in Incoterms 2000) Blackpool in the United Kingdom. Any delivery dates, requested or agreed, are estimates only. Seller may deliver early.

3.2 Risk of Loss and Security.

(a) Risk of loss to the Products will pass to Buyer when Seller or its supplier delivers the Products to a carrier for shipment to Buyer.

(b) Buyer will not pledge, provide as collateral, allow placement of a lien on, or otherwise encumber or in any way charge by way of security for any indebtedness any Products or their documents of title until title to such Products passes to Buyer.

(c) To the extent the Products will be delivered to the Buyers acknowledged address, the provisions of this Section 3.2(c) will apply. To secure prompt and full payment of Buyer's obligations hereunder, Buyer hereby grants Seller a security interest in the Products and the license of the Licensed

Intellectual Property, and all proceeds thereof. Seller may execute and file, and Buyer will assist Seller in the execution and filing of, financing statements and other documents and instruments evidencing such grant. If at any time Buyer is in default of payment hereunder, then, in addition to all other remedies available to Seller, Seller may exercise all remedies of a secured party under English laws including, without limitation, directing any third parties purchasing the Products from Buyer to pay Seller directly for such Products.

(d) To the extent the Products will be delivered to location outside of the United Kingdom, the provisions of this Section 3.2(d) will apply. Until title to all Products passes to Buyer, Buyer will hold the Products in the Buyer's possession or control as Seller's fiduciary agent and bailee (in which full title to the Products will remain), will keep the Products separate from those of Buyer and third parties and properly stored, protected and insured, and will mark and identify the Products as Seller's property. Until title to all Products passes to Buyer, if at any time Buyer is in default of payment hereunder, then: (i) Seller may require Buyer to deliver the Products to Seller and, if Buyer fails to do so forthwith, Seller may enter upon any premises of Buyer or any third party where the Products are stored and repossess them, (ii) Buyer will ensure that any third party which holds the Products will permit Seller to take possession of them and will indemnify Seller against any liability which it may incur to such third party in connection with taking or attempting to take possession of the Products and (iii) Seller may use or dispose of the Products as it wishes.

3.3 Price. The per-unit price for the Products and the Licensed Intellectual Property is listed on this Order Acknowledgement, and/or the subsequent Order Confirmation. Seller reserves the right, by giving notice to Buyer at any time before delivery, to increase the price of the

Products to reflect any increase in the cost to Seller which is due to (a) any factor beyond its control, (b) any Buyer requested change in delivery dates, quantities or specifications for the Products, or (c) any delay caused by any of Buyer's instructions or Buyer's failure to give Seller adequate information or instructions.

3.4 Payment. Buyer will pay the price for the Products and the Licensed Intellectual Property in full by bank transfer within 30 days (or the agreed terms of the Order Acknowledgement) after the later of the receipt of the Products or an invoice for the Products. No invoice will be dated earlier than the date on which the Products relating to that invoice are shipped. The per-unit prices are exclusive of, and Buyer will be responsible for, all taxes, duties, insurance, shipping, storage and handling charges or similar costs applicable to Buyer's purchase of the Products or license of the Licensed Intellectual Property. Buyer will pay such charges and costs in full by bank transfer within 30 days after receipt of an invoice for such charges and costs. Payment by Buyer will not be subject to set off or credit. If Buyer pays Seller any amount without identifying the invoice or Products in respect of which that payment is made, Seller may apply such payment in its sole discretion. Settlements by cheque or credit transfer will be deemed paid when Seller's account is credited with cleared funds. Seller may charge Buyer and Buyer will pay interest on past due amounts under this Order Acknowledgement at the rate of one and one-half of one percent (1.5%) per month or the maximum rate permitted by law, whichever is less.

4. INTELLECTUAL PROPERTY OWNERSHIP

4.1 General. Buyer acknowledges that Seller owns (as between Seller and Buyer) and will retain all ownership in the intellectual property relating to the Products and Licensed Intellectual Property, including, without limitation, copyright, trademark, trade secret, know-how, database, design and patent rights, and all tangible and intangible components thereof, and any improvements, modifications, design contributions or derivative works thereto or thereof conceived or created by either party, whenever developed (the "Seller Intellectual Property").

4.2 Technology. Buyer will not: (a) decode, reverse engineer, reprint, transcribe or reproduce, in whole or in part, the Technology, (b) modify or enhance the Technology, or (c) otherwise access or manipulate the Technology, except as expressly permitted in writing by Seller. Buyer acknowledges that software or other intellectual property provided by a third-party licensor of Seller ("Third-Party Intellectual Property") may be incorporated in the Products. Buyer will abide by the applicable terms and conditions with respect to such Third-Party Intellectual property, whether set forth in Documentation, "read me" files contained in the Products or otherwise. Regardless of any additional terms, any Third-Party Intellectual Property will be governed by the terms and conditions of this Order Acknowledgement that are applicable to the Licensed Intellectual Property.

4.3 Buyer Modifications, Integrations and Incorporations. Seller hereby consents to the (a) modification of the Products by Buyer, or (b) incorporation or integration of the Products into or with other products or equipment owned by Buyer or licensed to Buyer by a third party (the "Buyer Equipment"), solely to the extent and in the manner described in the drawing and/or description, if any, attached to the Order Acknowledgement or in any subsequent written approval from Seller. Any such modification will be Seller Intellectual Property and will be solely owned by Seller. Buyer hereby assigns all rights to such modification to Seller and will provide Seller with confirmations of assignment or other documentation required by Seller to evidence such assignment. Buyer will retain all its rights in and to the applicable Buyer Equipment and the drawing and/or description of the desired modification, incorporation or integration. Such modification, incorporation or integration will not affect Seller's rights in the Seller Intellectual Property and will be subject to, and not be used to undermine, the restrictions on use set forth in Section 2.2 and elsewhere in this Order Acknowledgement. Buyer will be responsible for any repairs required relating to such modification, incorporation or integration, or the Buyer Equipment and will indemnify and hold harmless Seller from any claims and expenses (including without limitation, reasonable legal expenses) arising out of or relating to any modification, incorporation or integration, or the Buyer Equipment.

4.4 Unauthorized Use. Buyer will notify Seller immediately upon discovery of any unauthorized use, copying or disclosure of the Seller Intellectual Property. Buyer will not impair Seller's rights in the Seller Intellectual Property.

5. REPRESENTATIONS AND WARRANTIES

5.1 Defects. Seller represents and warrants to Buyer that for the period after delivery to Buyer defined in the Quotation, its Products will be free from defects in material and workmanship, except to the extent any defect or non-conformance is caused by any (a) modification of the Product by Buyer, (b) incorporation or integration of the Product into or with Buyer Equipment, (c) use of the Product in an unauthorized manner or in a manner inconsistent with the Documentation, or (d) damage to the Product not caused by Seller. If any of the Products fail to meet the warranty set forth in the first sentence of this Section 5.1, then (a) Buyer will promptly deliver to Seller the Product alleged to be defective, together with a completed warranty claim in a form required by Seller (the "Warranty Claim"), and provide Seller with other evidence of such non-conformance as reasonably requested by Seller, and (b), as Buyer's sole remedy, Seller will promptly (but in no event later than 30 days after receipt of such Product and Warranty Claim from Buyer) correct such non-conformance or replace such Products with conforming Products at Seller's expense.

5.2 Technology Warranty. Prior to delivery of the Technology to Buyer, Seller will scan the Technology for known viruses using virus detection software that Seller deems adequate for the purpose; and except as described in the Documentation, upon delivery the Technology will not contain any product keys, expiry codes or other codes or devices which may prevent Buyer from using the Technology or which may damage or cause a malfunction of Buyer's hardware or software. If the Technology fails to meet the warranty set forth in the first sentence of this Section 5.2, then (a) Buyer will promptly deliver to Seller the Product containing the allegedly defective Technology, together with a completed Warranty Claim, and provide Seller with other evidence of such non-conformance as reasonably requested by Seller, and (b), as Buyer's sole remedy, Seller will promptly (but in no event later than 30 days after receipt of such Product and Warranty Claim from Buyer) correct such non-conformance or replace the Technology with conforming Technology at Seller's expense.

5.3 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS ORDER ACKNOWLEDGEMENT OR ANY SUPPLEMENTAL MATERIALS PROVIDED BY SELLER CONTEMPORANEOUSLY HERewith, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, RELATING TO THE PRODUCTS, THE LICENSED INTELLECTUAL PROPERTY OR THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS ORDER ACKNOWLEDGEMENT, AND SELLER HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW (INCLUDING, WITHOUT LIMITATION, WARRANTIES OF DESCRIPTION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES OF COURSE OF DEALING OR USAGE OF TRADE) TO THE EXTENT PERMISSIBLE.

5.4 Reasonableness. The parties agree that the restrictions in this Order Acknowledgement are reasonable in light of their relationship and the availability of insurance against such risks.

6. LIMITATION OF LIABILITY / INDEMNIFICATION

6.1 Limitation of Liability.

(a) SELLER WILL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES (WHICH MAY INCLUDE BUT ARE NOT LIMITED TO LOST PROFITS, LOSS OF USE, GOODWILL OR BUSINESS INTERRUPTIONS) ARISING OUT OF OR RELATING TO THIS ORDER ACKNOWLEDGEMENT, THE PRODUCTS OR THE LICENSED INTELLECTUAL PROPERTY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) SELLER'S TOTAL LIABILITY UNDER THIS ORDER ACKNOWLEDGEMENT WILL NOT EXCEED THE AMOUNT RECEIVED OR DUE FROM BUYER FOR THE PRODUCTS AND LICENSED INTELLECTUAL PROPERTY.

(c) The limitation of liability set forth in Section 6.1(a) and (b) will not apply to death or personal injury resulting from Seller's negligence to the extent such limitation of liability is prohibited under applicable law.

6.2. Indemnification. Buyer will indemnify, defend and hold Seller harmless from any and all claims, demands or other liabilities, including reasonable legal fees, arising out of or relating to Buyer's breach of any provision of this Order Acknowledgement or Buyer's relationship with its customers or Transferees (as defined in Section 8.3), except to the extent such claim, demand or other liability arises from the gross negligence or willful misconduct of Seller.

6.3 Product Claims. If Buyer becomes aware that any third party has made or appears likely to make any claim regarding the Products (including, without limitation, regarding Product defects or rights infringed by the Products), then Buyer will immediately inform Seller and afford to Seller all assistance (such as permitting Seller to have conduct of any proceedings) which Seller may require to enforce its rights and defend such claim.

7. CONFIDENTIALITY

7.1 Definition. A party's "confidential information" means information or data (in oral, written, electronic or other form), including, without limitation, any trade secret or know-how, related to or owned or controlled by such party, valuable to such party and not generally known or readily available through legal means (other than its disclosure in reliance on this Order Acknowledgement) to the other party. Buyer acknowledges that the Products, Licensed Intellectual Property and Seller Intellectual Property contain confidential information of Seller.

7.2 Obligations. A party may use the other party's confidential information to perform its obligations and exercise its rights under this Order Acknowledgement, but may disclose it only to its officers, directors and employees on a need-to-know basis after informing any such discloses that it is confidential and directing them to comply with this Order Acknowledgement. Notwithstanding the foregoing, after giving reasonable notice to the other party (which notice affords the other party an opportunity to seek a protective order or other remedy), a party may disclose the other party's confidential information to the extent required by law. On request, a party will return or destroy all records that contain or reflect the other party's confidential information.

7.3 Remedy. A party may seek injunctive relief to redress or prevent violations of this Section 7, in addition to, and not in lieu of, any other rights and remedies available to such party.

7.4 Survival. Confidential information that is not a trade secret or know-how will cease to be protected hereunder on the third anniversary of its disclosure. Confidential information that is a trade secret or know-how will be protected for so long as such confidential information constitutes a trade secret or know-how under applicable law.

8. MISCELLANEOUS

8.1 Force Majeure. If Seller's performance under this Order Acknowledgement is prevented, hindered or delayed by reason of any cause beyond the reasonable control of Seller (any such event being hereafter called an "Event"), such as acts of God, pandemics, riots, fires, floods, unusually severe weather, extreme heat or cold, power or communications failures, acts or omissions of suppliers, transportation delays, unavailability of supplies or materials, acts or omissions of civil or military authorities, war, acts of terrorism or embargoes, strikes, lockouts or other labor disputes, then Seller will be excused from performance to the extent that its performance is prevented, hindered or delayed. Seller will immediately give Buyer notice specifying the Event, the performance affected and the anticipated date, if any, by which performance can be made. Such excuse from performance will extend so long as the Event continues to prevent, hinder or delay Seller's performance but Buyer will be entitled to terminate this Order Acknowledgement if such performance is prevented, hindered or delayed for more than 40 days.

8.2 Compliance with Law. Each party will comply with all applicable laws, regulations and orders bearing on its rights and obligations hereunder.

8.3 Transfer and Assignment. This Order Acknowledgement will be binding upon and will inure to the benefit of the parties and their respective successors and permitted assigns. Buyer may transfer its rights in the Products and Licensed Intellectual Property to a third party purchasing or leasing the aircraft on which the Products are installed (the "Transferee"), but only after Buyer enters into a legally binding written agreement with such Transferee containing (a) provisions at least as favorable to Seller as those contained in Section 2.1, 2.2, 4.2 and 4.4, (b) obligations of confidentiality, nondisclosure and limited use no less restrictive than those set forth in Section 2 and 7, and (c) a provision naming Seller or any licensor of equipment contained in such aircraft as a third-party beneficiary under such agreement. Except as otherwise expressly provided herein, neither party may assign or subcontract this Order Acknowledgement nor any rights, liabilities or obligations hereunder without the prior written consent of the other party. Upon notice to the other party, a party may assign this Order Acknowledgement to the Buyer of substantially all of the assets of such party.

8.4 Relationship of the Parties. Seller and Buyer are independent contractors. No agency, partnership, joint venture or other joint relation is created between them. Neither has the authority to bind the other or to incur any obligation on the other's behalf.

8.5 Governing Law and Jurisdiction. This Order Acknowledgement is governed by English law and the parties submit to the exclusive jurisdiction of the English Courts. The parties hereby waive all rights to a jury trial in connection with claims under this Order Acknowledgement. This Order Acknowledgement will not be governed by the United Nations Convention on Contracts for the International Sale of Goods.

8.6 No Waiver. No waiver of any term or condition herein will be binding unless it is in writing signed by the waiving party. The failure of a party to require full performance of this Order Acknowledgement, or the waiver by a party of any breach of this Order Acknowledgement, will not govern a subsequent enforcement of such terms, or waive any subsequent breach.

8.7 Severability. If a court invalidates any right or restriction herein that is not essential to the commercial purpose hereof, then the remainder of this Order Acknowledgement will remain in full force and effect. To the extent legally permissible, the parties will replace any illegal, invalid or unenforceable provision hereof with a valid provision that implements the commercial purpose of the replaced provision.

8.8 Survival. Section 2.2 (Licensed Intellectual Property), 4 (Intellectual Property Ownership), 6 (Limitation of Liability / Indemnification), 7 (Confidentiality), and this Section 8 (Miscellaneous) will survive the performance by each party of its obligations hereunder and will continue in full force and effect.

8.9 Entire Agreement. This Order Acknowledgement constitutes the entire agreement and understanding between the parties and supersedes all previous understandings, agreements, communications and representations, whether written or oral, concerning the subject matter of this Order Acknowledgement. If there is any conflict between the terms of the Order Acknowledgement and these terms and conditions, the terms of the Order Acknowledgement will control. This Order Acknowledgement may be amended, modified or supplemented only by a writing that expressly refers to this Order Acknowledgement and is signed by the adversely affected party.