



communications

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January 21, 2009

To Our Valued Suppliers:

Subject: Counterfeit Parts

A great percentage of L-3 Communication's end customers are in the aerospace and military industry. Processing of counterfeit parts in this industry is simply unacceptable. We have created an additional purchase order quality clause that will apply to all purchases. As an independent distributor or Contract Manufacturer to L3TE/GNS, this clause will apply to all of your purchases.

The quality clause is "If suspect/counterfeit parts are furnished under this purchase order and are found in any of the goods delivered hereunder, such items will be impounded by Buyer. The Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer and the Seller shall be liable for all costs relating to the removal and replacement of said parts. Buyer reserves all contractual rights and remedies to address grievances and detrimental impacts caused by suspect/counterfeit parts."

In addition we have additional requirements for our Contract Manufacturers. Any use of parts that are not purchased directly from the OEM or their authorized distributor must be approved by L3TE/GNS in writing in advance of use in our products. These parts must be tested by an independent test house before use. This evidence must be kept on file for review by L3TE/GNS at our request.

When L3TE/GNS purchases components from Independent Distributors, we will request this same testing data with receipt whenever possible. This means that if you are able to supply tested parts to us you will receive favorable consideration for orders.

We understand the impacts that these changes are having on your business and we hope by working together we can minimize these impacts while ensuring to our end customers that counterfeit parts are not used in their products.

Thank you in advance for your assistance and please feel free to contact me with any questions.

Regards,

Daniel Goldberg
Senior Supply Chain Manager

Cc: J. Lumley