

COMMERCIAL OFFER FOR PROJECT LA FOR A MASS MONITORING SYSTEM FOR MOI ABU DHABI

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VERSION 1

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1 INTRODUCTION

1.1 Scope and layout of document

In this document VASTech provides the COMMERCIAL OFFER of Project LA for a Mass Monitoring System to the MOI, Abu Dhabi. This offer contains:

- The requirements that the system must satisfy, in par. 2
- The prices of deliverable items and services offered by VASTech to satisfy the requirements, in par. 4 on page 4.
- The Customer Furnished Equipment and other assumptions, on which this offer is based, are described in par. 5 on page 20
- The general commercial conditions applicable, in par. 8.

This OFFER is based on a number of assumptions based on the experience that VASTech has of similar systems.

It is highly recommended that a detailed system engineering session be held with the customer to address requirements details that may ensure that a truly optimal solution can be offered.

Following such a work session, the OFFER can be updated to provide a system that optimally satisfies performance, cost and timescale requirements.

1.2 Confidentiality and distribution

This OFFER is provided in confidence and is authorized for distribution only to the parties indicated on page ii.

1.3 Relationship to other documents, and applicable documents

This COMMERCIAL OFFER forms part of the COMPLETE OFFER; document number J-LA-001-OFR-01 "Offer to Ministry of Interior Abu Dhabi for Project LA Mass Monitoring System", in response to the tender "MMS Monitoring System (MMS) General Specifications Nov 2007". Other documents of the OFFER comprise the documents listed below. All these documents must be read together:

Line	Document	Scope
	This document Number: J-LA-001-COMO-01 Name: LA Commercial Offer	Commercial Offer, comprising the following: Pricing and list of deliverables, payment and delivery Commercial terms Warranty conditions Customer Furnished Equipment
	Number: J-LA-001-SSP-01 Name: LA System Specification	Proposed system solution, including options
	Number: J-LA-001-PM-01 Name: LA Project Management	Project management issues, including project phases and scheduling, as well as Statement of Work
	Number: J-LA-001-VT-01 Name: VASTech Profile	Overview and introduction of VASTech, addressing similar solutions already implemented
	Number: J-LA-001-URS-01 Name: LA User Requirements	User requirements and Statement of Compliance.
	Number: J-LA-001-ABR-01 Name: LA Abbreviations	Abbreviations

1.4 Precedence between documents

Document number J-LA-001-OFR-01 "Offer to Ministry of Interior Abu Dhabi for Project LA Mass Monitoring System" is the overall OFFER.

This COMMERCIAL OFFER has the highest precedence of the documents listed in the table in 1.3 on page 2.

2 USER REQUIREMENTS AND ASSUMPTIONS

The user requirements, together with a Statement of Compliance, are captured in document number: J-LA-001-URS-01, "LA User Requirements".

The set of requirements allows different interpretations and hence different system solutions. Different options have been provided in this COMMERCIAL OFFER in an attempt to address the different options.

Please note that this document should be used as a baseline input to further user work-sessions between VASTech and the CUSTOMER. Additional options and project phases are possible to address specific performance, schedule and budget constraints. Following such work sessions, VASTech will be honoured to update its OFFER to reflect more detailed user requirements.

3 SOLUTION OFFERED

The solutions offered, with different options, are described in document number J-LA-001-SSP-01 "LA System Specification".

In terms of technical deliverables, this SPECIFICATION has the highest precedence. It will be updated after work sessions with the CUSTOMER.

4 PRICES OF DELIVERABLE AND OPTIONAL ITEMS

4.1 Important notes

- It is important to note that the pricing in this COMMERCIAL OFFER is based on the fact that Zebra records **all** traffic on the lines that it is connected to.
- The final pricing will be negotiated based on final user requirements.
- Note also that although the prices and functionality for third party hardware and software will remain as quoted, final quantities may differ due to improvements in technology.
- See also examples of price flexibility, made possible by selecting different options, in par 4.3 on page 5.
- The VASTech Zebra system utilizes the latest commercially available hardware servers and storage. Accordingly, while functionality remains guaranteed and the pricing remains constant, deliverable quantities may be varied to allow the CUSTOMER to take advantage of the latest commercially available technology.

4.2 Analytical tools

The TENDER requires that certain analytical tools be provided. The Metadata/traffic network analysis tool, developed by VASTech, is included in this OFFER.

A wide variety of options, with different features and supported languages, exist in the case of the analytical tools. Zebra's open architecture and the use of the latest high performance commercial servers, together with the Zebra Application Programmers Interface (API), provides the advantage that the CUSTOMER can select those specific analytical tools that will suit his requirements best. This approach, to be open and comparatively easy to integrate with, was and is indeed one of the Zebra design principles.

It is suggested that VASTech undertakes work sessions and trade-off studies with the CUSTOMER to refine the CUSTOMER'S requirements, prior to procuring and integrating such tools. Due to the fact that these tools, and the impact that these tools may have on required hardware and software, are not known until they've been selected in conjunction with the CUSTOMER, these tools are not included in this OFFER.

VASTech hereby undertakes to supply the selected tool at its list price, plus a 10% margin, to the CUSTOMER. "List price" includes the cost of additional servers and storage, determined in consultation with the CUSTOMER. The integration of the selected tools with the VASTech system is included in the 10% margin.

4.3 Price flexibility by selecting different options

Two main system-level options are included in this COMMERCIAL OFFER, based on the meeting held with the CUSTOMER during January 2008, although additional options are available. These two system-level options are:

4.3.1 System Option 1: Capture and store all intercepts for 2 months; store target content for an additional 1 year.

Noting that more than 52 000 channels are intercepted, and that satellite interception is included, the averaged price per channel is AED3037 per channel (EUR562 per channel). In the case where the satellite interception capability is excluded, although the system is expandable to include satellite interception at a later phase, the price is AED2608 per channel (EUR483 per channel). This reduction takes into account a reduction in channels being intercepted.

To increase the storage period of all targets from one year to two years, require an extra investment of AED1, 092,000. or the average additional price of AED21 per intercepted channel.

4.3.2 System Option 2: Capture and store all for 12 months; store target content for 2 years.

Significant additional storage (approximately 3900 TB in RAID 1/0 redundant format) is required to enable storage of all content and IRI for the 12 months. Additional servers are required for storage management and compression.

Noting the additional storage requirements, and that more than 52000 channels are intercepted, and including satellite interception capabilities, the average price per channel is AED3875 (EU718). Should be satellite interception capabilities be excluded, with the expansion capabilities remaining, the price is decreased to AED3445 per channel (EUR638). This reduction takes into account a reduction in channels being intercepted.

4.3.3 Additional options

Various additional options can be considered in consultation with the customer. One possibility is to install in a first phase the highly competitive and very dense interception capability at the interception sites, and then to install the capturing and processing capability at the Central Site as required.

4.4 Price Tables

This paragraph provides a summary of the prices for the options listed. More detailed pricing of each option is provided in the rest of this section 4.

4.4.1 Price Summary – System Option 1 (2 months storage, 14 months targets)

According to this option all intercepted traffic is stored for 2 months, and all target content and IRI is stored for an additional 1 year, thus making the target content available for a total period of 14 months. Please see SPECIFICATION for a detailed description of this option. Targets are assumed to be up to 2% of the intercepted traffic.

4.4.1.1 Price table

Table 1: Price summary – System Option 1: 60 days storage plus 1 year targets

Line	Description	Price (AED) Total
1	Interception at remote sites	
2	Site A1: International Gateway	7,604,388
3	Site A2: Mobile International GW	646,407
4	Site A3: Mobile International GW	661,473
5	Site B1: Intelsat	8,886,062
6	Site B2: Inmarsat	12,090,287
7	Capturing and storage at Central site	
8	ZCUs: storage all for two months	
9	Site A1: International Gateway	106,629,048
10	Site A2: Mobile International GW	2,445,039
11	Site A3: Mobile International GW	4,048,515
12	Site B1: Intelsat	3,170,961
13	Site B2: Inmarsat	1,023,111
14	Data Centres	
15	ZDC-1	3,744,981
16	ZDC-OA Online Archive (targets, one year)	4,303,287
17	UPS	554,580
18	Option independent infrastructure (workstations, network, etc)	1,082,700
19	Provision for Essential Spares	758,250
20	Professional services	814,050
21	TOTAL PRICE	158,463,139
22	Analysis	
23	Number of channels	52,174
24	Average price per channel	3,037
25	Number of satellite related channels	1,056
26	Price, excluding satellite interception related costs	133,292,718
27	Average price per channel, excluding satellite interception	2,608

4.4.1.2 Notes

4.4.1.2.1 Options

Budgetary prices for different sub-options can be determined by selecting the appropriate lines listed. Actual pricing will be determined through detailed system engineering and is expected to be lower for the case where another system option is build from the sub-options. For example: capturing only at Sites A2 and A3, and establishing the required Central Site C1 can be estimated by adding the following lines: 3, 4, 10, 11, 15, 16, 17, 18, 19, 20 to a total of approximately AED19 million. Such a combination will already include the option independent infrastructure, from which the system can be grown.

4.4.1.2.2 Interception at remote sites

Lines 1-6 include the complete capacity at the 5 sites, as specified in detail in the SPECIFICATION.

It must be noted that the installation at Sites A1, A2, and A3 have a very high density providing the benefit that very little space and other resources are required on these sites.

Interception at the satellite interception sites (B1 and B2) includes the provision and installation of the 2 x 9.3 m antennas each, together with controls and RF-front ends. Future capacity expansion, monitoring more channels on the same number of satellites, will require significantly smaller investment.

4.4.1.2.3 Professional services

Professional services include the following:

- System Engineering and Project Management
- Installation, Commissioning and Acceptance Testing
- Training, comprising the following:
 - Support training, including training for first line support
 - Administrator training
 - Operator training

4.4.1.3 Optional items

4.4.1.3.1 Price table

Line	Description	Qty	Price (AED) Each
1	Expert Fax and Data Workstation	1	321,300.00
2	Training for Expert Fax and Data Workstation	1	142,020.00
3	Development support (40 hours)	1	27,000.00
4	Implementation of third party tools	1	Quote on request
5	Zeus Workstation licence (per bundle of 5 workstations)	1	51,300.00
6	Zeus Workstation Network Analysis plug-in (per bundle of 5 workstations)	1	12,420.00
7	Annual Software Maintenance and Upgrade option (Storage Option 1)	1	6,221,698.56

4.4.1.3.2 Expert Fax and Data Workstation

The Expert Fax and Data Workstation provides an advanced capability to improve the demodulation and display of exported fax and data sessions that has not been demodulated by the fax and data demodulators that have been built in the system. The price includes training on the system.

4.4.1.3.3 Annual Software Maintenance and Upgrade (ASMU) Option

While the warranty ensures that the software will continue to work as initially installed and accepted by resolving specific classes of defects, the ASMU option is aimed at improving the efficiency and effectiveness of the system by providing additional software upgrades and maintenance.

The ASMU option includes the following:

- Two site service visits per year
- Provision of any new releases (upgrades) of software for functionality initially ordered
- Installation of such new releases, and related configuration change assistance, provided that it coincides with the regular site service visits
- Training and maintenance documentation for newly released features
- Email and telephonic support, in response to technical questions from personnel trained by VASTech

4.4.1.4 Option independent infrastructure

4.4.1.4.1 Price table

Line	Description	Qty	Price (AED)	
			Each	Total
1	Administrator workstation, including Zebra SW	1	12,420.00	12,420.00
2	Client multi-media workstations	40	12,690.00	507,600.00
3	Zebra User Station SW	40	10,260.00	410,400.00
4	Zebra Network Analysis SW	40	2,484.00	99,360.00
5	Printer	2	2,700.00	5,400.00
6	Network switches	3	5,940.00	17,820.00
7	Network cabling	500	32.40	16,200.00
8	Firewall server with firewall software	1	13,500.00	13,500.00
9	TOTAL			1,082,700.00

4.4.1.4.2 Notes

The above table includes the infrastructure that is used at Site C1 (Central Site), as required for the connection and interoperation of the different Zebra Capture Units.

4.4.2 High level price breakdown

4.4.2.1 Interception at remote sites

4.4.2.1.1 Sites A1, A2, A3

No further pricing breakdown is required in this version of the document.

Please see the SPECIFICATION for a detailed description of the functionality that will be installed on these sites.

It must be noted that the installation at Sites A1, A2, and A3 have a very high density providing the benefit that very little space and other resources are required on these sites.

A total of more than 50,000 channels will be intercepted at these sites, of which 49,000 channels will be intercepted at Site A1 at approximately AED155 each.

4.4.2.1.2 Site B1 – Intelsat

4.4.2.1.2.1 Price table

Line	Description	Price (AED) Total
1	RF Front End for Intelsat and Satellite Analysis	-
2	9.3 meter Cassegrain antenna system with motor control system	1,911,017
3	RF Subsystems	2,603,119
4	Fibre Optic transmission system for RF signals	170,910
5	Satellite Signal Analyser	-
6	Receivers and RF components	946,858
7	Analysis software	857,401
8	Servers and workstations	126,954
9	Network Attached Storage	86,346
10	Zebra Gateway and infrastructural equipment	334,800
11	Professional Services and Software Maintenance	1,848,658
12	TOTAL	8,886,062

4.4.2.1.2.2 Notes to price table

Please note that reference is made to “Lot” rather than “Quantity”. The RF Front End (lines 1 to 4) includes 1 of each the units listed. Accordingly the price includes two complete antenna systems and equipment and software for the interception of Intelsat traffic.

The system has been dimensioned to intercept the equivalent of 32 bi-directional E1s.

The following are excluded from the pricing table:

- Civil works and infrastructure establishment (electricity and air-conditioning) and security
- Shipping, transport and insurance of antennas (estimated at AED130,000.00 per antenna)

Note that the warranty of the above hardware is 12 months. Additional extended hardware warranty is available at AED220, 000.00 per year

Software maintenance and upgrade services, in the case of the satellite site, is AED419, 000.00 per year, starting at month 13 after installation.

4.4.2.1.3 Inmarsat

4.4.2.1.3.1 Price table

Line	Description	Price (AED) Total
1	C-Band receive only antenna and control system	2,114,888
2	RF Subsystem	1,498,970
3	L Band Receive only antenna	214,186
4	Fibre optic transmission system for RF signals	389,448
5	IMS processing system for monitoring 64 duplex channels from INMARSAT Indian C	6,068,860
6	Infrastructural Hardware	49,086
7	Professional Services	1,117,876
8	Support and Software Maintenance	636,973
9	TOTAL	12,090,287

4.4.2.1.3.2 Notes to price table

The price includes two complete antenna systems and equipment and software for the interception of a total of 64 channels.

The price to double the intercepted number of channels to 128 amounts to AED1,886,000.00.

Professional services include system engineering and project management; training; installation and commissioning; and factory acceptance tests

The following are excluded from the pricing table:

- Civil works and infrastructure establishment (electricity and air-conditioning) and security
- Shipping, transport and insurance of antennas (estimated at AED130,000.00 per antenna)

Note that the warranty of the above hardware is 12 months. Additional extended hardware warranty is available at AED220,000.00 per year

Software maintenance and upgrade services, in the case of the satellite site, is AED 419,000.00 per year, starting at month 13 after installation.



4.4.2.2 Capturing and storage

4.4.2.2.1 Site A1

4.4.2.2.1.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	1,109,754
2	Zebra Capture Unit	
3	Zebra hardware and software	77,771,232
4	Third party servers and software	16,756,686
5	Third party storage	10,991,376
6	TOTAL	106,629,048

4.4.2.2.1.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 2000 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.2.2.2 Site A2

4.4.2.2.2.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	285,903
2	Zebra Capture Unit	
3	Zebra hardware and software	1,246,212
4	Third party servers and software	597,078
5	Third party storage	315,846
6	TOTAL	2,445,039

4.4.2.2.2.2 Notes

The price table includes all the racks, servers, software, and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 40 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.2.2.3 Site A3

4.4.2.2.3.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	285,903.00
2	Zebra Capture Unit	
3	Zebra hardware and software	2,511,756.00
4	Third party servers and software	738,072.00
5	Third party storage	512,784.00
6	TOTAL	4,048,515.00

4.4.2.2.3.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 80 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.2.2.4 Site B1 – Intelsat

4.4.2.2.4.1 Price table

		Total
1	Infrastructural and interconnection	272,403.00
2	Zebra Capture Unit	
3	Zebra hardware and software	1,761,804.00
4	Third party servers and software	623,970.00
5	Third party storage	512,784.00
6	TOTAL	3,170,961.00

4.4.2.2.4.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 80 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.2.2.5 Site B2 – Inmarsat

4.4.2.2.5.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	61,803.00
2	Zebra Capture Unit	
3	Zebra hardware and software	48,384.00
4	Third party servers and software	597,078.00
5	Third party storage	315,846.00
6	TOTAL	1,023,111.00

4.4.2.2.5.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 40 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.2.3 Data Centres and Online Archiving

4.4.2.3.1 ZDC-1 – unified view and operator access

4.4.2.3.1.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural	61,803.00
2	Zebra hardware and software	2,817,396.00
3	Third party software and servers	271,242.00
4	Third party storage	594,540.00
5	TOTAL	3,744,981.00

4.4.2.3.1.2 Notes

The pricing includes all the infrastructure of the data centre itself, together with the hardware and software to provide the functionality specified in the SPECIFICATION.

4.4.2.3.2 ZDC-OA Online archiving

4.4.2.3.2.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural	61,803.00
2	Zebra hardware and software	2,817,396.00
3	Third party software and servers	320,490.00
4	Third party storage	1,103,598.00
5	TOTAL	4,303,287.00

4.4.2.3.2.2 Notes

ZDC will be used for online archiving of target content and IRI for a period of 1 year in addition to the storage period of the Capture Units.

The pricing includes all the infrastructure of the data centre itself, together with the hardware and software to provide the functionality specified in the SPECIFICATION.

To increase the storage period of all targets from one year to two years, require an extra investment of AED1,092,000, or the average additional price of AED21 per intercepted channel.

4.4.3 Price Summary – System Option 2 (1 year storage all, 1 year additional archiving targets)

According to this option *all* intercepted traffic is stored for 12 months, and all target content and IRI is stored for an additional 1 year, thus making the target content available for a total period of 2 years. Please see SPECIFICATION for a detailed description of this option. Targets are assumed to be up to 2% of the intercepted traffic.

4.4.3.1 Price table

Table 2: Price summary – System Option 2: 12 months storage, plus 1 year targets

Line	Description	Price (AED) Total
1	Interception at remote sites	
2	Site A1: International Gateway	7,604,388
3	Site A2: Mobile International GW	646,407
4	Site A3: Mobile International GW	661,473
5	Site B1: Intelsat	8,886,062
6	Site B2: Inmarsat	12,090,287
7	Capturing and storage at Central site	
8	ZCUs: storage all for one year	
9	Site A1: International Gateway	146,748,402
10	Site A2: Mobile International GW	3,062,745
11	Site A3: Mobile International GW	5,144,283
12	Site B1: Intelsat	3,869,451
13	Site B2: Inmarsat	1,220,049
14	Data Centres	
15	ZDC-1	3,744,981
16	ZDC-OA Online Archive (targets, one year)	4,303,287
17	UPS	1,009,530
18	Option independent infrastructure (workstations, network, etc)	1,082,700
19	Provision for Essential Spares	1,011,000
20	Professional services	1,085,400
21	TOTAL PRICE	202,170,445
22	Analysis	
23	Number of channels	52,174
24	Average price per channel	3,875
25	Number of satellite related channels	1,056
26	Price, excluding satellite interception related costs	176,104,596
27	Average price per channel, excluding satellite interception	3,445

4.4.3.2 Notes

Please see 4.4.1.2 on page 7 for notes related to System Option 1. Those notes describe the following for System Option 1, and can be adjusted for this System Option 2:

- Options leading to price flexibility
- Interception at remote sites
- Professional services.

4.4.3.3 Optional items

The optional items applicable also to this System Option, including Annual Software Maintenance and Upgrade Option, are described in the price table in par 4.4.1.3 on page 8.

4.4.3.4 Interception at remote sites

The description in par 4.4.2.1 on page 9, under System Option 1, is equally applicable to System Option 2.

4.4.3.5 Capturing and storage

4.4.3.5.1 Site A1

4.4.3.5.1.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	1,867,212.00
2	Zebra Capture Unit	
3	Zebra hardware and software	77,771,232.00
4	Third party servers and software	19,751,904.00
5	Third party storage	47,358,054.00
6	TOTAL	146,748,402.00

4.4.3.5.1.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 9000 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.3.5.2 Site A2

4.4.3.5.2.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	285,903.00
2	Zebra Capture Unit	
3	Zebra hardware and software	1,246,212.00
4	Third party servers and software	623,970.00
5	Third party storage	906,660.00
6	TOTAL	3,062,745.00

4.4.3.5.2.2 Notes

The price table includes all the racks, servers, software, and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 160 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.3.5.3 Site A3

4.4.3.5.3.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	316,305.00
2	Zebra Capture Unit	
3	Zebra hardware and software	2,511,756.00
4	Third party servers and software	818,748.00
5	Third party storage	1,497,474.00
6	TOTAL	5,144,283.00

4.4.3.5.3.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 240 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.3.5.4 Site B1 – Intelsat

4.4.3.5.4.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	289,305.00
2	Zebra Capture Unit	
3	Zebra hardware and software	1,761,804.00
4	Third party servers and software	714,744.00
5	Third party storage	1,103,598.00
6	TOTAL	3,869,451.00

4.4.3.5.4.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 200 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.3.5.5 Site B2 – Inmarsat

4.4.3.5.5.1 Price table

Line	Description	Price (AED) Total
1	Infrastructural and interconnection	61,803.00
2	Zebra Capture Unit	
3	Zebra hardware and software	48,384.00
4	Third party servers and software	597,078.00
5	Third party storage	512,784.00
6	TOTAL	1,220,049.00

4.4.3.5.5.2 Notes

The price table includes all the racks, servers, software and storage equipment needed to process and store the intercepts for a period of two months. Storage in excess of 60 TB in raw format will be included, which will be configured in a RAID 1/0 redundant configuration.

4.4.3.6 Data Centres and Online Archiving

4.4.3.6.1 ZDC-1 – unified view and operator access

The same detail as in System Option 1 is applicable (see par 4.4.2.3.1 on page 14)

4.4.3.6.2 ZDC-OA Online archiving

The same detail as in System Option 1 is applicable (see par 4.4.2.3.2 on page 15).

5 CUSTOMER FURNISHED EQUIPMENT AND SERVICES

Pricing of this offer is calculated on the basis that the Customer will provide, at no cost to VASTech, the Customer Furnished Equipment and Services (CFE) as listed below:

- Site preparation and maintenance against VASTech specifications, including the supply of electrical power and air-conditioning,
- Access to the sites for installation and configuration purposes.
- Travel and accommodation expenses for Customer personnel visiting the VASTech premises for training and factory acceptance.
- Target STM-1 fibres/E1 in same room as Zebra equipment rack.
- WAN between the remote operators and the central sites, secured after consultation with VASTech.
- Transmission medium (optic fibre) between remote site and central site.
- Network cabling and infrastructure external to the Zebra system, including routers and switches.
- First line maintenance of the Zebra system, including the complete maintenance of the CFE infrastructure.
- See also VASTech and CUSTOMER responsibilities in SPECIFICATION.

If installation is delayed, while a VASTech engineer is on site or after flight tickets have been issued, due to circumstances reasonably within the control of the customer, then the following additional charges are for the customer's account:

- Installation charges: EUR1200 per day delayed if a VASTech engineer is on site
- Accommodation and travel expenses at cost.

6 ACCEPTANCE TESTS

6.1 General

Acceptance tests will be conducted in phases for the different sites.

6.2 Acceptance Test Procedures (ATP)

6.2.1 Scope

The Acceptance Test Procedures (ATP) will be a document containing a set of test procedures, schedule and responsibilities, developed by VASTech for approval by the CUSTOMER. The document will have the following scope:

- Checks or inspections to confirm that all hardware and software items and services, as per the order, have been delivered to the CUSTOMER.
- Tests to ensure that the system functionality as stated in the SPECIFICATION has been delivered to the CUSTOMER.

6.2.2 Document management

VASTech shall provide a draft ATP document to the CUSTOMER and allow a period of 2 weeks to receive feedback. After this period, in the absence of any feedback, it will be assumed that the CUSTOMER agrees with the draft ATP. In the case of feedback, the draft ATP will be updated considering the above scope, and used as baseline for the testing.

6.2.3 Execution and acceptance

Acceptance and handover of the system shall not be influenced by any end-user expectations outside the specific scope of the functionality offered in this document.

The system shall be accepted, and handover will be considered completed if all Class 1 and Class 2 findings, if any, have been resolved. Should any Class 3 or 4 findings exist, such findings will not delay system acceptance and handover. Any such Class 3 or 4 findings will be resolved at no charge to the CUSTOMER during the warranty period.

If the execution of the ATP is delayed for more than 2 weeks after notification by VASTech that it is ready for the acceptance tests, by factors reasonably under the control of the CUSTOMER or its customer, then the ATP shall be deemed accepted and completed.

6.2.4 Defect classifications

The following defect classification shall apply in this context:

- Class/Priority 1: system is not operable at all (e.g. secure recording is not guaranteed).
- Class/Priority 2: some of the key features are not operable, so that only limited operation is possible. No workaround to the problem is available by changing the working procedures (e.g. playback does not work).
- Class/Priority 3: some of the key features are not operable, so that only limited operation is possible. A workaround to the problem is available by changing the working procedures (e.g. printing of cache does not work).
- Class/Priority 4: all other faults.

7 PROJECT SPECIFIC ISSUES

7.1 Provision of source code

The TENDER requires that the source code of the VASTech developed software must be provided to the CUSTOMER. The source code forms a major part of the Intellectual Property of VASTech.

It is assumed that the reason behind this request is to ensure that no "back-doors" exist through which VASTech or another external party can gain access to the CUSTOMER'S information.

Due to the fact that "back-doors" could theoretically be added to the system during any software update, the following approach is suggested to ensure that the CUSTOMER'S information remain secure:

- Physical security

The goal of this is to ensure that no CUSTOMER or VASTech support personnel can access the data, or remove any data from the site.

- Dedicated LAN

The goal of this is to ensure that the MMS networks are not connected to any other networks, or, that the CUSTOMER networks that it is connected to, is not available from outside the CUSTOMER organization.

- Firewall with monitored interfaces



The only interfaces to the external world through which VASTech can transmit data are through the connection to the remote operators. It is suggested that a firewall be set up, under the control of the CUSTOMER, to ensure that only authorized remote operators can access the network, and that the MMS system will only send data to these authorized remote operators. This firewall is included in this OFFER.

All the above steps are aimed at providing a strict boundary between the CUSTOMER'S MMS system and the external world.

VASTech certifies that all hardware and software products developed by VASTech are free of "back-doors" that could allow VASTech or another party to access the CUSTOMER'S information without its permission.

In addition, VASTech invites the CUSTOMER to inspect all VASTech developed MMS related source code at the VASTech premises, either in South Africa or in Dubai.

Given the above, and given that the source code forms a major part of the Intellectual Property of VASTech, this OFFER does not include the deliver of the source code. However, the price and conditions for such source code can be separately negotiated.

7.2 Live Trial System

VASTech shall provide a trial system, to be installed at the CUSTOMER'S premises for testing to verify proper system operation. This system shall keep running for two consecutive weeks prior to signing a contract.

Should an order be placed based on this OFFER, then the trial system will be absorbed as one of the deliverables under this OFFER.

The trial system shall remain the property of VASTech and shall be made available by the CUSTOMER to VASTech after the trial period in the case where VASTech is not the successful system contractor.

8 CONDITIONS APPLICABLE

8.1 Contracting parties

Any contracts that may result from this Offer will be entered into between the following parties:

- **As Supplier:**

VASTech ME Limited, which is a subsidiary of VASTech SA (Pty) Limited, and whose performance is underwritten by VASTech SA (Pty) Limited. The address detail of VASTech M.E. Limited is as follows:

Physical Address: Al Maidan Tower II; Suite 204; Al Maktoum Street; Dubai; UAE.

Postal Address: P.O. Box 101; Dubai; UAE.

- **As Customer:**

MOI, Abu Dhabi.

8.2 Validity period

The prices in this Offer are valid for orders received by VASTech by 15 April 2008, subject to final user requirements and site information.

8.3 Price basis

All prices are fixed during the validity period and are based on the assumptions indicated in this document or in its applicable documents.

Prices are quoted in AED and exclude any taxes, such as Value Added Tax, and import duties in the country of destination. Any such taxes and duties will be for the account of the customer.

All prices are quoted for delivery CIP Abu Dhabi International Airport (Incoterms 2000).

All prices are calculated on the basis that the customer shall provide the specified Customer Furnished Equipment and Services free of charge to VASTech.

8.4 Delivery

System software and Zebra hardware delivery, CIP Abu Dhabi International Airport (Incoterms 2000), is 10 weeks after order acceptance and receipt of payment for Payment Milestone 1 (see par 8.6.2 on page 26).

Delivery and installation of the Inmarsat and Intelsat hardware and software shall be negotiated with the CUSTOMER and may be 6-12 months after receipt of ORDER, depending on international governmental demand at the time of the ORDER.

System installation and commissioning schedule has to be agreed between VASTech and the CUSTOMER.

8.5 Software and hardware

8.5.1 Software licence

A perpetual software usage licence based on the capacity and system features, described in this OFFER and its applicable documents will be issued to the end user.

The licence is valid for the end user's use only and may not be transferred, sold, donated or ceded to any other entity or country.

8.5.2 Software support and upgrades

Under this OFFER specifically, VASTech' software is guaranteed for 40 months from date of delivery, or 36 months after acceptance, whichever is the sooner, against defects and software bugs. During this period, VASTech will fix any class 1 & 2 bugs and provide workarounds for class 3 & 4 bugs, and provide free telephonic support.

See Appendix A: General Terms and Conditions, par. 1 on page 30 for warranty conditions.

8.5.3 Signalling

The pricing is for SS5 and SS7 standard protocols, as stated in the relevant ITU standards. This proposal does not included prices for proprietary protocols, and prices for proprietary protocols shall be negotiated separately.

8.5.4 Hardware warranty

See Appendix A: General Terms and Conditions, par. 1 on page 30 for warranty conditions.

Note however that the satellite hardware carries a warranty period of 12 months, with the extension of the warranty as indicated in the pricing tables.

8.6 Payment

8.6.1 Method

Payment shall be by bank transfer to the VASTech bank account. All bank charges will be for the customer's account.

The payment term is indicated against each payment milestone. Invoices will be raised at the payment milestones in par 8.6.2.

8.6.2 Payment Milestones

Invoices for the different payment milestones will be raised when the invoice condition in the following table has been met. The table also includes the relevant milestone values and payment terms.

Prices of optional items have not been included in the following table, and values of payment milestones will be changed depending on whether optional items have been ordered.

The values of payment milestones have been indicated as percentage of total order value and are subject to negotiation. The actual values of payment milestones will be determined after options have been selected in consultation between the CUSTOMER and VASTECH.

Line	Milestone title	Invoice condition	Invoice - percentage of total order	Payment term
1	Payment Milestone 1 (Order acceptance)	After VASTech has accepted the order.	30	10 days after invoice date.
2	Payment Milestone 2 (Delivery)	After VASTech has delivered shipping documents CIP Abu Dhabi (Incoterms 2000) to the CUSTOMER.	20	30 days after invoice date.
3	Payment Milestone 3 (Installation)	After installation of ordered hardware and software has been completed.	20	30 days after invoice date.
4	Payment Milestone 4 (Services)	After ordered services have been executed, including commissioning of the system.	20	30 days after invoice date.

Line	Milestone title	Invoice condition	Invoice - percentage of total order	Payment term
5	Payment Milestone 5 (ATP)	After completion of ATP	10	30 days after invoice date.

If an invoice is disputed, the CUSTOMER shall pay the amount not in dispute. The CUSTOMER shall not be obligated to pay the amount in dispute until the dispute is resolved, and no late payment charges shall be assessed against the amount in dispute during the period of the dispute, unless the dispute is resolved in favour of VASTECH, in which case the disputed amount retained will carry interest as herein provided for.

If the CUSTOMER does not effect payment to be made under this agreement on the day it is due, VASTECH is entitled to claim interest on such payment from the date it was due until it is made at the rate per year of 3 % above the 3-month-EURIBOR rate applicable during the time of delay.

8.7 General conditions

8.8 Substantive Law

All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in the United Kingdom without reference to other laws. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 shall be excluded.

8.8.1 Order acceptance

A binding agreement shall be created only after VASTech has accepted the Customer's order in writing.

8.8.2 Project management

Both VASTech and the Customer shall each appoint a representative which will be responsible for liaison and project management, including implementing a formal configuration control process.

8.8.3 Waivers

Any waiver on the part of either party hereto of any right or interest shall not imply the waiver of any other right or interest, or any subsequent waiver.

8.8.4 Severability

Any provision of this OFFER which in any way contravenes applicable law shall be deemed separable and shall not affect the validity of the remaining parts of this OFFER.

8.9 Entire Agreement

The OFFER together with this document is the parties' entire agreement relating to the subject matter herein. It supersedes all prior or contemporaneous oral or written communication, proposals and representations with respect to its subject matter.

8.10 Amendment

No modification to this Agreement shall be binding, unless in writing and signed by a duly authorized representative of the respective party.

8.11 Notices

All notices by either party must be in writing. Unless otherwise expressly provided, a notice shall be delivered either in person or by a means evidenced by a delivery receipt to the address specified below. A notice will be effective upon receipt,

if to VASTECH to:

For attention Mr. Frans Dreyer

VASTech ME Limited

Physical Address: Al Maidan Tower II; Suite 204; Al Maktoum Street; Dubai; UAE.

Postal Address: P.O. Box 101; Dubai; UAE.

if to the CUSTOMER to:

8.11.1 Conflicting statements

Conflicting statements between any documents shall be resolved using the following precedence - from highest precedence (most important):

- This COMMERCIAL OFFER
- The SPECIFICATION
- Other applicable/referenced documents



8.11.2 Other general conditions

See "Appendix A: General Terms and Conditions" on page 30

--end--

Appendix A: General Terms and Conditions

1 WARRANTIES

1.1 Term of warranty

VASTech provides a warranty that all hardware and software provided under this order shall be free of defects, classified as Class 1, Class 2 or Class 3.

This warranty shall be for a period of thirty six (36) months, commencing at Provisional System Acceptance.

During this period:

- VASTech shall be responsible to replace and recover any faulty items during the warranty period at no additional costs. This shall be done in a manner that minimizes any disruption to the operation of the system. All replaced / repaired units shall be warranted for the longer of 6 months or the remaining duration of the warranty period.
- VASTech shall provide the CUSTOMER with any software upgrades, for the software that has been ordered under this OFFER, free of charge.
- The CUSTOMER shall ensure at all times that the system is only configured by personnel trained by VASTech; that stable electrical power is provided; and that the system is operated within the environmental specifications, specified by VASTech. Non-compliance to the environmental specifications will void any hardware warranties provided by VASTech.
- The CUSTOMER will ensure that their technical support people are at all times properly trained by VASTech personnel and that they have attended a VASTech product support training course for each product they have to support.

1.2 Defect classification

The following bug classification shall apply in this context:

- Class/Priority 1: PRODUCT is not operable at all (e.g. secure recording is not guaranteed).
- Class/Priority 2: some of the key features are not operable, so that only limited operation is possible. No workaround to the problem is available by changing the working procedures (e.g. playback does not work).
- Class/Priority 3: some of the key features are not operable, so that only limited operation is possible. A workaround to the problem is available by changing the working procedures (e.g. printing of cache does not work).
- Class/Priority 4: all other faults

2 PROJECT MANAGEMENT AND PROJECT PHASES

The CUSTOMER and VASTech shall each appoint a Project Manager. The responsibilities of the Project Managers shall include the following, and is described in more detail in the PROJECT PLAN:

- Representation of the respective parties with mandates to execute the project
- Formal project execution liaison
- Establishment and maintenance of a detailed project plan
- Establishment and maintenance of configuration control procedures; risk register and risk management plan

The project shall be executed in phases, as indicated in the Project Plan, document number J-LA-001-PM-01 "LA Project Management"

3 RIGHTS AND OBLIGATIONS OF THE CUSTOMER

3.1 Intellectual Property Rights

The CUSTOMER shall buy and use the offered PRODUCTS in its own name for its own account according to the terms and conditions of the OFFER.

This grant does not include any right to reproduce the Products or to make and/or sell variations of or works, developed from the Products, nor any right to lend, rent, lease, broadcast or disseminate the Products or portions thereof, nor any right to otherwise utilize the Products or information relating to them, except as specifically described in this Agreement. The sole ownership of all intellectual property rights in the Products shall remain the property of VASTech.

3.2 Title and Risk of Loss

Title to PRODUCTS and DOCUMENTATION purchased under this Agreement shall pass to the CUSTOMER upon payment of the purchase price.

Risk of loss, theft, destruction of or damage to the PRODUCTS shall pass to the CUSTOMER upon delivery of PRODUCTS.

4 CONFIDENTIALITY

4.1 Nondisclosure

Each party shall keep confidential any CONFIDENTIAL INFORMATION that it receives from the other party. All oral disclosure of CONFIDENTIAL INFORMATION shall be summarized in writing by the disclosing party and said summary shall be given to the other party within 30 (thirty) days of the oral disclosure; objections to the summary must be made in writing within 30 (thirty) days of receipt of summary. The party receiving CONFIDENTIAL INFORMATION agrees not to reproduce or disclose such CONFIDENTIAL INFORMATION to any third party, or to use it for any purpose not authorized by the disclosing party. The receiving party agrees to restrict access of such CONFIDENTIAL INFORMATION to employees who have a need to know pursuant to their scope of employment and further agrees to instruct its employees having access to such CONFIDENTIAL INFORMATION to keep confidential such CONFIDENTIAL INFORMATION. The receiving party agrees to hold the disclosing party's CONFIDENTIAL INFORMATION in confidence and to protect it with the same degree of care used in protecting its own CONFIDENTIAL INFORMATION, at least with reasonable care.

4.2 Exclusions

This confidentiality obligation shall not apply to CONFIDENTIAL INFORMATION which is:

- generally available from public sources or in the public domain through no fault of the receiving party;
- received at any time from any third party without breach of a nondisclosure obligations to the disclosing party;
- shown through competent evidence to have been developed independently by the receiving party without reliance on the disclosing party's CONFIDENTIAL INFORMATION or to have been known by the receiving party prior to its disclosure by disclosing party;
- required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective ORDER and subject to the receiving party's obligation to notify the disclosing party of the requirement in a timely manner;
- approved for disclosure by prior written consent of an authorised corporate representative of disclosing party.

4.3 Survival

The obligations under this Section 4 shall survive the termination of the agreement resulting from an order a period of five (5) years.

5 LIABILITY

5.1 Indemnification for Infringement of Intellectual Property

VASTECH agrees to defend against and indemnify and hold the CUSTOMER, harmless from any third party claim, (including court costs and reasonable attorney's fees) alleging, with respect to PRODUCTS, the infringement or misappropriation of such third party's patents, trademarks or copyrights or trade secrets in the territory where the PRODUCTS are used in accordance with this Agreement.

5.2 Product Liability Indemnification

VASTECH agrees to defend against and indemnify and hold the CUSTOMER harmless from product liability claims raised by an individual person against the CUSTOMER (including reasonable costs of defending any proceedings) regarding losses from death, personal injury and damage to personal belongings suffered by such individual and based upon mandatory product liability regulations in respect of damages caused by defective products. VASTECH shall not be liable if, and to the extent, PRODUCTS have been altered, modified or improperly installed, operated, used or maintained by the CUSTOMER or any other party other than VASTECH, unless authorized in writing by VASTECH.

VASTECH'S liability shall be limited to the value of the purchase price of the specific PRODUCT having caused the product liability as described above.

5.3 Conditions to Indemnification Obligations

The indemnification obligations are subject to the following conditions: (1) the indemnified party gives prompt notice to the indemnifying party of the potential liability or claim; (2) the indemnified party promptly grants to the indemnifying party control over its defense and settlement; and (3) the indemnified party, at the indemnifying party's expense, provides reasonable and timely assistance in defense of the claim. The indemnified party may, at its option and expense, participate in the defense and settlement of any claim or liability under this Agreement; however, if the indemnified party agrees to a settlement of such claim or liability without the written consent of the indemnifying party, the indemnifying party shall have no obligation to indemnify the indemnified party in connection with such settlement.

5.4 General limitation of liability

Except for the CUSTOMER'S obligation to pay the purchase price for PRODUCTS ordered where such price is due for payment and except for the indemnification obligations as per Clause 5.1 (Indemnification for Infringement of Intellectual Property), any cases of intent and gross negligence and breach of confidentiality obligations, either Party's liability to the other Party, regardless of the legal theory such liability may be based upon, including without limitation, breach of contract, breach of warranty, indemnification obligation, statute, tort, strict liability and negligence, shall be for negligent conduct only and shall be limited for all claims originating in a calendar year to the amount of forty percent (40%) of the payments received

by VASTECH from the CUSTOMER in the same calendar year. Either Party's liability for any indirect or consequential damages and for loss of profit, loss of revenue, loss of interest, loss of reputation and loss due to business interruption shall be excluded to the fullest extent permitted by law.

6 GENERAL

6.1 Mediation and arbitration

In the event of any dispute arising out of or in connection with the present contract, the parties agree to submit the matter to mediation settlement proceedings under the International Chamber of Commerce (ICC, Paris) ADR Rules. The parties shall attempt to agree on a single neutral mediator. Should the parties not agree on such mediator, the mediator shall be appointed by the ICC. Each party shall pay an equal share of the costs associated with this mediation.

Should it not be possible to reach agreement through mediation within 45 days after submitting the mediation request at the ICC, disputes arising out of or in connection with the present Agreement, including any question regarding its existence, validity or termination, shall be finally settled under The Rules of Arbitration of the International Chamber of Commerce, Paris by three arbitrators in accordance with the said Rules.

Each party shall nominate one arbitrator for confirmation by the competent authority under the applicable Rules (Appointing Authority). Both arbitrators shall agree on the third arbitrator within 30 days. Should the two arbitrators fail, within the above time limit, to reach agreement on the third arbitrator, he shall be appointed by the Appointing Authority. If there are two or more defendants, any nomination of an arbitrator by or on behalf of such defendants must be by joint agreement between them. If such defendants fail, within the time limit fixed by the Appointing Authority, to agree on such joint nomination, the proceedings against each of them must be separated.

The seat of arbitration shall be Pretoria / South Africa. For the purpose of arbitration, the procedural law of this place shall apply where the Rules are silent.

The language to be used in the arbitration proceeding shall be English.

6.2 Limitation for actions

Neither arbitration nor any legal action, regardless of its form, related to or arising out of this Agreement may be brought more than two (2) years after the cause of action first accrued, except if a Demand is made within forty-five (45) days before the end of this two (2) year period, the parties shall have sixty (60) additional days from the Demand to start arbitration under this Agreement.

6.3 Force Majeure Event

A party shall not be in DEFAULT under this Agreement to the extent that its performance is prevented by a FORCE MAJEURE EVENT. If a party claims that a FORCE MAJEURE EVENT has occurred affecting its performance, it shall promptly notify the other party.

If the FORCE MAJEURE EVENT continues for a cumulative period of ninety (90) days or more, either party may terminate this Agreement and/or any ORDER by giving the other party thirty (30) days prior written notice. Termination shall be effective upon expiration of this notice period. If the CUSTOMER terminates the CUSTOMER'S sole liability and VASTECH' exclusive remedy under this Agreement or any ORDER will be for the CUSTOMER to pay any balance due for PRODUCTS (1) delivered by VASTECH before receipt of the CUSTOMER'S termination notice; and (2) ordered by the CUSTOMER for delivery and actually delivered within thirty (30) days after receipt of the CUSTOMER'S termination Notice.

Following the cessation of the FORCE MAJEURE EVENT, on request of the obligated Party, any terms and time periods shall be extended by the time period the FORCE MAJEURE EVENT affected these terms and time periods.

6.4 Export Restrictions and Regulations

The CUSTOMER shall be responsible for taking appropriate steps to obtain necessary export licenses, if any, relating to the export of PRODUCTS and shall provide VASTECH with copies of relevant export licenses. VASTECH shall assist and inform the CUSTOMER, if such information is available for VASTECH. The CUSTOMER assures that it will comply with all applicable export laws and regulations related to the use, disclosure, export, or re-export of these Products and services.

6.5 Assignment

VASTech may assign the order only with the CUSTOMER'S consent, which shall not unnecessarily be withheld. VASTech may assign its interest in any Equipment, or assign the right to receive payments, without the CUSTOMER'S consent. Any such assignment, however, will not change the obligations of VASTech to the CUSTOMER. THE CUSTOMER will not assign or transfer its rights or obligations under this Agreement without prior written consent of VASTech. Any assignment or transfer prohibited by this provision will be void. VASTech may subcontract any services described in this Agreement to third parties selected by VASTech.

-end-