

SAFENET TERMS AND CONDITIONS OF SALE

The following terms and conditions apply to this offer (the "Offer") of equipment, software, accessories and any accompanying services (collectively "Products") by SafeNet, Inc., and/or one or more of its subsidiaries ("SafeNet") to any potential or actual purchaser of such equipment, software or accessories (the "Purchaser"). By accepting this offer for SafeNet Products, Purchaser agrees to be legally bound by the following terms (the "Terms").

1. ENTIRE AGREEMENT.

Purchaser may accept this Offer, consisting of the Products described on any accompanying invoices at the price shown on the accompanying invoice, either in writing or by any conduct that acknowledges the existence of a contract for such Products, including without limitation, acceptance of such Products. This Offer is conditional upon, and can be accepted only upon, the terms and conditions specified in this Offer. If Purchaser has previously proposed or subsequently proposes any terms that add to, vary from, or conflict with the terms of this Offer, SafeNet hereby objects to and rejects such terms. Other than as specifically provided in any separate written agreement between Purchaser and SafeNet, these terms and conditions may not be altered, supplemented, or amended without the specific written consent of both Purchaser and SafeNet. These Terms constitute the final, complete and exclusive agreement between the parties concerning the sale of SafeNet Products, and all matters related to this sale. These Terms supercede all previous and contemporaneous proposals, negotiations, warranties, promises and any other communications between the parties, oral and written, concerning the sale of SafeNet's Products.

2. PURCHASE OF PRODUCTS.

A. Prices. Unless SafeNet specifically quotes different prices in writing to Purchaser, the prices shall be those set forth in SafeNet's current price list in effect at the time Purchaser accepts SafeNet's Offer. Prices are exclusive of all sales, use, excise or other taxes (excluding any tax on SafeNet's net income). The amount of any such tax that SafeNet is required to pay shall be added to the price and shall be due and payable under the payment terms of sale unless Purchaser furnishes to SafeNet a tax exemption certificate satisfactory to taxing authorities. Prices specifically do not include the additional charges described in Section 5(C), which shall be invoiced by SafeNet and paid by Purchaser.

B. Purchases. Purchaser may place orders for the Products by submitting one or more written purchase orders to SafeNet. Each such purchase order shall state the description (including SafeNet's part numbers) and quantities of the Products being ordered, and the proposed shipment date for such Products. Subject to these Terms, a purchase order may also include instructions for shipment and insurance. In no event shall any other terms or conditions set forth on a purchase order submitted by Purchaser be binding on SafeNet. No purchase order shall be binding on SafeNet unless and until SafeNet has accepted the purchase order by either a written acknowledgement or by shipment of the Products described in the purchase order.

C. Standard Products. All Products shall be SafeNet's standard products. Unless specifically stated in a separate agreement between SafeNet and Purchaser, SafeNet shall have no obligation to create special or customized versions of any Product, or to ensure that the Products operate with Purchaser's equipment, software, or systems. SafeNet reserves the right, without prior approval from or notice to Purchaser, to make changes to any Product (i) to meet published specifications; (ii) that do not adversely affect the performance of the Product below any published specification; or (iii) when required for purposes of safety. SafeNet also reserves the right to make changes to any Product without any obligation to make the same changes to Products previously ordered by or sold to Purchaser.

3. PURCHASER'S OBLIGATIONS.

A. Resale of Products. Purchaser may not resell any SafeNet products unless SafeNet has signed a written agreement authorizing Purchaser to do so. The term "resell" shall include any resale, lease, license or other transfer or delivery of the Products. If Purchaser resells Products in violation of this provision, SafeNet reserves the right, in addition to all other remedies, to invoice Purchaser for the difference between the price paid by Purchaser for the Products, and SafeNet's then standard list prices for sales to end users.

B. Export Control. Purchaser acknowledges that the Products are subject to regulation by United States, European Union, and/or other government agencies, which prohibit export or diversion of the Products to certain countries and certain persons. Purchaser agrees to comply, and to require any end users to which it distributes the Products to comply, with all export laws, regulations and restrictions of the United States Department of State, Department of Commerce or other legal authority within the United States or any foreign entity which regulates their shipment. Purchaser will not export in any manner, either directly or indirectly, any Product or any product that incorporates any Product without first obtaining all necessary approval from appropriate government agencies.

4. TERMS OF PAYMENT.

Purchaser shall pay the agreed price to SafeNet upon delivery or, at SafeNet's option, SafeNet may invoice the Purchaser at the time of each shipment of Products to

Purchaser. Payment terms for all invoiced amounts shall be thirty (30) days from the date of invoice(s). Purchaser shall make all payments due to SafeNet WITHOUT ANY OFFSET OR DEDUCTION WHATSOEVER, and without regard to whether Purchaser has made or may make inspections of the Products delivered to Purchaser. If deliveries are authorized in installments, each shipment shall be paid for when due without regard to other scheduled deliveries. Any invoiced amount which is not paid when due shall bear a late fee at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by applicable law, whichever is less. If Purchaser fails to pay any invoice when due, or the creditworthiness of Purchaser is questioned by SafeNet, then SafeNet reserves the right to withhold further shipments (and the provision of services) until Purchaser re-establishes its creditworthiness to SafeNet's satisfaction.

5. DELIVERY OF PRODUCTS.

A. Shipping Schedule. SafeNet shall use its reasonable efforts to ship Products to Purchaser in accordance with the shipment schedule provided by SafeNet to Purchaser. Delivery dates proposed by Purchaser in its purchase order or other documentation shall not be binding on SafeNet. Notwithstanding the foregoing and without limiting the generality of Section 9, SafeNet shall not be liable for damages of any kind as a result of a delay in delivery, regardless of the reason. The delivery schedule shall be extended automatically by a period of time equal to the time lost because of any such delay.

B. Cancellation and Rescheduling. If Purchaser defaults on any of its obligations, SafeNet may decline to make further shipments, terminate any of Purchaser's orders, or both, without affecting SafeNet's rights and remedies including, but not limited to, SafeNet's right to receive cancellation charges and quantity price adjustments. Purchaser's refusal to accept shipment within thirty (30) days of the shipment date scheduled by SafeNet may, at SafeNet's sole option and election, be treated as a cancellation of the shipment. If SafeNet continues to make shipments after Purchaser's default, SafeNet's action shall neither constitute a waiver of any right of SafeNet nor affect SafeNet's legal remedies. In the event that Purchaser (i) cancels any order or portion of an order, or (ii) fails to meet any obligation hereunder (including a refusal to accept delivery within thirty (30) days of the original shipment date), thereby causing cancellation or rescheduling of any order or portion of an order, Purchaser agrees to pay SafeNet cancellation charges equal to 65% of the list price of each Product covered by such cancelled order, said charges having been agreed upon, not as a penalty, but as a result of the difficulty of computing actual damages.

C. Shipment. Delivery of Products shall be F.C.A. at SafeNet's facility. Unless specified by Purchaser in its purchase order, SafeNet shall, in its sole discretion, determine the means of shipment and insurance, if any, for the Products. SafeNet's selection of the carrier shall be strictly on Purchaser's behalf. SafeNet does not assume any liability for the carrier's delivery of the shipment nor shall the carrier be deemed an agent of SafeNet. SafeNet shall invoice, and Purchaser shall pay for, any and all shipping, handling, customs, insurance and similar charges incurred by SafeNet in shipping Products to Purchaser. SafeNet also reserves the right to ship Products to Purchaser freight collect. Purchaser shall be solely responsible for all storage, and other charges at the destination specified by Purchaser. Purchaser shall be deemed to have accepted the Products upon the date title to such Products passes to Purchaser; provided, however, that nothing in this Section 5(C) shall be deemed to limit Purchaser's warranty rights set forth in Section 8.

6. TITLE TO PRODUCTS.

A. Transfer of Title. Title to the Products, and risk of damage or loss, shall pass to Purchaser upon delivery of the Products at SafeNet's facility to the carrier for shipment to Purchaser.

B. Ownership of Intellectual Property. Notwithstanding Section 6(A), Purchaser acknowledges that the Products and accompanying documentation and other instructions provided by SafeNet contain proprietary technical know how embedded in hardware, software or technical information, or some combination thereof, and that, as between Purchaser and SafeNet, the ownership of all patents, copyrights, derivative works, mask work rights, trademarks, trade names, trade secrets and all other intellectual property rights to the Products shall remain with SafeNet and its suppliers. Purchaser understands and agrees that a sale of the Products does not constitute a sale of any of SafeNet's or its suppliers' intellectual property rights; except that Purchaser and its customers shall receive a limited, non-exclusive right to such intellectual property solely for the purpose of, and only to the extent necessary for, use of the Products in accordance with SafeNet's published specifications and user documentation.

C. License to Software and Documentation. With respect to any software or documentation comprising, incorporated in or accompanying any Product, the Purchaser's rights shall be limited by the terms set forth in a separate license

agreement, if any, which accompanies the software or documentation. The terms "sell," "buy" and "title," and all similar expressions used in these Terms shall mean SafeNet's grant to Purchaser of a non-exclusive, limited license to use such software (in object code form only) or documentation for the sole purpose of, and only to the extent necessary for, use of the Products in accordance with SafeNet's published specifications and user documentation. Purchaser may transfer this license to its customer to complete an authorized resale of the Products (subject to the restrictions imposed in Section 6(D)). Purchaser agrees that all such licenses shall be for the benefit of SafeNet and its suppliers and shall be enforceable directly by SafeNet. Purchaser shall have no right to market, distribute or otherwise transfer such software or documentation except as expressly provided in this Section 6(C).

D. Restrictions. Purchaser shall not reverse engineer, decompile, disassemble, translate, copy, modify, alter or otherwise change any Product, or part thereof (including without limitation any software provided by SafeNet). Purchaser shall have no right to obtain source code for any software provided by SafeNet.

E. Trademarks. Purchaser shall not alter or remove from the Products (or their packaging or documentation), or alter, any of SafeNet's or its suppliers' trademarks, trade names, logos, patent or copyright notices, or other notices or markings, or add any other notices or markings to the Products (or their packaging or documentation).

7. INFRINGEMENT.

A. Indemnity. Subject to the provisions of this Section 7, the exceptions in Section 7(B), and the limitations in Section 9, SafeNet shall at its expense defend any action against Purchaser to the extent such action is based on a claim that a Product infringes a United States patent or copyright recognized by one of the signatories to the Berne Convention (a "Claim"). SafeNet shall pay those damages and costs finally awarded against Purchaser in any such action which are specifically attributable to a Claim, provided that (i) Purchaser notifies SafeNet promptly in writing of any such action (and all prior claims relating thereof), (ii) Purchaser gives SafeNet sole control of the defense of any such action (and all negotiations for its settlement or compromise), and (iii) Purchaser cooperates with its defense at SafeNet's expense. If any Product becomes, or in SafeNet's opinion is likely to become, the subject of a Claim, then Purchaser shall permit SafeNet, at SafeNet's option and expense, to: (A) procure the right to continue using the Product; (B) replace or modify the Product so that it becomes non-infringing; or (C) accept return of the Product and grant Purchaser a credit for such Product, less depreciation for use, damage and obsolescence (calculated on a straight line basis over five years) and accept its return. No costs or any expense shall be incurred for SafeNet's account without SafeNet's prior written consent. In no event shall SafeNet's total liability to Purchaser arising out of a Claim exceed the limitation stated in Section 9 for the allegedly infringing Product. The foregoing states the entire liability of SafeNet with respect to infringement property by the Products or any of their components of any patents, copyrights or other right of intellectual.

B. Exceptions. SafeNet shall have no liability to Purchaser for, and Purchaser shall indemnify SafeNet to the extent that SafeNet incurs any damages, losses or other expenses in connection with, any action or Claim alleging infringement due to: (i) use of any Product in a manner other than as specified by SafeNet in the user documentation; (ii) use of any Product in combination with other products or services supplied by a party other than SafeNet (except to the extent the infringement occurs due to use of the Product by itself in the condition delivered by SafeNet); or (iii) modification of any Product by any person other than SafeNet, or due to modifications by SafeNet at Purchaser's request.

8. LIMITED WARRANTY.

A. Express Warranty. Subject to the provisions of this Section 8 and Section 9, SafeNet expressly warrants that, for a period of twelve (12) months (unless a longer period is specified in written documentation accompanying Product) (the "Warranty Period"), all hardware components of the Product shall be free from faulty workmanship and defective materials. The Warranty Period shall commence on the date the Product is shipped from SafeNet's facility (as evidenced by SafeNet's packing slip or other receipt), or the date title to the Product passes to Purchaser, whichever date is earlier. The warranty stated by SafeNet in this Section 8(A) is the only express warranty provided by SafeNet. This express warranty may be modified only by express written agreement between the parties, and may not be modified or amended by any course of dealing between the parties, or custom and practice in the industry. SafeNet provides no warranty, whether express or implied, with regard to software or services except as provided in a separate software license or services agreement between the parties. Purchaser's remedies and SafeNet's aggregate liability with respect to the warranty provided by SafeNet in this Section 8(A) are set forth in and limited by this Section 8 and Section 9.

B. Warranty Remedy. If a hardware Product fails during the Warranty Period due to a defect in materials or faulty workmanship, SafeNet's sole obligation shall be to repair or replace the Product, at SafeNet's option. Following repair or replacement, the Warranty Period shall expire at the end of the original period. All Products and components that are replaced by SafeNet shall become SafeNet's property.

C. Warranty Conditions. SafeNet's express warranty is contingent upon Purchaser's

payment of the purchase invoice and proper use of the Product, in accordance with any instructions or manuals provided by or available from SafeNet. SafeNet shall have no obligation under this express warranty unless Purchaser promptly reports the claim. SafeNet's obligations under this warranty are subject to SafeNet's examination of the Product and SafeNet's determination to its reasonable satisfaction that the claimed defect or fault actually exists and is not excluded from SafeNet's warranty under this Section 8. If SafeNet determines that the Product is not defective or faulty within the terms of the express warranty, Purchaser shall pay for all costs of handling, transportation and repairs at SafeNet's then prevailing repair rates.

D. Warranty Exclusions. SafeNet's express warranty shall not apply if the defect or fault is caused by any of the following after delivery by SafeNet: accident, unusual physical, electrical or electromagnetic stress, neglect, misuse, failure of electric power or environmental controls, rough handling during transportation, fire or other act of God, Purchaser's failure to maintain the Product in accordance with SafeNet's specifications, abuses to the Product other than ordinary use, modifications by Purchaser, or repairs by a party other than SafeNet (unless specifically authorized by SafeNet in writing). This express warranty will be rendered void if SafeNet's serial numbers, warranty data or quality assurance decals on the Product are removed or altered.

E. Warranty Limitations. SafeNet's express warranty is strictly for the benefit of Purchaser and does not extend to any third party. SafeNet's express warranty does not apply to any software Product, or software component of a Product, which is sold or licensed subject to a separate license agreement (including without limitation a "shrink wrap" license agreement) which provides a different warranty than that stated in these Terms. SafeNet makes no warranties that the software components of any Product will operate in combination with any other software or with any equipment other than the Products.

F. Third Party Products and Warranties. SafeNet's warranty does not apply to (i) products manufactured by third parties and resold by SafeNet without re-marking under SafeNet's trademarks, (ii) software products that are not developed by SafeNet, and (iii) consumable items (e.g. batteries). To the extent permitted by the supplier, the original manufacturer's warranty shall be assigned by SafeNet to Purchaser and is in lieu of any warranty by SafeNet, express or implied.

G. Disclaimer. THE EXPRESS WARRANTIES OF SAFENET STATED IN SECTION 8(A) ARE IN PLACE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. EXCEPT AS PROVIDED IN SECTION 7, THE EXPRESS OBLIGATION OF SAFENET STATED IN SECTION 8(B) REPLACES ANY OTHER LIABILITY OR OBLIGATION OF SAFENET ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE OR PERFORMANCE OF THE PRODUCTS. SAFENET DOES NOT INSURE THE SECURITY PROVIDED BY THE PRODUCTS, NOR DOES IT WARRANT AGAINST IMPROVEMENTS IN THE TECHNICAL ARTS THAT MAY RENDER THE PRODUCTS INEFFECTIVE OR OBSOLETE.

9. LIMITATION OF LIABILITY.

Notwithstanding anything herein to the contrary:

A. SAFENET'S AGGREGATE LIABILITY ARISING OUT OF THE SALE OF PRODUCTS AND SERVICES TO PURCHASER, REGARDLESS OF THE FORM OF ACTION GIVING RISE TO SUCH LIABILITY (WHETHER IN CONTRACT, TORT OR OTHERWISE, INCLUDING NEGLIGENCE), INCLUDING ANY LIABILITY UNDER SECTIONS 7 AND 8, SHALL NOT EXCEED THE AGGREGATE PURCHASE PRICE FOR PRODUCTS PAID BY PURCHASER TO SAFENET UNDER RELEVANT AGREEMENT OR PURCHASE ORDER;

B. SAFENET SHALL NOT BE LIABLE FOR ANY EXEMPLARY, SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION LOST PROFITS, REPROCUREMENT COSTS OR ANY DAMAGES RESULTING FROM LOSS OF USE OR DATA ARISING OUT OF OR RELATED IN ANY WAY WHATSOEVER TO THE USE OR PERFORMANCE OF THE PRODUCTS), EVEN IF SAFENET HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND

C. EXCEPT AS PROVIDED IN SECTIONS 7, 8 AND 9, SAFENET SHALL NOT BE LIABLE FOR ANY CLAIMS OF THIRD PARTIES RELATING TO THE PRODUCTS.

THE LIMITATIONS ON SAFENET'S LIABILITY SET FORTH IN CLAUSES "(A)" AND "(C)" IN THIS SECTION 9 SHALL NOT APPLY TO LIABILITY FOR DEATH, PERSONAL INJURY OF A PHYSICAL NATURE OR DAMAGE TO TANGIBLE PROPERTY CAUSED BY SAFENET'S RECKLESSNESS OR INTENTIONAL MISCONDUCT. THE FOREGOING STATES THE ENTIRE LIABILITY OF SAFENET WITH REGARD TO THIS AGREEMENT AND THE PRODUCTS. THE LIMITATIONS OF LIABILITY CONTAINED IN SECTIONS 7, 8 AND 9 ARE A FUNDAMENTAL PART OF THE BASIS OF SAFENET'S

BARGAIN HEREUNDER, AND PURCHASER ACKNOWLEDGES THAT SAFENET WOULD NOT SELL THE PRODUCTS ABSENT THESE LIMITATIONS.

10. GENERAL PROVISIONS.

A. Governing Law and Jurisdiction. These Terms shall for all purposes be governed by and interpreted in accordance with the laws of the country of incorporation of the SafeNet affiliate delivering the Products, and any legal suit, action or proceeding arising out of or relating to these Terms shall be commenced within that country as well. Notwithstanding the foregoing, when SafeNet, Inc., is delivering the Products, these terms shall for all purposes be governed by and interpreted in accordance with the laws of the State of Delaware (U.S.A.) without regard to any choice of law doctrine which would apply the laws of any jurisdiction other than the internal laws of the State of Delaware. Furthermore, when SafeNet, Inc. is delivering the Products, any legal suit, action or proceeding arising out of or relating to these Terms shall be commenced solely in a federal or state court having jurisdiction over disputes arising in the State of Maryland, and each party hereto irrevocably submits to the exclusive jurisdiction and exclusive venue of any such court in any such suit, action or proceeding. The Convention on Contracts for the Int'l Sales of Goods does not apply.

B. Severability. If any provision of these Terms is held by a court of competent jurisdiction to be unenforceable for any reason, the remaining provisions hereof shall be unaffected and remain in full force and effect.

C. Assignments. No right or obligation of Purchaser under these Terms shall be assigned, delegated or otherwise transferred, whether by agreement, operation of law or otherwise, without SafeNet's prior express written consent, and any attempt to assign, delegate or otherwise transfer any of Purchaser's rights or obligations without SafeNet's consent shall be void. Notwithstanding anything to the contrary herein, SafeNet may engage Subcontractors to perform any of its obligations under these Terms.

D. Waivers. All waivers must be in writing. The failure of either party to insist upon strict performance of any provision of this Agreement, or to exercise any right, shall not be deemed to be a waiver of such provision or right, and no waiver of any provision or right shall affect the right of the waiving party to enforce any other provision or right.

E. Rights and Remedies. All rights and remedies hereunder shall be cumulative, may be exercised singularly or concurrently, and shall not be deemed exclusive except as provided in Sections 7 and 8. If any legal action is brought to enforce any obligations hereunder, the prevailing party shall be entitled to receive its attorneys' fees, court costs and other collection expenses, in addition to any other relief it may receive.

F. Government Contracts. To the extent the Products are being purchased under a government contract, Purchaser shall provide a government contract number on each purchase order, and only those clauses of the applicable government regulations that are required by federal statute or regulation to be included in government contracts or subcontracts shall be incorporated herein by reference.

G. Government End Users. All software contained in the Products is restricted computer software, as such term is defined in paragraph (a) of Federal Acquisition Regulation 52.227-19, Commercial Computer Software--Restricted Rights. Such software is licensed with "Restricted Rights." Use, duplication or disclosure of such software is subject to restrictions set forth in subparagraphs (c)(1) and (2) of Federal Acquisition Regulation 52.227-19, Commercial Computer Software--Restricted Rights, and its successors, and any comparable restrictions established by state law. Purchaser shall ensure that each copy of the software provided to a unit or agency of the United States Government or any state government will have affixed the following restricted rights legend (including the applicable government contract number): "RESTRICTED RIGHTS LEGEND -- USE, DUPLICATION OR DISCLOSURE OF THIS SOFTWARE BY THE GOVERNMENT IS SUBJECT TO THE RESTRICTIONS AS SET FORTH IN PARAGRAPH (C)(1) AND (2) OF FEDERAL ACQUISITION REGULATION 52.227-19, COMMERCIAL COMPUTER SOFTWARE--RESTRICTED RIGHTS IN ACCORDANCE WITH GOVERNMENT CONTRACT NO. _____, OR ANY COMPARABLE STATE LAW. THE SUPPLIER OF THIS SOFTWARE IS SAFENET, INC., 4690 MILLENNIUM DRIVE, BELCAMP, MARYLAND, 21017."

H. Limitation of Time. No action, regardless of form, which arises from or is related in any way whatsoever to these Terms, may be commenced more than eighteen (18) months after such cause of action accrues, except that an action for nonpayment may be brought at any time within the governing statute of limitations.

I. Field Trials and Installations. No representation, covenant, warranty or indemnity of SafeNet shall apply to any Product provided for demonstration, evaluation or field trial by Purchaser (an "Evaluation"). No Evaluation period for any Product shall exceed thirty (30) days. Purchaser shall be liable to SafeNet for the monthly rental charge at SafeNet's then current monthly rental rate for such Product for each month or portion thereof that Purchaser retains such Product beyond the Evaluation period, together with all costs associated with returning such Product to SafeNet.