



HARRIS CORPORATION

Technical/Commercial

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16th April 2013

UK Ministry of Defence
Saudi Arabian National Guard
Communications Project Team
PO Box 9799
Riyadh 11423
Kingdom of Saudi Arabia.

Dear Sirs,

Harris Technical Communications System

Reference A: Harris Letter dated 15th April 2013

Reference B: Offer of Contract SANGCOM/0010

Further to our letter at Reference A, and the particulars required by paragraph 1b of DEFCON 520 included in Reference B, we provide additional information for the Authority's consideration, as follows:

We have been working with ABTSS as our dealer for 22 years. Pursuant to Harris' standard procedures, a contingent fee related to the contract is required. This fee was not included in the price of this contract and will be deducted from general division profits.

A fee is warranted because ABTSS provide the following important value added activities:

- 1) The continued growth and expansion of ABTSS' facilities and infrastructure to support Harris activities and equipment in the Kingdom of Saudi Arabia. Including logistical support of Harris in-country personnel as well as providing key liaison/language and cultural guidance and services.
- 2) ABTSS have been working with Harris, at their own risk, on promoting the Harris Technical Communications System project since its inception in March 2009, and we expect them to support the project activities of Harris through handover in 2016.
- 3) Support of Harris at trade shows at their own expense, and visits to Harris Dealer meetings to attend training and brief senior management.
- 4) General engineering support.
- 5) Documentation and Visa support.
- 6) Assistance with meeting government requirements for staffing.

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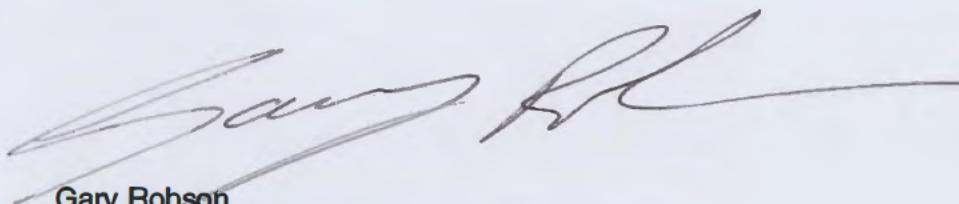
- 7) Continuation of liaisons with all National Guard departments in support of future business.
- 8) Translation support of documentation and customer briefings

In addition to the above and as part of ABTSS' agreement, they are responsible for the following marketing and sales support activities, which are detailed in our approved dealer agreements.

- 1) Solicit and Procure Customer Orders for the Products with pricing, terms and conditions authorized by Harris;
- 2) Employ sufficient staff having adequate training and qualifications as may be required to perform their obligations;
- 3) Promptly inform Harris of any Customer Order or inquiry concerning orders for products for supply either inside or outside the territory;
- 4) Keep Harris fully informed of conditions and developments in the territory relative to their obligations including any legislative, regulatory or policy developments that may affect the sale, transfer or distribution of the products;
- 5) Provide assistance in negotiations at request of Harris;
- 6) Take such actions as Harris may require from time to time to assist in collecting payments owed to Harris and the reductions or cancellation of bank guarantees or other financial instruments;
- 7) Assist end customers as required with completion of US Government export requirements including DSP-83 Non-Transfer and Use Certificates and End User Certifications
- 8) Provide Harris with periodic written reports or other information with respect to Products sold in the Territory as well as other relevant business information regarding this Agreement at Harris' request.

Finally, it should be noted that in order to best comply with FCPA regulations Harris does not pay fees prior to contract award. Our fees in this contract, which are to be mutually agreed and finalized subsequent to award, are estimated at USD13,800,000 payable pro rata on receipt of payments to Harris. Annualised over the period of support this equates to approx USD1,725,000 per year.

Yours faithfully



Gary Robson
Sales Director, Middle East



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Majid Fustok
Finance Director
ABTSS
Riyadh, Kingdom of Saudi Arabia

6 May 2013

Dear Mr. Fustok,

This is to confirm our conversation of 29 January 2013 and our agreement that ABTSS will be paid a Dealer commission of 15% of the final contract value, this commission value is approximately USD 13,800,000. Furthermore, ABTSS will contribute to the cost of the FSR, this contribution is estimated at USD 400,000, from its commission on the Harris Contract [redacted]. Should any saving be made in relation to our FSR cost we will pass this on pro rata to ABTSS.

The approximate commission due based on the current offer after subtraction of the FSR contribution is USD 13,400,000.

Of course this may be amended in the case of changes to the scope of work or the placing of any subcontract work on ABTSS and upon which no commission will be payable.

It is understood and agreed between ABTSS and Harris that ABTSS will continue to provide Harris the services detailed within the dealer agreement, and the additional services specified below, throughout the life of this project at no additional charge.

- 1) The continued growth and expansion of ABTSS' facilities and infrastructure to support Harris activities and equipment in the Kingdom of Saudi Arabia. Including logistical support of Harris in-country personnel as well as providing key liaison/language and cultural guidance and services.
- 2) Continuing to promote the Harris Harris Contract [redacted] and to support the project activities of Harris through handover in 2016.
- 3) Attend training and brief senior management on the progress of the project.
- 4) Provision of reasonable general engineering support., excluding agreed subcontract work
- 5) Documentation and Visa support.
- 6) Assistance with meeting government requirements for staffing.
- 7) Continuation of liaisons with all National Guard & Government departments.
- 8) Translation support of documentation and customer briefings

Yours Sincerely,

Agreed for and on behalf of ABTSS,


Gary Robson
Sales Director


Majid Fustok
Finance Director