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As filed with the Securities and Exchange Commission on October 21, 2011

Registration No. 333-175934

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 3
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**3674**	**27-0306875**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

100 Chelmsford Street
Lowell, MA 01851
(978) 656-2500

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Charles Bland
Chief Executive Officer
M/A-COM Technology Solutions Holdings, Inc.
100 Chelmsford Street
Lowell, MA 01851
(978) 656-2500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jason Day, Esq.	**Keith Higgins, Esq.**
Perkins Coie LLP	**Ropes & Gray LLP**
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Denver, CO 80202-5255	**Boston, MA 02199-3600**
(303) 291-2300	**(617) 951-7000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated October 21, 2011

PRELIMINARY PROSPECTUS

Shares

M/A-COM Technology Solutions Holdings, Inc.

Common Stock

This is the initial public offering of the common stock of M/A-COM Technology Solutions Holdings, Inc. We are offering shares of our common stock and the selling stockholders identified in this prospectus are offering shares of our common stock. We will not receive any proceeds from the sale of shares offered by the selling stockholders. No public market currently exists for our common stock.

We have applied to list our common stock on the Nasdaq Global Select Market under the symbol "MTSI."

We anticipate that the initial public offering price will be between $ and $ per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 11 of this prospectus.

	Per Share	Total
Price to the public	$	$
Underwriting discounts and commissions	$	$
Proceeds to us (before expenses)	$	$
Proceeds to the selling stockholders (before expenses)	$	$

We have granted the underwriters the option to purchase up to an additional shares of our common stock on the same terms and conditions set forth above if the underwriters sell more than shares of our common stock in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about , 2011.

Barclays Capital **J.P. Morgan** **Jefferies**

Morgan Keegan **Needham & Company, LLC**
Raymond James **Stifel Nicolaus Weisel**

Prospectus dated , 2011

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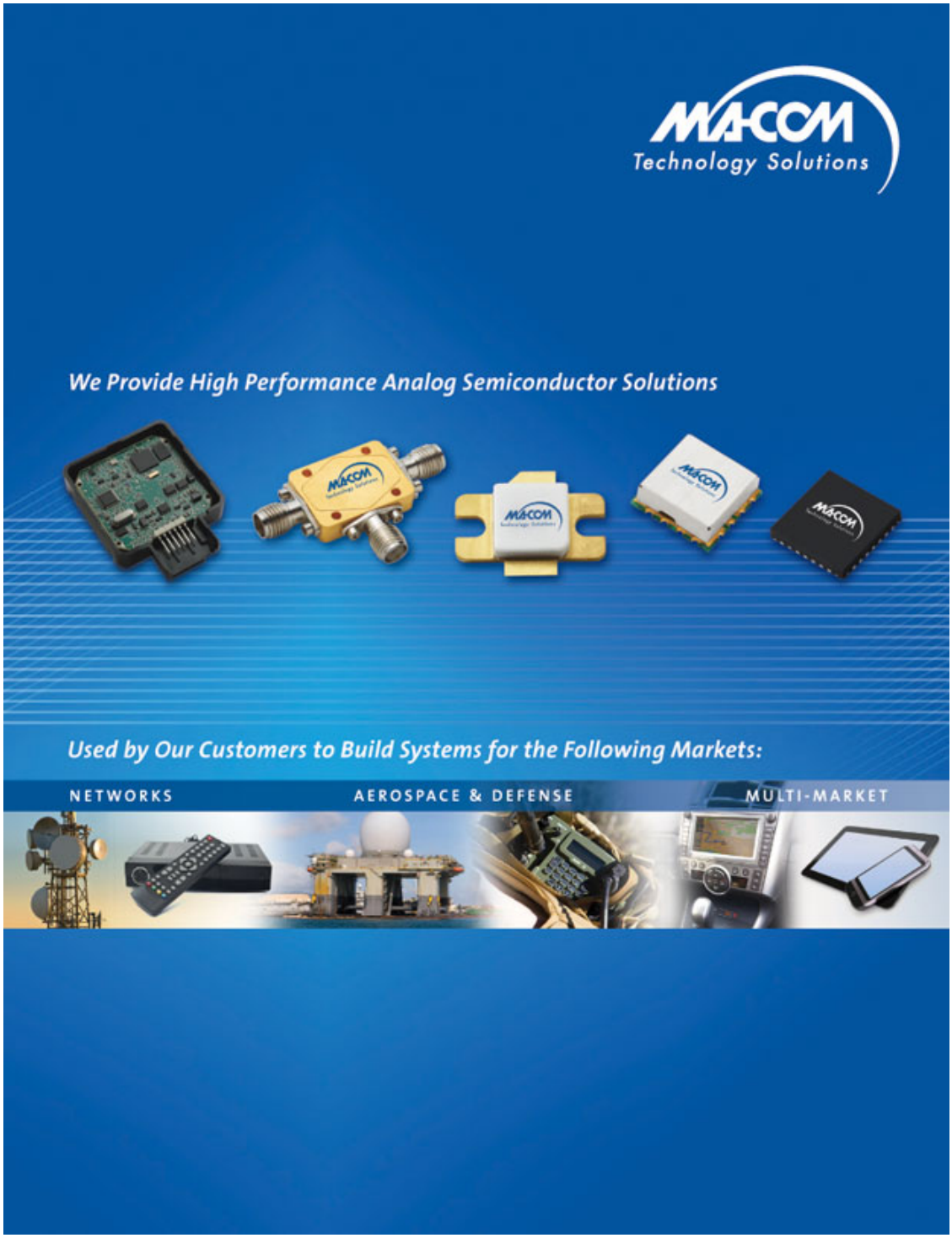

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You should rely only on the information contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus. We and the selling stockholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our shares of common stock.

Until , 2011 (25 days after commencement of this offering), all dealers that buy, sell, or trade our shares of common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we, the selling stockholders nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. The distribution of this prospectus and any free writing prospectus and the offering and sale of shares of common stock may be restricted by law in your jurisdiction. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes and the information set forth under the heading "Risk Factors." See "Corporate Information" below in this summary and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—History and Basis of Presentation" for important details regarding our corporate history and presentation of our financial statements.

Company Overview

We are a leading provider of high-performance analog semiconductor solutions for use in wireless and wireline applications across the radio frequency (RF), microwave and millimeterwave spectrum. We leverage our system-level expertise to design and manufacture differentiated, high-value products for customers who demand high performance, quality and reliability. The diversity and depth of our business across technologies, products, applications, end markets and geographies provide us with a stable foundation for growth and enable us to develop strong relationships with our customers. We offer over 3,000 standard and custom devices, which include integrated circuits (ICs), multi-chip modules, power pallets and transistors, diodes, switches and switch limitors, passive and active components and complete subsystems, across 38 product lines serving over 6,000 end customers in three large and growing primary markets. Our semiconductor products are electronic components that our customers incorporate into their larger electronic systems, such as point-to-point radios, radar, automobile navigation systems, CATV set-top boxes, magnetic resonance imaging systems and unmanned aerial vehicles. Our primary markets are Networks, which includes cable television (CATV), cellular backhaul, cellular infrastructure and fiber optic applications; Aerospace and Defense (A&D); and Multi-market, which includes automotive, industrial, medical, mobile and scientific applications.

We build upon a strong 60-year heritage of delivering innovative solutions dating back to the founding of Microwave Associates, Inc. We utilize our system-level knowledge and our extensive capabilities in high-frequency modeling, IC design, integration, packaging and manufacturing of semiconductors to address our customers' needs. Our specialized engineers and technologists located across six global design centers collaborate with our customers during the early stage of their system development process to incorporate our standard products and identify custom products we can develop to enhance their overall system performance. We believe the combination of our market-facing strategy and our engineering expertise enables us to identify profitable growth opportunities and rapidly develop and deliver new products and solutions. We have a comprehensive new product opportunity assessment process with 147 products in development as of September 30, 2011 that we believe will enhance our revenue growth and improve our gross margin through a richer product mix. Many of our products have long lifecycles ranging from 5 to 10 years, and some products have been shipping for over 20 years. We believe these factors create a competitive advantage. Our goal is to leverage this advantage into strengthened customer relationships and sole source design wins, where a customer allows us to be its only supplier of a particular component used in its system.

We believe our "fab-lite" manufacturing model provides us with a competitive advantage and an attractive financial model through a variable cost structure. We operate a single gallium arsenide (GaAs) and silicon semiconductor fabrication facility (fab) at our Lowell, Massachusetts headquarters. We also utilize external semiconductor foundries to supply us with additional capacity in periods of high demand and to provide us access to additional process technologies. The ability to utilize a broad array of internal proprietary process technologies as well as commercially available foundry technologies allows us to select the most appropriate technology to solve our customers' needs. We believe our fab-lite strategy provides us with dependable domestic supply, control over quality, reduced capital investment requirements, faster time to market and additional outsourced capacity when needed. In the A&D market, an internal domestic fab is often a requirement to be a

strategic supplier. In addition, the experience base cultivated through the continued operation of our internal fab provides us with the expertise to better manage our external foundry suppliers.

We serve our broad and diverse customer base through a multi-channel sales strategy utilizing direct sales and a global network of independent sales representatives and distributors. Our direct sales force and application engineers are focused on securing design wins by supporting industry-leading original equipment manufacturer (OEM) customers. Our five largest OEM and contract manufacturer customers by revenue in fiscal year 2011 in each of our primary markets, listed in alphabetical order, were as follows: (i) Alcatel-Lucent, Cisco Systems, Inc., Ericsson AB, Nokia Corporation and Samsung Electronics Co., Ltd. (Samsung) in the Networks market, (ii) Celestica Inc., CIENJ HK Limited, Harris Corporation, Motorola Solutions, Inc. and Rockwell Collins, Inc. in the A&D market, and (iii) Autoliv Inc., BG Tech America, Inc., Ford Motor Company (Ford), SAE Magnetics (H.K.) Ltd. and Samsung in the Multi-market. We depend on orders from our top 25 direct customers and our distributors for a significant portion of our revenue. Our top 25 direct customers, most of whom have been purchasing our products for at least a decade, accounted for 50.9% of our revenue in fiscal year 2010 and 57.2% of our revenue in the nine months ended July 1, 2011. Sales to our distributors accounted for 30.0% of our revenue in fiscal year 2010 and 25.1% of our revenue in the nine months ended July 1, 2011.

We generated revenue of $260.3 million for fiscal year 2010 and $231.5 million and $186.1 million for the nine months ended July 1, 2011 and July 2, 2010, respectively. Our revenue grew 24.4% for the nine months ended July 1, 2011 over the nine months ended July 2, 2010. Our income from operations was $17.9 million for fiscal year 2010 and $33.3 million and $11.0 million for the nine months ended July 1, 2011 and July 2, 2010, respectively. Our net income (loss) was $7.0 million for fiscal year 2010 and $(37.8) million and $5.3 million for the nine months ended July 1, 2011 and July 2, 2010, respectively. Our total assets were $164.8 million as of October 1, 2010 and $204.6 million as of July 1, 2011. We had 712 employees as of July 1, 2011.

Industry

The growth of advanced electronic systems using RF, microwave and millimeterwave technologies has created strong demand for high-performance analog semiconductor components, modules and solutions. This market demand is driven by the growth of mobile internet devices, cloud computing and streaming video that strain existing network capacity, as well as the growth in advanced information-centric military applications. In addition, the increasing need for real-time information, sensing and imaging functions in automotive, industrial, medical, scientific and test and measurement applications is driving demand in these markets. Frost & Sullivan estimates that the worldwide market for RF, microwave and millimeterwave semiconductors across Networks, A&D and Multi-market applications will expand from $33.2 billion in 2010 to $83.1 billion in 2017, representing a compound annual growth rate (CAGR) of 14.0%.

As the demand for advanced electronics systems relying on RF, microwave and millimeterwave technologies increases, OEMs are facing increasing challenges including:

- higher performance requirements such as increased throughput, reduced power consumption and increased signal integrity;
- greater systems complexity due to competitive pressures to enhance system features and improve overall performance;
- reducing development time in order to bring systems to market faster for customers facing increasing competition;
- pressure to deliver more advanced and complex systems in a cost-effective manner; and
- higher quality and reliability requirements, as the consequences of a field failure can be particularly serious or expensive to service.

Our Competitive Strengths

We believe our key competitive strengths include the following:

Extensive design and integration capabilities. Our 60-year heritage of innovation and experience includes advanced modeling, IC design, wafer fabrication processes, packaging and associated assembly and testing of individual devices and complete subsystems. Our system-level approach to integration, innovative IC and package design capabilities and experienced engineering talent enable us to provide a comprehensive set of high-performance and high-value solutions to meet the increasingly complex needs of our customers.

Fab-lite manufacturing with broad and differentiated process and packaging technologies. We believe our fab-lite model provides us with an operating advantage over fabless competitors and those that only use an internal fab by giving us the flexibility to use our internal fab for proprietary process technologies and external fabs for other technologies. Our fab-lite model also provides us with dependable domestic supply, control over quality, reduced capital investment requirements, faster time to market and additional outsourced capacity when needed. In the A&D market, an internal domestic fab is often a requirement to be a strategic supplier.

Breadth and depth of product portfolio and diverse end markets. We offer more than 3,000 standard and custom ICs, modules and complete subsystems across 38 product lines. Many of our products have long lifecycles ranging from 5 to 10 years. Our broad range of products are offered in numerous form factors to facilitate their use in a variety of applications within our diverse primary markets of Networks, A&D and Multi-market, which represented 31%, 30% and 39%, respectively, of our revenue in the nine months ended July 1, 2011.

Global sales and engineering footprint fostering strong customer relationships. We employ a global multi-channel sales strategy and support model intended to facilitate our customers' evaluation and selection of our products. We have strategically positioned our direct sales and applications engineering staff in 25 locations worldwide, augmented by independent sales representatives and distributors in 135 locations worldwide, to offer responsive local support to our customers, build long-term relationships and reach new customers in new geographies more effectively.

Proven track record, extensive history and reputation for delivering high-quality and reliable solutions. Our management team has an average of 23 years of experience in our industry. In addition, M/A-COM as a global brand leverages a 60-year heritage of designing and manufacturing innovative and reliable solutions. We have long-standing relationships with many of our industry-leading OEM customers who depend on us for high-quality and reliable solutions for technically demanding RF, microwave and millimeterwave applications.

Strategy

Our objective is to be the leader in providing high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum. Key elements of our strategy to achieve this objective include:

Aggressively deliver new products and solutions. Our system-level expertise, engineering talent and broad technology portfolio provide us with a strong foundation for delivering new products and solutions. We use our new product opportunity assessment process to identify and develop more integrated, higher-margin and value-added solutions with long lifecycles that we believe can support our revenue growth and improve our gross margin through a richer product mix. As of September 30, 2011, we had 147 new products in development.

Leverage technology expertise and innovation. We believe our core competency is the ability to model, design, integrate, package and manufacture differentiated solutions that are known for high performance, quality and reliability. We intend to leverage this core competency to continue to solve increasingly difficult and complex challenges that our customers face and to enhance and defend our technology leadership and sole supplier status with many of our customers.

Increase sales to existing customers and pursue new markets and customers. We intend to continue to expand our revenue opportunities through our market-facing strategy of aligning our solutions with our customers' needs and collaborating with them during the product definition stage of their systems, which allows us to sell more complete and highly-integrated semiconductor solutions. We believe we will continue to grow our sales by utilizing our multi-channel sales strategy and leveraging our technology across each of our large and growing primary markets.

Utilize our fab-lite manufacturing approach to optimize our solutions. We intend to continue capitalizing on our fab-lite strategy as an operating advantage, allowing us to leverage our internal proprietary process technologies as well as other technologies from external fabs. We believe the flexibility and breadth of our fab-lite model help us provide optimized solutions for our customers and will help us continue to gain market share over time.

Opportunistically pursue complementary acquisitions. We may pursue acquisitions of technologies, design teams, products and companies that complement our strengths and help us execute our strategies. Our acquisition strategy is designed to accelerate our revenue growth, expand our technology portfolio, grow our addressable market and create shareholder value.

Continue to improve operational efficiency. We believe we will expand our gross margin primarily through a higher margin product mix driven by our new product development strategy. We also intend to continue to increase our operational efficiency by leveraging our existing fixed-cost structure, achieving greater capacity utilization and continuing to optimize our supply chain.

Risks

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this prospectus summary, which you should carefully consider before deciding to invest in our common stock. Some of these risks include:

- revenue growth that is substantially dependent on our successful development and release of new products;
- various factors that may reduce our gross margin, which could negatively affect our results of operations;
- order and shipment uncertainties, which could negatively affect our profitability if we fail to accurately forecast customer demand when managing inventory;
- having a limited history of operations as a standalone company, which could make it difficult to evaluate our current business and prospects;
- our principal end markets declining or failing to grow, which could negatively affect our revenue and profitability;
- the decrease of the average selling prices of our products over time, which could have a material adverse effect on our revenue and gross margin;
- our inability to compete successfully in the face of intense competition in our industry, which could negatively affect our revenue and gross margin; and
- our dependence on orders from a limited number of customers for a significant percentage of our revenue.

Corporate Information

M/A-COM Technology Solutions Holdings, Inc. was incorporated under the laws of the State of Delaware in March 2009. The address of our principal executive offices is 100 Chelmsford Street, Lowell, Massachusetts

01851, and our telephone number is (978) 656-2500. In this prospectus, the terms "we," "us" and "M/A-COM Tech" mean M/A-COM Technology Solutions Holdings, Inc. and its consolidated subsidiaries. Our operations are conducted through our various subsidiaries, which are organized and operated according to the laws of their respective jurisdictions of incorporation, and consolidated by M/A-COM Tech.

On March 30, 2009, we acquired 100% of the outstanding stock of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited and the related M/A-COM brand (collectively, the M/A-COM Tech Business). In this prospectus, we refer to the acquisition of the M/A-COM Tech Business as the M/A-COM Acquisition.

We acquired Mimix Holdings, Inc. (Mimix), a supplier of high-performance GaAs semiconductors, on May 28, 2010 (Mimix Merger) for its complementary products and technologies in our primary markets. Although Mimix operated as an independent company before the acquisition, we and Mimix had the same majority owner, who controlled Mimix prior to our incorporation. We therefore present in this prospectus combined financial statements in a manner similar to a pooling-of-interests. We treat Mimix as our accounting acquirer for financial statement presentation purposes because our majority owner acquired control of Mimix before acquiring control of us. Accordingly, our financial statements are presented as if the Mimix Merger occurred on the date of our incorporation in March 2009, when we came under common control with Mimix. Our financial statements for periods prior to March 30, 2009 reflect only the operations of Mimix and do not reflect the operations of the M/A-COM Tech Business. More specifically, our financial statements for fiscal year 2008 reflect only the operations of Mimix. Our financial statements for fiscal year 2009 reflect only the operations of Mimix through March 30, 2009 and reflect the combined operations of Mimix and the M/A-COM Tech Business from March 30, 2009 through October 2, 2009.

On April 25, 2011, we acquired Optomai, Inc. (Optomai), a fabless semiconductor company that develops high-performance ICs and modules for next generation fiber optic networks.

Our Chairman, John Ocampo, and his affiliates will receive 104,971,470 shares of our common stock upon the conversion of shares of our Series A convertible preferred stock prior to the completion of this offering, with an aggregate value of $ based on the midpoint of the range of our common stock price set forth on the cover page of this prospectus.

Certain investment funds affiliated with Summit Partners, L.P., each of which are affiliated with one of our directors, Peter Chung, will receive an aggregate of 33,884,811 shares of our common stock upon the conversion of shares of our Class B convertible preferred stock prior to the completion of this offering, with an aggregate value of $ based on the midpoint of the range of our common stock price set forth on the cover page of this prospectus.

We expect to use $ of the net proceeds from this offering to pay Mainsail Partners II, L.P. and certain investment funds affiliated with Summit Partners, L.P., the holders of our Class B convertible preferred stock, a preference payment to which they are entitled under our current amended and restated certificate of incorporation in connection with the conversion of the Class B convertible preferred stock prior to completion of this offering. See "Certain Relationships and Related Person Transactions—Sale of Class B Convertible Preferred Stock and Warrants" appearing elsewhere in this prospectus for a description of this payment.

Our website address is *www.macomtech.com*. The information on or accessible through our website is not part of this prospectus. Our trademarks include "M/A-COM" and "The First Name in Microwave." This prospectus also refers to the products or services of other companies by the trademarks and trade names used and owned by those companies.

THE OFFERING

Common stock offered by us	shares
Common stock offered by selling stockholders	shares
Common stock to be outstanding immediately after this offering	shares
Underwriters' option to purchase additional shares	The underwriters have an option to purchase up to an aggregate of additional shares of common stock from us to cover over-allotments. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds	We plan to use $ of the net proceeds from this offering to pay to the holders of our Class B convertible preferred stock a preference payment to which they are entitled under our current amended and restated certificate of incorporation in connection with the conversion of the Class B convertible preferred stock prior to completion of this offering. We plan to use any remaining net proceeds from this offering for general corporate purposes, including working capital. We may also use a portion of these proceeds to acquire or make investments in complementary technologies, design teams, products and companies. We will not receive any proceeds from the common stock sold by the selling stockholders in this offering. See "Use of Proceeds."
Risk factors	See "Risk Factors" beginning on page 11 and the other information included in this prospectus for a discussion of risk factors you should carefully consider before deciding to invest in our common stock.
Proposed Nasdaq Global Select Market symbol	MTSI

The number of shares of common stock outstanding immediately after this offering as set forth above is based on 158,878,488 shares of common stock outstanding, which assumes the conversion of all outstanding shares of our convertible preferred stock on a one-for-one basis into shares of common stock, as of September 30, 2011 and excludes:

- shares of our common stock reserved for future issuance under our 2011 Omnibus Incentive Plan, which will become effective in connection with this offering, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans;"
- 9,168,708 shares of our common stock issuable upon the exercise of options outstanding as of September 30, 2011, to purchase shares of our common stock at a weighted-average exercise price of $0.32 per share;
- 5,125,431 shares of our common stock issuable upon the exercise of warrants outstanding as of September 30, 2011, to purchase shares of our common stock at an exercise price of $3.511898 per share; and

- shares of our common stock reserved for future issuance under our 2011 Employee Stock Purchase Plan, which will become effective in connection with this offering, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans."

Except as otherwise indicated, all information in this prospectus assumes:

- the conversion of all outstanding shares of our convertible preferred stock on a one-for-one basis into 150,991,337 shares of our common stock to be effected upon the closing of this offering;
- the filing and effectiveness of our fourth amended and restated certificate of incorporation and the effectiveness of our second amended and restated bylaws, which will occur immediately following the completion of this offering; and
- no exercise by the underwriters of their option to purchase an additional shares of our common stock to cover over-allotments.

SUMMARY FINANCIAL DATA

You should read the following summary financial data in conjunction with our combined consolidated financial statements and related notes, as well as the sections titled "Risk Factors," "Capitalization," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus. We were incorporated in March 2009 and completed the M/A-COM Acquisition on March 30, 2009. We acquired Mimix on May 28, 2010. Because we and Mimix had the same majority owner since our incorporation, we present in this prospectus combined financial statements in a manner similar to a pooling-of-interests. Because our majority owner acquired control of Mimix before acquiring control of us, we treat Mimix as our accounting acquirer for financial statement presentation purposes. Accordingly, our financial statements are presented as if the Mimix Merger had occurred on the date of our incorporation in March 2009, the date in which we came under common control with Mimix, and the financial statements for periods prior to March 30, 2009 reflect only the operations of Mimix. We derived (i) the statements of operations data for the fiscal years ended September 30, 2008, October 2, 2009 and October 1, 2010, and for the nine months ended July 1, 2011, and (ii) the balance sheet data as of October 2, 2009, October 1, 2010 and July 1, 2011, from our audited combined consolidated financial statements, which appear elsewhere in this prospectus. We derived the statements of operations data for the nine months ended July 2, 2010 from our unaudited combined consolidated financial statements, which appear elsewhere in this prospectus. These unaudited interim combined consolidated financial statements have been prepared on a basis consistent with our audited combined consolidated financial statements, and in the opinion of our management, include all adjustments, consisting only of normal, recurring adjustments and accruals, necessary for a fair presentation of our financial position and results of operations for the periods presented. All information presented as pro forma below is unaudited. We believe the financial results prior to March 30, 2009 are not comparable to our financial results for subsequent periods because they reflect only the operations of Mimix. For additional information on our presentation of financial statements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—History and Basis of Presentation" appearing elsewhere in this prospectus.

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Statements of Operations Data *(in thousands)*:					
Revenue	$25,423	$102,718	$260,297	$ 186,124	$ 231,493
Cost of revenue (1)	17,228	77,171	166,554	120,264	134,516
Gross profit	8,195	25,547	93,743	65,860	96,977
Operating expenses:					
Research and development (1)	6,728	13,553	25,795	18,672	25,533
Selling, general and administrative (1)	6,047	25,601	45,860	33,281	36,617
Accretion of contingent consideration	—	2,800	2,000	1,500	660
Restructuring charges	—	5,100	2,234	1,369	866
Total operating expenses	12,775	47,054	75,889	54,822	63,676
Income (loss) from operations	(4,580)	(21,507)	17,854	11,038	33,301
Other (expense) income:					
Gain on bargain purchase	—	27,073	—	—	—
Accretion of common stock warrant liability (2)	—	—	—	—	(10,241)
Accretion of Class B conversion liability (3)	—	—	—	—	(57,051)
Interest expense	(1,009)	(1,699)	(2,323)	(1,738)	(750)
Total other (expense) income, net	(1,009)	25,374	(2,323)	(1,738)	(68,042)
Income (loss) before income taxes	(5,589)	3,867	15,531	9,300	(34,741)
Income tax (provision) benefit	—	124	(8,996)	(5,167)	(3,779)
Net income (loss) from continuing operations	(5,589)	3,991	6,535	4,133	(38,520)
Net income from discontinued operations	—	198	494	1,160	754
Net income (loss)	(5,589)	4,189	7,029	5,293	(37,766)
Less net income attributable to noncontrolling interest in a subsidiary	—	23	195	195	—
Net income (loss) attributable to controlling interest	(5,589)	4,166	6,834	5,098	(37,766)
Accretion to redemption value of redeemable preferred stock and preferred stock dividends (4)	(1,780)	(3,559)	(6,298)	(4,585)	(79,062)
Net income (loss) attributable to common stockholders	$ (7,369)	$ 607	$ 536	$ 513	$ (116,828)

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010	July 1, 2011
Net Income (Loss) Per Share *(in thousands, except per share data)*:				(Unaudited)	
Basic and diluted income (loss) per common share:					
Income (loss) from continuing operations	$(9.67)	$ 0.01	$ 0.00	$ (0.01)	$ (20.53)
Income from discontinued operations	—	0.00	0.01	0.02	0.13
Net income (loss)	$(9.67)	$ 0.01	$ 0.01	$ 0.01	$ (20.40)
Shares used to compute net income (loss) per common share:					
Basic	762	52,806	47,521	62,200	5,727
Diluted	762	53,366	50,343	62,553	5,727
Pro forma net income (loss) per common share: (5)					
Basic			$		$
Diluted			$		$
Shares used to compute pro forma net income (loss) per common share: (5)					
Basic					
Diluted					

	As of		As of July 1, 2011	
	October 2, 2009	October 1, 2010	Actual	Pro Forma As Adjusted (6) (Unaudited)
Consolidated Balance Sheet Data *(in thousands)*:				
Cash and cash equivalents	$ 15,358	$ 23,946	$ 36,728	
Working capital	46,313	56,955	70,480	
Total assets	153,315	164,836	204,592	
Note payable (7)	30,191	30,000	—	
Class B conversion liability	—	—	98,692	
Convertible and redeemable preferred stock	—	—	180,628	
Stockholders' equity (deficit)	37,215	44,655	(180,654)	

(1) Amortization expense related to intangible assets arising from acquisitions and non-cash compensation expense included in our combined consolidated statements of operations is set forth below (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010	July 1, 2011
				(Unaudited)	
Amortization expense:					
Cost of revenue	$ 98	$862	$1,594	$ 1,194	$ 1,207
Selling, general and administrative	98	613	1,095	822	811
Non-cash compensation expense:					
Cost of revenue	26	173	194	139	290
Research and development	36	159	208	183	155
Selling, general and administrative	113	536	1,143	949	690

(2) Represents changes in the fair value of common stock warrants recorded as liabilities and adjusted each reporting period to fair value.

(3) Represents changes in the fair value of features of our Class B convertible preferred stock that are recorded as liabilities and adjusted each reporting period to fair value.

(4) For the nine months ended July 1, 2011, includes $76.2 million of dividends declared and paid in January 2011 to holders of our Series A-1 and A-2 convertible preferred stock.

(5) Assumes the conversion of all outstanding shares of our convertible preferred stock into 150,991,337 shares of common stock upon the completion of this offering and the issuance of shares to fund, in a manner similar to a dividend, the settlement of the Class B preference payment in both the fiscal year ended October 1, 2010 and the nine months ended July 1, 2011. Additionally, it assumes the issuance at the beginning of the respective periods of shares of common stock, which would be the number of shares that we would have needed to issue (assuming an initial public offering price equal to the midpoint of the range) to pay the portion of the $80.0 million special dividend in excess of the current period earnings in each period.

(6) The pro forma as adjusted column reflects the conversion of all outstanding shares of our convertible preferred stock into 150,991,337 shares of our common stock and the sale of shares of our common stock offered by this prospectus at an assumed initial public offering price of per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us and the application of the net proceeds to settle the Class B convertible preferred stock preference payment.

(7) Reflects seller financing in connection with the M/A-COM Acquisition, which was subsequently paid off in December 2010.

Quarterly Results (Unaudited):

The following table presents unaudited quarterly statement of operations data for each of the quarters in fiscal year 2010 and in the nine months ended July 1, 2011. This unaudited quarterly statement of operations information has been prepared on a basis consistent with our audited combined consolidated financial statements, and in the opinion of our management, include all adjustments, consisting only of normal, recurring adjustments and accruals, necessary for a fair presentation of our financial position and results of operations for the periods presented.

	Three Months Ended						
	January 1, 2010	April 2, 2010	July 2, 2010	October 1, 2010	December 31, 2010	April 1, 2011	July 1, 2011
	(in thousands)						
Revenue	$ 57,405	$61,014	$67,705	$ 74,173	$ 74,909	$77,884	$ 78,700
Cost of revenue (1)	37,986	39,699	42,579	46,290	44,295	45,639	44,582
Gross profit	19,419	21,315	25,126	27,883	30,614	32,245	34,118
Operating expenses:							
Research and development (1)	4,756	6,352	7,564	7,123	7,714	8,356	9,463
Selling, general and administrative (1)	10,795	10,580	11,906	12,579	12,237	12,556	11,824
Accretion of contingent consideration	600	500	400	500	97	198	365
Restructuring charges	523	527	319	865	382	357	127
Total operating expenses	16,674	17,959	20,189	21,067	20,430	21,467	21,779
Income from operations	2,745	3,356	4,937	6,816	10,184	10,778	12,339
Net income (loss) (2)	$ 2,563	$ 1,103	$ 1,627	$ 1,736	$ 8,606	$ (9,757)	$ (36,615)

(1) Amortization expense related to intangible assets arising from acquisitions and non-cash compensation expense included in our quarterly financial data is set forth below:

	Three Months Ended						
	January 1, 2010	April 2, 2010	July 2, 2010	October 1, 2010	December 31, 2010	April 1, 2011	July 1, 2011
	(in thousands)						
Amortization expense:							
Cost of revenue	$ 399	$ 397	$ 398	$ 400	$ 382	$ 382	$ 443
Selling, general and administrative	274	274	274	273	258	257	296
Non-cash compensation expense:							
Cost of revenue	(16)	54	101	55	54	102	134
Research and development	6	39	138	25	46	40	69
Selling, general and administrative	266	208	475	194	149	386	155

(2) Net loss for the three months ended April 1, 2011 and July 1, 2011 includes an aggregate of $20.4 million and $46.9 million of expense, respectively, relating to changes in the fair value of common stock warrants and features of our Class B convertible preferred stock that are recorded as liabilities and adjusted each reporting period to fair value.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, together with the other information and financial statements appearing elsewhere in this prospectus, before you decide to invest in our common stock. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could suffer, the market price of our common stock could decline and you might lose all or part of your investment in our common stock. See "Special Note Regarding Forward-Looking Statements" appearing elsewhere in this prospectus.

Risks Relating to Our Business

Our revenue growth is substantially dependent on our successful development and release of new products.

Our revenue growth will depend on our ability to timely develop new products for existing and new markets that meet customers' performance, reliability and price requirements. The development of new products is a highly complex process, and we have in the past and may in the future experience delays and failures in completing the development and introduction of new products. Our successful product development depends on a number of factors, including the following:

- accurate prediction of market requirements, changes in technology and evolving standards;
- the availability of qualified product designers and process technologies needed to solve difficult design challenges in a cost-effective, reliable manner;
- our ability to design products that meet customers' cost, size and performance requirements;
- our ability to manufacture new products according to customer needs with acceptable manufacturing yields;
- our ability to offer new products at competitive prices;
- acceptance by customers of our new product designs;
- identification of and entry into new markets for our products;
- acceptance of our customers' products by the market and the lifecycle of such products;
- our ability to deliver products in a timely manner within our customers' product planning and deployment cycle; and
- our ability to increase our product content in our customers' systems.

A new product design effort may last 12 to 18 months or longer, and requires material investments in engineering hours and materials, as well as sales and marketing expenses, which will not be recouped if the product launch is unsuccessful. We may not be able to design and introduce new products in a timely or cost-efficient manner, and our new products may fail to meet the requirements of the market or our customers. In that case, we may not reach our expected level of production orders and lose market share, which could adversely affect our ability to sustain our revenue growth or maintain our current revenue levels.

Various factors may reduce our gross margin, which could negatively affect our business, financial condition and results of operations.

If we are unable to utilize our design, fabrication, assembly and test facilities at a high level, the significant fixed costs associated with these facilities may not be fully absorbed, resulting in higher average unit costs and lower gross margin. Our various products have different gross margin and increased sales of lower-margin products in a given period relative to other products may cause us to report lower overall gross margin. In the past, we have experienced periods where our gross margin declined due to, among other things, reduced factory utilization resulting from reduced customer demand, reduced selling prices and a change in product mix towards lower-margin products. Future market conditions may adversely affect our revenue and utilization rates and

consequently our future gross margin, and this, in turn, could have an adverse impact on our business, financial condition and results of operations. In addition, increased raw material costs, manufacturing yields, more complex engineering requirements and other factors may lead to lower margins for us in the future. As a result of these or other factors, we may be unable to maintain or increase our gross margin in future periods and our gross margin may fluctuate from period to period.

We are subject to order and shipment uncertainties. Our profitability will decline if we fail to accurately forecast customer demand when managing inventory.

We generally sell our products on the basis of purchase orders rather than long-term purchase commitments from our customers. Our customers can typically cancel purchase orders or defer product shipments for some period without incurring liability to us. We typically plan production and inventory levels based on internal forecasts of customer demand, which can be highly unpredictable and can fluctuate substantially, leading to excess inventory write-downs and resulting negative impacts on gross margin and net income. We have limited visibility into our customers' inventories, future customer demand and the product mix that our customers will require, which could adversely affect our production forecasts and operating margins. In addition, the rapid pace of innovation in our industry could render significant portions of our inventory obsolete. If we overestimate our customers' requirements, we may have excess inventory, which could lead to obsolete inventory and unexpected costs. Conversely, if we underestimate our customers' requirements, we may have inadequate inventory, which could lead to foregone revenue opportunities, loss of potential market share and damage to customer relationships as product deliveries may not be made on a timely basis, disrupting our customers' production schedules. Some of our larger customers also require us to build and maintain minimum inventories and keep them available for purchase at specified locations based on non-binding demand estimates that are subject to change, which exposes us to increased inventory risk and makes it more difficult to manage our working capital. If demand from such customers decreases, we may be left with excess or obsolete inventory we are unable to sell. In response to anticipated long lead times to obtain inventory and materials from outside suppliers and foundries, we periodically order materials in advance of customer demand. This advance ordering has in the past and may in the future result in excess inventory levels or unanticipated inventory write-downs if expected orders fail to materialize, or other factors make our products less saleable. In addition, any significant future cancellation or deferral of product orders could adversely affect our revenue and margins, increase inventory write-downs due to obsolete inventory, and adversely affect our operating results and stock price.

Because we have a limited history of operations as a standalone company, it may be difficult to evaluate our current business and prospects.

While many of the products and technologies now comprising our business had a long history of operations as part of the larger organizations of prior owners, our standalone business began in March 2009. This short operating history as a standalone company, rather than as a small subset of a much larger corporate parent, combined with the rapidly evolving nature of our industry and fluctuations in the overall worldwide economy since March 2009, may make it difficult to evaluate our current business and future prospects. In addition, the financial statements included in this prospectus treat Mimix as our accounting acquirer. Therefore, our financial results prior to March 30, 2009 do not contain results from the M/A-COM Tech Business and are not comparable with the results after such date.

If our primary markets decline or fail to grow, our revenue and profitability may suffer.

Our future growth depends to a significant extent on the continued growth in usage of advanced electronic systems in Networks, A&D or Multi-market. The rate or extent to which these markets grow, if at all, is uncertain. These markets may fail to grow or decline for many reasons, including insufficient consumer demand, lack of access to capital, changes in the U.S. defense budget and procurement processes, changes in regulatory environments, and changes in network specifications. If demand for electronic systems in which our products are incorporated declines, fails to grow, or grows more slowly than we anticipate, purchases of our products may be reduced, which may adversely affect our business, financial condition and results of operations. In particular, our sales to Ford, which accounted for more than 10% of our revenue for the nine months ended July 1, 2011, are dependent upon the health of the automotive market and Ford's ability to maintain or grow its market share.

The average selling prices of our products may decrease over time, which could have a material adverse effect on our revenue and gross margin.

It is common in our industry for the average selling price of a given product to decrease over time as production volumes increase, competing products are developed or new technologies featuring higher performance or lower cost emerge. To combat the negative effects that erosion of average selling prices have had in the past and may in the future have on our revenue and gross margin, we attempt to actively manage the prices of our existing products and regularly introduce new process technologies and products in the market that exhibit higher performance, new features that are in demand, or lower manufacturing cost. Failure to maintain our current prices or to successfully execute on our new product development strategy will cause our revenue and gross margin to decline, which could decrease the value of your investment in our common stock.

We face intense competition in our industry, and our inability to compete successfully could negatively affect our operating results.

The semiconductor industry is highly competitive. While we compete with a wide variety of companies, we compete with Hittite Microwave Corporation (Hittite) across all three of our primary markets. Our other significant competitors include, among others, Aeroflex, Inc. (Aeroflex), Avago, Inc. (Avago), Microsemi Corporation (Microsemi), RF Micro Devices, Inc. (RFMD), Skyworks Solutions, Inc. (Skyworks) and TriQuint Semiconductor, Inc. (TriQuint).

We believe future competition could also come from companies developing new alternative technologies, component suppliers based in countries with lower production costs and IC manufacturers achieving higher levels of integration that exceed the functionality offered by our products. Our customers and suppliers could also develop products that compete with or replace our products. A decision by any of our large customers to design and manufacture ICs internally could have an adverse effect on our operating results. Increased competition could mean lower prices for our products, reduced demand for our products and a corresponding reduction in our ability to recover development, engineering and manufacturing costs.

Many of our existing and potential competitors have entrenched market positions, historical affiliations with OEMs, considerable internal manufacturing capacity, established intellectual property rights and substantial technological capabilities. Many of them may also have greater financial, technical, manufacturing or marketing resources than we do. Prospective customers may decide not to buy from us due to concerns about our relative size, financial stability or other factors. Our failure to successfully compete could result in lower revenue, decreased profitability and a lower stock price.

We typically depend on orders from a limited number of customers for a significant percentage of our revenue.

In fiscal year 2010, sales to our distributor Richardson Electronics, an Arrow Electronics Company (Richardson), and to Ford each accounted for more than 10% of our revenue, and sales to our top 10 direct and distribution customers accounted for 58% of our revenue. In the nine months ended July 1, 2011, sales to Richardson and Ford each accounted for more than 10% of our revenue, and sales to our top 10 direct and distribution customers accounted for an aggregate of 59% of our revenue. While the composition of our top 10 customers varies from year to year, we expect that sales to a limited number of customers will continue to account for a significant percentage of our revenue for the foreseeable future. The purchasing arrangements with our customers are typically conducted on a purchase order basis that does not require our customers to purchase any minimum amount of our products over a period of time. As a result, it is possible that any of our major customers could terminate their purchasing arrangements with us or significantly reduce or delay the amount of our products that they order, purchase products from our competitors or develop their own products internally. The loss of, or a reduction in, orders from any major customer could cause a decline in revenue and adversely affect our results of operations.

We operate in the semiconductor industry, which is cyclical and subject to significant downturns.

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, price erosion, product obsolescence, evolving standards, short product lifecycles and significant fluctuations in supply and demand. The industry has historically experienced significant fluctuations in demand and product obsolescence, resulting in product overcapacity, high inventory levels and accelerated erosion of average selling prices. Downturns in many sectors of the electronic systems industry have in the past contributed to extended periods of weak demand for semiconductor products. We have experienced adverse effects on our profitability and cash flows during such downturns in the past, and our business may be similarly harmed by any downturns in the future, particularly if we are unable to effectively respond to reduced demand in a particular market.

Our operating results may fluctuate significantly from period to period. We may not meet investors' quarterly or annual financial expectations and, as a result, our stock price may decline.

Our quarterly and annual operating results may vary significantly in the future based upon a number of factors, many of which are beyond our control. Factors that could cause operating results to fluctuate include:

- general economic growth or decline in the U.S. or foreign markets;
- the timing, reduction or cancellation of orders by customers, whether as a result of a loss of market share by us or our customers, changes in the design of customers' products, or slowing demand for our products or customers' products;
- the gain or loss of a key customer or significant changes in the financial condition of one or more key customers;
- fluctuations in manufacturing output, yields, capacity levels, quality control or other potential problems or delays we or our subcontractors may experience in the fabrication, assembly, testing or delivery of our products;
- changing conditions for products containing RF, microwave or millimeterwave applications, specifically in our Networks, A&D or Multi-market primary markets;
- fluctuations in demand relating to the A&D market due to changes in government programs;
- the market acceptance of our products and particularly the timing and success of new product and technology introductions by us, customers or competitors;
- the amount, timing and relative success of our investments in research and development, which impacts our ability to develop, introduce and market new products and solutions on a timely basis;
- period-to-period changes in the mix of products we sell, which can result in lower gross margin;
- availability, quality and cost of semiconductor wafers and other raw materials, equipment, components and internal or outsourced manufacturing, packaging and test capacity, particularly where we have only one qualified source of supply;
- seasonal and other changes in customer purchasing cycles and component inventory levels;
- the effects of competitive pricing pressures, including decreases in average selling prices of our products;
- impairment charges associated with intangible assets, including goodwill and acquisition-related intangible assets;
- loss of key personnel or the shortage of available skilled workers;
- factors that could cause our reported domestic and foreign income taxes and income tax rate to increase in future periods, such as limits on our ability to utilize net operating losses or tax credits and the geographic distribution of our income, which may change from period to period; and
- the effects of war, natural disasters, acts of terrorism or geopolitical unrest.

The foregoing factors are difficult to forecast, and these, as well as other factors, could materially and adversely affect our quarterly and annual operating results. In addition, if our operating results in any period do not meet our publicly stated guidance, if any, or the expectations of investors or securities analysts, our stock price may decline.

Our investment in research and development may not be successful, which may impact our profitability.

The semiconductor industry requires substantial investment in research and development in order to develop and bring to market new and enhanced technologies and products. Research and development expenses were $25.5 million for the nine months ended July 1, 2011 and $25.8 million for our fiscal year 2010. In fiscal year 2010 and the nine months ended July 1, 2011, we increased our research and development expenditures as part of our strategy toward the development of innovative and sustainable products and solutions to fuel our growth and profitability. We cannot assure you if or when the products and solutions where we have focused our research and development expenditures will become commercially successful. In addition, we may not have sufficient resources to maintain the level of investment in research and development required to remain competitive or succeed in our strategy. For example, development of certain process technologies requires significant expenditures that may not generate a sufficient return.

We may incur significant risk and expense in attempting to win new business, and such efforts may never generate revenue.

To obtain new business, we often need to win a competitive selection process to develop semiconductors for use in our customers' systems, known in the industry as a "design win." These competitive selection processes can be lengthy and can require us to incur significant design and development expenditures and dedicate scarce engineering resources in pursuit of an opportunity for a single customer opportunity. We may not win the competitive selection process and may never generate any revenue despite incurring significant design and development expenditures and selling, general and administrative expenses. Failure to obtain a design win sometimes prevents us from offering an entire generation of a product. This can result in lost revenue and could weaken our position in future competitive selection processes.

Even when we achieve a design win, success is not assured. Customer qualification and design cycles can be lengthy, and it may take a year or more following a successful design win and product qualification for one of our products to be purchased in volume by the customer. We may experience difficulties manufacturing the part in volume, such as low yields, supply chain delays or shortages, or quality issues. Further, while the customer has successfully qualified our part for use in its system when it awards a design win to us, it may not have qualified all of the other components being sourced for its system, or qualified its system as a whole with its end customers. Any difficulties our customer may experience in completing those qualifications may delay or prevent us from translating the design win into revenue. Any of these events, or any cancellation of a customer's program or failure of our customer to successfully market its own product after our design win could materially and adversely affect our business, financial condition and results of operations, as we may have incurred significant expense and generated no revenue.

We expect to make future acquisitions, dispositions and investments, which involve numerous risks.

We have an active corporate development program and routinely evaluate potential acquisitions of, and investments with or other strategic alliances involving, complementary technologies, design teams, products and companies. We also may evaluate the merits of a potential divestment of one or more of our existing business lines. We expect to pursue such transactions if appropriate opportunities arise. However, we may not be able to identify suitable transactions in the future, or if we do identify such transactions, we may not be able to complete them on commercially acceptable terms, or at all. We also face intense competition for acquisitions from other acquirers in our industry. These competing acquirers may have significantly greater financial and other resources than us, which may prevent us from successfully pursuing a transaction. In the event we pursue acquisitions, we will face numerous risks including:

- difficulties in integrating the personnel, culture, operations, technology or products and service offerings of the acquired company;

- diversion of management's attention from normal daily operations of our business;
- difficulties in entering markets where competitors have stronger market positions;
- difficulties in managing and integrating operations in geographically dispersed locations;
- difficulties in improving and integrating the financial reporting capabilities and operating systems of any acquired operations, particularly foreign and formerly private operations, as needed to maintain effective internal control over financial reporting and disclosure controls and procedures;
- the loss of any key personnel of the acquired company as well as their know-how, relationships and expertise, which is common following an acquisition;
- maintaining customer, supplier or other favorable business relationships of acquired operations;
- generating insufficient revenue from completed acquisitions to offset increased expenses associated with any abandoned or completed acquisitions;
- acquiring unknown liabilities associated with any acquired operations; and
- additional expense associated with amortization or depreciation of acquired tangible and intangible assets.

Our past acquisitions of Mimix and Optomai required significant management time and attention relating to the transaction and subsequent integration. If we fail to properly integrate these acquired companies with ours, we may not receive the expected benefits of the acquisitions. Even if a proposed acquisition is successfully realized and integrated, we may not receive the expected benefits of the transaction.

Past transactions have resulted, and future transactions may result, in significant costs, expenses, liabilities and charges to earnings. The accounting treatment for any acquisition may result in significant amortizable intangible assets which, when amortized, will negatively affect our consolidated results of operations. The accounting treatment for any acquisition may result in significant goodwill, which, if impaired, will negatively affect our consolidated results of operations. Furthermore, we may incur indebtedness or issue equity securities to pay for acquisitions. The incurrence of indebtedness could limit our operating flexibility and be detrimental to our profitability, and the issuance of equity securities would be dilutive to our existing stockholders. Any or all of the above factors may differ from the investment community's expectations in a given quarter, which could negatively affect our stock price. In addition, as a result of the foregoing, we may not be able to successfully execute acquisitions in the future to the same extent as we have the in the past, if at all.

In the event we make future investments, the investments may decline in value or fail to deliver any strategic benefits we anticipate from them, and we may lose all or part of our investment. In the event we undertake divestments, we may suffer from associated management distraction, damaged customer relationships, failure to realize the perceived strategic or financial merits of the divestment or suffer indemnity liabilities to the purchaser.

We depend on third parties for products and services required for our business, which may limit our ability to meet customer demand, assure product quality and control costs.

We purchase numerous raw materials, such as ceramic packages, precious metals, semiconductor wafers and dies, from a limited number of external suppliers. We also currently use several external manufacturing suppliers for assembly and testing of our products, and in some cases for fully-outsourced turnkey manufacturing of our products. We currently expect to increase our use of outsourced manufacturing in the future as a strategy for lowering our fixed operating costs. The ability and willingness of our external suppliers to perform is largely outside of our control. The use of external suppliers involves a number of risks, including the possibility of material disruptions in the supply of key components, the lack of control over delivery schedules, capacity constraints, manufacturing yields, quality and fabrication costs, and misappropriation of our intellectual property.

For example, a defective batch of a chemical etchant received from a supplier caused scrap loss in our internal manufacturing facility in March 2011, which reduced manufacturing yields and gross profit by $0.7 million for the nine months ended July 1, 2011. If these vendors' processes vary in reliability or quality, they could negatively affect our products and, therefore, our customer relations and results of operations.

We generally purchase raw materials on a purchase order basis and we do not have significant long-term supply commitments from our vendors. In terms of relative bargaining power, many of our suppliers are larger than we are, with greater resources, and many of their other customers are larger and have greater resources than we do. If these vendors experience shortages or fail to accurately predict customer demand, they may have insufficient capacity to meet our demand, creating a capacity constraint on our business. They may also choose to supply others in preference to us in times of capacity constraint or otherwise, particularly where the other customers purchase in higher volume. Third-party supplier capacity constraints have in the past and may in the future prevent us from supplying customer demand that we otherwise could have fulfilled at attractive prices.

Based on superior performance features, cost parameters or other factors, we utilize sole source suppliers for certain semiconductor packages and other materials, and it is not uncommon for one of our outside semiconductor foundries to be our sole supplier for the particular semiconductor fabrication process technologies manufactured at that supplier's facility. Such supplier concentrations involve the risk of a potential future business interruption if the supplier becomes unable or unwilling to supply us at any point. While in some cases alternate suppliers may exist, because there are limited numbers of third-party wafer fabs that use the process technologies we select for our products and that have sufficient capacity to meet our needs, it may not be possible or may be expensive to find an alternative source of supply. Even if we are able to find an alternative source, moving production to an alternative external fab requires an extensive qualification or re-qualification process that could prevent or delay product shipments or disrupt customer's production schedules, which could harm our business. In addition, some of our external foundry suppliers compete against us in the market in addition to being our supplier. The loss of a supplier can also significantly harm our business and operating results. A supplier may discontinue supplying us if its business is not sufficiently profitable, for competitive reasons or otherwise. We have in the past and may in the future have our supply relationship discontinued by an external foundry, causing us to experience supply chain disruption, customer dissatisfaction, loss of business and increased cost.

If we lose key personnel or fail to attract and retain key personnel, we may be unable to pursue business opportunities or develop our products.

We believe our continued ability to recruit, hire, retain and motivate highly-skilled engineering, operations, sales, administrative and managerial personnel is key to our future success. Competition for these employees is intense, particularly with respect to qualified engineers. Our failure to retain our present employees and hire additional qualified personnel in a timely manner and on reasonable terms could harm our competitiveness and results of operations. In addition, from time to time we may recruit and hire employees from our customers, suppliers and distributors, which could result in liability to us and has in the past and could in the future damage our business relationship with these parties. None of our senior management team is contractually bound to remain with us for a specified period, and we generally do not maintain key person life insurance covering our senior management. The loss of any member of our senior management team could strengthen a competitor or harm our ability to implement our business strategy.

Sources for certain components and materials are limited, which could result in interruptions, delays or reductions in product shipments.

Our industry may be affected from time to time by limited supplies of certain key components and materials. We have in the past and may in the future experience delays or reductions in supply shipments, which could reduce our revenue and profitability. If key components or materials are unavailable, our costs could increase and our revenue could decline.

In particular, our manufacturing headquarters, design facilities, assembly and test facilities and supply chain, and those of our contract manufacturers, are subject to risk of catastrophic loss due to fire, flood, or other natural or

man-made disasters, such as the earthquake and tsunami that devastated parts of Japan in 2011. Most of our semiconductor products are fabricated in our Lowell, Massachusetts headquarters, where our only internal wafer fab is located. In the nine months ended July 1, 2011, a substantial majority of the semiconductors used in our manufacturing were sourced internally. The majority of the internal and outsourced assembly and test facilities we utilize are located in the Pacific Rim, and some of our internal design, assembly and test facilities are located in California, regions with above average seismic and severe weather activity. In addition, our research and development personnel are concentrated in a few locations, primarily our headquarters and our Santa Clara, California, Sydney, Australia, Belfast, Northern Ireland and Cork, Ireland locations, with the expertise of the personnel at each such location generally focused on one or two specific areas. Any catastrophic loss or significant damage to any of these facilities would likely disrupt our operations, delay production, shipments and revenue and result in significant expenses to repair or replace the facility, and in some instances, could significantly curtail our research and development efforts in a particular product area or primary market, which could have a material adverse effect on our operations. For example, in October 2011, heavy monsoon rains in Thailand caused widespread flooding affecting major cities and industrial parks where there is a concentration of semiconductor manufacturing, assembly and test sites. One of our contract manufacturing suppliers located in Thailand has been affected by the flooding and depending on the relative success of our efforts to mitigate the effect of this flooding on our operations and the extent of any additional flooding and related damage, the disruption in our supply chain caused by the flooding may negatively impact our revenue and gross margin in the first quarter of fiscal year 2012. In particular, any catastrophic loss at our headquarters facility would materially and adversely affect our business and financial results, revenue and profitability.

Our failure to continue to keep pace with new or improved semiconductor process technologies could impair our competitive position.

Semiconductor manufacturers constantly seek to develop new and improved semiconductor process technologies. Our future success depends in part upon our ability to continue to gain access to these semiconductor process technologies, internally or externally, in order to adapt to emerging customer requirements and competitive market conditions. If we fail for any reason to remain abreast of new and improved semiconductor process technologies as they emerge, we may lose market share, which could adversely affect our operating results.

Minor deviations in the manufacturing process can cause substantial manufacturing yield loss or even cause halts in production, which could have a material adverse effect on our revenue and gross margin.

Our products involve complexities in both the design and the semiconductor process technology employed in the fabrication of our products. In many cases, the products are also assembled in customized packages or feature high levels of integration. Our products must meet exacting customer specifications for quality, performance and reliability. Our manufacturing yield, or the percentage of units of a given product in a given period that is usable relative to all such units produced, is a combination of yields including wafer fabrication, assembly, and test yields. Due to the complexity of our products, we periodically experience difficulties in achieving acceptable yields as even minor deviations in the manufacturing process can cause substantial manufacturing yield loss or even cause halts in production. Our customers may also test our components once they have been assembled into their products. The number of usable products that result from our production process can fluctuate as a result of many factors, including the following:

- design errors;
- defects in photomasks, which are used to print circuits on wafers;
- minute impurities in materials used;
- contamination of the manufacturing environment;
- equipment failure or variations in the manufacturing processes;
- losses from broken wafers or other human error;
- defects in packaging; and
- issues and errors in testing.

Typically, for a given level of sales, when our yields improve, our gross margin improves, and when our yields decrease, our unit costs are higher, our gross margin is lower and our profitability is adversely affected.

We depend on third-party sales representatives and distributors for a material portion of our revenues.

We sell many of our products to customers through independent sales representatives and distributors, as well as through our direct sales force. We are unable to predict the extent to which our independent sales representatives and distributors will be successful in marketing and selling our products. Moreover, many of our independent sales representatives and distributors also market and sell competing products. Our relationships with our representatives and distributors may be terminated by either party at any time, and do not require them to buy any of our products. Sales to distributors accounted for 30.0% of our revenue in fiscal year 2010, and sales to our largest distributor, Richardson, represented 23.4% of our revenue in the same period. If our distributors cease doing business with us or fail to successfully market and sell our products, our ability to sustain and grow our revenue could be materially adversely affected.

Our internal and external manufacturing, assembly and test model subjects us to various manufacturing and supply risks.

We operate a semiconductor wafer processing and manufacturing facility at our headquarters in Lowell, Massachusetts. This facility is also our primary internal design, assembly and test facility. We maintain other internal assembly and test operation facilities as well, including leased sites in Torrance, California and Hsinchu, Taiwan. We also use multiple external foundries for outsourced semiconductor wafer supply, as well as multiple domestic and Asian assembly and test suppliers to assemble and test our products. A number of factors will affect the future success of these internal manufacturing facilities and outsourced supply and service arrangements, including the following:

- the level of demand for our products;
- our ability to expand and contract our facilities and purchase commitments in a timely and cost-effective manner in response to changes in demand for our products;
- our ability to generate revenue in amounts that cover the significant fixed costs of operating our facilities;
- our ability to qualify our facilities for new products in a timely manner;
- the availability of raw materials, including GaAs substrates and high purity source materials such as gallium, aluminum, arsenic, indium and silicon;
- our manufacturing cycle times and yields;
- the political and economic risks associated with our reliance on outsourced Asian assembly and test suppliers;
- the location of our facilities and those of our outsourced suppliers;
- natural disasters impacting our facilities and those of our outsourced suppliers;
- our ability to hire, train, manage and retain qualified production personnel;
- our compliance with applicable environmental and other laws and regulations; and
- our ability to avoid prolonged periods of downtime or high levels of scrap in our facilities for any reason.

We may experience difficulties in managing any future growth.

To successfully conduct business in a rapidly evolving market, we must effectively plan and manage any current and future growth. Our ability to do so will be dependent on a number of factors, including:

- maintaining access to sufficient manufacturing capacity to meet customer demands;
- arranging for sufficient supply of key raw materials and services to avoid shortages or supply bottlenecks;

- building out our administrative infrastructure at the proper pace to support any current and future sales growth while maintaining operating efficiencies;
- adhering to our high quality and process execution standards, particularly as we hire and train new employees and during periods of high volume;
- managing the various components of our working capital effectively;
- upgrading our operational and financial systems, procedures and controls, including improvement of our accounting and internal management systems; and
- maintaining high levels of customer satisfaction.

If we do not effectively manage any future growth, we may not be able to take advantage of attractive market opportunities, our operations may be impacted and we may experience delays in delivering products to our customers or damaged customer relationships, and achieve lower than anticipated revenue and decreased profitability.

We may not realize the expected benefits of our recent restructuring activities and other initiatives designed to reduce costs and increase revenue across our operations.

We have pursued a number of restructuring initiatives designed to reduce costs and increase revenue across our operations. These initiatives included reductions in our number of manufacturing facilities and significant workforce reductions in certain areas as we realigned our business. Additional initiatives included establishing certain operations closer in location to our global customers and evaluating functions that may be more efficiently performed through outsourcing arrangements. These initiatives have been substantial in scope and disruptive to some of our historical operations. We may not realize the expected benefits of these new initiatives. As a result of these initiatives, we have incurred restructuring or other charges and we may in the future experience disruptions in our operations, loss of personnel and difficulties in delivering products timely. In the nine months ended July 1, 2011 and our fiscal year 2010, we incurred restructuring charges of $0.9 million and $2.2 million, respectively, consisting primarily of employee severance and related costs resulting from reductions in our workforce.

Our business could be harmed if systems manufacturers choose not to use components made of compound semiconductor materials we utilize.

Silicon semiconductor technologies are the dominant process technologies for the manufacture of ICs in high-volume, commercial markets and the performance of silicon ICs continues to improve. While we use silicon for some applications, we also often use compound semiconductor technologies such as GaAs, indium phosphide (InP) or gallium nitride (GaN) to deliver reliable operation at higher power, higher frequency or smaller form factor than a silicon solution would allow. While these compound semiconductor materials offer high-performance features, it is generally more difficult to design and manufacture products with reliability and in volume. GaN and InP, in particular, are newer process technologies that do not have as extensive a track record of reliable performance in the field as many of the competing process technologies. Compound semiconductor technology tends to be more expensive than silicon technology due to its above-described challenges and the generally lower volumes at which parts in those processes tend to be manufactured relative to silicon parts for high-volume consumer applications.

System designers in some markets may be reluctant to adopt our non-silicon products or may be likely to adopt silicon products in lieu of our products if silicon products meeting their demanding performance requirements are available, because of:

- their unfamiliarity with designing systems using our products;
- their concerns related to manufacturing costs and yields;
- their unfamiliarity with our design and manufacturing processes; or
- uncertainties about the relative cost effectiveness of our products compared to high-performance silicon components.

We cannot be certain that additional systems manufacturers will design our compound semiconductor products into their systems or that the companies that have utilized our products will continue to do so in the future. If our products fail to achieve market acceptance, our results of operations will suffer.

Earn-out arrangements from our acquisitions may negatively affect our future cash flows.

In connection with the M/A-COM Acquisition, we agreed to pay Cobham Electronic Systems Corporation (Cobham) up to $30.0 million in the aggregate in the form of an earn-out based on our achievement of revenue targets in the 12-month periods ending September 30, 2010, 2011 and 2012, payable within 60 days of the end of the respective periods. The 2010 earn-out payment made to Cobham based on our performance was $8.8 million. Cobham may earn up to $15.0 million in each of the remaining two annual earn-out periods (subject in each case to the aggregate $30.0 million cap on all payments under the earn-out as a whole). Although neither period has been completed, our current expectation is that we will likely pay Cobham the maximum possible earn-out payment of $15.0 million for the period ending September 30, 2011, and that we will likely pay Cobham the remaining maximum possible earn-out payment of $6.2 million for the period ending September 30, 2012. The earn-out arrangement also provides the potential for accelerated earn-out payments and revision of the revenue targets in the event of a sale of our company or significant divestments by us of assets or businesses that would otherwise contribute revenue toward the earn-out. For example, if our current majority stockholder's beneficial ownership of our outstanding equity securities drops below 50.1%, including in connection with this offering, the earn-out payments will accelerate.

We also entered into an earn-out arrangement in connection with our purchase of Optomai in April 2011. We agreed to pay the stockholders and option holders of Optomai up to $16.0 million in the aggregate in the form of an earn-out based on our achievement of certain revenue, product release and contribution margin targets based on sales of products utilizing Optomai intellectual property in the 12-month periods ending March 30, 2012 and March 29, 2013. The maximum aggregate earn-out payable by us pursuant to this earn-out arrangement is $1.0 million in the first annual earn-out period, and $16.0 million (less any earn-out paid in the first annual earn-out period) in the second annual earn-out period.

If an earn-out is achieved under either of these arrangements in any applicable period, payment of the earn-out will reduce the cash we otherwise would have available for general corporate purposes. If an earn-out payment is required in connection with our sale to an acquirer, it will reduce the proceeds otherwise available for distribution to stockholders in connection with the closing of such sale. As of July 1, 2011, we have recorded a liability of $26.0 million relating to these earn-out arrangements.

We may incur material costs and our business may be interrupted in connection with consolidation and outsourcing initiatives.

We have a number of ongoing strategic initiatives aimed at reducing our long-term operating cost model, including the outsourcing of various manufacturing functions to third party suppliers and consolidation of our operations within existing facilities. While the goal of these actions is to reduce recurring fixed cost, there are associated restructuring charges and execution risks associated with these initiatives. Exiting a leased site may involve negotiated exit payments with the landlord, temporary holding over at an increased lease rate, costs to perform restoration work required by the lease, or associated environmental liability, any of which may be material in amount. For example, we paid $2.5 million in exit costs in connection with our exit from a former leased site in Santa Clara, California in September 2010. Consolidation of operations and outsourcing may involve substantial capital expenses and the transfer of manufacturing processes and personnel from one site to another, with resultant startup issues at the receiving site and need for re-qualification of the transitioned operations with major customers and for ISO or other certifications. We may experience shortages of affected products, delays and higher than expected expenses. Affected employees may be distracted by the transition or may seek other employment, which could cause our overall operational efficiency to suffer.

We are subject to risks from our international sales and operations.

We have operations in Europe, Asia and Australia, and customers around the world. As a result, we are subject to regulatory, geopolitical and other risks associated with doing business outside the U.S. Global operations involve inherent risks, including currency controls, currency exchange rate fluctuations, tariffs, required import and export licenses, associated delays and other related international trade restrictions and regulations.

The legal system in many of the regions where we conduct business can lack transparency in certain respects relative to that of the U.S. and can accord local government authorities a higher degree of control and discretion over business than is customary in the U.S. This makes the process of obtaining necessary regulatory approvals and maintaining compliance inherently more difficult and unpredictable. In addition, the protection accorded to proprietary technology and know-how under these legal systems may not be as strong as in the U.S., and, as a result, we may lose valuable trade secrets and competitive advantage. The cost of doing business in European jurisdictions can also be higher than in the U.S. due to exchange rates, local collective bargaining regimes and local legal requirements and norms regarding employee benefits and employer-employee relations, in particular.

Sales to customers located outside the U.S. accounted for 39.7% of our revenue in fiscal year 2010 and 47.6% of our revenue in the nine months ended July 1, 2011. We expect that revenue from international sales will continue to be a significant part of our total revenue. Because the majority of our foreign sales are denominated in U.S. dollars, our products become less price-competitive in countries with currencies that are low or are declining in value against the U.S. dollar. Also, we cannot be sure that our international customers will continue to accept orders denominated in U.S. dollars. If they do not, our reported revenue and earnings will become more directly subject to foreign exchange fluctuations. Some of our customer purchase orders and agreements are governed by foreign laws, which may differ significantly from U.S. laws. We may be limited in our ability to enforce our rights under such agreements and to collect amounts owed to us.

The majority of our assembly, packaging and test vendors are located in Asia. We generally do business with our foreign assemblers in U.S. dollars. Our manufacturing costs could increase in countries with currencies that are increasing in value against the U.S. dollar. Also, our international manufacturing suppliers may not continue to accept orders denominated in U.S. dollars. If they do not, our costs will become more directly subject to foreign exchange fluctuations. From time to time we may attempt to hedge our exposure to foreign currency risk by buying currency contracts or otherwise, and any such efforts involve expense and associated risk that the currencies involved may not behave as we expect, and we may lose money on such hedging strategies or not properly hedge our risk.

In addition, if terrorist activity, armed conflict, civil, economic or military unrest, or political instability occurs in the U.S. or other locations, such events may disrupt our manufacturing, assembly, logistics, security and communications, and could also result in reduced demand for our products. We have in the past and may again in the future experience difficulties relating to employees traveling in and out of countries facing civil unrest or political instability and with obtaining travel visas for our employees. Major health pandemics could also adversely affect our business and our customer order patterns. We could also be affected if labor issues disrupt our transportation arrangements or those of our customers or suppliers. There can be no assurance that we can mitigate all identified risks with reasonable effort. The occurrence of any of these events could have a material adverse effect on our operating results.

Our business could be adversely affected if we experience product returns, product liability and defects claims.

Our products are complex and frequently operate in high-performance, challenging environments. We may not be able to anticipate all of the possible performance or reliability problems that could arise with our products after they are released to the market. If such problems occur or become significant, we may experience reduced revenue and increased costs related to product recalls, inventory write-offs, warranty or damage claims, delays in, cancellations of, or returns of product orders, and other expenses. The many materials and vendors used in the

manufacture of our products increase the risk that some defects may escape detection in our manufacturing process and subsequently affect our customers, even in the case of long-standing product designs. Our use of newly-developed or less mature semiconductor process technologies, such as GaN and InP, which have a less extensive track record of reliability in the field than other more mature process technologies, also increases the risk of performance and reliability problems. These matters have arisen in our operations from time to time in the past, have resulted in significant net costs to us per occurrence, and will likely occur again in the future. The occurrence of defects could result in product returns and liability claims, reduced product shipments, the loss of customers, the loss of or delay in market acceptance of our products, harm to our reputation, diversion of management's time and resources, lower revenue, higher expenses and reduced profitability.

Any warranty or other rights we may have against our suppliers for quality issues caused by them may be more limited than those our customers have against us, based on our relative size, bargaining power, or otherwise. In addition, even if we ultimately prevail, such claims could result in costly litigation, divert management's time and resources, and damage our customer relationships.

We also face exposure to potential liability resulting from the fact that some of our customers integrate our products into consumer products such as automobiles or mobile devices, which are then sold to consumers in the marketplace. We may be named in product liability claims even if there is not evidence that our products caused a loss. Product liability claims could result in significant expenses in connection with the defense of such claims and possible damages. In addition, we may be required to participate in a recall if our products prove to be defective. Any product recall or product liability claim brought against us could have a material negative impact on our reputation, business, financial condition or results of operations.

The outcome of litigation in which we have been named as a defendant is unpredictable and an adverse decision in any such matter could subject us to damage awards and lower the market price of our stock.

We are a defendant in a litigation matter described under the heading "Business—Legal Proceedings" appearing elsewhere in this prospectus. This and any other future litigation may divert financial and management resources that would otherwise be used to benefit our operations. Although we intend to contest the lawsuit vigorously, we cannot assure you that the results of the litigation will be favorable to us. An adverse resolution of the lawsuit or others in the future, including the results of any amicable settlement, could subject us to material damage awards or settlement payments or otherwise harm our business.

Our financial results may be adversely affected by increased tax rates and exposure to additional tax liabilities.

Our effective tax rate is highly dependent upon the geographic composition of our worldwide earnings and tax regulations governing each region, each of which can change from period to period. We are subject to income taxes in both the U.S. and various foreign jurisdictions, and significant judgment is required to determine our worldwide tax liabilities. Our effective tax rate as well as the actual tax ultimately payable could be adversely affected by changes in the amount of our earnings attributable to countries with differing statutory tax rates, changes in the valuation of our deferred tax assets, changes in tax laws or tax rates (particularly in the U.S. or Ireland), increases in non-deductible expenses, the availability of tax credits, material audit assessments or repatriation of non-U.S. earnings, each of which could materially affect our profitability. Any significant increase in our effective tax rates could materially reduce our net income in future periods and decrease the value of your investment in our common stock.

Changes in tax laws are introduced from time to time to reform U.S. taxation of international business activities. Depending on the final form of legislation enacted, if any, these consequences may be significant for us due to the large scale of our international business activities. If any of these proposals are enacted into legislation, they could have material adverse consequences on the amount of tax we pay and thereby on our financial position and results of operations.

We may incur liability for claims of intellectual property infringement relating to our products.

The semiconductor industry is generally subject to frequent litigation regarding patents and other intellectual property rights. Other companies in the industry have numerous patents that protect their intellectual property rights in these areas, and have made in the past and may make in the future claims that we have infringed or misappropriated their intellectual property rights. One currently pending suit of this type is discussed elsewhere in this prospectus under "Business—Legal Proceedings." Our customers may assert claims against us for indemnification if they receive claims alleging that their or our products infringe others' intellectual property rights, and have in the past and may in the future choose not to purchase our products based on their concerns over such a pending claim. In the event of an adverse result of any intellectual property rights litigation, we could be required to pay substantial damages for infringement, expend significant resources to develop non-infringing technology, incur material liability for royalty payments or fees to obtain licenses to the technology covered by the litigation, or be subjected to an injunction, which could prevent us from selling our products and materially and adversely affect our revenue and results of operations. We cannot be sure that we will be successful in any such non-infringing development or that any such license would be available on commercially reasonable terms, if at all. Any claims relating to the infringement of third-party proprietary rights, even if not meritorious, could result in costly litigation, lost sales or damaged customer relationships, and diversion of management's attention and resources.

Our limited ability to protect our proprietary information and technology may adversely affect our ability to compete.

Our future success and ability to compete is dependent in part upon our protection of our proprietary information and technology through patent filings and otherwise. We cannot be certain that any patents we apply for will be issued or that any claims allowed from pending applications will be of sufficient scope or strength to provide meaningful protection or commercial advantage. Our competitors may also be able to design around our patents. The laws of some countries in which our products are or may be developed, manufactured or sold, may not protect our products or intellectual property rights to the same extent as U.S. laws, increasing the possibility of piracy of our technology and products. Although we intend to vigorously defend our intellectual property rights, we may not be able to prevent misappropriation of our technology.

In addition, we rely on trade secrets, technical know-how and other unpatented proprietary information relating to our product development and manufacturing activities. We try to protect this information by entering into confidentiality agreements with employees and other parties. We cannot be sure that these agreements will be adequate and will not be breached, that we would have adequate remedies for any breach or that our trade secrets and proprietary know-how will not otherwise become known or independently discovered by others.

Additionally, our competitors may independently develop technologies that are substantially equivalent or superior to our technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain or use our products or technology. Our ability to enforce our patents and other intellectual property is limited by our financial resources and is subject to general litigation risks. If we seek to enforce our rights, we may be subject to claims that the intellectual property rights are invalid, are otherwise not enforceable or are licensed to the party against whom we assert a claim. In addition, our assertion of intellectual property rights could result in the other party seeking to assert alleged intellectual property rights of its own against us, which is a frequent occurrence in such litigations.

If we fail to comply with export control regulations we could be subject to substantial fines or other sanctions, including loss of export privileges.

Certain of our products are subject to the Export Administration Regulations, administered by the Department of Commerce, Bureau of Industry Security, which require that we obtain an export license before we can export products or technology to specified countries. Other products are subject to the International Traffic in Arms Regulations, which restrict the export of information and material that may be used for military or intelligence applications by a foreign person. We are also subject to U.S. import regulations and the import and export regimes of other countries in which we operate. Failure to comply with these laws could result in

sanctions by the government, including substantial monetary penalties, denial of export privileges and debarment from government contracts. Export and import regulations may create delays in the introduction of our products in international markets or prevent the export or import of our products to certain countries or customers altogether. Any change in export or import regulations or related legislation, shift in approach by regulators to the enforcement or scope of existing regulations, changes in the interpretation of existing regulations by regulators or change in the countries, persons or technologies targeted by such regulations, could harm our business by resulting in decreased use of our products by, or our decreased ability to export or sell our products to, existing or potential customers with international operations.

We face risks associated with government contracting.

Some of our revenue is derived from contracts with agencies of the U.S. government or subcontracts with its prime contractors. Under some of our government subcontracts, we are required to maintain secure facilities and to obtain security clearances for personnel involved in performance of the contract, in compliance with applicable federal standards. If we were unable to comply with these requirements, or if personnel critical to our performance of these contracts were to lose their security clearances, we might be unable to perform these contracts or compete for other projects of this nature, which could adversely affect our revenue.

We may need to modify our activities or incur substantial costs to comply with environmental laws, and if we fail to comply with environmental laws we could be subject to substantial fines or be required to change our operations.

We are subject to a variety of international, federal, state and local governmental regulations directed at preventing or mitigating climate change and other environmental harms, as well as to the storage, discharge, handling, generation, disposal and labeling of toxic or other hazardous substances used to manufacture our products. If we fail to comply with these regulations, substantial fines could be imposed on us, and we could be required to suspend production, alter manufacturing processes, cease operations, or remediate polluted land, air or groundwater, any of which could have a negative effect on our sales, income and business operations. Failure to comply with environmental regulations could subject us to civil or criminal sanctions and property damage or personal injury claims. Compliance with current or future environmental laws and regulations could restrict our ability to expand our facilities or build new facilities, or require us to acquire additional expensive equipment, modify our manufacturing processes, or incur other substantial expenses which could harm our business, financial condition and results of operations. In addition, under some of these laws and regulations, we could be held financially responsible for remedial measures if our properties or those nearby are contaminated, even if we did not cause the contamination. We have incurred in the past and may in the future incur environmental liability based on the actions of prior owners, lessees or neighbors of sites we have leased or may lease in the future, or sites we become associated with due to acquisitions. We cannot predict:

- changes in environmental or health and safety laws or regulations;
- the manner in which environmental or health and safety laws or regulations will be enforced, administered or interpreted;
- our ability to enforce and collect under indemnity agreements and insurance policies relating to environmental liabilities; or
- the cost of compliance with future environmental or health and safety laws or regulations or the costs associated with any future environmental claims, including the cost of clean-up of currently unknown environmental conditions.

In addition to the costs of complying with environmental, health and safety requirements, we may in the future incur costs defending against environmental litigation brought by government agencies and private parties. We may be defendants in lawsuits brought by parties in the future alleging environmental damage, personal injury or property damage. A significant judgment against us could harm our business, financial condition and results of operations.

Environmental regulations such as the WEEE and RoHS directives limit our flexibility and may require us to incur material expense.

Various countries require companies selling a broad range of electrical equipment to conform to regulations such as the Waste Electrical and Electronic Equipment (WEEE) and the European Directive 2002/95/Ec on restriction of hazardous substances (RoHS). New environmental standards such as these could require us to redesign our products in order to comply with the standards, require the development of compliance administration systems or otherwise limit our flexibility in running our business or require us to incur substantial compliance costs. For example, RoHS requires that certain substances be removed from all electronic components. The WEEE directive makes producers of electrical and electronic equipment financially responsible for specified collection, recycling, treatment and disposal of past and future covered products. We have already invested significant resources into complying with these regimes, and further investments may be required. Alternative designs implemented in response to regulation may be more costly to produce, resulting in an adverse effect on our gross profit margin. If we cannot develop compliant products in a timely fashion or properly administer our compliance programs, our revenue may also decline due to lower sales, which would adversely affect our operating results. Further, if we were found to be non-compliant with any rule or regulation, we could be subject to fines, penalties and/or restrictions imposed by government agencies that could adversely affect our operating results.

Our revolving credit facility could result in outstanding debt with a claim to our assets that is senior to that of our stockholders, and may have other adverse effects on our results of operations.

We have a revolving credit facility with JPMorgan Chase Bank, N.A. and a syndicate of other lenders with a potential future borrowing availability of up to $100.0 million, subject to compliance with financial and other covenants. The revolving credit facility may be increased up to an additional $50.0 million subject to approval by the administrative agent and commitment from existing or other lenders to provide the additional funds. The facility is secured by a first priority lien on substantially all of our assets. The amount of our indebtedness could have important consequences, including the following:

- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate or other purposes may be limited;
- no proceeds will be available for distribution to our stockholders in a sale or liquidation until any balance on the line is repaid in full;
- we may be more vulnerable to economic downturns, less able to withstand competitive pressures and less flexible in responding to changing business and economic conditions;
- cash flow from operations will be allocated to the payment of the principal of, and interest on, any outstanding indebtedness; and
- we cannot assure you that our business will generate sufficient cash flow from operations or other sources to enable us to meet our payment obligations under the facility and to fund other liquidity needs.

Our revolving credit facility also contains certain restrictive covenants that may limit or eliminate our ability to incur additional debt, sell, lease or transfer our assets, pay dividends, make capital expenditures, investments and loans, make acquisitions, guarantee debt or obligations, create liens, enter into transactions with our affiliates, enter into new lines of business and enter into certain merger, consolidation or other reorganizations transactions. These restrictions could limit our ability to withstand downturns in our business or the economy in general or to take advantage of business opportunities that may arise, any of which could place us at a competitive disadvantage relative to our competitors that are not subject to such restrictions. If we breach a loan covenant, the lenders could either refuse to lend funds to us or accelerate the repayment of any outstanding borrowings under the revolving credit facility. In addition, the lenders could either refuse to lend funds to us or accelerate the repayment of any outstanding borrowings under the revolving credit facility if a person acquires more than 35% of our outstanding equity securities. We might not have sufficient assets to repay such

indebtedness upon a default. If we are unable to repay the indebtedness, the lenders could initiate a bankruptcy proceeding against us or collection proceedings with respect to our assets securing the facility, which could materially decrease the value of our common stock.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We have no direct operations and derive all of our cash flow from our subsidiaries. Because we conduct our operations through our subsidiaries, we depend on those entities for dividends and other payments or distributions to meet our operating needs. Legal and contractual restrictions in any existing and future outstanding indebtedness we or our subsidiaries incur may limit our ability to obtain cash from our subsidiaries. The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us.

Variability in self-insurance liability estimates could impact our results of operations.

We self-insure for employee health insurance and workers' compensation insurance coverage up to a predetermined level, beyond which we maintain stop-loss insurance from a third-party insurer. Our aggregate exposure varies from year to year based upon the number of participants in our insurance plans. We estimate our self-insurance liabilities using an analysis provided by our claims administrator and our historical claims experience. Our accruals for insurance reserves reflect these estimates and other management judgments, which are subject to a high degree of variability. If the number or severity of claims for which we self-insure increases, it could cause a material change to our reserves for self-insurance liabilities, as well as to our earnings.

We may be subject to liabilities based on alleged links between the semiconductor manufacturing process and certain illnesses and birth defects.

In recent years, there has been increased media scrutiny and associated reports regarding a potential link between working in semiconductor manufacturing clean room environments and birth defects and certain illnesses, primarily cancer. Regulatory agencies and industry associations have begun to study the issue to determine if any actual correlation exists. Because we utilize clean rooms, we may become subject to liability claims alleging personal injury. In addition, these reports may also affect our ability to recruit and retain employees. A significant judgment against us or material defense costs could harm our reputation, business, financial condition and results of operations.

We rely on third parties to provide corporate infrastructure services necessary for the operation of our business. Any failure of one or more of our vendors to provide these services could have a material adverse effect on our business.

We rely on third-party vendors to provide critical corporate infrastructure services, including, among other things, certain services related to information technology, network development and monitoring, and human resources. We depend on these vendors to ensure that our corporate infrastructure will consistently meet our business requirements. The ability of these third-party vendors to successfully provide reliable, high quality services is subject to technical and operational uncertainties that are beyond our control. While we may be entitled to damages if our vendors fail to perform under their agreements with us, our agreements with these vendors limit the amount of damages we may receive. In addition, we do not know whether we will be able to collect on any award of damages or that any such damages would be sufficient to cover the actual costs we would incur as a result of any vendor's failure to perform under its agreement with us. Any failure of our corporate infrastructure could have a material adverse effect on our business, financial condition and results of operations. Upon expiration or termination of any of our agreements with third-party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

Risks Relating to This Offering, Our Stock and Our Capitalization

An active trading market for our common stock may not develop and you may not be able to sell your common stock at or above the initial public offering price.

Prior to this offering, there has been no public market for our common stock. An active trading market for our common stock may never develop or be sustained following this offering. If an active trading market does not develop, you may have difficulty selling your common stock at an attractive price, or at all. The initial public offering price for our common stock will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell your common stock at or above the initial public offering price or at any other price or at the time that you would like to sell. An inactive market may also impair our future ability to raise capital by selling our common stock and may impair our ability to acquire other complementary technologies, design teams, products and companies by using our common stock as consideration.

The market price of our common stock may be volatile, which could result in substantial losses for investors purchasing shares in this offering.

You should consider an investment in our common stock risky and invest only if you can withstand a significant loss and wide fluctuations in the market value of your investment. In addition to the risks described in this prospectus, factors that may cause the market price of our common stock to fluctuate include:

- changes in general economic, industry and market conditions;
- domestic and international economic factors unrelated to our performance;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in or failure to meet publicly disclosed expectations as to our future financial performance;
- changes in securities analysts' estimates of our financial performance or lack of research and reports by industry analysts;
- changes in market valuations or earnings of similar companies;
- addition or loss of significant customers;
- announcements by us or our competitors, customers or suppliers of significant products, contracts, acquisitions, strategic partnerships or other events;
- developments or disputes concerning patents or proprietary rights, including increases or decreases in litigation expenses associated with intellectual property lawsuits we may initiate, or in which we may be named as defendants;
- failure to complete significant sales;
- developments concerning current or future strategic alliances or acquisitions;
- any future sales of our common stock or other securities; and
- additions or departures of directors, executives or key personnel.

Furthermore, the stock markets recently have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class

action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our common stock or change their opinion of our common stock, our stock price would likely decline. If one or more of these analysts cease their coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

Upon expiration of lock-up agreements between the underwriters and our officers, directors and certain holders of our common stock, a substantial number of shares of our common stock could be sold into the public market shortly after this offering, which could depress our stock price.

Our officers, directors and certain holders of our common stock, options and warrants, holding substantially all of our outstanding shares of common stock prior to completion of this offering, have entered into lock-up agreements with our underwriters which prohibit, subject to certain limited exceptions, the disposal or pledge of, or the hedging against, any of their common stock or securities convertible into or exchangeable for shares of common stock for a period through the date 180 days after the date of this prospectus, subject to extension in certain circumstances. The market price of our common stock could decline as a result of sales by our existing stockholders in the market after this offering and after the expiration of these lock-up periods, or the perception that these sales could occur. Once a trading market develops for our common stock, and after these lock-up periods expire, many of our stockholders will have an opportunity to sell their stock for the first time. These factors could also make it difficult for us to raise additional capital by selling equity or equity-related securities in the future at a time and price we deem appropriate. See "Shares Eligible for Future Sale" appearing elsewhere in this prospectus.

Our common stock price may decline if a substantial number of shares are sold in the market by our stockholders.

Future sales of substantial amounts of shares of our common stock by our existing stockholders in the public market, or the perception that these sales could occur, may cause the market price of our common stock to decline. Increased sales of our common stock in the market for any reason could exert significant downward pressure on our stock price. These sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price we deem appropriate.

Some of our stockholders can exert control over us, and they may not make decisions that reflect our interests or those of other stockholders.

Our largest stockholders control a significant amount of our outstanding common stock. As of September 30, 2011, John and Susan Ocampo beneficially owned 66.2% of our common stock and certain investment funds affiliated with Summit Partners, L.P. owned 23.8% of our common stock, each on an as-converted basis. After this offering, John and Susan Ocampo will beneficially own approximately % and certain investment funds affiliated with Summit Partners, L.P. will own approximately % of our common stock, assuming no exercise by the underwriters of their over-allotment option. As a result, these stockholders will be able to exert a significant degree of influence over our management and affairs and control over matters requiring stockholder approval, including the election of our directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of us and might affect the market price of our securities. In addition, the interests of these stockholders may not always coincide with your interests or the interests of other stockholders.

We may engage in future capital-raising transactions that dilute our stockholders or cause us to incur debt.

We may issue additional equity, debt or convertible securities to raise capital in the future. If we do, existing stockholders may experience significant further dilution. In addition, new investors may demand rights, preferences or privileges that differ from, or are senior to, those of our existing stockholders. Our incurrence of indebtedness could limit our operating flexibility and be detrimental to our results of operations.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our operating results.

As a public company we will incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act, as well as related rules and regulations implemented by the SEC and Nasdaq. In addition, our management team will have to adapt to the requirements of being a public company. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are unable to currently estimate these costs with any degree of certainty. We also expect these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage than used to be available. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

We are required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on our stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, beginning as early as the time of filing of our Annual Report on Form 10-K for the fiscal year ending September 28, 2012 and no later than the fiscal year ending September 27, 2013, we will be required to furnish a report by our management on our internal control over financial reporting. Such a report will contain, among other matters, an assessment of the effectiveness of our internal control over financial reporting as of the end of our fiscal year, including a statement as to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management. We have not completed the system and process documentation and evaluation needed to comply with these requirements. If our management identifies one or more material weaknesses in our internal control over financial reporting during this process, we will be unable to assert such internal control is effective. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our stock price. We cannot assure you that we will not have deficiencies or weaknesses in our internal control over financial reporting in the future.

In addition, as a new public company, we are implementing additional financial and management controls, reporting systems and procedures and are hiring additional accounting and finance staff in order to ensure the accuracy and completeness of our financial reports even before we are subject to the management report requirements under Section 404 of the Sarbanes-Oxley Act. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies could be impaired, which could lead to inaccurate financial reports, which in turn could adversely affect our stock price.

We may also rely on external consultants to supplement our internal controls. For example, prior to completion of this offering, we have relied on external consultants to supplement our internal control over

financial reporting in connection with our accounting for income taxes and other complex accounting and financial matters, some of which require significant technical accounting expertise or require significant judgment. Use of external consultants involves additional risk that our external consultants may not perform as expected, or that coordination between our internal and external resources may not be adequate, resulting in one or more procedures not being performed or reviewed as planned, or one or more errors not being identified and corrected. If we do not effectively manage our external consultants or if they fail to perform as expected or fail to provide an adequate level of expertise in certain areas, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies could be impaired and the accuracy and completeness of our financial reports could be compromised, which could adversely affect our stock price.

We are obligated to use a substantial portion of the net proceeds from this offering to make a preference payment to the holders of our Class B convertible preferred stock, and management may apply the remainder of the net proceeds from this offering to uses that do not increase our market value or improve our operating results.

We plan to use $ of the net proceeds from this offering to pay to the holders of our Class B convertible preferred stock a preference payment to which they are entitled under our current amended and restated certificate of incorporation in connection with the conversion of the Class B convertible preferred stock prior to completion of this offering. We plan to use any remaining net proceeds from this offering for general corporate purposes, including working capital. We may also use a portion of the net proceeds to acquire or make investments in complementary technologies, design teams, products and companies. We cannot state with certainty how our management will use these net proceeds. Accordingly, our management will have considerable discretion in applying our net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether we are using our net proceeds appropriately. We may use our net proceeds for purposes that do not result in any increase in our results of operations or market value. Until the net proceeds we receive are used, they may be placed in investments that do not produce income or that lose value.

Anti-takeover provisions in our charter documents and Delaware law could prevent or delay a change in control of our company that stockholders may consider beneficial and may adversely affect the price of our stock.

Provisions of our fourth amended and restated certificate of incorporation and second amended and restated bylaws, each of which will be effective immediately following the completion of this offering, may discourage, delay or prevent a merger, acquisition or change of control that a stockholder may consider favorable. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors and take other corporate actions. The existence of these provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions include authorizing the issuance of “blank check” preferred stock, staggered elections of directors, and establishing advance notice requirements for nominations for election to the board of directors and for proposing matters to be submitted to a stockholder vote. Provisions of Delaware law may also discourage, delay or prevent someone from acquiring or merging with our company or obtaining control of our company. Specifically, Section 203 of the Delaware General Corporate Law may prohibit business combinations with stockholders owning 15% or more of our outstanding voting stock and could reduce our value.

We do not intend to pay dividends for the foreseeable future.

We do not intend to pay any cash dividends on our common stock in the foreseeable future. The payment of cash dividends is restricted under the terms of the agreements governing our indebtedness. In addition, because we are a holding company, our ability to pay cash dividends may be limited by restrictions on our ability to obtain sufficient funds through dividends from subsidiaries, including restrictions under the terms of the agreements governing our indebtedness. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

You will incur immediate and substantial dilution as a result of this offering.

If you purchase common stock in this offering, you will pay more for your stock than the amounts paid by existing stockholders for their stock. As a result, you will incur immediate and substantial dilution of $ per share, representing the difference between the initial public offering price of $ per share (the mid-point of the estimated price range set forth on the cover page of this prospectus) and our as adjusted net tangible book value per share after giving effect to this offering. See "Dilution" appearing elsewhere in this prospectus.

We expect to be a "controlled company" within the meaning of the rules of the Nasdaq Stock Market, and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

After completion of this offering, we expect John and Susan Ocampo to continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of the Nasdaq Stock Market. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that the listed company have a nominating and governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that the listed company have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and governance and compensation committees.

Following this offering, we may utilize each of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Nasdaq Stock Market.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in the sections of this prospectus entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Compensation Discussion and Analysis." Forward-looking statements include, among others, information concerning our possible or assumed future results of operations, business strategies, competitive position, industry, and potential growth and market opportunities. Forward-looking statements include all statements that are not historical facts and generally may be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "would" or similar expressions and the negatives of those terms.

Forward-looking statements contained in this prospectus reflect our views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, among others, those factors described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

All forward-looking statements included in this prospectus are based on information available to us on the date of this prospectus. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission (SEC) as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

MARKET, INDUSTRY AND OTHER DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the market in which we operate, including market opportunity and market size, is based on information from various publicly available sources, on assumptions that we have made that are based on that data and other similar sources and on our knowledge of the markets for our products and services. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the information included in this prospectus is generally reliable, we have not independently verified any third-party information. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

USE OF PROCEEDS

We estimate that the net proceeds from our sale of common stock in this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the common stock sold by the selling stockholders in this offering. A $1.00 increase (decrease) in the assumed initial public offering price would increase (decrease) the net proceeds from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses.

We plan to use $ of the net proceeds from this offering to pay to the holders of our Class B convertible preferred stock a preference payment to which they are entitled under our current amended and restated certificate of incorporation in connection with the conversion of the Class B convertible preferred stock prior to completion of this offering. See “Certain Relationships and Related Person Transactions—Sale of Class B Convertible Preferred Stock and Warrants” appearing elsewhere in this prospectus for a description of this payment. We plan to use any remaining net proceeds from this offering for general corporate purposes, including working capital. We may also use a portion of these proceeds for the acquisition of, or investment in, complementary technologies, design teams, products and companies that complement our business, although we have no present commitments or agreements to enter into any acquisitions or investments. Our management will have broad discretion over the use of the net proceeds from this offering that remain after the preference payment to the holders of our Class B convertible preferred stock.

DIVIDEND POLICY

We declared a one-time special dividend in the aggregate amount of $80.0 million on our Series A-1 convertible preferred stock, Series A-2 convertible preferred stock and common stock in January 2011. We do not intend to pay any additional cash dividends on our common stock in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and growth of our business. We are also restricted from paying dividends under certain requirements of law and the terms of the agreements governing our indebtedness. Any future determination to pay dividends will be subject to the discretion of our board of directors and will depend on various factors, including applicable laws, our results of operations, financial condition and liquidity requirements, restrictions that may be imposed by agreements governing our indebtedness and any other factors that our board of directors may consider relevant.

CAPITALIZATION

The following table sets forth our capitalization as of July 1, 2011:

- on an actual basis; and
- on a pro forma basis, as adjusted to give effect to (i) the conversion of all of our convertible preferred stock into an aggregate of 150,991,337 shares of our common stock to be effected upon the completion of this offering, including settlement of the Class B conversion liability, and (ii) the issuance and sale by us of shares of common stock in this offering, and the application of the net proceeds from the sale of such shares as described in "Use of Proceeds" at an assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, after deducting any estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Our capitalization following this offering will depend upon the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with the sections entitled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of July 1, 2011	
	Actual	Pro Forma, as Adjusted (unaudited)
	(in thousands except share data)	
Class B conversion liability	$ 98,692	
Convertible preferred stock, $0.001 par value:		
Series A-1 convertible preferred stock: 100,000,000 shares authorized, 100,000,000 shares issued and outstanding, actual; no shares issued and outstanding, pro forma as adjusted	$ 64,000	
Series A-2 convertible preferred stock: 17,626,500 shares authorized, 16,821,780 shares issued and outstanding, actual; no shares issued and outstanding, pro forma as adjusted	42,400	
Convertible preferred stock	106,400	
Redeemable convertible preferred stock, $0.001 par value:		
Class B convertible preferred stock: 34,169,560 shares authorized, 34,169,559.75 shares issued and outstanding, actual; no shares issued and outstanding, pro forma as adjusted	74,228	
Stockholders' equity (deficit)		
Common stock, $0.001 par value: 208,921,494 shares authorized, 7,653,799 shares issued and outstanding, actual; shares authorized, shares authorized, shares issued and outstanding, pro forma as adjusted	7	
Accumulated other comprehensive loss	(154)	
Additional paid-in capital	—	
Accumulated deficit	(180,507)	
Total stockholders' equity (deficit)	(180,654)	
Total capitalization	$ (26)	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, would increase (decrease) the amount of additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares of our common stock offered by us would increase (decrease) the amount of additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The number of shares in the table above excludes, as of July 1, 2011:

- shares of our common stock reserved for future issuance under our 2011 Omnibus Incentive Plan, which will become effective in connection with this offering, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans;"
- 9,414,602 shares of our common stock issuable upon the exercise of options outstanding as of July 1, 2011, to purchase shares of our common stock at a weighted-average exercise price of $0.32 per share;
- 5,125,431 shares of our common stock issuable upon the exercise of warrants outstanding as of July 1, 2011, to purchase shares of our common stock at an exercise price of $3.511898 per share; and
- shares of our common stock reserved for future issuance under our 2011 Employee Stock Purchase Plan, which will become effective in connection with this offering, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans."

DILUTION

If you invest in our common stock, your investment will be diluted immediately to the extent of the difference between the initial public offering price per share of our common stock in this offering and the pro forma net tangible book value per share of our common stock immediately after completion of this offering.

The historical net tangible book value of our common stock as of July 1, 2011 was $(26.7) million, or $(3.95) per share. Historical net tangible book value per share represents our total tangible assets (total assets less intangible assets) less total liabilities divided by the number of shares of outstanding common stock. After giving effect to (i) the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 150,991,337 shares of our common stock, the pro forma net tangible book value before this offering would be $ million, or $ per share, and (ii) the issuance and sale by us of shares of our common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and our estimated offering expenses payable by us, our pro forma, as adjusted net tangible book value as of July 1, 2011 would have been $ million, or $ per share. This represents an immediate increase in net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to our new investors purchasing shares of common stock in this offering.

The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share of common stock	$
Pro forma net tangible book value per share as of July 1, 2011	
Increase in pro forma net tangible book value per share attributable to the sale of shares of our common stock in this offering	
Pro forma, as adjusted net tangible book value per share immediately after this offering	
Pro forma dilution per share to new investors	$

The following table sets forth as of July 1, 2011, on a pro forma basis, as adjusted as described above, the total number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid to us by existing stockholders and by new investors purchasing shares in this offering, based on an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), and before deducting any estimated underwriting discounts and commissions and estimated offering expenses:

	Total Shares		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors		%	$	%	$
Total		100%	$	100%	$

The sale of shares of our common stock to be sold by the selling stockholders in this offering, which assumes no exercise of the underwriters' over-allotment option, will reduce the number of shares of our common stock held by existing stockholders to , or % of the total shares outstanding, and will increase the number of shares of our common stock held by new investors to , or % of the total shares of our common stock outstanding in each case assuming no exercise of the underwriters' over-allotment option.

If the underwriters exercise their over-allotment option in full, the number of shares of common stock held by the new investors will be increased to , or approximately % of the total number of shares of our common stock outstanding after this offering. A $1.00 increase (decrease) in the assumed initial public offering

price of $ per share would increase (decrease) total consideration paid by new stockholders by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their over-allotment option in full, our existing stockholders would own between % and %, in the aggregate, and new investors purchasing shares in this offering would own between % and %, in the aggregate, of the total number of shares of our common stock outstanding after this offering.

The tables and calculations above exclude:

- shares of our common stock reserved for future issuance under our 2011 Omnibus Incentive Plan, which will become effective in connection with this offering, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans;"
- 9,414,602 shares of our common stock issuable upon the exercise of options outstanding as of July 1, 2011, to purchase shares of our common stock at a weighted-average exercise price of $0.32 per share;
- 5,125,431 shares of our common stock issuable upon the exercise of warrants outstanding as of July 1, 2011, to purchase shares of our common stock at an exercise price of $3.511898 per share; and
- shares of our common stock reserved for future issuance under our 2011 Employee Stock Purchase Plan, which will become effective in connection with this offering, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans."

SELECTED FINANCIAL DATA

You should read the following selected financial data in conjunction with our combined consolidated financial statements and related notes, as well as the sections titled “Risk Factors,” “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” appearing elsewhere in this prospectus.

We were incorporated in March 2009 and completed the M/A-COM Acquisition on March 30, 2009. We acquired Mimix on May 28, 2010. Because we and Mimix had the same majority owner since our incorporation, we present in this prospectus combined financial statements in a manner similar to a pooling-of-interests. Because our majority owner acquired control of Mimix before acquiring control of M/A-COM, we treat Mimix as our accounting acquirer for financial statement presentation purposes. Accordingly, our financial statements are presented as if the Mimix Merger occurred on the date of our incorporation in March 2009, the date in which we came under common control with Mimix, and the financial statements for periods prior to March 30, 2009 reflect only the operations of Mimix. We derived (i) the statements of operations data for the fiscal years ended September 30, 2008, October 2, 2009 and October 1, 2010, and for the nine months ended July 1, 2011, and (ii) the balance sheet data as of October 2, 2009, October 1, 2010 and July 1, 2011, from our audited combined consolidated financial statements, which appear elsewhere in this prospectus. We derived the statements of operations data for the nine months ended July 2, 2010 from our unaudited combined consolidated financial statements, which appear elsewhere in this prospectus. We derived the consolidated balance sheet data as of September 30, 2006, 2007 and 2008 and the statements of operations data for the fiscal years ended September 30, 2006 and 2007 from our financial systems. These unaudited combined consolidated financial statements have been prepared on a basis consistent with our audited combined consolidated financial statements, and in the opinion of our management, include all adjustments, consisting only of normal, recurring adjustments and accruals, necessary for a fair presentation of our financial position and results of operations for the periods presented. All information presented as pro forma below is unaudited. We believe the financial results prior to March 30, 2009 are not comparable to our financial results for subsequent periods because they reflect only the operations of Mimix. Beginning with our fiscal year 2009, we adopted a 52-or 53-week fiscal year ending on the Friday closest to September 30.

For additional information on our presentation of financial statements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview—History and Basis of Presentation” appearing elsewhere in this prospectus.

	Fiscal Years					Nine Months Ended	
	2006	2007	2008	2009	2010	July 2, 2010	July 1, 2011
Statements of Operations Data *(in thousands, except per share data)*:						(Unaudited)	
Revenue	$20,189	$21,959	$25,423	$102,718	$260,297	$ 186,124	$ 231,493
Cost of revenue	16,039	12,718	17,228	77,171	166,554	120,264	134,516
Gross profit	4,150	9,241	8,195	25,547	93,743	65,860	96,977
Operating expenses:							
Research and development	5,876	6,643	6,728	13,553	25,795	18,672	25,533
Selling, general and administrative	5,815	6,762	6,047	25,601	45,860	33,281	36,617
Accretion of contingent consideration	—	—	—	2,800	2,000	1,500	660
Restructuring charges	—	—	—	5,100	2,234	1,369	866
Total operating expenses	11,691	13,405	12,775	47,054	75,889	54,822	63,676
Income (loss) from operations	(7,541)	(4,164)	(4,580)	(21,507)	17,854	11,038	33,301
Other (expense) income:							
Gain on bargain purchase	—	—	—	27,073	—	—	—
Accretion of common stock warrant liability (1)	—	—	—	—	—	—	(10,241)
Accretion of Class B conversion liability (2)	—	—	—	—	—	—	(57,051)
Interest expense	(87)	(109)	(1,009)	(1,699)	(2,323)	(1,738)	(750)
Total other (expense) income, net	(87)	(109)	(1,009)	25,374	(2,323)	(1,738)	(68,042)
Income (loss) before income taxes	(7,628)	(4,273)	(5,589)	3,867	15,531	9,300	(34,741)
Income tax (provision) benefit	—	—	—	124	(8,996)	(5,167)	(3,779)
Net income (loss) from continuing operations	(7,628)	(4,273)	(5,589)	3,991	6,535	4,133	(38,520)
Net income from discontinued operations	—	—	—	198	494	1,160	754
Net income (loss)	(7,628)	(4,273)	(5,589)	4,189	7,029	5,293	(37,766)
Less: net income attributable to noncontrolling interest in a subsidiary	—	—	—	23	195	195	—
Net income (loss) attributable to controlling interest	(7,628)	(4,273)	(5,589)	4,166	6,834	5,098	(37,766)
Accretion to redemption value of redeemable preferred stock and preferred stock dividends (3)	(1,435)	(1,776)	(1,780)	(3,559)	(6,298)	(4,585)	(79,062)
Net income (loss) attributable to common stockholders	$ (9,063)	$ (6,049)	$ (7,369)	$ 607	$ 536	$ 513	$(116,828)
Basic and diluted income (loss) per common share:							
Income (loss) from continuing operations	$ (11.98)	$ (7.94)	$ (9.67)	$ 0.01	$ 0.00	$ (0.01)	$ (20.53)
Income from discontinued operations	—	—	—	0.00	0.01	0.02	0.13
Net income (loss)	$ (11.98)	$ (7.94)	$ (9.67)	$ 0.01	$ 0.01	$ 0.01	$ (20.40)
Shares used to compute net income (loss) per common share:							
Basic	757	762	762	52,806	47,521	62,200	5,727
Diluted	757	762	762	53,366	50,343	62,553	5,727
Pro forma net income (loss) per common share: (4)							
Basic					$		$
Diluted					$		$
Shares used to compute pro forma net income (loss) per common share: (4)							
Basic							
Diluted							

	As of					
	September 30,			October 2,	October 1,	July 1,
	2006	2007	2008	2009	2010	2011
Consolidated Balance Sheet Data *(in thousands):*						
Cash and cash equivalents	$ 273	$ 160	$ 3,718	$ 15,358	$ 23,946	$ 36,728
Working capital (deficit)	131	(3,997)	6,184	46,313	56,955	70,480
Total assets	9,755	14,449	15,025	153,315	164,836	204,592
Note payable (5)	—	—	—	30,191	30,000	—
Class B conversion liability	—	—	—	—	—	98,692
Convertible and redeemable preferred stock	26,441	28,217	—	—	—	180,628
Stockholders' equity (deficit)	2,006	(1,799)	7,122	37,215	44,655	(180,654)

Dividends of $0.63 per share, $0.81 per share and $0.61 per share were paid to the record holders as of January 4, 2011 of our Series A-1 convertible preferred stock, Series A-2 convertible preferred stock and common stock, respectively, aggregating $80.0 million.

(1) Represents changes in the fair value of common stock warrants recorded as liabilities and adjusted each reporting period to fair value.

(2) Represents changes in the fair value of certain features of our Class B convertible preferred stock that are recorded as liabilities and adjusted each reporting period to fair value.

(3) For the nine months ended July 1, 2011, includes $76.2 million of dividends declared and paid in January 2011 to holders of our Series A-1 and A-2 convertible preferred stock.

(4) Assumes the conversion of all outstanding shares of our convertible preferred stock into 150,991,337 shares of common stock upon completion of this offering and the issuance of shares to fund, in a manner similar to a dividend, the settlement of the Class B preference payment in both the fiscal year ended October 1, 2010 and the nine months ended July 1, 2011. Additionally, it assumes the issuance at the beginning of the respective periods of shares of common stock, which would be the number of shares that we would have needed to issue (assuming an initial public offering price equal to the midpoint of the range) to pay the portion of the $80.0 million special dividend in excess of the current period earnings in each period.

(5) Reflects seller financing in connection with the M/A-COM Acquisition, which was subsequently paid off in December 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our combined consolidated financial statements and related notes, as well as the sections titled "Risk Factors," "Capitalization" and "Selected Financial Data" appearing elsewhere in this prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors."

Overview

We are a leading provider of high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum. We leverage our system-level expertise to design and manufacture differentiated, high-value products for customers who demand high performance, quality and reliability. The diversity and depth of our business across technologies, products, applications, end markets and geographies provide us with a stable foundation for growth and enable us to develop strong relationships with our customers. We offer over 3,000 standard and custom devices, which include ICs, multi-chip modules, power pallets and transistors, diodes, switches and switch limitors, passive and active components and complete subsystems, across 38 product lines serving over 6,000 end customers in three large and growing primary markets. Our semiconductor products are electronic components that our customers incorporate into their larger electronic systems, such as point-to-point radios, radar, automobile navigation systems, CATV set-top boxes, magnetic resonance imaging systems and unmanned aerial vehicles. Our primary markets are Networks, which includes CATV, cellular backhaul, cellular infrastructure and fiber optic applications; A&D; and Multi-market, which includes automotive, industrial, medical, mobile and scientific applications. We have one reportable operating segment, semiconductors and modules.

History and Basis of Presentation

M/A-COM Technology Solutions Holdings, Inc. was incorporated in the State of Delaware on March 25, 2009 and on March 30, 2009, acquired 100% of the outstanding stock of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited and the related M/A-COM brand, which we refer to as the M/A-COM Acquisition.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations, references to "Mimix" refer to Mimix Holdings, Inc. as a standalone entity prior to its acquisition; references to "M/A-COM" refer to M/A-COM Technology Solutions Holdings, Inc. and its consolidated subsidiaries prior to its acquisition of Mimix; and references to "we," "us" and "our" refer to the combined M/A-COM and Mimix businesses and operations or to M/A-COM Technology Solutions Holdings, Inc. and its consolidated subsidiaries as the context requires.

We acquired Mimix, a supplier of high-performance GaAs semiconductors, on May 28, 2010 (Mimix Merger) for its complementary products and technologies in our primary markets. Although Mimix operated as an independent company before the acquisition, M/A-COM and Mimix had the same majority owner, who had controlled Mimix prior to our incorporation. We therefore present in this prospectus combined financial statements in a manner similar to a pooling-of-interests. We treat Mimix as our accounting acquirer for financial statement presentation purposes because our majority owner acquired control of Mimix before acquiring control of M/A-COM. Accordingly, our financial statements are presented as if the Mimix Merger occurred on the date of our incorporation in March 2009, when we came under common control with Mimix. Our financial statements for periods prior to March 30, 2009 reflect only the operations of Mimix and do not reflect the operations of M/A-COM. More specifically, our financial statements for fiscal year 2008 reflect only the operations of Mimix. Our financial statements for fiscal year 2009 reflect only the operations of Mimix through March 30, 2009 and reflect the combined operations of Mimix and M/A-COM from March 30, 2009 through October 2, 2009.

We believe that our financial results for periods prior to March 30, 2009 are not representative of our current business and are not comparable to our financial results for subsequent periods because those results reflect only the operations of Mimix. Accordingly, in discussing and analyzing our financial statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations, we focus primarily on our more recent results in fiscal year 2010 and the nine month periods ended July 2, 2010 and July 1, 2011.

Beginning with our fiscal year 2009, we adopted a 52-or 53-week fiscal year ending on the Friday closest to September 30.

Discontinued Operations

During the nine months ended July 1, 2011, in keeping with our focus on high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum, we divested non-core laser diode and ferrite business lines that have been reported as discontinued operations. Unless otherwise noted, we exclude the discontinued operations from our discussion of revenue, cost of revenue and expenses.

Description of Our Revenue, Cost of Revenue and Expenses

Revenue. Substantially all of our revenue is derived from sales of high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum. We design, integrate, manufacture and package differentiated product solutions that we sell to customers through our direct sales organization, our network of independent sales representatives and our distributors.

We believe the primary drivers of our future revenue growth will include:

- increasing design wins with new and existing customers, with a focus on early customer engagement;
- increasing content of our semiconductor solutions in our customers' systems through cross-selling of our 38 product lines;
- introduction of, and the market's reception to, new products that command higher prices because of added features, higher levels of integration and improved performance; and
- growth in the market for high-performance analog semiconductors generally, and in our three primary markets in particular.

We experienced growth in revenue in each of our primary markets for the nine months ended July 1, 2011 and, while sales in any or all of our target markets may slow or decline from period to period, over the long term we generally expect to continue to benefit from strength in these markets. We expect growth in the Networks market to be driven by continued upgrades and expansion of communications equipment to support increasing mobile, internet and video data services. We expect growth in the A&D market to come from increasing electronic content in defense, homeland security and public safety systems, although growth in this market is subject to changes in governmental programs and budget funding, which is difficult to predict. The Multi-market is our most diverse market, and we expect steady growth in this market for our multi-purpose catalog products and expect additional growth potential in select areas such as the automotive market, where semiconductor content per automobile is projected to grow.

Cost of revenue. Cost of revenue consists primarily of the cost of semiconductor wafers and other materials used in the manufacture of our products, and the cost of assembly and testing of our products, whether performed by our internal manufacturing personnel or outsourced vendors. Cost of revenue also includes costs associated with personnel engaged in our manufacturing operations, such as wages and share-based compensation expense, as well as costs and overhead related to our manufacturing operations, including lease occupancy and utility expense related to our manufacturing operations, depreciation, production computer services and equipment costs, and the cost of our manufacturing quality assurance and supply chain activities. Further, cost of revenue includes the impact of warranty and inventory adjustments, including write-downs for excess and obsolete inventory as well as amortization of intangible assets related to acquired technology.

One of our objectives is to increase our gross margin, which is our gross profit expressed as a percentage of our revenue. We seek to introduce high-performance products that are valued by our customers for their ability to address technically challenging applications, rather than commoditized products used in high-volume applications where cost, rather than performance, is the highest priority. We also strive to continuously reduce our costs and to improve the efficiency of our manufacturing operations.

Our gross margin in any period is significantly affected by industry demand and competitive factors in the markets into which we sell our products. Gross margin is also significantly affected by our product mix, that is, the percentage of our revenue in that period that is attributable to relatively higher or lower-margin products. Additional factors affecting our gross margin include fluctuations in the cost of wafers and materials, including precious metals, utilization of our fab, level of usage of outsourced manufacturing, assembly and test services, changes in our manufacturing yields, changes in foreign currencies and numerous other factors, some of which are not under our control. As a result of these or other factors, we may be unable to maintain or increase our gross margin in future periods and our gross margin may fluctuate from period to period.

Our gross margin was 36.0% in fiscal year 2010 and 41.9% and 35.4%, respectively, for the nine months ended July 1, 2011 and July 2, 2010. Over the long-term we generally expect continued improvement in our gross margin as we complete our restructuring and other cost savings initiatives and execute on our new product development and sales and marketing strategies. For the nine months ended July 1, 2011, our restructuring and other cost savings initiatives led to a reduction of $6.0 million of manufacturing costs as compared to the same period in 2010, partially offset by an increase of $1.2 million in the 2011 period relating to costs to qualify outsourced suppliers and exit manufacturing facilities.

Research and development. Research and development (R&D) expense consists primarily of costs relating to our employees engaged in the design and development of our products and technologies, including wages and share-based compensation. R&D expense also includes costs for consultants, facilities, services related to supporting computer design tools used in the engineering and design process, prototype development and project materials. We expense all research and development costs as incurred. We have made a significant investment in R&D since March 2009 and expect to maintain or increase the dollar amount of R&D investment in future periods.

Selling, general and administrative. Selling, general and administrative (SG&A) expense consists primarily of costs of our executives, sales and marketing, finance, human resources and administrative organizations, including wages and share-based compensation. SG&A expense also includes professional fees, sales commissions paid to independent sales representatives, costs of advertising, trade shows, marketing, promotion, travel, occupancy and equipment costs, computer services costs, costs of providing customer samples and amortization of certain intangible assets relating to customer relationships.

Accretion of contingent consideration. We have partially funded the acquisition of businesses through contingent earn-out consideration, in which we have agreed to pay contingent amounts to the previous owners of acquired businesses based upon those businesses achieving contractual milestones. We record these obligations as liabilities at fair value and any changes in fair value are reflected in our earnings.

Restructuring charges. Following the M/A-COM Acquisition in March 2009, we began implementing our strategy to align our operations with the economic environment and our long-term fab-lite strategy, beginning with an initial staff reduction in April 2009. Restructuring expense consists of severance and related costs incurred in connection with reductions in staff. In fiscal years 2009 and 2010 and for the nine months ended July 1, 2011, we incurred $8.2 million of restructuring costs. We expect to incur an additional $0.7 million as we complete our planned restructuring in the fourth quarter of fiscal year 2011 or early in fiscal year 2012.

Other (expense) income. Other (expense) income consists of a gain on bargain purchase in 2009 in connection with the M/A-COM Acquisition, accretion of our common stock warrant liability, accretion of our Class B conversion liability and interest expense.

In December 2010, we issued shares of Class B convertible preferred stock and common stock warrants for gross proceeds of $120.0 million. The Class B convertible preferred stock has redemption rights that allow the holders to elect to receive an amount in excess of the fair value of our common stock commencing in December 2017. In addition, the holders of our Class B convertible preferred stock have the right to payments for up to $60.0 million upon a public offering of our common stock. Upon issuance of the Class B convertible preferred stock, the estimated fair values of these preferential features and the common stock warrants were bifurcated from the Class B convertible preferred stock proceeds and recorded as long-term liabilities. The carrying values of these liabilities are adjusted to estimate fair value at the end of each reporting period and the change in the estimated fair values are recognized in our earnings.

Results of Operations

The following table sets forth, for the periods indicated, our statement of operations data (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Revenue	$25,423	$102,718	$260,297	$ 186,124	$231,493
Cost of revenue (1)	17,228	77,171	166,554	120,264	134,516
Gross profit	8,195	25,547	93,743	65,860	96,977
Operating expenses:					
Research and development (1)	6,728	13,553	25,795	18,672	25,533
Selling, general and administrative (1)	6,047	25,601	45,860	33,281	36,617
Accretion of contingent consideration	—	2,800	2,000	1,500	660
Restructuring charges	—	5,100	2,234	1,369	866
Total operating expenses	12,775	47,054	75,889	54,822	63,676
Income (loss) from operations	(4,580)	(21,507)	17,854	11,038	33,301
Other (expense) income:					
Gain on bargain purchase	—	27,073	—	—	—
Accretion of common stock warrant liability (2)	—	—	—	—	(10,241)
Accretion of Class B conversion liability (3)	—	—	—	—	(57,051)
Interest expense	(1,009)	(1,699)	(2,323)	(1,738)	(750)
Total other (expense) income, net	(1,009)	25,374	(2,323)	(1,738)	(68,042)
Income (loss) before income taxes	(5,589)	3,867	15,531	9,300	(34,741)
Income tax (provision) benefit	—	124	(8,996)	(5,167)	(3,779)
Net income (loss) from continuing operations	(5,589)	3,991	6,535	4,133	(38,520)
Net income from discontinued operations	—	198	494	1,160	754
Net income (loss)	$ (5,589)	$ 4,189	$ 7,029	$ 5,293	$ (37,766)

(1) Amortization expense related to intangible assets arising from acquisitions and non-cash compensation expense included in our combined consolidated statements of operations is set forth below (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Amortization expense:					
Cost of revenue	$ 98	$862	$1,594	$ 1,194	$ 1,207
Selling, general and administrative	98	613	1,095	822	811
Non-cash compensation expense: (a)					
Cost of revenue	26	173	194	139	290
Research and development	36	159	208	183	155
Selling, general and administrative	113	536	1,143	949	690

(a) Includes (i) share-based compensation expense and (ii) incentive compensation amounts payable by the previous owner of the M/A-COM Tech Business to certain of our employees in connection with the sale of such business to us and recorded in our financial statements in a manner similar to share-based compensation.

(2) Represents changes in the fair value of common stock warrants recorded as liabilities and adjusted each reporting period to fair value.

(3) Represents changes in the fair value of certain features of our Class B convertible preferred stock that are recorded as liabilities and adjusted each reporting period to fair value.

The following table sets forth, for the periods indicated, our statement of operations data expressed as a percentage of our revenue:

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue	67.8	75.1	64.0	64.6	58.1
Gross margin	32.2	24.9	36.0	35.4	41.9
Operating expenses:					
Research and development	26.5	13.2	9.9	10.0	11.0
Selling, general and administrative	23.8	24.9	17.6	17.9	15.8
Accretion of contingent consideration	—	2.7	0.8	0.8	0.3
Restructuring charges	—	5.0	0.9	0.7	0.4
Total operating expenses	50.2	45.8	29.2	29.5	27.5
Income (loss) from operations	(18.0)	(20.9)	6.9	5.9	14.4
Other (expense) income:					
Gain on bargain purchase	—	26.4	—	—	—
Accretion of common stock warrant liability	—	—	—	—	(4.4)
Accretion of Class B conversion liability	—	—	—	—	(24.6)
Interest expense	(4.0)	(1.7)	(0.9)	(0.9)	(0.3)
Total other (expense) income—net	(4.0)	24.7	(0.9)	(0.9)	(29.4)
Income (loss) before income taxes	(22.0)	3.8	6.0	5.0	(15.0)
Income tax (provision) benefit	—	0.1	(3.5)	(2.8)	(1.6)
Net income (loss) from continuing operations	(22.0)	3.9	2.5	2.2	(16.6)
Net income from discontinued operations	—	0.2	0.2	0.6	0.3
Net income (loss)	(22.0)%	4.1%	2.7%	2.8%	(16.3)%

Comparison of the Nine Months Ended July 1, 2011 to the Nine Months Ended July 2, 2010

Revenue. Our revenue increased $45.4 million or 24.4% to $231.5 million for the nine months ended July 1, 2011, from $186.1 million for the nine months ended July 2, 2010. Our sales growth in the 2011 period was primarily due to increased shipment volumes of our products in each of our primary markets and general economic improvement. The net impact of product price increases and decreases implemented by us during the 2011 period was largely to offset one another, such that changes in product pricing were not a material driver of the overall increase in our revenue in the 2011 period over the 2010 period. The primary driver of our overall revenue growth in the 2011 period was a $22.6 million increase in Networks market revenues, which we believe was attributable to telecommunications operators upgrading CATV networks and devices and cellular networks to support increasing mobile, internet, and video data services. A&D market revenues also contributed to the overall growth in the 2011 period, increasing by $8.2 million. We attribute this growth to some large radar and datalink customer programs ramping in production during the 2011 period, partially offset by weaker overall market demand for tactical and public safety radios. Multi-market revenues were the second largest driver of our overall revenue growth in the 2011 period, increasing by $14.6 million. We attribute this growth primarily to the increasing proliferation of smart phones in the period and improving conditions in the automobile industry, particularly in North America.

Revenue from our primary markets, the percentage of change between the periods, and revenue by primary market expressed as a percentage of total revenue were (in thousands, except percentages):

	Nine Months Ended		
	July 2, 2010 (Unaudited)	July 1, 2011	% Change
Networks	$ 49,093	$ 71,730	46.1%
A&D	60,987	69,155	13.4%
Multi-market	76,044	90,608	19.2%
Total	$ 186,124	$231,493	
Networks	26.4%	31.0%	
A&D	32.8%	29.9%	
Multi-market	40.9%	39.1%	
Total	100%	100%	

Gross margin. Gross margin was 41.9% for the nine months ended July 1, 2011, compared with 35.4% for the nine months ended July 2, 2010. The increase in gross margin was primarily attributable to improved manufacturing utilization and productivity, which accounted for $8.5 million, or 3.7% of revenue, for the 2011 period. In addition, the improvement in gross margin included a reduction of manufacturing payroll and benefits in the 2011 period of $4.0 million, or 1.7% of revenue, reduced facility costs of $2.0 million, or 0.9% of revenue, driven by consolidations, and to a lesser degree by increased unit shipments of higher margin products. The increase in gross margin in the 2011 period was partially offset by additional costs of $1.2 million, or 0.5% of revenue, to qualify outsourced suppliers and exit manufacturing facilities, as well as increased shipping costs of $0.7 million, or 0.3% of revenue. Amortization and non-cash compensation expenses included in cost of revenue represented 0.5% and 0.1%, respectively, of revenue in the 2011 period compared to 0.6% and 0.1%, respectively, in the 2010 period.

Research and development. R&D expense increased $6.9 million, or 36.7%, to $25.5 million, and represented 11.0% of our revenue, for the 2011 period, compared with $18.7 million for the 2010 period. The increase was primarily driven by increased new product development activities and related increases in staff, facility costs, computer design tools and engineering materials. Non-cash compensation expense in R&D expense was $0.2 million in both the 2010 period and the 2011 period.

Selling, general and administrative. SG&A expense increased $3.3 million, or 10.0%, to $36.6 million and represented 15.8% of our revenue for the 2011 period compared with $33.3 million for the 2010 period. The increase was primarily related to an increase in sales and marketing staff to support our revenue growth, professional fees in connection with preparation and audits of historical financial statements, travel expenses incurred in support of our efforts to expand sales at top domestic and foreign customer accounts, and costs to upgrade the software tools used by our worldwide sales and marketing organization. These increases were partially offset by reductions in fees paid under outsourced service arrangements as we built out our internal capabilities to provide for those functions. Amortization and non-cash compensation expenses in SG&A expense were $0.8 million and $0.7 million, respectively, in the 2011 period compared to $0.8 million and $0.9 million, respectively, in the 2010 period.

Accretion of contingent consideration. Accretion of contingent consideration expense decreased $0.8 million to $0.7 million for the nine months ended July 1, 2011 compared with $1.5 million for the nine months ended July 2, 2010. Our accretion of contingent consideration in the 2011 period was lower as a result of changes in the estimated fair value of the obligation arising in the M/A-COM Acquisition, offset partially by the addition of contingent consideration related to the acquisition of Optomai in April 2011. The estimates of fair value were primarily impacted by changes in interest rates underlying our estimates due to improvement in the credit environment, and a shortening of the discount period as we near the expected payment dates.

Restructuring charges. Restructuring charges decreased $0.5 million to $0.9 million for the nine months ended July 1, 2011 compared with $1.4 million for the nine months ended July 2, 2010. The decrease in our restructuring charges was primarily attributable to having completed a majority of our planned restructuring activities.

Accretion of common stock warrant liability. Common stock warrant liability expense of $10.2 million relates to the change in the estimated fair value of common stock warrants we issued in fiscal year 2011, which we carried as liabilities at fair value.

Accretion of Class B conversion liability. Class B convertible preferred stock conversion liability expense of $57.1 million relates to the change in the estimated fair value of certain features of our Class B convertible preferred stock issued in fiscal year 2011, which we carry as a liability at fair value.

Interest expense. Interest expense decreased $1.0 million or 56.8% to $0.8 million or 0.3% of our revenue for the nine months ended July 1, 2011, compared with $1.7 million or 0.9% of our revenue for the nine months ended July 2, 2010, as a result of repayment of our debt in fiscal year 2011. Interest expense includes the amortization of deferred financing costs classified as interest expense in the amount of $0.1 million in the 2011 period.

Provision for income taxes. Provision for income taxes decreased $1.4 million to $3.8 million for the nine months ended July 1, 2011, compared with $5.2 million for the nine months ended July 2, 2010, representing an effective tax rate of (10.9%) and 55.6% for the nine months ended July 1, 2011 and July 2, 2010, respectively. As of October 1, 2010, we evaluated available positive and negative evidence and determined that it was not more likely than not that our deferred tax assets would be realized, and we recorded a full valuation allowance. In arriving at this conclusion, we determined that the cumulative losses incurred by Mimix and us for the years prior to fiscal year 2010 outweighed our short earnings history. The increase in our valuation allowance during fiscal year 2010 was the principal factor resulting in our 57.9% effective tax rate for the fiscal year 2010.

During the nine months ended July 1, 2011, we continued to evaluate available positive and negative evidence and concluded it was appropriate to recognize our deferred tax assets in full. The primary factor we considered was our continued profitability during the period. We concluded that it was probable we would generate taxable income for our fiscal year 2011, and that two consecutive years of profitability and forecasted income in future years constituted sufficient positive evidence to support a more likely than not assessment of recoverability of the assets. Accordingly, we reversed $17.6 million of our income tax valuation allowance

during the nine months ended July 1, 2011. The remaining valuation allowance of $2.7 million as of July 1, 2011 will be released during our last fiscal quarter of 2011 when the assets to which the valuation allowance relates are expected to be consumed.

In addition to the reversal of the valuation allowance, our effective tax rate for the nine months ended July 1, 2011 has been significantly impacted by the charges related to changes in fair value of our Class B conversion liability and common stock warrant liability which totaled $67.3 million and are not tax deductible. The difference between the statutory tax rate, which would have resulted in a 35% income tax benefit, and our effective tax rate for the nine months ended July 1, 2011, which resulted in a 10.9% income tax provision, is driven by the non-deductible charge for the Class B conversion and common stock warrant liabilities, partially offset by the reversal of the valuation allowance.

Comparison of Fiscal Years Ended October 1, 2010, October 2, 2009 and September 30, 2008

As discussed above, although the Mimix Merger occurred on May 28, 2010, our financial statements are presented as if the Mimix Merger occurred in March 2009 when we came under common control with Mimix. Therefore, our financial statements for periods prior to March 30, 2009 reflect only the operations of Mimix and do not reflect the operations of M/A-COM. More specifically, the financial statements for fiscal year 2008 reflect only the operations of Mimix. Our financial statements for fiscal year 2009 reflect only the operations of Mimix through March 30, 2009 and reflect the combined operations of Mimix and M/A-COM from March 30, 2009 through October 2, 2009. The financial statements for fiscal year 2010 reflect the combined operations of Mimix and M/A-COM for the entire fiscal year.

Unless otherwise noted below, the year-over-year changes in our financial results in the fiscal years ended October 1, 2010, October 2, 2009 and September 30, 2008 were primarily attributable to fiscal year 2010 including a full year of combined financial results of M/A-COM and Mimix, fiscal year 2009 including M/A-COM's financial results for only approximately six months from March 30, 2009 combined with a full year of Mimix's financial results and fiscal year 2008 including only Mimix's financial results. See "Quarterly Results of Operations Data" below for revenue, gross margin and income trend discussion of comparable quarterly periods. We believe the financial results prior to March 30, 2009 are not comparable to our financial results for subsequent periods because they reflect only the operations of Mimix.

	Fiscal Years Ended		
	September 30, 2008	October 2, 2009	October 1, 2010
	(in thousands, except percentages)		
Revenue	$ 25,423	$102,718	$260,297
Gross margin	32.2%	24.9%	36.0%
Research and development	6,728	13,553	25,795
Selling, general and administrative	6,047	25,601	45,860

Revenue. In addition to the factors noted above, other factors that increased revenue include improved economic conditions, increased sales and support efforts for products acquired in the Mimix Merger, revenue from new products and our strategy to align our sales and marketing focus with our primary markets, contributed to the revenue increases in fiscal year 2010 as compared to fiscal year 2009.

Gross margin. Gross margin improved from 24.9% of revenue in fiscal year 2009 to 36.0% of revenue in fiscal year 2010. Factors contributing to this increase in fiscal year 2010 included a $2.1 million charge relating to the step-up of inventory for purchase accounting purposes in fiscal year 2009 which did not recur in fiscal year 2010, as well as higher utilization in fiscal year 2010 resulting from increased unit shipment volumes. Mimix historically had higher margins than M/A-COM, and the inclusion of M/A-COM operations in fiscal year 2009 accounted for substantially all of the decrease in 2009 gross margin to 24.9% as compared to the gross margin of 32.2% achieved in fiscal year 2008.

Research and development. In addition to the factors noted above, R&D expense increased since March 2009 and through fiscal year 2010 due to increases in staff engaged in research and development and expansion of design centers to support our new product development.

Selling, general and administrative. In addition to the factors noted above, SG&A expense increased since March 2009 and through fiscal year 2010 due to additional sales and marketing staff to support our revenue growth and due to additional sales and administrative staff to support our in-sourcing of back office functions. These increases were partially offset by reductions in fees paid under outsourced service arrangements.

Gain on bargain purchase. Our gain on bargain purchase of $27.1 million in fiscal year 2009 relates to the M/A-COM Acquisition in March 2009, which occurred in the midst of the global economic downturn and related credit crises.

Accretion of contingent consideration. Our accretion of contingent consideration expense was $2.0 million in fiscal year 2010 compared to $2.8 million in fiscal year 2009. There was no accretion of contingent consideration expense in fiscal year 2008. The decrease in our accretion of contingent consideration from fiscal year 2009 to fiscal year 2010 was attributable to the changes in estimated fair value of the contingent obligations. The estimates of fair value were primarily impacted by changes in interest rates underlying our estimate based on improvement in the prevailing credit environment and a shortening of the discount period related to when we expect to pay the contingent consideration.

Restructuring charges. Our restructuring charges were $2.2 million in fiscal year 2010 compared to $5.1 million in fiscal year 2009. The decrease in restructuring charges was attributable to lower severance costs in fiscal year 2010 compared to fiscal year 2009. We commenced the restructuring activities following the M/A-COM Acquisition in March 2009. There were no restructuring charges in fiscal year 2008.

Interest expense. Our interest expense was $2.3 million in fiscal year 2010 compared to $1.7 million in fiscal year 2009 and $1.0 million in fiscal year 2008. The increase in interest expense from fiscal year 2009 to fiscal year 2010 was primarily due to incurring a full year of interest expense from borrowings under seller-financed debt related to the M/A-COM Acquisition in March 2009. Interest expense for fiscal year 2008 relates to interest incurred on short-term notes payable and a bank line of credit, all of which were either repaid or, in the case of a majority of the short-term notes, were converted into shares of convertible preferred stock, all in fiscal year 2008.

Provision for income taxes. Our provision for income taxes was $9.0 million in fiscal year 2010 compared to a $0.1 million income tax benefit in fiscal year 2009. There was no provision for income taxes in fiscal year 2008. The increase in the provision for income taxes from fiscal year 2009 to fiscal year 2010 is attributable to the discontinuance of our Subchapter S status, which allowed for prior income tax consequences to flow through to our stockholders through December 31, 2009. Effective January 1, 2010, we elected to discontinue our Subchapter S status.

Quarterly Results (Unaudited)

The following tables set forth our unaudited quarterly combined consolidated statements of operations data for each of the quarters in fiscal year 2010 and each of the quarters in the nine months ended July 1, 2011, in dollar amount and expressed as a percentage of our revenue. We prepared the quarterly data on a consistent basis with the combined consolidated financial statements included in this prospectus. In the opinion of management, the financial information reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data. This information should be read in conjunction with our combined consolidated financial statements and related notes appearing elsewhere in this prospectus. We believe that our quarterly revenue, particularly the mix of revenue components, and our quarterly operating results are likely to vary in the future. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

	Three Months Ended						
	January 1, 2010	April, 2, 2010	July 2, 2010	October 1, 2010	December 31, 2010	April 1, 2011	July 1, 2011
	(in thousands)						
Revenue	$ 57,405	$61,014	$67,705	$ 74,173	$ 74,909	$77,884	$ 78,700
Cost of revenue (1)	37,986	39,699	42,579	46,290	44,295	45,639	44,582
Gross profit	19,419	21,315	25,126	27,883	30,614	32,245	34,118
Operating expenses:							
Research and development (1)	4,756	6,352	7,564	7,123	7,714	8,356	9,463
Selling, general and administrative (1)	10,795	10,580	11,906	12,579	12,237	12,556	11,824
Accretion of contingent consideration	600	500	400	500	97	198	365
Restructuring charges	523	527	319	865	382	357	127
Total operating expenses	16,674	17,959	20,189	21,067	20,430	21,467	21,779
Income from operations	2,745	3,356	4,937	6,816	10,184	10,778	12,339
Net income (loss) (2)	$ 2,563	$ 1,103	$ 1,627	$ 1,736	$ 8,606	$ (9,757)	$ (36,615)

	Three Months Ended						
(As a percentage of revenue)	January 1, 2010	April, 2, 2010	July 2, 2010	October 1, 2010	December 31, 2010	April 1, 2011	July 1, 2011
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue	66.2	65.1	62.9	62.4	59.1	58.6	56.6
Gross profit	33.8	34.9	37.1	37.6	40.9	41.4	43.4
Operating expenses:							
Research and development	8.3	10.4	11.2	9.6	10.3	10.7	12.0
Selling, general and administrative	18.8	17.3	17.6	17.0	16.3	16.1	15.0
Accretion of contingent consideration	1.0	0.8	0.6	0.7	0.1	0.3	0.5
Restructuring charges	0.9	0.9	0.5	1.2	0.5	0.5	0.2
Total operating expenses	29.0	29.4	29.8	28.4	27.3	27.6	27.7
Income from operations	4.8	5.5	7.3	9.2	13.6	13.8	15.7
Net income (loss)	4.5%	1.8%	2.4%	2.3%	11.5%	(12.5)%	(46.5)%

(1) Amortization expense related to intangible assets arising from acquisitions and other non-cash compensation expense included in our combined consolidated statements of operations is set forth below:

	Three Months Ended						
	January 1, 2010	April, 2, 2010	July 2, 2010	October 1, 2010	December 31, 2010	April 1, 2011	July 1, 2011
	(in thousands)						
Amortization expense:							
Cost of revenue	$ 399	$ 397	$ 398	$ 400	$ 382	$ 382	$ 443
Selling, general and administrative	274	274	274	273	258	257	296
Non-cash compensation expense: (a)							
Cost of revenue	(16)	54	101	55	54	102	134
Research and development	6	39	138	25	46	40	69
Selling, general and administrative	266	208	475	194	149	386	155

(a) Includes (i) share-based compensation expense and (ii) incentive compensation amounts payable by the previous owner of the M/A-COM Tech Business to certain of our employees in connection with the sale of such business to us and recorded in our financial statements in a manner similar to share-based compensation.

(2) Net loss for the three months ended April 1, 2011 and July 1, 2011 includes an aggregate of $20.4 million and $46.9 million of expense, respectively, relating to changes in the fair value of common stock warrants and features of our Class B convertible preferred stock that are recorded as liabilities and adjusted each reporting period to fair value.

Revenue. Revenue improved consecutively over the seven quarters ended July 1, 2011 due to improved economic conditions, increased sales and support efforts for products acquired in the Mimix Merger, revenue from new products and our strategy to align our sales and marketing focus with our primary markets, which collectively led to increased sales to our existing and new customers.

Gross margin. Gross margin improved consecutively over the seven quarters ended July 1, 2011. The improvements were primarily driven by reduced costs from staff reductions, manufacturing consolidation and outsourcing initiatives, improved fab utilization primarily driven by higher sales and our strategy to focus on the development and sale of higher margin products.

Income from operations. Income from operations improved in each of the seven quarters ended July 1, 2011. We increased revenue and gross margin as noted above, and we also leveraged our infrastructure improvements and improved our management of expenses, which resulted in SG&A expense growing at a slower rate than revenue in each of the quarters, partially offset by an increase in R&D expense to support our new product activities.

Net income (loss). The net loss in the quarters ended April 1, 2011 and July 1, 2011 was primarily due to our accretion of the Class B convertible preferred stock conversion liability expenses of $17.4 million in the quarter ended April 1, 2011 and $39.6 million in the quarter ended July 1, 2011. In addition, the accretion of our common stock warrant liability also contributed $2.9 million and $7.3 million to our net loss in the quarters ended April 1, 2011 and July 1, 2011, respectively.

Liquidity and Capital Resources

As of July 1, 2011, we held $36.7 million of cash and cash equivalents. Cash and cash equivalents consisted of $25.7 million deposited with financial institutions and $11.0 million of short term investments. Cash provided by operations was $18.4 million for the nine months ended July 1, 2011, of which the principal components were net loss of $37.8 million and non-cash charges of $61.8 million, partially offset by unfavorable changes in operating assets and liabilities of $5.6 million. The change in net operating assets and liabilities includes an increase in accounts receivable of $3.5 million related to increased sales partially offset by improved collections during the period, an increase in inventory of $6.8 million related to our increased sales, a decrease of accrued and other liabilities of $6.7 million primarily related to lower accrued compensation resulting from time of disbursements and incentive program periods, and an increase in income taxes payable of $11.6 million due to the timing of tax payments.

Cash used in investing activities was $5.5 million for the nine months ended July 1, 2011. We invested $6.7 million in the purchase of property and capital equipment in the nine months ended July 1, 2011, including renovation of a leased facility as well as the purchase of production test equipment, production tooling and engineering equipment and software tools. In addition, we paid $1.8 million of closing consideration in connection with the acquisition of Optomai on April 25, 2011. These uses of cash were partially offset by cash proceeds related to the sale of non-core laser diode and ferrite product line operations totaling $3.0 million.

Cash used in financing activities was $0.2 million for the nine months ended July 1, 2011. During this period, we raised $118.7 million in net proceeds from the issuance of Class B convertible preferred stock and warrants and paid approximately $80 million in cash dividends to holders of record of Series A-1 and Series A-2 convertible preferred stock and common stock on January 4, 2011. We paid $30.0 million of seller-financed debt arising from the M/A-COM Acquisition as well as $1.4 million of capital lease debt. In addition, we paid the first earn-out payment to Cobham during the period totaling $8.8 million relating to the M/A-COM Acquisition. These amounts were partially offset by our receipt of $0.5 million from the exercise of stock options during the nine months ended July 1, 2011.

In December 2010, we entered into a loan agreement with a commercial lender, which provided for an asset-based revolving credit facility of up to $50.0 million that was to mature in December 2014. As of July 1, 2011, we had no outstanding borrowings under the revolving credit facility. On September 30, 2011, the revolving credit facility was terminated.

On September 30, 2011, we entered into a loan agreement with JPMorgan Chase Bank, N.A. and a syndicate of other lenders, which provides for a revolving credit facility of up to $100.0 million that matures in September 2016. The revolving credit facility may be increased up to an additional $50.0 million subject to approval by the administrative agent and commitment from existing or other lenders to provide the additional funds. Borrowings under the revolving credit facility bear either a variable interest rate equal to (i) the greater of the lender's prime rate, the federal funds effective rate plus 0.5%, or an adjusted London InterBank Offered Rate (LIBOR) plus 1.0%, in each case plus either an additional 1.25%, 1.50% or 1.75%, subject to certain conditions, or (ii) an adjusted LIBOR rate plus either 2.25%, 2.50% or 2.75%, subject to certain conditions. The revolving credit facility is secured by a first priority lien on substantially all of our assets and provides that we must comply with certain financial and non-financial covenants. We were in compliance with all financial and non-financial covenants under the revolving credit facility as of September 30, 2011. We have no outstanding borrowings under the revolving credit facility.

In connection with the M/A-COM Acquisition, we agreed to pay Cobham up to $30.0 million in the aggregate in the form of an earn-out based on our achievement of revenue targets in the 12-month periods ended September 30, 2010, 2011 and 2012. Any such earned amounts are payable within 60 days following the applicable period end. In November 2010, we paid the first earn-out payment of $8.8 million to Cobham related to the initial period ended September 30, 2010. Cobham may earn up to $15.0 million in each of the remaining two annual earn-out periods, subject in each case to a $30.0 million limitation on all payments under the earn-out in the aggregate. Although neither period has been completed, our current expectation is that we will likely pay Cobham the maximum possible earn-out payment of $15.0 million for the earn-out period ending September 30, 2011 and that we will likely pay Cobham the remaining maximum possible earn-out payment of $6.2 million for the earn-out period ending September 30, 2012. The earn-out arrangement also provides the potential for accelerated earn-out payments and revision of the revenue targets in the event of a sale of our company, significant divestments by us of assets or businesses that would otherwise contribute revenue toward the earn-out or our current majority stockholders' beneficial ownership of our outstanding equity securities dropping below 50.1%.

We also entered into an earn-out arrangement in connection with our purchase of Optomai in April 2011. We agreed to pay the stockholders and option holders of Optomai up to $16.0 million in the aggregate in the form of an earn-out based on our achievement of certain revenue, product release and contribution margin targets based on sales of products utilizing Optomai intellectual property in the 12-month periods ending March 30,

2012 and March 29, 2013. The maximum aggregate earn-out payable by us to the former stockholders and option holders of Optomai is $1.0 million in the first annual earn-out period and $16.0 million (less any earn-out paid in the first period) in the second annual earn-out period.

Upon completion of this offering, we will be obligated to pay a preference payment relating to this offering to the former holders of our Class B convertible preferred stock in an amount between $20.0 million and $60.0 million. Assuming an initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, we will be obligated to pay a preference payment relating to this offering to the former holders of our Class B convertible preferred stock in the aggregate amount of $. Such preference payment will be paid out of the proceeds of this offering. See "Certain Relationships and Related Person Transactions—Sale of Class B Convertible Preferred Stock and Warrants" appearing elsewhere in this prospectus.

The undistributed earnings of our foreign subsidiaries, with the exception of our Taiwan subsidiary, are permanently reinvested since we do not intend to repatriate such earnings. We believe the decision to permanently reinvest these earnings will not have a significant impact on our liquidity.

We believe that our cash, cash equivalents, cash generated from operations and proceeds from this offering will be sufficient to meet our cash needs for at least the next 12 months.

Contractual Obligations

The following is a summary of our contractual payment obligations for consolidated debt, purchase agreements, operating leases, other commitments and long-term liabilities as of October 1, 2010 (in thousands):

	Payments Due By Period				
Obligation	Total	Less Than 1 Year	1-3 Years	3-5 Years	Thereafter
Long-Term Debt Obligations (1)	$30,000	$ —	$ 30,000	$ —	$ —
Operating Lease Obligations (2)	7,897	2,831	4,435	484	147
Capital Lease Obligations (3)	1,426	768	658	—	—
Purchase Commitments (4)	1,000	1,000	—	—	—
Other Long-Term Liabilities Reflected on the Registrant's Balance Sheet under GAAP (5)	30,000	8,800	21,200	—	—
	$70,323	$ 13,399	$ 56,293	$ 484	$ 147

(1) Reflects seller financing in connection with the M/A-COM Acquisition, which was subsequently paid off in December 2010 in connection with securing a new $50.0 million revolving credit facility with a commercial lender. Subsequent to the issuance of Class B convertible preferred stock in December 2010, we paid all outstanding amounts under the revolving credit facility and have not borrowed additional amounts under the revolving credit facility.

(2) We have non-cancelable operating lease agreements for office, research, development, and manufacturing space in the U.S. and foreign locations. We also have operating leases for certain equipment, automobiles and services. These lease agreements expire at various dates through 2017 and certain agreements contain provisions for extension at substantially the same terms as currently in effect.

(3) We entered into two non-cancelable capital lease agreements for equipment in fiscal year 2010 with terms of up to two years. The leases were terminated in May 2011 when we purchase the related assets.

(4) In the normal course of business, we enter into supply arrangements with certain of our suppliers to purchase minimum quantities of raw materials.

(5) Includes $30.0 million in contingent consideration related to the M/A-COM Acquisition, $8.8 million of which we paid in November 2010. We currently expect to pay $15.0 million of this obligation in fiscal year 2012, with the balance expected to be paid in fiscal year 2013.

The above table excludes a preference payment to the holders of our Class B convertible preferred stock of up to $60.0 million in connection with this offering and an arrangement entered into in fiscal year 2011 to pay up to $16.0 million of additional contingent consideration, payable in fiscal years 2012 and 2013, in connection with our acquisition of Optomai.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our combined consolidated financial statements. The preparation of financial statements, in conformity with generally accepted accounting principles in the U.S. (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, these estimates and judgments are subject to an inherent degree of uncertainty. On an ongoing basis, we re-evaluate our judgments and estimates. We base our estimates and judgments on our historical experience and on other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates, and material effects on our operating results and financial position may result. The accounting policies described below are those which our management believes involve the most significant application of judgment, or involve complex estimation.

Revenue recognition. We recognize revenue when: (i) there is persuasive evidence that an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the fee is fixed or determinable; and (iv) collectability is reasonably assured. We defer the recognition of revenue, and the related costs, from sales to distributors under agreements providing for rights of return and price protection until such time as our products are sold by the distributors to their customers. We do not provide customers other than distributors the right to return product, with the exception of warranty related matters, which are discussed below. Accordingly, we do not generally maintain a reserve for sales returns.

Inventory. Inventory is stated at the lower of cost or market. We use a combination of standard cost and moving weighted-average cost methodologies to determine the cost basis for inventories, approximating a first-in, first-out basis. The standard cost of finished goods and work-in-process inventory is composed of material, labor and manufacturing overhead, which approximates actual cost. In addition to stating inventory at the lower of cost or market, we also evaluate inventory each quarter for excess quantities and obsolescence, establishing reserves when necessary based upon historical experience, assessment of economic conditions and expected demand. Estimating demand is inherently difficult, particularly given the cyclical nature of the semiconductor industry, and can result in excess or obsolete inventory. Once we write down inventory to its estimated net realizable value, we establish a new cost basis for that inventory and do not increase its carrying value due to subsequent changes in demand forecasts. Accordingly, if inventory previously written down is subsequently sold, we may realize higher than normal gross margin on these transactions. Neither inventory write-downs nor sales of previously written down inventory had a material impact on our operating results for any period presented in this prospectus.

Warranty obligations. We establish a product warranty liability at the time we recognize revenue. Our warranty terms are generally 12 months from the point of sale, and cover nonconformance with specifications and defects in material or workmanship. In certain circumstances longer or more stringent product warranties may apply. For sales to distributors, our warranty generally begins when the product is resold by the distributor. The liability we record is based on our estimated costs to fulfill customer product warranty obligations, and utilizes historical product failure rates. Should actual warranty obligations differ from estimates, revisions to the warranty liability may be required. If we experience an increase in warranty claims above historical experience or our costs to provide warranty services increase, we may increase our warranty accrual, which would adversely impact our gross margin.

Share-based compensation. We provide share-based compensation awards to our directors, officers and employees as incentives in the form of stock options for the purchase of our common stock, and shares of our common stock that are subject to vesting, which we refer to as restricted stock. We measure compensation cost for such awards based upon fair value on the date of grant, and recognize this cost as expense over the service period the awards are expected to vest, net of estimated forfeitures. The fair value of restricted stock is determined based on the excess of the estimated fair value of our common stock on the date of grant over the

price paid for the shares. The fair value of stock options is determined using the Black-Scholes option-pricing model. We recognize the compensation expense associated with share-based awards on a straight-line basis over the requisite service period of the award, which is generally the vesting period. The determination of fair value of share-based awards utilizing the Black-Scholes model is affected by the fair value of our common stock as of the time of grant and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

Prior to this offering, the fair value for our common stock, for the purpose of determining the exercise prices of our stock options and the fair value of restricted stock, was estimated by our board of directors, with input from management. Our board of directors exercised judgment in determining the estimated fair value of our common stock on the date of grant based on various factors, including:

- consultation with, and receipt of valuation reports from, independent, unrelated, third-party valuation professionals prior to the dates of our equity grants;
- the prices paid in merger and acquisition transactions involving us, such as the M/A-COM Acquisition and the Mimix Merger;
- the prices for our convertible preferred stock sold to outside investors in arm's-length transactions;
- the rights, preferences and privileges of that convertible preferred stock relative to those of our common stock;
- our operating and financial performance;
- the introduction of new products;
- our stage of development and revenue growth;
- the lack of an active public market for our common and preferred stock;
- industry information such as market growth and volume;
- the performance of similarly-situated companies in our industry;
- the execution of strategic and development agreements;
- the risks inherent in the development and expansion of our products and services; and
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given prevailing market conditions and the nature and history of our business.

We do not have a history of active published market prices for our common stock, and as such, we estimate volatility in share price using historical volatilities of similar companies. For purposes of using the Black-Scholes model, we based our analysis of expected volatility on reported data for a peer group of companies that issued options with substantially similar terms using an average of the historical volatility measures of this peer group of companies. The expected life of options has been determined utilizing the "simplified" method, which uses the midpoint between the vesting date and the end of the contractual term. The risk-free interest rate is based on a U.S. treasury instrument whose term is consistent with the expected life of the stock options. We paid a dividend, aggregating $80.0 million to stockholders of record of our Series A-1 convertible preferred stock, Series A-2 convertible preferred stock and common stock on January 4, 2011 following the issuance of our Class B convertible preferred stock. This dividend was not expected at the time we granted stock options in periods prior to the dividend payment. We believe the circumstances leading up to the dividend payment were unique and we do not anticipate paying future cash dividends on our shares of common stock; therefore, the expected dividend yield was assumed to be zero in estimating the fair value of stock options in all periods presented. We utilize an estimated forfeiture rate at the grant date of an award when calculating the expense to be recorded in our statements of operations, utilizing a combination of our historical and expected forfeitures. If this estimated rate changes due to different actual forfeitures, our stock compensation expense may increase or decrease

significantly. If there are any modifications or cancellations of the underlying unvested securities or the terms of the stock option, we may be required to accelerate, increase or cancel any remaining unamortized share-based compensation expense.

We believe that the exercise price for stock options granted was determined by our board of directors in a manner consistent with guidance set forth in the American Institute of Certified Public Accountants (AICPA), Technical Practice Aid, "Valuation of Privately-Held-Company Equity Securities Issued as Compensation," referred to herein as the AICPA Practice Aid. We believe that consideration by our board of directors of the factors described above reflects a reasonable approach to estimating the fair value of our common stock for those periods. Determining the fair value of our stock requires complex and subjective judgments, however, and there is inherent uncertainty in our estimate of fair value.

For awards granted through the date of the May 2010 Mimix Merger, we used a number of methods to estimate the fair value of our common stock. In each case we developed both an income approach and market approach to estimate our total enterprise value. We allocated the enterprise value to the outstanding classes of equity based on methods described in the AICPA Practice Aid. Specifically, we employed the "Option Pricing Methodology" for valuations performed through October 2010 and the "Probability Weighted Expected Return Methodology" for valuations performed since October 2010. The change to the Probability Weighted Expected Return Methodology was precipitated by changes in our business that allowed us to forecast the occurrence of possible near-term liquidity events. For each of these valuations, consideration was given to any outside investments in our equity.

The Probability Weighted Expected Return Methodology took into consideration the following scenarios:

- two different valuation scenarios for the completion of an initial public offering;
- three different valuation scenarios for sales to a strategic acquirer at a price above the preferred stock aggregate liquidation preferences; and
- a sale to an acquirer at a price at or below the liquidation preference.

The valuation information we considered to determine the fair value of our common stock was based on the Probability-Weighted Expected Return Methodology, liquidation preferences, progress towards a liquidity event and historical market data of recent liquidity transactions for similar companies. We allocated the enterprise value to preferred and common shares based on a scenario analysis described above that incorporated our capital structure and the specific rights and preferences associated with our securities under these various liquidity scenarios. The plans of our board of directors and management, together with achieved operating results, informed the timing and probability of the liquidity events used in the scenario analysis.

In connection with share-based awards in fiscal year 2010 and during the nine months ended July 1, 2011, based upon the above and other considerations, the board of directors estimated the fair value of our common stock to be:

- either $0.16 or $0.50 per share in fiscal year 2010; and
- either $2.02 or $2.77 per share in the nine months ended July 1, 2011.

Since the M/A-COM Acquisition in March 2009, our board of directors granted the following stock options and restricted shares, through September 30, 2011:

Date	Type of Award	Number of Common Stock Shares (in thousands)	Exercise/Purchase Price Per Share	Estimated Fair Value of Common Stock Per Share on Grant Date
September 29, 2009	Stock Options	7,500	$ 0.16	$ 0.16
October 23, 2009	Stock Options	3,245	0.16	0.16
November 10, 2009	Stock Options	860	0.16	0.16
January 4, 2010	Stock Options	750	0.16	0.16
February 5, 2010	Stock Options	250	0.16	0.16
July 22, 2010	Stock Options	2,530	0.50	0.50
August 14, 2010	Stock Options	1,680	0.50	0.50
August 30, 2010	Stock Options	100	0.50	0.50
August 30, 2010	Restricted Stock	30	0.00	0.50
February 8, 2011	Restricted Stock	440	0.00	2.02
March 25, 2011	Restricted Stock	40	0.00	2.02
April 20, 2011	Restricted Stock	163	0.00	2.77
June 2, 2011	Restricted Stock	215	0.00	2.77
June 2, 2011	Stock Options	65	2.77	2.77
July 28, 2011	Restricted Stock	35	0.00	4.34
August 23, 2011	Restricted Stock	4	0.00	4.34

Estimated grant date fair value per share for stock options and restricted stock awards ranged from $0.08 to $4.34. We generally issue shares of restricted common stock at no cost to our employees and record share-based compensation expense based upon the grant-date fair value of the common stock over the period of services, which is generally the vesting period.

Significant factors considered by our board of directors in determining the fair value of our common stock at these grant dates include:

September 2009 to February 2010

The M/A-COM Acquisition was completed in March 2009, in the midst of the global economic downturn and related credit crisis, and began a prolonged phase of transitioning the business from a legacy group of product lines within a larger multinational organization to a standalone enterprise. We initially defined a restructuring plan to reduce staffing, consolidate facilities and reduce our manufacturing footprint. As part of the acquisition, we had incurred an aggregate of $43.0 million in seller-financed indebtedness bearing interest at rates between 7.5% and 13.0% per annum, both to pay for the acquisition and to provide initial working capital due to losses from operations at the time of the transaction. Approximately $5.0 million of such indebtedness was to mature six months following the acquisition, and our initial focus was on cost cutting, re-engaging with customers after a long period of uncertainty during which it was well-known that the business had been up for sale, reducing losses from operations and improving cash flows sufficiently to repay this amount, while investing in research and development toward eventual new products. Through the above efforts, we were able to repay the first $5.0 million of indebtedness to the seller in September 2009.

Throughout September 2009 to February 2010, our operating results continued to improve although at a slower pace than we expected, as the benefits of our planned reductions in staffing and outsourcing efforts took longer to realize than we had anticipated.

Our board of directors granted our first stock options to our executives in September 2009 and followed with grants of stock options to a broader group of our personnel beginning in October 2009 through February 2010. In connection with these awards, our board of directors estimated the fair value of our common stock on a

non-controlling basis to be $0.16 per share, which included, among other things, consideration of a valuation of our common stock on a non-controlling basis we obtained as of March 30, 2009. That valuation was driven primarily by the price we paid in the M/A-COM Acquisition. The U.S. economy continued to be weak through much of this period. Although we saw signs that our business and the financial markets were improving by December 31, 2009 and were able to pay off an additional $8.0 million of our indebtedness by such date, given the overall economic environment, our continued debt burden of $30.0 million, and the risk that the long-term success or failure of the bulk of our restructuring and investment in the business to date remained uncertain, the board of directors contemporaneously concluded, on the basis of these and other factors, that the fair value of our common stock as of each grant date through February 2010 remained unchanged at $0.16 per share.

March 2010 to August 2010

Between March 2010 and August 2010, the U.S. economy and the financial and stock markets continued to recover. In March 2010, we issued 100,000,000 shares of Series A-1 convertible preferred stock in exchange for 98,000,000 outstanding shares of our common stock. This exchange did not change the ownership positions of our stockholders. The Series A-1 convertible preferred stock includes a liquidation preference of $0.795 per share and other rights, privileges and designations senior to the holders of our common stock.

In May 2010, in connection with the Mimix Merger, we issued 16,821,780 shares of Series A-2 convertible preferred stock. The Series A-2 convertible preferred stock includes a liquidation preference of $2.50 per share and other rights, privileges and designations senior to the holders of our common stock.

We obtained a valuation of our common stock as of May 28, 2010, the date of the Mimix Merger, which determined the fair value of our common stock as a combined company and on a non-controlling basis to be $0.50 per share. This valuation included consideration of potential liquidity opportunities facing us on a probability weighted basis. Upon completion of the Mimix Merger, we began significant integration efforts to combine the two businesses, much of which was substantially completed by the end of the fourth quarter of fiscal year 2010. We generated revenue of $67.7 million in the third quarter of fiscal year 2010 as compared to revenue of $61.0 million in the second quarter of fiscal year 2010. Based on the valuation received and the factors discussed above, our board of directors contemporaneously concluded that the fair value of our common stock was $0.50 per share as of each grant date during July and August 2010.

September 2010 to March 2011

Between September 2010 and March 2011, the U.S. economy and the financial and stock markets continued to recover. We completed the sale of our Class B convertible preferred stock at a price of $3.51 per share in December 2010 and a paid a related special dividend, aggregating $80.0 million to our stockholders, exclusive of the new Class B convertible preferred stockholders, in January 2011. The proceeds of the stock sale, net of the dividend payments and issuance costs, allowed us to repay all of our outstanding long-term debt and increased available cash by $8.7 million, further strengthening our financial position and ability to use our cash to strategically accelerate product development efforts. We experienced sequential revenue growth, generating revenue of $77.9 million for the quarter ended March 2011 compared to $74.9 million for the quarter ended December 2010. We continued our cost savings initiatives while also heavily investing in product development. In light of our improved financial performance and the issuance of our Class B convertible preferred stock and payment of the special dividend, we obtained a valuation of our common stock as of January 4, 2011, on a post-dividend, non-controlling basis, which determined the fair value of our common stock to be $2.02 per share. Similar to the valuation we previously obtained as of May 28, 2010, this valuation included consideration of various alternative potential liquidity opportunities available to us on a probability weighted basis, such as a sale of our company or an initial public offering of our common stock, using a range of potential outcomes in terms of the timing of such events and at what valuations such events might occur. Based on the improvements in our performance since August 2010 as noted above, the Class B financing and overall general economic improvement in this period, the January 2011 valuation generally reflected higher estimated values for the

potential liquidity scenarios than reflected in the May 2010 valuation, and also gave a higher probability weighted to an initial public offering scenario than the May 2010 valuation. In addition, the January 2011 valuation utilized a lower discount rate assumption than the May 2010 valuation based on the additional historical financial data available at January 2011 and the other factors noted above. Each of these changes in assumptions had the general effect of increasing the valuation of our common stock obtained in January 2011. Based on this valuation and the factors discussed above, our board of directors contemporaneously concluded that the fair value of our common stock was $2.02 per share as of each grant date during February and March 2011.

April 2011 to June 2011

Between April 2011 and July 1, 2011, the U.S. economy and the financial and stock markets continued their recovery. We continued to experience revenue growth, generating $78.7 million for the quarter ended July 1, 2011 compared to $77.9 million for the quarter ended March 2011. We continued our cost savings initiatives while also heavily investing in product development. In light of our improved financial performance, as of April 1, 2011, we obtained a valuation of our common stock consistent with the January 4, 2011 method which determined the fair value of our common stock to be $2.77 per share, on a non-controlling basis. Based on this valuation and the factors discussed above, our board of directors contemporaneously concluded that the fair value of our common stock was $2.77 per share as of each grant date during April and June 2011. We also began interviewing potential underwriters for an initial public offering of our common stock on June 2, 2011.

July 2011 to August 2011

As discussed above, we continued to experience revenue growth through July 1, 2011 while continuing our cost savings initiatives and product development investments. As of July 1, 2011, we obtained a valuation of our common stock prepared using a methodology consistent with the one used for the April 1, 2011 valuation discussed above. The July 1, 2011 valuation determined the fair value of our common stock to be $4.34 per share, on a non-controlling basis. Similar to the valuation we previously obtained in April 2011, this valuation included consideration of various alternative potential liquidity opportunities available to us on a probability weighted basis, such as a sale of our company or an initial public offering of our common stock, using a range of potential outcomes in terms of the timing of such events and at what valuations such events might occur. Based on the improvements in our performance since the prior valuation as noted above, the July 1, 2011 valuation generally reflected higher estimated values for the potential liquidity scenarios than reflected in the prior valuation, and also gave a higher probability weighted to an initial public offering scenario than the prior valuation. These changes in assumptions had the general effect of increasing the valuation of our common stock since the prior valuation despite public concern rising over the pace of economic recovery and financial and stock market performance. Based on the valuation obtained and the factors discussed above, our board of directors contemporaneously concluded that the fair value of our common stock was $4.34 per share as of each grant date in July and August 2011. On August 1, 2011, we made an initial registration statement filing with the SEC in connection with a proposed initial public offering of our common stock.

Determining the appropriate fair value model and calculating the fair value of share-based awards requires significant judgment and the use of assumptions which may differ materially from actual results. Actual results, and future changes in estimates, may differ substantially from our current estimates.

Fair value measurements. We measure financial assets and liabilities at fair value. Fair value is an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, we group financial assets and liabilities in a three-tier fair value hierarchy. This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, we measure certain financial assets and liabilities at fair value.

The fair values of the contingent consideration liabilities were estimated based upon a risk-adjusted present value of the probability-weighted expected payments by us. Specifically, we considered base, upside and downside scenarios for the operating metrics upon which the contingent payments are to be based. Probabilities were assigned to each scenario and the probability-weighted payments were discounted to present value using risk-adjusted discount rates.

The fair value of the common stock warrants was estimated based upon a present value of the probability-weighted expected investment returns to the holders. We weighted various scenarios of possible investment returns to the holders over the terms of the contracts, such as upon a sale of us and upon an initial public offering of our common stock, using a range of potential outcomes. Using the scenarios developed, management considered the likely timing and method of exercise of the warrants and investment returns to the holders. Where a settlement was considered likely in the near term, the probable settlement amounts were weighted. Where the time to exercise was expected to be longer, a Black-Scholes option pricing model was used to estimate the fair value of the warrants, giving consideration to remaining contractual life, expected volatility and risk free rates. The probability-weighted expected settlement of the warrant was discounted to the present using a risk adjusted discount rate.

The fair values of the Class B conversion liabilities were estimated based upon a consideration of the estimated fair value of the underlying common stock into which the Class B convertible preferred stock is convertible, and the expected preferential payments pursuant to the terms of the securities. We estimated the fair value of the common stock by using the same probability-weighted scenarios in estimating the fair value of the warrants. For each potential scenario, the value to the Class B convertible stock was estimated relative to the existing preferences. The amount in excess of the liquidation preferences, if any, was then probability-weighted and discounted to the present using a risk adjusted discount rate.

These estimates include significant judgments about potential future liquidity events and actual results could materially differ and have a material impact upon the values of the recorded liabilities. Any changes in the estimated fair values of the liabilities in the future will be reflected in our earnings and such changes could be material. The fair values of common stock warrant liability and Class B conversion liabilities are heavily dependent on assumptions made by management relating to our valuation and the probability of completing an initial public offering of our common stock. An initial public offering completed during the next 12 months at a price per share reflective of our current estimated valuation, would result in an additional charge to our statement of operations of an estimated $20 million related to the common stock warrant liability and Class B conversion liabilities.

Income taxes. We periodically assess the likelihood that our deferred tax assets will be recovered from our future taxable income, and, to the extent we believe that it is more likely than not our deferred tax assets will not be recovered, we must establish a valuation allowance against our deferred tax assets. In making this assessment, we consider available positive and negative evidence. Conclusions reached are subject to significant judgments that are dependent upon changes in facts and circumstance. As of October 1, 2010, we evaluated available positive and negative evidence and determined that it was not more likely than not that our deferred tax assets would be realized, and we recorded a full valuation allowance. In arriving at this conclusion, we determined that the cumulative losses incurred by Mimix and us for the years prior to fiscal 2010 outweighed our short earnings history.

During the nine months ended July 1, 2011, we continued to evaluate available positive and negative evidence and concluded it was appropriate to recognize our deferred tax assets in full. The primary factor we considered was our continued profitability during the period. We concluded that it was probable that we would generate taxable income for our fiscal year ending September 30, 2011 and that two consecutive years of profitability and forecasted income in future years constituted sufficient positive evidence to support a more likely than not assessment of recoverability of the assets. Accordingly, we reversed $17.6 million of our income tax valuation allowance during the nine months ended July 1, 2011. The remaining valuation allowance of $2.7 million as of July 1, 2011 will be released during our last fiscal quarter of 2011 when the assets to which the valuation allowance relates are expected to be consumed.

For interim periods, we record a tax provision or benefit based upon the estimated effective tax rate expected for the full fiscal year.

Recent Accounting Pronouncements

In April 2010, the Financial Accounting Standards Board, (FASB) issued Account Standards Update (ASU) 2010-17, "Milestone Method of Revenue Recognition," which amends Accounting Standards Codification (ASC) 605. ASU 2010-17 provides guidance for determining when the milestone method of revenue recognition is appropriate and how this method should be applied, and specifies related disclosure requirements. ASU 2010-17 will be effective for us on October 2, 2011. We believe that the adoption of ASU 2010-17 will not have a material effect on our financial position or results of operations.

In December 2010, the FASB issued ASU 2010-29, "Disclosure of Supplementary Pro Forma Information for Business Combinations (a consensus of the FASB's Emerging Issues Task Force)." ASU 2010-29 clarifies that when presenting comparative financial statements, an entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only, and expands the related disclosure requirements. ASU 2010-29 will be effective for us on October 2, 2011, and will be applied to business combinations for which the acquisition date is subsequent to that date. We believe that the adoption of ASU 2010-29 will not have a material effect on our financial disclosures.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements at July 1, 2011 or October 1, 2010.

Taxes

As of October 1, 2010, the total amount of our net unrecognized tax benefits for uncertain tax positions was $0.4 million. Although it is reasonably possible that our unrecognized tax benefits for tax positions taken on previously filed tax returns could materially change in the next 12 months, we are unable to make a reasonably reliable estimate as to when cash settlement of these unrecognized tax benefits, if any, will occur with a tax authority, as the timing of examinations and ultimate resolution of those examinations is uncertain.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of business, which consists primarily of interest rate risk associated with our cash and cash equivalents, as well as foreign exchange rate risk.

Interest rate risk. The primary objectives of our investment activity are to preserve principal, provide liquidity and earn a market rate of return. To minimize market risk, we maintain our portfolio in cash and diversified short-term investments, which may consist of bank deposits, money market funds and highly-rated, short-term US government securities and short-term commercial paper through domestic banks who are insured by the Federal Deposit Insurance Corporation. The interest rates are variable and fluctuate with current market conditions. The risk associated with fluctuating interest rates is limited to this investment portfolio. We believe that a 10% change in interest rates would not have a material impact on our financial position or results of operations.

Our exposure to market risk also relates to the increase or decrease in the amount of interest expense we must pay on our revolving credit facility. The interest rate on our revolving credit facility is a variable interest rate based on our lender's prime rate, or the federal funds effective rate, in each case, plus the applicable lender's margin or an adjusted LIBOR plus the applicable lender's margin, which exposes us to market interest rate risk

when we have outstanding borrowings under the revolving credit facility. We have no outstanding borrowings under the revolving credit facility. We believe that a 10% change in interest rates would not have a material impact on our financial position or results of operations.

Foreign currency risk. To date, our international customer agreements have been denominated primarily in U.S. dollars. Accordingly, we have limited exposure to foreign currency exchange rates. The functional currency of a majority of our foreign operations is U.S. dollars with the remaining operations being local currency. The effects of exchange rate fluctuations on the net assets of the majority of our operations are accounted for as transaction gains or losses. We believe that a change of 10% in such foreign currency exchange rates would not have a material impact on our financial position or results of operations. In the future, we may enter into foreign currency exchange hedging contracts to reduce our exposure to changes in exchange rates.

BUSINESS

Company Overview

We are a leading provider of high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum. We leverage our system-level expertise to design and manufacture differentiated, high-value products for customers who demand high performance, quality, and reliability. The diversity and depth of our business across technologies, products, applications, end markets and geographies provide us with a stable foundation for growth and enable us to develop strong relationships with our customers. We offer over 3,000 standard and custom devices, which include ICs, multi-chip modules, power pallets and transistors, diodes, switches and switch limitors, passive and active components and complete subsystems, across 38 product lines serving over 6,000 end customers in three large and growing primary markets. Our semiconductor products are electronic components that our customers incorporate into their larger electronic systems, such as point-to-point radios, radar, automobile navigation systems, CATV set-top boxes, magnetic resonance imaging systems and unmanned aerial vehicles. Our primary markets are Networks, which includes CATV, cellular backhaul, cellular infrastructure and fiber optic applications; A&D; and Multi-market, which includes automotive, industrial, medical, mobile and scientific applications.

We build upon a strong 60-year heritage of delivering innovative solutions dating back to the founding of Microwave Associates, Inc. We utilize our system-level knowledge and our extensive capabilities in high-frequency modeling, IC design, integration, packaging and manufacturing of semiconductors to address our customers' needs. Our specialized engineers and technologists located across six global design centers collaborate with our customers during the early stage of their system development process to incorporate our standard products and identify custom products we can develop to enhance their overall system performance. We believe the combination of our market-facing strategy and our engineering expertise enables us to identify profitable growth opportunities and rapidly develop and deliver new products and solutions. We have a comprehensive new product opportunity assessment process with 147 products in development as of September 30, 2011 that we believe will enhance our revenue growth and improve our gross margin through a richer product mix. Many of our products have long lifecycles ranging from 5 to 10 years, and some of our products have been shipping for over 20 years. We believe these factors create a competitive advantage. Our goal is to leverage this advantage into strengthened customer relationships and sole source design wins, where a customer allows us to be its only supplier of a particular component used in its system.

We believe our "fab-lite" manufacturing model provides us with a competitive advantage and an attractive financial model through a variable cost structure. We operate a single GaAs and silicon semiconductor fab at our Lowell, Massachusetts headquarters. We also utilize external semiconductor foundries to supply us with additional capacity in periods of high demand and to provide us access to additional process technologies. The ability to utilize a broad array of internal proprietary process technologies as well as commercially available foundry technologies allows us to select the most appropriate technology to solve our customers' needs. We believe our fab-lite strategy also provides us with dependable domestic supply, control over quality, reduced capital investment requirements, faster time to market, and additional outsourced capacity when needed. In the A&D market, an internal domestic fab is often a requirement to be a strategic supplier. In addition, the experience base cultivated through the continued operation of our internal fab provides us with the expertise to better manage our external foundry suppliers.

We serve our broad and diverse customer base through a multi-channel sales strategy utilizing direct sales and a global network of independent sales representatives and distributors. Our direct sales force and application engineers are focused on securing design wins by supporting industry-leading OEM customers. Our five largest OEM and contract manufacturer customers by revenue in fiscal year 2011 in each of our primary markets, listed in alphabetical order, were as follows: (i) Alcatel-Lucent, Cisco Systems, Inc., Ericsson AB, Nokia Corporation and Samsung in the Networks market, (ii) Celestica Inc., CIENJ HK Limited, Harris Corporation, Motorola Solutions, Inc. and Rockwell Collins, Inc. in the A&D market, and (iii) Autoliv Inc., BG Tech America, Inc., Ford, SAE Magnetics (H.K.) Ltd. and Samsung in the Multi-market. We depend on orders from our top 25 direct

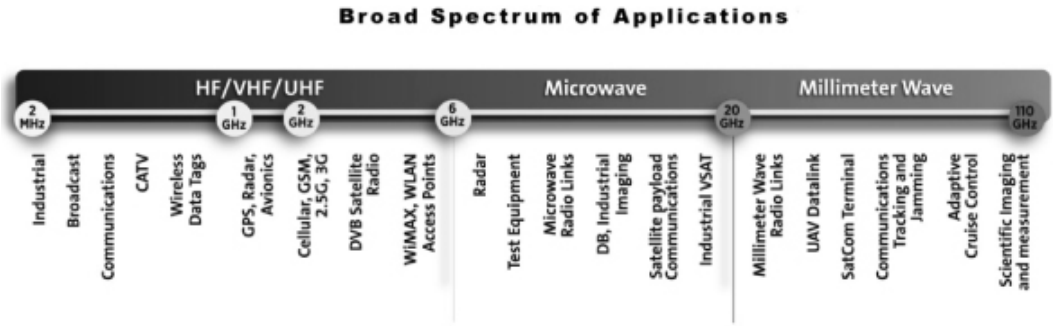
customers and our distributors for a significant portion of our revenue. Our top 25 direct customers, most of whom have been purchasing our products for at least a decade, accounted for 50.9% of our revenue in fiscal year 2010 and 57.2% of our revenue in the nine months ended July 1, 2011. Sales to our distributors accounted for 30.0% of our revenue in fiscal year 2010 and 25.1% of our revenue in the nine months ended July 1, 2011.

We generated revenue of $260.3 million for fiscal year 2010 and $231.5 million and $186.1 million for the nine months ended July 1, 2011 and July 2, 2010, respectively. Our revenue grew 24.4% for the nine months ended July 1, 2011 over the nine months ended July 2, 2010. Our income from operations was $17.9 million for fiscal year 2010 and $33.3 million and $11.0 million for the nine months ended July 1, 2011 and July 2, 2010, respectively. Our net income (loss) was $7.0 million for fiscal year 2010 and $(37.8) million and $5.3 million for the nine months ended July 1, 2011 and July 2, 2010, respectively. Our total assets were $164.8 million as of October 1, 2010 and $204.6 million as of July 1, 2011.

Industry

The growth of advanced electronic systems using RF, microwave and millimeterwave technologies has created strong demand for high-performance analog semiconductor components, modules and solutions. This market demand is driven by the growth of mobile internet devices, cloud computing and streaming video that strain existing network capacity, as well as the growth in advanced information-centric military applications. In addition, the increasing need for real-time information, sensing and imaging functions in automotive, industrial, medical, scientific and test and measurement applications is driving demand in these markets. Frost & Sullivan estimates that the worldwide market for RF, microwave and millimeterwave semiconductors across Networks, A&D and Multi-market applications will expand from $33.2 billion in 2010 to $83.1 billion in 2017, representing a CAGR of 14.0%.

The terms RF, microwave and millimeterwave are used to refer to electromagnetic waves in a particular frequency range produced by applying an alternating current to an antenna or conductor. A wide variety of advanced electronic systems rely on electromagnetic waves for high-speed data transmission or reception.



The Networks market is experiencing growth with the proliferation of wireless and wired devices from smartphones and tablets to set-top boxes, as well as the data rich applications and services they enable such as mobile internet, cloud computing, video-on-demand, social media, global positioning functionality and location based services. According to the 2011 Cisco Visual Networking Index, Global Internet Protocol traffic will quadruple from 2010 to 2015, growing at an approximately 32% CAGR. The growth in Global Internet Protocol traffic is driving demand for communications infrastructure equipment consisting of amplifiers, filters, receivers, switches, synthesizers, transformers, upconverters, and other components to expand and upgrade cellular backhaul, cellular infrastructure, CATV, broadband, and fiber optic networks. In addition, semiconductor products and solutions must continually deliver higher throughput performance and functionality to meet the increasing demands of end users.

In the A&D market, electronic content continues to grow as military applications, such as radar warning receivers, communications data links and tactical radios, unmanned aerial vehicles (UAV), RF jammers, electronic countermeasures, and smart munitions, require more advanced electronic systems. Military applications are becoming more sophisticated, favoring higher performance semiconductor ICs based on GaAs and GaN technology due to their high power density, improved power efficiency and broadband capability. Radar systems for mapping and targeting missions are undergoing a major transition from existing mechanically-scanned radar products to a new generation of active electronically-scanned array (AESA) based products. Consisting of hundreds or thousands of transmit/receive modules commonly based on GaAs and increasingly on GaN technology, AESAs deliver greater speed, range, resolution and reliability over mechanically-scanned radar products that utilize a single transmitter and receiver with mechanical steering. Military communications employing wireless infrastructure and tactical radios in the field remain critical for allowing geographically dispersed users to exchange information quickly and efficiently. The tactical radio market is transitioning from single-band, single-mode radios to multi-band, multi-mode radios and the annual multi-band military radio market is estimated to grow from $1.3 billion in 2009 to $4.4 billion in 2020, representing an approximately 12% CAGR, according to Strategy Analytics. UAVs and their underlying semiconductor content require innovative designs to meet the rigorous specifications for high performance, small size, and low power consumption. The Teal Group forecasts that the worldwide UAV market will double over the next decade due to heightened interest in information warfare and peace keeping missions.

The Multi-market category encompasses various applications including automotive, industrial, medical, mobile, test and measurement and scientific applications, where RF, microwave and millimeterwave semiconductor solutions are gaining prevalence. Semiconductor content in automobiles is projected to grow in order to offer connectivity, safety, performance and navigation features. For example, market research provider IC Insights forecasts that average semiconductor content per automobile will rise to $350 in 2011, a 15% increase from the $305 average in 2010, and to $425 in 2014. In addition, evolving medical technology has increased the need for high-performance semiconductor solutions in medical imaging and patient monitoring to provide enhanced analysis and functionality.

Industry Challenges

As the demand for advanced electronics systems relying on RF, microwave and millimeterwave technologies increases, OEMs are facing increasing challenges to provide high-performance, high quality and reliable products and systems including:

Higher performance requirements. End users of communication devices and advanced electronic systems are increasingly demanding higher performance, longer usage time, improved reception, faster data upload and download speeds, and longer service life. In order to meet these demands, OEMs seek innovative semiconductor solutions that offer greater performance attributes that result in increased throughput, reduced power consumption and increased signal integrity.

Increasing systems complexity. Growing competitive pressures to enhance system features and improve overall performance is creating greater system complexity. A common technology trend in many wireless markets is the proliferation of multi-band, multi-mode applications that operate at higher frequencies. This increasing complexity coupled with the pressure to reduce costs and simplify assembly operations, is forcing OEMs to seek highly-integrated solutions that combine multiple functions, thereby reducing component count and system size without compromising performance.

Faster time to market. OEMs must reduce their development time in order to bring their systems to market faster and respond to growing competition. Due to long OEM program lifecycles and their customer planning processes, we believe the OEM’s ability to secure initial design wins is especially critical to drive future revenue. As a result, OEMs seek integrated solutions and technical support that shorten their time to design, develop, test, qualify and launch their systems.

Greater cost pressure. The global competitive landscape demands that OEMs deliver more advanced and complex systems in a cost-effective manner. Many OEMs have reduced or eliminated their internal semiconductor design and manufacturing capabilities and instead rely on specialized, best-in-class suppliers for these solutions. This trend has yielded additional opportunities for qualified semiconductor suppliers to provide cost-effective, high-performance products and solutions.

Higher quality and reliability requirements. Our primary markets are dominated by applications requiring high quality and reliable products. Components and systems in these markets may be subject to extreme environmental conditions for extended periods of time, in some cases over 10 years. For example, in automotive, battlefield and communications infrastructure applications, quality and reliability requirements are more stringent as the consequences of a field failure can be particularly serious or expensive to service. As a result, OEMs may require their suppliers to implement specialized design, manufacturing, quality assurance and testing processes.

Our Competitive Strengths

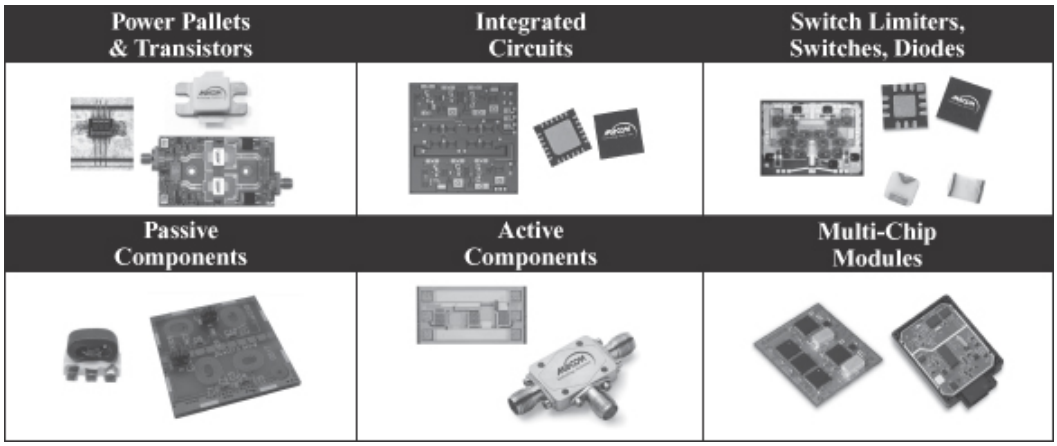
We believe our key competitive strengths include the following:

Extensive design and integration capabilities. Our 60-year heritage of innovation has allowed us to develop a comprehensive understanding of high-performance analog semiconductor solutions for wireless and wireline RF, microwave and millimeterwave applications. Our expertise includes advanced modeling, IC design wafer fabrication processes, packaging and associated assembly and testing of individual devices and complete subsystems. Our system-level approach to integration in conjunction with innovative IC and package design capabilities enable us to rapidly provide a comprehensive set of high-performance and high-value solutions to meet the increasingly complex needs of our customers. For example, our “SmartSet” chipset solution of six highly-integrated, multi-function ICs simplifies complex point-to-point radio design for our customers. The six ICs consist of an upconverter, receiver, driver amplifier, power amplifier, frequency multiplier and voltage controlled oscillator, which when combined together in our “SmartSet” chipset deliver optimal system performance while enabling OEMs to achieve faster time to market. Our engineers use proprietary semiconductor and package modeling techniques to further enhance our design capabilities and accurately model performance of our new designs before fabrication, thus reducing cost and shortening time to market. Our team of engineers, many of whom have over 20 years of experience in high-frequency analog design, are located across six global design centers. The combination of our extensive knowledge base, patents and trade secrets, design and modeling expertise and experienced engineering talent provides a competitive advantage.

Fab-lite manufacturing with broad and differentiated process and packaging technologies. We believe our fab-lite model provides us with an operating advantage over fabless competitors and those that only use an internal fab, by giving us the flexibility to use our internal fab for proprietary process technologies or external fabs for other technologies. Our fab-lite model also provides us with dependable domestic supply, control over quality, reduced capital investment requirements, faster time to market and additional outsourced capacity when needed. In the A&D market, an internal domestic fab is often a requirement to be a strategic supplier. For example, our diode and switch manufacturing capabilities include our patented aluminum GaAs (AlGaAs) and heterolithic microwave integrated circuit (HMIC) process technologies. With our AlGaAs diode technology, we have been able to secure design wins in high end systems such as semiconductor test and measurement equipment and A&D missile seeker heads that require high power, low insertion loss switching components up to 70 GHz. We have also pioneered the design of low cost surface mount packaging for high-frequency, millimeterwave applications, which allows our customers to leverage lower cost and high-volume assembly lines to manufacture their products. The combination of these processes and packaging technology innovations with our fab-lite manufacturing model and broad engineering expertise enables us to optimize our products to best address our customers’ needs while providing a competitive advantage that we believe is difficult to replicate.

Breadth and depth of product portfolio and diverse end markets. We offer a broad range of standard and custom ICs, modules and complete subsystems across 38 product lines. Many of our products have long lifecycles ranging from 5 to 10 years. Our product portfolio currently includes more than 3,000 products actively sold across various product lines in the following key platforms:

Key Product Platforms



More than 6,000 customers in various applications and end markets worldwide have purchased our products, either from us directly or through our global network of sales representatives and distributors. Our products are offered in numerous form factors to facilitate their use in a variety of applications within our diverse primary markets of Networks, A&D and Multi-market, which represented 27%, 33%, and 40%, respectively, of our revenue in fiscal year 2010 and 31%, 30% and 39%, respectively, of our revenue in the nine months ended July 1, 2011. Our disciplined approach to new product development allows us to produce new product platforms with a fast cycle time from opportunity assessment to product launch. Our broad offering and reach into three large and growing markets provide us with competitive advantages to identify and address new opportunities for growth. For example, our commercial manufacturing experience and capabilities in the Networks and Multi-market allow us to provide cost-effective solutions to the A&D market. In addition, while our A&D customers may be the first to demand products fabricated in the newest high-performance process technologies, as manufacturing volumes increase and wafer prices drop, we believe our Networks and Multi-market customers will increasingly demand next-generation products leveraging these technologies.

Global sales and engineering footprint fostering strong customer relationships. We employ a global multi-channel sales strategy and support model intended to facilitate our customer's evaluation and selection of our products. We sell through our direct sales force, our application engineering staff and our global network of independent sales representatives and distributors. We have strategically positioned our direct sales and applications engineering staff in 25 locations worldwide, augmented by independent sales representatives and distributors in 135 locations worldwide to offer responsive local support resources to our customers and to build long-term relationships. With our global design centers, our application engineers visit customers at their engineering and manufacturing facilities, aid them in understanding our capabilities and collaborate with them to optimize their system performance. Our global distribution network allows us to reach new customers in new geographies more effectively than we can using our direct sales force alone.

Proven track record, extensive history and reputation for delivering high-quality and reliable solutions. Our management leadership team has an average of 23 years of experience in our industry. In addition, M/A-COM as a global brand leverages a 60-year heritage of experience in designing and manufacturing innovative and reliable

solutions to meet the needs of our industry-leading OEM customers. Over the years we have developed broad expertise in a number of disciplines that are critical to the design and manufacture of ICs, components and modules for technically demanding RF, microwave and millimeterwave applications. We have organized our business globally around key markets and are often selected by customers on the basis of our demonstrated industry expertise to provide them with insight, innovation and high quality, reliable solutions. Our U.S.-based fab provides us and our customers the confidence that our technology and their supply are both secure and dependable for their relatively long-lived programs. Running our own fab assures us and our customers that our production quality standards will be adhered to at the highest level. We place a relentless focus on operational quality and efficiency, which has resulted in deep and lasting relationships with our core customers.

Strategy

Our objective is to be the leader in providing high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum. Key elements of our strategy to achieve this objective include:

Aggressively deliver new products and solutions. Our system-level expertise, engineering talent and broad technology portfolio provide us with a strong foundation for delivering new products and solutions. We intend to use our new product opportunity assessment process to identify and develop more integrated, higher-margin and value-added solutions with long lifecycles that we believe can support our revenue growth and improve our gross margin through a richer product mix. Product opportunities are evaluated on various criteria, including market and customer opportunity, product and technology strategy, and financial targets. We continue to invest in our product portfolio and recently doubled the size of our engineering team, expanded from two to six global design centers and significantly increased our research and development spending. As of September 30, 2011, we had 147 new products in development with expected design cycle times ranging from 8 weeks to 18 months. For example, we recently introduced GaN transistors as well as a “Smart Pallet” that integrates multiple GaN transistors and additional circuitry on a low-cost board. The uniquely designed “Smart Pallet” reduces the complexity and cost for our customers to integrate our solutions into their system by lowering their bill of materials and enabling programmability. We believe we will continue to provide more technology solutions and extend our position as a leading provider in the markets we serve.

Leverage technology expertise and innovation. We believe our core competency is the ability to model, design, integrate, package and manufacture differentiated solutions. We intend to leverage this core competency to continue to solve increasingly difficult and complex challenges that our customers face during their system design phases. We believe our integrated and customized solutions provide high performance, quality, reliability and faster time to market and we will continue to enhance and defend our technology leadership and sole supplier status with many of our customers. For example, we developed innovative, patented technologies such as HMIC, which provides high integration, high power and low loss switching capabilities for our primary markets. This technology replaces mechanical switches for very high power applications.

Increase sales to existing customers and pursue new markets and customers. We intend to continue to expand our revenue opportunities through our market-facing strategy of aligning our solutions with our customers’ needs and collaborating with them during the product definition stage of their systems to design in our standard products and identify custom products we can develop to enhance their overall system. We believe this approach will allow us to sell more complete semiconductor solutions that integrate more functions and incorporate more highly-valued content into our products. Our multi-channel sales strategy allows us to reach new customers in new geographies more effectively than we can with only our direct sales force. We also intend to increase our direct sales force presence in attractive international markets with high-growth potential.

Utilize our fab-lite manufacturing approach to optimize our solutions. We intend to continue capitalizing on our fab-lite strategy as an operating advantage. In any situation, we may choose to leverage our internal proprietary process technologies or other technologies from external fabs. Our domestic fab provides us with a dependable source of supply and allows us to better control quality and develop products faster with shorter

fabrication lead times over external foundries. We believe our ability to leverage our existing internal capabilities and external outsourcing helps us to provide optimized solutions for our customers and will help us gain market share over time.

Opportunistically pursue complementary acquisitions. We intend to pursue acquisitions of technologies, design teams, products and companies that complement our strengths and help us execute our strategies. Our acquisition strategy is designed to accelerate our revenue growth, expand our technology portfolio, grow our addressable market and create shareholder value. We believe our management team has a proven track record in identifying, acquiring and successfully integrating companies and technologies in the high-performance analog semiconductor industry. We acquired Mimix for its complementary products and technologies in our core markets, which enabled us to strengthen customer relationships, and Optomai for technologies that have accelerated our entrance into the fiber optics market.

Continue to improve operational efficiency. We intend to expand our gross margin primarily through a higher margin product mix driven by our new product opportunity assessment program. We also intend to continue to increase our operational efficiency by leveraging our existing fixed-cost structure, achieving greater capacity utilization and continuing to optimize our supply chain.

Markets

We offer high-performance analog semiconductor products for both wireless and wireline applications across the frequency spectrum from RF to millimeterwave. We regularly develop high-value products to serve our customers in three primary markets: Networks, A&D and Multi-market.

Networks. In the Networks market, our expertise in system-level architectures and advanced IC design capability allow us to offer OEMs highly-integrated solutions optimized for performance and cost. We are a leader in high-frequency semiconductors used in point-to-point radios for cellular backhaul and we provide a highly-integrated solution featuring innovative IC and package design capabilities. Similarly, we offer a broad portfolio of opto-electronics products for transmitter and receiver applications in 40/100 gigabits per second (Gbps) fiber optic networks, enabling telecommunications carriers and data centers to cost-efficiently increase their network capacity by a factor of four to ten times. For optical communications applications, we utilize a proprietary combination of GaAs and InP technologies to obtain advantages in performance and size. For CATV applications, we offer OEMs the opportunity to streamline their supply chain through our broad portfolio of active components such as active splitters, amplifiers, multi-function ICs and switches, as well as passive components such as transformers, diplexers, filters, power dividers and combiners. Our revenue from sales of Networks products accounted for 27% of our revenue for fiscal year 2010, and 31.0% and 26.4% for the nine months ended July 1, 2011 and July 2, 2010, respectively.

Aerospace & Defense. In the A&D market, we believe our in-depth knowledge of critical radar system requirements, integration expertise and track record of reliability make us a trusted resource for customers faced with demanding application parameters. For radar applications, we offer standard and custom power transistor pallets, discrete components, limiters, phase shifters and integrated modules for transmission functions in air traffic control, marine, weather and military radar applications. For military communications data link and tactical radio applications, we offer a family of active, passive and discrete products that can fill out both the transmit and receive chain in such systems, such as integrated IC modules, control components, voltage-controlled oscillators (VCOs), transformers, power transistors and pallets, and diodes. In some cases, we design parts specifically for these applications, while in others, our reputation for quality allows these demanding customers to reduce the cost of their high-performance systems by designing in standard dual-use or commercial off-the-shelf parts that we have developed for other applications. We believe manufacturing many of these products in our U.S. fab offers us a competitive advantage in the A&D market because of our proprietary process technologies and certain A&D customers' requirements for a domestic supply chain. Our revenue from sales of A&D products accounted for 33% of our revenue for fiscal year 2010 and 29.9% and 32.8% for the nine months ended July 1, 2011 and July 2, 2010, respectively.

Multi-market. In Multi-market, our products are used in automotive, industrial, medical, mobile, test and measurement and scientific applications. For automotive applications, we leverage our patented technology, proprietary software, advanced integration expertise and system architecture to provide an integrated global positioning system (GPS) module with smaller form factor and lower cost. In the medical industry, our custom designed non-magnetic diode product line is critical for MRI applications. For automotive sensing and test and measurement applications, we believe our patented HMIC process is ideal for high-performance, integrated bias networks. Our portfolio of general purpose GaAs ICs includes low noise amplifiers and power amplifiers that address a wide range of applications from industrial automation systems to test and measurement equipment, tablets and other wireless local area network devices. Our revenue from sales of Multi-market products accounted for 40% of our revenue for fiscal year 2010 and 39.1% and 40.9% for the nine months ended July 1, 2011 and July 2, 2010, respectively.

The table below presents the major applications in our three primary markets:

Networks	Aerospace & Defense	Multi-market
Broadcast	Avionics	Automotive / GPS
CATV Headend Equipment	Electronic Warfare	Body / Object Scanning
CATV Infrastructure	Military Comm. Data Links	Datacards
Cellular Backhaul	Military Comm. Radios	Industrial
Cellular Infrastructure	Public Safety Radios	Scientific
Commercial Satellite	Radar	Medical
FTTx Broadband	Space/High-Reliability	Smart Energy
Optical Communications		Smartphones / Tablets
Satellite Communications		Test & Measurement
Set-Top Box / DVR / Modems		Wireless LAN
Video / Media Gateway		

Products

We offer 38 product lines with an extensive portfolio of over 3,000 standard and custom devices, ICs, modules and complete subsystems that OEMs can utilize to build their complex systems. Our new product introductions since the beginning of 2010 have included GaN power transistors, low phase noise VCOs, active splitters, highly-linear packaged power amplifiers, HMIC broadband switches, highly-integrated and packaged 38 GHz chipsets, 4- and 6-bit phase shifters, modulator drivers and transimpedance amplifiers.

The table below presents the major product lines in each of our three primary markets:

Product Lines	Networks	Aerospace & Defense	Multi-market
Active Splitter	ü		
Amplifier	ü	ü	ü
Attenuator	ü	ü	ü
Automotive Module			ü
Balun	ü		
Bias Networks			ü
Capacitor		ü	ü
Component		ü	ü
Coupler	ü	ü	ü
Diode	ü	ü	ü
Down Converter IC		ü	
Filter	ü		
Frequency Multiplier	ü	ü	ü
Hybrid Voltage Controlled Oscillator	ü	ü	ü
Integrated Receiver IC	ü	ü	
Integrated Transmitter IC		ü	
Logic Driver Circuit	ü	ü	ü
Mixer	ü	ü	ü
Modulator / Demodulator		ü	ü
Multi-Function Integrated Circuit	ü	ü	
Multi-Function Module	ü	ü	ü
Optical Limiting Amplifier	ü		
Optical Modulator Driver	ü		
Phase Shifter	ü	ü	
Power Combiner	ü	ü	ü
Power Detector	ü	ü	ü
Power Divider	ü	ü	ü
Power Hybrid Pallet	ü	ü	ü
Power Hybrid Transistor	ü	ü	ü
Switch	ü	ü	ü
Switch Limiter	ü	ü	
Synthesizer	ü	ü	
Transceiver			ü
Transformer	ü	ü	
Transimpedance Amplifier	ü		
Upconverter IC	ü		
Variable Gain Amplifier	ü	ü	ü
Voltage Controlled Oscillator	ü	ü	

Technology

The interaction of semiconductor process technology, circuit design technology and in some cases, packaging technology defines the performance parameters of our products.

Circuit design and device modeling expertise. Our engineers are experts in the design of circuits capable of reliable, high-performance RF, microwave and millimeterwave signal conditioning. Our staff has decades of experience in solving complex design challenges in applications involving high frequency, high power, and environmentally-rugged operating conditions. We also developed proprietary device and electro-magnetic modeling techniques that our engineers use to generate predictive models prior to fabrication, which reduce the number of physical prototype builds necessary to bring a new product design to market.

Packaging expertise. Our extensive packaging expertise enables us to model the interaction between the semiconductor and its package, and our engineers make appropriate adjustments in the design of both to take account of that interaction. We offer products in a variety of different package types for specific applications, including plastic over-molded, ceramic and laminate-based.

Semiconductor process technology. We leverage our domestic semiconductor wafer fabrication capabilities and our foundry suppliers to offer customers the right process technology to meet their particular requirements. Depending on the requirements for the application, our semiconductor products may be designed using any of the following internally developed and externally sourced process technologies:

Internal Process Technologies	External Process Technologies
AlGaAs Diodes	GaAs HBT
GaAs MESFET	GaAs HFET
GaAs pHEMT	GaAs MESFET
HMIC Technology	GaAs pHEMT
Silicon Bipolar	GaN on SiC
Silicon Diodes	InP HBT
Silicon LDMOS	RF CMOS
Silicon MOSFET	SiGe

We regularly develop and continue to invest in proprietary processes to enable us to develop and manufacture unique high-value solutions. For example, our HMIC technology is a patented process offered only by us that uses a silicon/glass process to produce components with compact die outlines that have high isolation and low loss, and are optimized for wide operating frequency ranges. Our engineers' complex system-level design expertise allows us to offer differentiated solutions that leverage multiple process technologies and are integrated into a single, higher-level assembly thereby delivering our customers' solutions with enhanced functionality.

Research and Development

Our research and development efforts are directed toward the rapid development of new and innovative products and solutions, process technologies and packaging techniques. Our predictive modeling expertise allows us to achieve faster design cycle times resulting in shorter time to market for our products. Our new product introductions in 2010 and 2011 to date have included:

- GaN power transistors and pallets for radar and avionic applications;
- low phase noise VCOs for the cellular backhaul market and military communications applications;
- active splitters for CATV multi-tuner broadband voice, video and data customer premises equipment, and front-end ICs for home networking applications;
- highly-linear, packaged power amplifiers well-suited to cellular backhaul and satellite communication applications;

- HMIC broadband diode switches with packaging optimized for broadband performance, well-suited to military and test equipment applications;
- highly-integrated, packaged 38 GHz chipsets for point-to-point radio applications, including an integrated upconverter and receiver, driver and power amplifiers, a VCO and a multiplier;
- 4- and 6-bit phase shifters across multiple frequency bands for commercial communications and radar applications; and
- optical modulator drivers and transimpedance amplifiers for 40/100 Gbps fiber optic networks.

Research and development expenses were $25.5 million and $18.7 million for the nine months ended July 1, 2011 and July 2, 2010, respectively, and $25.8 million, $13.6 million and $6.7 million for fiscal years 2010, 2009 and 2008, respectively. As of September 30, 2011, we had 147 new products in development. We anticipate that we will continue to make significant research and development expenditures in order to drive future new product introductions and maintain our competitive position. As of July 1, 2011, we had 146 employees dedicated to research and development at six global design locations.

Sales & Marketing

We sell our products and solutions through our multi-channel sales strategy consisting of our direct sales force and our applications engineering staff in 25 locations worldwide, augmented by independent sales representatives and our authorized distributors, including Richardson and Avnet Electronics Marketing located in 135 locations worldwide. Our products are principally sold in the U.S., Asia and Western Europe, which is also where our direct sales force, engineering staff, independent sales representatives and distributors are concentrated. Sales to our distributors accounted for 30.0% of our revenue in fiscal year 2010 and 25.1% of our revenue in the nine months ended July 1, 2011. Our agreements with our distributors provide for an initial term of one or more years with the opportunity for subsequent renewals and also provide that either party may terminate the agreement for convenience with a minimum period of prior notice to the other party, typically between 30 and 90 days.

As of July 1, 2011, we had 111 employees dedicated to sales and marketing, strategically positioned in more than 25 locations worldwide to offer dedicated local support resources to our customers. The sales team is focused on customer needs in our three primary markets rather than on particular product lines, facilitating product cross-selling across end markets and within key accounts. Through our website, customers can request samples, as well as access our product selection guide, detailed product brochures and data sheets, application notes, suggested design block diagrams and test fixture information, technical articles and information regarding quality and reliability.

Customers

Our diversified customer base of over 6,000 customers includes systems manufacturers, OEMs, contract manufacturers and distributors. For fiscal year 2010 and the nine months ended July 1, 2011, our only direct customer individually accounting for more than 10% of our revenue was Ford at 10.9% and 11.2%, respectively. In addition, our principal distributor Richardson individually accounted for 23.4% and 20.7%, respectively, of our revenue in fiscal year 2010 and the nine months ended July 1, 2011. Our top 25 direct customers accounted for 50.9% of our revenue in fiscal year 2010 and 57.2% of our revenue in the nine months ended July 1, 2011.

Competition

The markets for our products are highly competitive and are characterized by rapid technological change and continuously evolving customer requirements. We believe that the principal competitive factors in our markets include:

- the ability to timely design and deliver products and solutions that meet customers' performance, reliability and price requirements;

- the breadth and diversity of product offerings;
- the ability to provide a reliable supply of products in sufficient quantities and in a timely manner;
- the ability of engineering talent to drive innovation and new product development;
- the quality of customer service and technical support; and
- financial and operational stability and reputation.

We believe that we compete favorably with respect to these factors. However, many of our competitors have significantly greater financial, technical, manufacturing and marketing resources than we do and might be perceived by prospective customers to offer financial and operational stability superior to ours. The competition for similar products also affects the pricing of our products and pricing may not remain at a level where we can sell our products on a profitable basis.

We compete primarily with other suppliers of high-performance analog semiconductor solutions for use in wireless and wireline RF, microwave and millimeterwave applications. We expect competition in our markets to intensify, as new competitors enter the RF, microwave and millimeterwave markets, existing competitors merge or form alliances, and new technologies emerge. Some of our competitors are also our customers, and in certain product categories we compete with semiconductor manufacturers from which we also obtain foundry services, including TriQuint and RFMD.

We compete with Hittite across all three of our primary markets. In the Networks market, we also compete with Avago, RFMD and TriQuint. In the A&D market, we also compete with Aeroflex, Microsemi and TriQuint. In the Multi-market arena, we also compete with Aeroflex, Avago, Microsemi and Skyworks Solutions, Inc.

Geographic Information

For information regarding revenue and long-lived assets by geographic region, see Note 24 to our combined consolidated financial statements appearing elsewhere in this prospectus. Risks attendant to our foreign operations are discussed elsewhere in this prospectus under the heading “Risk Factors.”

Backlog and Inventory

Our sales are made primarily on a purchase order basis, rather than pursuant to long-term contracts where the customer commits to buy any minimum amount of product over an extended period. We also sometimes ship finished goods inventory to certain customer or third-party “hub” locations, but do not recognize revenue associated with such shipments until these customers consume the inventory from the hub. Due to these arrangements and industry practice, which allows customers to cancel orders with limited advance notice prior to shipment, and with little or no penalty, we believe that backlog as of any particular date may not be a reliable indicator of our future revenue levels. We also frequently ship products from inventory shortly after receipt of an order, which we refer to as “turns business.” The cancellation or deferral of product orders, the return of previously sold products, or overproduction due to a change in anticipated order volumes could result in us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition.

Intellectual Property

Our success depends in part upon our ability to protect our intellectual property. To accomplish this, we rely on a combination of intellectual property rights, including patents, copyrights, trademarks and trade secrets, as well as customary contractual protections with our customers, suppliers, employees and consultants.

As of July 1, 2011, we had 89 U.S. and 15 foreign patents and two U.S. and seven foreign pending patent applications covering elements of circuit design, manufacturing and wafer fabrication. We do not know whether any of our pending patent applications will result in the issuance of patents or whether the examination process will require us to narrow our claims. The expiration dates of our patents range from 2011 to 2028. We do not regard any of the patents scheduled to expire in the next 12 months as material to our overall intellectual property portfolio. Notwithstanding our active pursuit of patent protection when available, we believe that our future success will be determined by the innovation, technical expertise and management abilities of our engineers and management more than by patent ownership.

The semiconductor industry is characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by the vigorous pursuit, protection and enforcement of intellectual property rights. Many of our customer agreements require us to indemnify our customers for third-party intellectual property infringement claims, which may in the future require that we defend those claims and might require that we pay damages in the case of adverse rulings. Claims of this sort could harm our relationships with our customers and might deter future customers from doing business with us. With respect to any intellectual property rights claims against us or our customers or distributors, we may be required to cease manufacture of the infringing product, pay damages, expend resources to develop non-infringing technology, seek a license, which may not be available on commercially reasonable terms or at all, or relinquish patents or other intellectual property rights.

Facilities

Our principal executive offices are located in two adjacent leased facilities in Lowell, Massachusetts. We do not own any real property, and conduct our administration, manufacturing, research and development and sales and marketing in our leased facilities. We believe that our leased facilities are adequate for our present operations. The following is a list of our main facilities and their primary functions.

Site	Major Activity	Square Footage	Lease Expiration
Lowell, Massachusetts	Administration, Wafer Fabrication, Assembly and Test, Research and Development, Sales and Marketing	157,000	September 2013
Lowell, Massachusetts	Assembly and Test, Research and Development	60,000	June 2014
Cork, Ireland	Administration, Research and Development	21,000	September 2013

We also maintain leased facilities for our design centers located in Santa Clara, California, Belfast, Northern Ireland, and Sydney, Australia, our design, assembly and test operations located in Torrance, California, our administrative, assembly and test operations located in Hsinchu, Taiwan, and our local sales offices in China, India and South Korea.

Manufacturing, Sources of Supply and Raw Materials

All of our internal wafer fabrication, and a majority of our internal assembly and test operations, are conducted at our Lowell, Massachusetts headquarters. We believe having a U.S.-based four-inch wafer fab is a competitive advantage for us over fabless competitors, in that we have greater control over quality, a secure

source of supply and a domestic source for U.S. A&D customers for whom this may be an important sourcing advantage. We also perform internal assembly and test functions at our Torrance, California and Hsinchu, Taiwan locations.

The remainder of our manufacturing is outsourced, and our operations staff has extensive expertise in the management of outsourced manufacturing service providers and other supply chain participants. We believe our fab-lite model of outsourcing certain of our manufacturing activities rather than investing heavily in capital-intensive production facilities to support those functions internally provides us with the flexibility to respond to new market opportunities, simplifies our operations and significantly reduces our capital requirements.

We utilize external foundries to supply us with semiconductor wafers manufactured in process technologies which we have chosen not to develop internally, and to provide us additional manufacturing capacity on some internally fabricated process technologies. We also use third-party contract manufacturers for assembly, packaging and test functions, and in some cases for fully-outsourced turnkey manufacturing of our products. As of July 1, 2011, we had 364 employees devoted to internal fabrication and manufacturing operations, and the management of our outsourced manufacturing activities.

The principal materials used in the production of our IC products are semiconductor substrates and high purity source materials such as gallium, aluminum, arsenic and silicon. We purchase from hundreds of suppliers worldwide a wide variety of other semiconductors, packages, metals, printed circuit boards, electromechanical components and other materials for use in our operations. These supply relationships are generally conducted on a purchase order basis. The use of external suppliers involves a number of risks, including the possibility of material disruptions in the supply of key raw materials and components, the lack of control over delivery schedules, capacity constraints, quality and costs.

While we attempt to maintain alternative sources for our principal raw materials to reduce the risk of supply interruptions or price increases, some of the raw materials and components are not readily available from alternate suppliers due to their unique nature, design or the length of time necessary for re-design or qualification. We routinely utilize single sources of supply for various materials based on availability, performance, efficiency or cost considerations. For example, wafers procured from merchant foundries for a particular process technology are generally sourced through one foundry only, on which we rely for all of our wafers in that process. Our reliance on external suppliers puts us at risk of supply chain disruption if the supplier does not have sufficient raw material inventory to meet our manufacturing needs, goes out of business, changes or discontinues the process in which components or wafers are manufactured, or declines to continue supplying us for competitive or other reasons, as discussed in more detail in “Risk Factors” beginning on page 11. Where practical, we attempt to mitigate these risks by qualifying multiple sources of supply, redesign of products for alternative components and purchase of incremental inventory of raw materials and components in order to protect us against supply problems.

Quality Assurance

The goal of our quality assurance program is for our products to meet our customers’ requirements, be delivered on time, and function reliably throughout their useful lives. The International Organization for Standards (ISO) provides models for quality assurance in various operational disciplines, such as design, manufacturing and testing, which comprise one part of our overall quality management system. Our Lowell, Massachusetts; Torrance, California; Cork, Ireland; Sydney, Australia and Hsinchu, Taiwan locations have each received ISO 9001:2008 certifications in their principal functional areas. In addition, our Lowell facility has received an ISO 14001:2004 environmental management systems certification.

Environmental Regulation

Our operations involve the use of hazardous substances and are regulated under international, federal, state and local laws governing health and safety and the environment. These regulations include limitations on

discharge of pollutants to air, water, and soil; remediation requirements; product chemical content limitations; manufacturing chemical use and handling restrictions; pollution control requirements; waste minimization considerations; and treatment, transport, storage and disposal of solid and hazardous wastes. We are also subject to regulation by the U.S. Occupational Safety and Health Administration and similar health and safety laws in other jurisdictions.

We believe that our properties and operations at our facilities comply in all material respects with applicable environmental laws and worker health and safety laws; however, the risk of environmental liabilities cannot be completely eliminated, and there can be no assurance that the application of environmental and health and safety laws to our business will not require us to incur material future expenditures.

We are also regulated under a number of international, federal, state and local laws regarding recycling, product packaging and product content requirements, including legislation enacted in the European Union and other foreign jurisdictions that have placed greater restrictions on the use of lead, among other chemicals, in electronic products, which affects materials composition and semiconductor packaging. These laws are becoming more stringent and may in the future cause us to incur material expenditures.

Export Regulations

We market and sell our products both inside and outside the U.S. Certain of our products are subject to the Export Administration Regulations, administered by the Department of Commerce, Bureau of Industry Security, which require that we obtain an export license before we can export products or technology to specified countries. Additionally, some of our products are subject to the International Traffic in Arms Regulations, which restrict the export of information and material that may be used for military or intelligence applications by a foreign person. Other of our products are controlled by similar laws in other jurisdictions. Failure to comply with these laws could result in sanctions by the government, including substantial monetary penalties, denial of export privileges and debarment from government contracts. We maintain an export compliance program staffed by dedicated personnel under which we screen export transactions against current lists of restricted exports, destinations and end users with the objective of carefully managing export-related decisions and transactions and shipping logistics and ensuring compliance with these regimes. We believe we have obtained all export licenses required for our shipments subject to these regulations.

Legal Proceedings

We are routinely subject to claims of a type we believe are common for companies engaged in our line of business, including commercial disputes, employment issues and claims by other companies in the industry that we have infringed or misappropriated their intellectual property rights. Any such claims may lead to future litigation and material damages and defense costs. As of the date of this filing, other than as set forth below, we are not involved in any material pending legal proceedings.

In April 2011, GigOptix, Inc. (GigOptix) filed a first amended complaint in the Santa Clara County Superior Court against us, our subsidiary Optomai, and five employees (the Ex-Employees) who had previously worked for GigOptix. GigOptix alleged that the Ex-Employees began conceptualizing a new business venture which would become Optomai in 2009 before resigning from their employment with GigOptix, and that they used confidential information of GigOptix in their new business. The complaint sought unspecified damages, attorneys' fees and costs, and injunctive relief for alleged breach of employment-related agreements, trade secret misappropriation and other related alleged torts by the employee defendants, Optomai and, following our April 2011 acquisition of Optomai, us.

In July 2011, GigOptix sought a temporary restraining order and thereafter an injunction on the same grounds, both of which were denied by the court. In August 2011, GigOptix amended its complaint for the second time, to delete its claims for negligent and intentional interference with economic advantage and unfair competition, leaving the following claims outstanding: (i) breach of duty of loyalty against the Ex-Employees

only, (ii) breach of contract against the Ex-Employees only, (iii) misappropriation of trade secrets against all defendants, and (iv) unfair business practices against all defendants. We intend to defend the lawsuit vigorously.

Claims that our products or processes infringe or misappropriate any third-party intellectual property rights (including claims arising through our contractual indemnification of our customers) often involve highly complex, technical issues, the outcome of which is inherently uncertain. Moreover, from time to time we may pursue litigation to assert our intellectual property rights. Regardless of the merit or resolution of any such litigation, complex intellectual property litigation is generally costly and diverts the efforts and attention of our management and technical personnel.

Employees

As of July 1, 2011, we employed 712 persons worldwide and none of our domestic employees were represented by a collective bargaining agreement; however, a number of our employees working in our European operations were covered by collective bargaining agreements. We consider our relations with employees to be good, and we have not experienced a work stoppage due to labor issues.

General Development

We were incorporated under the laws of the State of Delaware in March 2009. Our operations are conducted through our various subsidiaries, which are organized and operated according to the laws of their respective jurisdictions of incorporation, and consolidated by M/A-COM Tech.

M/A-COM Technology Solutions Inc., our primary operating subsidiary which provides high-performance analog semiconductor solutions for use in wireless and wireline applications across the RF, microwave and millimeterwave spectrum, was incorporated under the laws of the state of Delaware on July 16, 2008. M/ACOM Technology Solutions (Cork) Limited, our primary foreign operating subsidiary which focuses on solutions for broadband and communications infrastructure applications, was incorporated under the laws of Ireland on November 18, 2008. In September 2008, Cobham acquired certain assets from a third party, including the RF and microwave component and subsystem design and business operations that would ultimately become the operations of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited. The heritage of some of these business operations dates back over 60 years to the founding of Microwave Associates, Inc. and the M/A-COM brand dates back over 30 years.

On March 30, 2009, we acquired 100% of the outstanding stock of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited and the related M/A-COM brand from Cobham for $22.1 million in cash net of purchase price adjustments, the issuance of $35.0 million in short- and long-term debt payable to the seller and contingent consideration of up to $30.0 million based on our achievement of revenue targets in the 12-month periods ended September 30, 2010 and ending September 30, 2011 and 2012. We paid Cobham contingent consideration of $8.8 million for the period ended September 30, 2010 in November 2010. Our current expectation is that we will likely pay the seller the maximum possible earn-out payment of $15.0 million for the period ending September 30, 2011 and that we will likely pay Cobham the remaining maximum possible earn-out payment of $6.2 million for the period ending September 30, 2012.

On May 28, 2010, we acquired Mimix, a supplier of high-performance GaAs semiconductors, for $1.2 million in cash and 17.5 million shares of our Series A-2 convertible preferred stock.

On April 25, 2011, we acquired Optomai, a fabless semiconductor company that develops high-performance ICs and modules for next generation fiber optic networks, for $1.8 million in cash and contingent consideration of up to $16.0 million based on our achievement of certain revenue, product release and contribution margin targets based on sales of products utilizing Optomai intellectual property in the 12-month periods ending March 30, 2012 and March 29, 2013.

In the second and third quarters of fiscal year 2011, we sold the assets related to our non-core laser diode and ferrite business lines.

In addition, on December 21, 2010, we issued and sold an aggregate of 34,169,559.75 shares of our Class B convertible preferred stock and warrants to purchase 5,125,433.96 shares of our common stock to Mainsail Partners II, L.P. and certain investment funds affiliated with Summit Partners, L.P., for an aggregate purchase price of $120.0 million. Peter Chung, one of our directors, is a managing partner and member of certain investment funds affiliated with Summit Partners, L.P. See “Certain Relationships and Related Person Transactions—Sale of Class B Convertible Preferred Stock and Warrants” appearing elsewhere in this prospectus for additional detail. We declared a one-time special dividend in the aggregate amount of $80.0 million on our Series A-1 convertible preferred stock, Series A-2 convertible preferred stock and common stock in January 2011. We have decided to pursue this offering to gain access to the public equity markets and to raise cash to support our business plan, and also to provide liquidity to the selling stockholders by allowing them to offer a portion of the shares to be sold pursuant to this offering.

For additional information regarding the general development of our business and subsidiaries, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Overview–History and Basis of Presentation” on page 42 of this prospectus.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of September 30, 2011:

Name	Age	Position
John Ocampo	52	Chairman
Charles Bland	63	Chief Executive Officer and Director
Conrad Gagnon	57	Chief Financial Officer
Robert Donahue	52	Chief Operating Officer
Michael Murphy	49	Vice President, Engineering
Susan Ocampo	53	Director
Peter Chung	43	Director
Gil Van Lunsen	69	Director

There are no family relationships among any of our directors or executive officers, other than John Ocampo, the Chairman of the Board, and Susan Ocampo, a director, who are married to each other.

Executive Officers

John Ocampo has served as our Chairman and as a director since our inception in March 2009. Mr. Ocampo has also served as President of GaAs Labs, LLC, a private investment fund targeting the communications semiconductor market, since co-founding it in February 2008. Previously, Mr. Ocampo co-founded Sirenza Microdevices, Inc. (Sirenza), a supplier of radio frequency semiconductors and related components for the commercial communications, consumer and aerospace, defense and homeland security equipment markets. Mr. Ocampo served as a director of Sirenza from its inception in 1984 through its sale to RFMD, a designer and manufacturer of semiconductor components, in November 2007, and served in a number of senior executive roles throughout that period, most recently as its Chairman from December 1998 through November 2007. Mr. Ocampo also served as a director of RFMD from November 2007 to November 2008. Mr. Ocampo holds a B.S.E.E. from Santa Clara University.

Mr. Ocampo's strategic vision, developed over more than 30 years successfully leading public and private companies in the RF semiconductor and component industry, is a unique asset to our board of directors. His engineering background and extensive knowledge of our operations, markets and technology provides our board of directors with important insights. We also believe that having our largest stockholder on the board of directors assists the board in making decisions aimed at increasing shareholder value over the long term.

Charles Bland has served as our Chief Executive Officer since February 2011 and as a director since December 2010. From June 2010 to February 2011, he served as our Chief Operating Officer. From April 2007 through December 2010, Mr. Bland also served as a director and as the chairman of the audit committee of NightHawk Radiology Holdings, Inc., a provider of teleradiology services. During 2009, Mr. Bland served as the Chief Financial Officer of American Gaming Systems, a privately-held designer, manufacturer and operator of gaming machines. Mr. Bland served as the Chief Financial Officer of Sirenza from July 2005 to November 2007 and also as its Chief Operating Officer from May 2003 until July 2005. Mr. Bland received his B.S., Accounting and Finance, degree from Ohio State University and his M.B.A. from the Sloan School, Massachusetts Institute of Technology.

Mr. Bland's qualifications to serve as a director include his unique perspective and insights into our operations as our current Chief Executive Officer, including his knowledge of our products, technologies, business relationships, competitive and financial positioning, senior leadership, and strategic opportunities and challenges. In addition, Mr. Bland's extensive experience in a variety of executive roles at public companies in our industry, his executive experience in other industries, and his prior experience as a public company director and audit committee

chair allow him to bring broad and diverse perspective to our board of directors. His prior CFO and audit committee experience have provided him expertise with accounting principles and financial reporting rules and regulations, evaluating financial results and generally overseeing the financial reporting process.

Conrad Gagnon has served as our Chief Financial Officer since March 2009. From September 2008 to March 2009, he served as the Chief Financial Officer of M/A-COM Technology Solutions Inc. Prior to that, Mr. Gagnon served for more than 25 years in roles of increasing responsibility associated with related business lines at Cobham and Tyco Electronics, most recently as Vice President of Finance for the aerospace and defense and commercial business units for Cobham from September 2006 to September 2008. Mr. Gagnon holds a B.S. in Accounting and Computer Sciences from Boston College.

Robert Donahue has served as our Chief Operating Officer since February 2011, and previously served as our Chief Strategy Officer from August 2009 to February 2011. From May 2002 to August 2009, Mr. Donahue served as Executive Vice President of Sales and Marketing, Business Development and Chief Strategy Officer at WIN Semiconductor Corp., a GaAs merchant foundry. Mr. Donahue holds a B.S.E.E. and an M.S.E.E from the University of Massachusetts and an M.S. in the Management of Technology from the Sloan School, Massachusetts Institute of Technology.

Michael Murphy has served as our Vice President, Engineering, since November 2009. From July 2006 to November 2009, he served as Vice President of Engineering of the Networks Division of TriQuint Semiconductor, Inc., a supplier of RF components for wireless communications. Mr. Murphy holds a B.S.E.E. and an M.S.E.E from the University of Massachusetts and an M.B.A. from Boston University.

Non-Employee Directors

Peter Chung has served as a director since December 2010. Mr. Chung is a Managing Director of Summit Partners, L.P., which he joined in August 1994. Mr. Chung has served as a director of numerous public companies, including most recently as a director of NightHawk Radiology Holdings, Inc., a provider of teleradiology services, from March 2004 to December 2010, as a director of SeaBright Holdings, Inc., a provider of multi-jurisdictional workers' compensation insurance and general liability insurance, from October 2003 to May 2010, and as a director of Sirenza from October 1999 to April 2006. Mr. Chung also serves as a director of several privately-held companies. Mr. Chung received an A.B. from Harvard University and an M.B.A from Stanford University. Mr. Chung was designated for nomination and election as a director by those of our stockholders affiliated with Summit Partners, L.P. pursuant to the terms of our amended and restated investor rights agreement.

Mr. Chung is an experienced investor in market-leading growth companies. He contributes broad-based knowledge and experience in business strategy, capital markets and the communications semiconductor and technology industries. Mr. Chung provides valuable insight to our board of directors on all matters facing us, from operational to strategic.

Gil Van Lunsen has served as a director since August 2010. Prior to his retirement in June 2000, Mr. Van Lunsen was a Managing Partner of KPMG LLP and led the firm's Tulsa, Oklahoma office. During his 33-year career, Mr. Van Lunsen held various positions of increasing responsibility with KPMG. Mr. Van Lunsen is currently a member of the board of directors and the audit committee chairman at Array Biopharma Inc., a biopharmaceutical company, and a member of the board of directors and vice chairman of the audit committee of ONEOK Partners, L.P., a natural gas gathering, processing, storage and transportation company. Previously, Mr. Van Lunsen served as a director of Sirenza and was chairman of its audit committee from October 2003 through November 2007. Mr. Van Lunsen received a B.S./B.A. in accounting from the University of Denver. Our board of directors has determined that Mr. Van Lunsen is an audit committee financial expert.

Mr. Van Lunsen has extensive experience with complex financial and accounting issues and, as a former partner of KPMG LLP and audit committee chairman at other public companies in our industry and others, provides valuable leadership and insights to our board of directors on accounting, financial and governance matters. Having served as a director of Sirenza, Mr. Van Lunsen has also developed strong domain knowledge of the operational and financial issues facing our company and our industry.

Susan Ocampo has served as a director since December 2010. She has also served as Vice President, Secretary and Treasurer of GaAs Labs, LLC, a private investment fund targeting the communications semiconductor market, since co-founding it in February 2008. Previously, Mrs. Ocampo co-founded Sirenza. Mrs. Ocampo served as Sirenza's Treasurer from November 1999 through its sale to RFMD in November 2007. Mrs. Ocampo holds a B.A. from Maryknoll College. Mrs. Ocampo has notified us of her resignation from our board of directors, to be effective immediately prior to the effectiveness of the registration statement of which this prospectus is a part.

Board Composition

Our board of directors is currently composed of five members designated for election pursuant to our amended and restated investor rights agreement, which is described under "Certain Relationships and Related Person Transactions" in this prospectus. Susan Ocampo has notified us of her resignation from our board of directors, to be effective immediately prior to the effectiveness of the registration statement of which this prospectus is a part. Before the closing of this offering, our board of directors intends to appoint a new director who will qualify as "independent" according to the rules and regulations of the SEC and the listing requirements and rules of the Nasdaq Stock Market. Immediately prior to the completion of this offering, our board of directors will be divided into three classes of directors of the same or nearly the same number. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose terms are then expiring. Directors will serve from their time of election and qualification until the third annual meeting following their election or until their successors are duly elected and qualified.

- The initial Class I directors will be Mr. Chung and Mr. Van Lunsen, and their terms will expire at our first annual meeting of stockholders held after this offering;
- The initial Class II directors will be Mr. Bland and the new director our board of directors intends to appoint before the closing of this offering, and their terms will expire at our second annual meeting of stockholders held after this offering; and
- The initial Class III director will be Mr. Ocampo, whose term will expire at our third annual meeting of stockholders held after this offering.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the total number of directors. The authorized number of directors is currently set at five and may be changed by subsequent resolution of the board of directors. Vacancies on the board of directors can be filled by the board of directors.

Director Independence

Our board of directors has reviewed its composition, the composition of its committees and the independence of each member of our board of directors.

Based on information requested from and provided by each director concerning his or her background, employment and affiliates, our board of directors has determined that each of our directors who will continue in office following this offering, with the exception of Messrs. Ocampo and Bland, qualify as "independent" according to the rules and regulations of the SEC and the listing requirements and rules of the Nasdaq Stock Market. As described above, before the closing of this offering, our board of directors intends to appoint a new

director who will be independent in accordance with the rules and regulations of the SEC and the Nasdaq Stock Market. Mr. Ocampo and Mr. Bland are not independent according to the rules and regulations of the SEC and the listing requirements and rules of the Nasdaq Stock Market because they are our employees.

Board Committees

Our board of directors has established an audit committee and a compensation committee and, prior to the completion of this offering, will establish a nominating and governance committee. The composition and responsibilities of each of the committees of our board of directors upon the completion of this offering is described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Upon the completion of this offering, we expect our audit committee will consist of Messrs. Van Lunsen, Chung and the new director our board of directors intends to appoint before the closing of this offering, with Mr. Van Lunsen serving as Chair. Our audit committee oversees our corporate accounting and financial reporting process, internal accounting and financial controls and audits of the financial statements. Our audit committee also evaluates the independent auditor's qualifications, independence and performance; engages and provides for the compensation of the independent auditor; establishes the policies and procedures for the retention of the independent auditor to perform any proposed permissible non-audit services; reviews our annual audited financial statements; reviews our critical accounting policies, our disclosure controls and procedures and internal controls over financial reporting; discusses with management and the independent auditor the results of the annual audit and the reviews of our quarterly unaudited financial statements; oversees our risk management program; and reviews related-person transactions that would be disclosed under Item 404 of Regulation S-K. Our board of directors has determined that each of our expected audit committee members meet the requirements for independence and financial literacy under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. Our board of directors has determined that Mr. Van Lunsen is an audit committee financial expert as defined under the applicable rules of the SEC. Upon completion of the offering, the audit committee will operate under a written charter that satisfies the applicable rules of the SEC and the listing requirements and rules of the Nasdaq Stock Market.

Compensation Committee

Upon the completion of this offering, we expect our compensation committee will consist of and , with serving as Chair. Our compensation committee oversees our compensation plans, policies and programs for our executive officers, compensation of our other employees at the level of Vice President or above and non-employee directors of our board of directors. The compensation committee is also responsible for overseeing our employee benefit plans and reviewing and approving our Compensation Discussion and Analysis. Our board of directors has determined that each expected member of our compensation committee meets the requirements for independence under the applicable rules and regulations of the SEC, the Nasdaq Stock Market and Section 162(m) of Internal Revenue Code of 1986, as amended (the Code). Upon completion of the offering, the compensation committee will operate under a written charter that satisfies the applicable listing requirements and rules of the Nasdaq Stock Market.

Nominating and Governance Committee

Upon the completion of this offering, we expect our nominating and governance committee will consist of and , with serving as Chair. The nominating and governance committee is responsible for identifying individuals qualified to become members of our board of directors, making recommendations regarding candidates to serve on our board of directors and overseeing evaluations of the board of directors and its committees. In making recommendations regarding board candidates, the nominating and governance committee

will consider desired board member qualifications, expertise and characteristics. In addition, the nominating and corporate governance committee will be responsible for making recommendations concerning governance matters. Our board of directors has determined that each expected member of our nominating and governance committee meets the requirements for independence under the applicable rules and regulations of the Nasdaq Stock Market. Upon completion of the offering, the nominating and corporate governance committee will operate under a written charter that satisfies the applicable listing requirements and rules of the Nasdaq Stock Market.

Director Compensation

2011 Director Compensation

The following table provides information regarding the compensation earned by our non-employee directors during fiscal year 2011. Directors who are also our employees receive no additional compensation for their service as a director.

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Gil Van Lunsen	$20,000 (1)	—	—	—	—	—	$20,000
Susan Ocampo (2)	—	—	—	—	—	$720,000 (2)	720,000
Peter Chung (3)	—	—	—	—	—	—	—

(1) Prior to this offering, Mr. Van Lunsen was paid a cash stipend of $20,000 per annum for his service to us as a director, payable in quarterly increments in arrears.

(2) Mrs. Ocampo did not receive any fees with respect to her service on our board of directors during fiscal year 2011. Management service fees of $60,000 per month are paid by us to GaAs Labs, which is an affiliate of Mrs. Ocampo. See “Certain Relationships and Related Person Transactions—GaAs Labs Management Fee” for more information regarding this arrangement.

(3) Mr. Chung was a director pursuant to the contractual rights of the holders of our Class B convertible preferred stock under the Amended and Restated Investor Rights Agreement. Mr. Chung did not receive any fees with respect to his service on our board of directors during fiscal year 2011.

Future Director Compensation

During our fiscal year 2011, we adopted a formal compensation program for our non-employee directors with respect to their service as directors, which will apply to such directors following the closing of this offering. The program has two elements, cash compensation and equity compensation.

Cash Compensation. The cash component of our non-employee director compensation program includes:

- a $35,000 annual cash retainer for each non-employee director;
- an annual cash stipend of $6,000 for each member of the audit committee and the compensation committee, and $4,000 for each member of the nominating and governance committee, in each case excluding the chairmen of such committees; and
- an annual cash stipend of $15,000 for the chairman of the audit committee, $10,000 for the chairman of the compensation committee and $8,000 for the chairman of the nominating and governance committee.

These cash payments are calculated and paid in quarterly installments in arrears. Directors are also reimbursed for expenses in connection with attendance at board of directors and committee meetings. Directors are also eligible for coverage under our health care insurance plans at their sole expense. None of our

non-employee directors has elected coverage under our health care insurance plans. Independent, non-employee directors may not receive consulting, advisory or other compensatory fees from us in addition to their board compensation.

Equity Compensation. Directors are also eligible to participate in our 2011 Omnibus Incentive Plan. Each of our non-employee directors will be granted an annual restricted stock award for a number of shares of common stock having a grant date fair market value of $50,000 in the aggregate. Each such grant will vest in full on the first anniversary of its grant date. In addition to and not in lieu of the above annual grant, when a non-employee director first joins the board of directors, he or she will be granted a second restricted stock award for a number of shares of common stock having an aggregate grant date fair market value representing that portion of $50,000 which is equivalent to the portion of the current calendar year during which such non-employee director serves on the board of directors. Any such grant will vest in full on the next regular annual director award grant date.

Compensation Committee Interlocks and Insider Participation

Messrs. Bland and Ocampo served on our compensation committee during fiscal year 2011. None of the other members of our compensation committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The code of business conduct and ethics will be available on our website at *www.macomtech.com*. The information on or accessible through our website is not part of this prospectus. We intend to disclose any amendments to the code or any waivers of its requirements in accordance with the applicable SEC and Nasdaq rules and regulations.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis of compensation arrangements of our named executive officers should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

Objectives of Our Executive Compensation Programs

The compensation committee of our board of directors oversees our named executive officer compensation plans, policies and programs pursuant to our compensation philosophy and objectives under its authority as delegated by our board of directors. Our compensation programs for our named executive officers are designed to:

- attract and retain the best executive talent;
- motivate our executives to achieve our financial and business goals; and
- align our executives' interests with those of our stockholders to drive increased shareholder value.

To achieve these goals, we structure our named executive officer compensation programs to provide a competitive level of total compensation and create a strong link with our business results by tying a significant portion of each executive's compensation to the achievement of specific performance elements that we expect will significantly increase shareholder value.

How We Set Executive Compensation

The compensation arrangements in effect for our named executive officers for fiscal year 2011 reflect individually negotiated agreements that we executed with each of our named executive officers in connection with their entering into or agreeing to continue in our employ prior to fiscal year 2011 (other than those of our Chief Executive Officer and Chief Operating Officer, which were updated in fiscal year 2011 as discussed in more detail below under "Base Salary and Benefits"). The compensation arrangement for our Chairman of the Board, which consists of an annual base salary and benefits, was put in place in connection with the M/A-COM Acquisition. The specific terms of the compensation arrangements for the other named executive officers were negotiated with our Chairman of the Board and, in the case of certain named executive officers other than our former Chief Executive Officer, with our former Chief Executive Officer.

During fiscal year 2011, we engaged Radford, a compensation consultant, to evaluate our current compensation programs and make recommendations for our programs going forward. As part of this analysis, Radford reviewed our current compensation programs and compared them to compensation at the following companies that we consider potential competition for executive talent: Anadigics, Analogic, Atheros Communications, Cabot Microelectronics, Hittite, Integrated Device Technology, Intersil, Micrel, Microsemi, Monolithic Power Systems, Power Integrations, RFMD, Semtech, Silicon Image, Silicon Laboratories, Skyworks, Standard Microsystems, Tessera Technologies, TriQuint and Verigy. Based on this evaluation by Radford, our board of directors concluded that our executive compensation (not including for our Chairman of the Board) was overall at market for annual base salary, equity compensation and benefits, and slightly lower than market for annual incentive compensation. We did not specifically benchmark total compensation or components of compensation for our named executive officers.

Going forward we anticipate that our compensation committee will determine the compensation of our named executive officers and will have the authority to engage consultants and advisors as it determines appropriate.

Elements of Executive Compensation

Our compensation program for our named executive officers, other than our Chairman of the Board, consists of the following elements:

- base salary and benefits;

- annual cash incentives; and
- long-term equity incentives.

Base Salary and Benefits

The annual base salary in place for fiscal year 2011 for each of our named executive officers was determined pursuant to the terms of each executive's employment agreement, and reflects each executive's relative level of experience and responsibility. In addition, our board of directors authorized an increase to the base salaries of our Chief Executive Officer and our Chief Operating Officer in connection with the promotion of each of these executives to his respective position in February 2011. The following table shows the annual base salaries for our named executive officers in place at the end of fiscal year 2011.

Name	Fiscal Year 2011 Salary	Fiscal Year 2011 Cash Incentive Award Opportunity (% of Salary)
Charles Bland *Chief Executive Officer*	$ 475,000	100%
Conrad Gagnon *Chief Financial Officer*	$ 270,000	100%
John Ocampo *Chairman*	$ 300,000	Not applicable
Michael Murphy *Vice President, Engineering*	$ 300,000	100%
Robert Donahue *Chief Operating Officer*	$ 350,000	100%

We generally provide our named executive officers the same health and welfare benefits on the same terms as our other salaried employees, including health benefits and life insurance coverage, as well as the opportunity to receive matching contributions under our 401(k) plan. At the time of his hiring in June 2010, Mr. Bland, our current Chief Executive Officer, resided outside the Boston metropolitan area. In connection with Mr. Bland's promotion to Chief Executive Officer in February 2011, we agreed to pay relocation expenses to Mr. Bland, including costs associated with commuting to and from our facilities from his family's home outside of the Boston metropolitan area. During fiscal year 2010, we also reimbursed similar commuting expenses for Mr. Bland while he served as our Chief Operating Officer. We believe that, in order for us to attract top executive talent, we must not be limited to those residing in the Boston metropolitan area and in some cases must be willing to offer to pay an agreed upon amount of relocation costs. We also paid a management fee to a company affiliated with the Chairman of our Board pursuant to a previously negotiated management services agreement with that company, and we have included these payments in the 2010 Summary Compensation Table as additional compensation to the Chairman. See "Certain Relationships and Related Person Transactions—GaAs Labs Management Fee" for more information regarding these payments.

Annual Cash Incentives

During fiscal year 2011, our named executive officers, other than our Chairman of the Board, have also participated in a special cash incentive program with respect to the first half of fiscal year 2011 and a separate special cash incentive program with respect to the second half of fiscal year 2011. Our board of directors determined the maximum cash incentive award opportunity for each of our named executive officers for 2011 based on its business judgment regarding the appropriate level of incentive opportunity to motivate and retain these executives. In making this business judgment, the board of directors considered each named executive officer's historical levels of incentive opportunity as well as each named executive officer's respective salary and level of incentive opportunity relative to those of our other named executive officers. This maximum opportunity

was also subject to potential increase or reduction based on individual executive performance during the period. The table included above shows the cash incentive award opportunity of each of our named executive officers for fiscal year 2011, expressed as a percentage of each executive's annual base salary.

First Half 2011 Program. Payments under the cash incentive program for the first half of fiscal year 2011 were based on the achievement of a minimum adjusted gross margin target for the period of 42.5%. If this target was not met, there would be no incentive pool funded. Assuming the target adjusted gross margin was achieved, then the level of funding of any incentive pool would depend on our performance against the following adjusted operating income goals for the six months ended March 31, 2011:

First Half Fiscal Year 2011 Performance Goal	Threshold	Target	Maximum	Actual Performance
Adjusted Operating Income	$ 24.2 million	$ 26.7 million	$ 30.7 million	$ 28.0 million

We selected these performance metrics as primary drivers of shareholder value. The calculation of adjusted gross margin and adjusted operating income exclude the impact of accrued costs for the payment of incentives under the cash incentive program itself, as well as amortization expense, restructuring charges, non-recurring charges incurred in connection with acquisitions, divestments, capital-raising events, share-based compensation and other non-cash compensation and asset retirement obligations. If performance exceeded the threshold level, a pool would be funded at $2.2 million for target performance and $4.4 million for maximum performance, and each named executive officer would be eligible for a payment based on an allocated portion of this pool based on both a specified percentage of annual base salary and the executive's individual job performance.

In light of our performance for the first half of fiscal year 2011 (see the "Actual Performance" column in the table above), and our determination regarding each named executive officer's job performance at 100% of expected levels, we paid each named executive officer approximately 57% of his cash incentive award opportunity.

Second Half 2011 Program. Payments under the cash incentive program for the second half of fiscal year 2011 were based on the achievement of a minimum adjusted gross margin target for the period of 45.5%. If this target was not met, there would be no incentive pool funded. Assuming the target adjusted gross margin was achieved, then the level of funding of any incentive pool would depend on our performance against the following adjusted operating income goals for the six months ended September 30, 2011:

Second Half Fiscal Year 2011 Performance Goal	Threshold	Target	Maximum	Actual Performance
Adjusted Operating Income	$ 30.3 million	$ 33.7 million	$ 38.7 million	$ million

We selected these performance metrics as primary drivers of shareholder value. The calculation of adjusted gross margin and adjusted operating income exclude the impact of accrued costs for the payment of incentives under the cash incentive program itself, as well as amortization expense, restructuring charges, non-recurring charges incurred in connection with acquisitions, divestments, capital-raising events, share-based compensation and other non-cash compensation and asset retirement obligations. If performance exceeded the threshold level, a pool would be funded at $2.2 million for target performance and $4.3 million for maximum performance, and each named executive officer would be eligible for a payment based on an allocated portion of this pool based on both a specified percentage of annual base salary and the executive's individual job performance.

In light of our expected performance in the second half of fiscal year 2011, we currently do not expect any of our named executive officers to receive any payment with respect to this cash incentive award opportunity under the cash incentive program for the second half of fiscal year 2011.

Long-Term Equity Incentives

In fiscal years 2009 and 2010, we provided our named executive officers, other than our Chairman of the Board, with long-term incentives through the grant of stock options under our equity incentive plans, which we believed provided an appropriate long-term incentive because an executive will receive value under a stock option only in connection with an increase in the price of our common stock, and this directly aligns the executives' compensation with increases in stockholder returns. We did not grant any long-term incentives to these executives (other than our Chief Executive Officer as described below) during fiscal year 2011 because we believed their existing stock options provided an adequate long-term incentive for them to remain employed with us and build shareholder value.

We granted our current Chief Executive Officer 440,000 restricted shares of our common stock during fiscal year 2011 as part of his negotiated employment agreement and as an inducement to accept employment as our Chief Executive Officer. Our board of directors approved this restricted stock award on the terms that we had negotiated with our current Chief Executive Officer based on its business judgment that it reflected an appropriate level of long-term incentive to motivate him to accept his position, as well as to retain him and further align his compensation with increases in shareholder value. In making this determination, the board of directors took into consideration that Mr. Bland had previously been granted an option to purchase 240,000 shares of our common stock in fiscal year 2010, as negotiated with him by us in connection with his initial hiring as our Chief Operating Officer. At the time of Mr. Bland's initial hiring in fiscal year 2010, we anticipated that his role would be an interim one, focused on helping us drive targeted operational improvements, and accordingly, his option award called for time-based vesting over a one-year period. The size of Mr. Bland's fiscal year 2011 restricted stock award reflects the fact that his prior stock option award was nearly fully vested when he assumed the role of Chief Executive Officer. Our choice of a restricted stock award for Mr. Bland rather than a stock option award in fiscal year 2011 reflects a general trend in our equity-based award grants toward full value restricted stock awards.

We believe that full value restricted stock awards are a useful tool for compensating our executives, in that they align executives' interests with those of our stockholders in a manner similar to an option award, and provide a valuable retention incentive in that they have no associated exercise price. Based on the value of this feature, we require fewer shares to deliver the same amount of retention incentive to a given executive using a restricted stock award than we would using a stock option award. For this reason, we believe that restricted stock awards also reduce the overall potential dilution to our stockholders from our equity-based compensation programs.

Severance Arrangements

Because we believe it is in our best interests and the best interests of our stockholders to encourage and reinforce the continued dedication and attention of our senior executives without distraction in circumstances arising from the possibility of an involuntary termination of employment without cause, we have agreed to provide certain of our named executive officers with severance benefits in connection with this type of termination. Our former Chief Executive Officer received severance benefits in connection with his retirement in February 2011. We also agreed to provide our former Chief Executive Officer and our current Chief Operating Officer with certain severance benefits in connection with a change in control. See "Potential Payments Upon Termination or Change in Control" below for a more detailed discussion of these potential payments.

Tax Treatment of Compensation

Section 162(m) of the Code generally disallows a tax deduction to a public corporation for annual compensation in excess of $1 million paid to its principal executive officer and the three other most highly compensated named executive officers (excluding the principal financial officer). Compensation that qualifies as "performance-based" is excluded for purposes of calculating the amount of compensation subject to the $1 million limit. In addition, in the case of a privately held corporation that becomes a public corporation, the $1 million limit generally does not apply to compensation paid pursuant to a compensation plan or agreement that existed prior to the initial public offering. However, a newly public corporation only may rely on this particular exception until the earliest of the following events: (i) the expiration of the plan or agreement; (ii) a material modification of the plan or agreement (as determined under Section 162(m) of the Code); (iii) the

issuance of all the employer stock and other compensation allocated under the plan; or (iv) the first meeting of stockholders at which directors are to be elected that occurs after the close of the third calendar year following the year in which the initial public offering occurs.

Because we have been a privately-held corporation, we have not previously taken the deductibility limit under Section 162(m) of the Code into consideration in setting compensation for our executive officers. Under the exception for newly public corporations described above, any equity-based awards granted under our 2011 Omnibus Incentive Plan that we intend to implement following the offering will not be subject to the $1 million limit, provided such awards are made prior to the earliest of the events specified above. While our compensation committee has not adopted a policy regarding tax deductibility of compensation paid to our named executive officers, we expect that our compensation committee will consider tax deductibility under Section 162(m) as a factor in compensation decisions, but may approve compensation that is not deductible if it believes that such payments are appropriate to attract, retain and motivate our executive officers.

2011 Summary Compensation Table

The following table provides information regarding the compensation of our named executive officers for the fiscal year ended September 30, 2011. Unless otherwise specified, positions listed below are those currently held by the named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($) (1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($) (2)	Total ($)
Charles Bland (3)	2011	411,058	—	888,800	—	85,200	112,390	1,497,448
Chief Executive Officer								
Joseph Thomas, Jr. (4)	2011	161,538	—	—	—	—	871,004	1,032,542
Former Chief Executive Officer	2010	420,000	45,000	—	—	276,204	6,301	747,505
Conrad Gagnon	2011	270,000	—	—	—	76,680	7,985	354,665
Chief Financial Officer	2010	270,000	30,000	—	32,100	177,560	6,148	515,808
John Ocampo	2011	300,000	—	—	—	—	723,773	1,023,773
Chairman	2010	300,000	—	—	—	—	722,981	1,022,981
Michael Murphy	2011	300,000	—	—	—	68,164	8,058	376,222
Vice President, Engineering	2010	277,269	160,000	—	73,780	157,831	6,167	675,047
Robert Donahue	2011	336,298	—	—	—	88,750	8,086	433,134
Chief Operating Officer	2010	312,500	55,000	—	—	205,509	6,249	579,258

(1) The amounts included under the "Stock Awards" and "Option Awards" columns reflect aggregate grant date fair value of the restricted stock awards and option awards to purchase our common stock granted in each respective fiscal year, computed in accordance with FASB ASC Topic 718, excluding the effect of any estimated forfeitures. Assumptions used to calculate these amounts are described in Note 16 to our combined consolidated financial statements appearing elsewhere in this prospectus.

(2) Consists of the following amounts for each named executive officer for fiscal year 2011:

Name	Basic Life Insurance Premiums ($)	Company Contributions to 401(k) Plans ($)	Management Service Fee ($)	Relocation Expenses ($)	Severance ($)	Total ($)
Charles Bland	706	7,779	—	103,905	—	112,390
Joseph Thomas, Jr.	412	1,837	—	—	868,755**	871,004
Conrad Gagnon	635	7,350	—	—	—	7,985
John Ocampo	706	3,067	720,000*	—	—	723,773
Michael Murphy	708	7,350	—	—	—	8,058
Robert Donahue	736	7,350	—	—	—	8,086

* Management service fees of $60,000 per month are paid by us to GaAs Labs, which is an affiliate of Mr. Ocampo. See "Certain Relationships and Related Person Transactions—GaAs Labs Management Fee" for more information regarding this arrangement.

** Mr. Thomas retired as our Chief Executive Officer effective February 7, 2011. In connection with Mr. Thomas's retirement, we entered into a separation agreement with Mr. Thomas pursuant to which Mr. Thomas earned the following in fiscal year 2011,

which are included in the amount reported as "Severance" in the table above: (i) $420,000 of cash severance payments for 12 months following his resignation, (ii) $16,688 to pay for premiums for continued health and medical benefits and life insurance, (iii) $309,997 for accelerated vesting of 166,665 unvested options to purchase shares of our common stock, (iv) $89,460 for a bonus under our cash incentive program for the first half of fiscal year 2011, and (v) $32,610 for payout of accrued vacation.

(3) Mr. Bland was appointed as our Chief Operating Officer on June 1, 2010 and he was subsequently appointed as our Chief Executive Officer effective February 8, 2011.

(4) Mr. Thomas retired as Chief Executive Officer effective February 7, 2011.

2011 Grants of Plan-Based Awards Table

The following table provides information regarding plan-based awards granted to our named executive officers for the fiscal year ended September 30, 2011.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($)	Grant Date Fair Value of Stock and Option Awards ($) (1)
Charles Bland		—	193,750	387,500	—	—	—	—
	02/08/11	—	—	—	440,000	—	—	880,000
Joseph Thomas, Jr. (2)	02/08/11	—	—	—	—	166,665	0.16	309,997
Conrad Gagnon		—	135,000	270,000	—	—	—	—
John Ocampo		—	—	—	—	—	—	—
Michael Murphy		—	150,000	300,000	—	—	—	—
Robert Donahue		—	165,623	331,250	—	—	—	—

(1) The amounts included under this column reflect grant date fair value of the restricted stock awards and option awards to purchase our common stock granted during 2011, computed in accordance with FASB ASC Topic 718, excluding the effect of any estimated forfeitures. Assumptions used to calculate these amounts are described in Note 16 to our combined consolidated financial statements appearing elsewhere in this prospectus.

(2) Represents the amendment of outstanding options to purchase shares of our common stock held by Mr. Thomas pursuant to his separation agreement to accelerate the vesting with respect to 166,665 shares that otherwise would not have vested and would have terminated on his retirement.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Our Chairman of the Board receives an annual base salary and benefits, but does not participate in our cash incentive or long-term equity incentive compensation programs.

Amounts in the "Non-Equity Incentive Plan Compensation" column of the 2011 Summary Compensation Table represent the cash incentive award earned by each named executive officer under the cash incentive programs in place for fiscal year 2011. Amounts in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" columns of the 2011 Grants of Plan Based Awards Table represent the cash incentive award opportunity for each named executive officer under the cash incentive programs in place for fiscal year 2011. The amount of each executive's cash incentive award opportunity is based on the executive's annual base salary and cash incentive award opportunity percentage. See "Compensation Discussion and Analysis—Annual Cash Incentives" for a more detailed description of these programs.

Amounts in the "Bonus" column of the 2011 Summary Compensation Table for fiscal year 2010 for Mr. Murphy consist of a discretionary cash incentive payment of $10,000 paid with respect to our performance during the first quarter of fiscal year 2010 and one-time retention incentive payment in the amount of $150,000 paid

pursuant to Mr. Murphy's employment agreement with us dated September 28, 2009, which is subject to a claw-back forfeiture restriction that lapses in four equal annual installments on each of the first four anniversary dates of the retention payment subject to Mr. Murphy's continued employment with us.

Amounts in the "Bonus" column of the 2011 Summary Compensation Table for fiscal year 2010 for Mr. Donahue consist of a discretionary cash incentive payment of $20,000 paid with respect to our performance during the first quarter of fiscal year 2010 and a one-time signing bonus in the amount of $35,000 paid pursuant to Mr. Donahue's employment agreement dated July 16, 2009, which was subject to repayment upon termination of Mr. Donahue's employment with us within 12 months of his start date. In addition, the bonuses for fiscal year 2010 for Messrs. Thomas and Gagnon represent discretionary cash incentive payments paid with respect to our performance during the first quarter of fiscal year 2010.

Amounts in the "Stock Awards" and "Option Awards" columns of the 2011 Summary Compensation Table and the "All other Stock Awards" and "All Other Option Awards" columns of the 2011 Grants of Plan-Based Awards Table represent stock option and restricted stock awards granted under our 2009 Omnibus Stock Plan.

2011 Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth the outstanding equity awards held by each of our named executive officers at September 30, 2011.

	Option Awards						Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (1) ($)
Charles Bland	7/22/10	80,000	—	—	0.50	7/22/20	—	—
	2/8/11	—	—	—	—	—	440,000(2)	1,909,600
Joseph Thomas, Jr.	—	—	—	—	—	—	—	—
Conrad Gagnon	9/29/09	16,833	116,111(3)	—	0.16	9/29/19	—	—
	10/23/09	—	—	300,000(4)	0.16	10/23/19	—	—
John Ocampo	—	—	—	—	—	—	—	—
Michael Murphy	11/10/09	—	380,000(5)	—	0.16	11/10/19	—	—
	11/10/09	—	—	200,000(4)	0.16	11/10/19	—	—
Robert Donahue	9/29/09	—	—	450,000(4)	0.16	9/29/19	—	—
	9/29/09	—	—	450,000(4)	0.16	9/29/19	—	—
	9/29/09	80,000	310,000(6)	—	0.16	9/29/19	—	—

(1) Amounts based on the fair market value of our common stock of $4.34 per share, which was the most recent fair market value of our common stock as determined by our board of directors prior to the end of fiscal year 2011. The valuation assumptions used in determining the fair market value of our common stock are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Share-based compensation."

(2) Represents a restricted stock grant which vests as follows: (i) 200,000 shares vest on February 1, 2012, (ii) 60,000 shares vest on May 1, 2012, (iii) 60,000 shares vest on August 1, 2012, (iv) 60,000 shares vest on November 1, 2012 and (v) 60,000 shares vest of February 1, 2013. In each case the vesting is subject to Mr. Bland's continued employment with us on each vesting date.

(3) Represents the unvested portion of options to purchase 600,000 shares of our common stock. One-third (1/3) of the options vested on April 1, 2010 with an additional one thirty-sixth (1/36) of the total options vesting each month thereafter until all options are vested, subject to continued employment with us on each vesting date.

(4) The options vest based upon achievement of specified financial targets before December 31, 2012.

(5) Represents unvested options to purchase 600,000 shares of our common stock. One-fifth (1/5) of the options vested on November 2, 2010 with an additional one sixtieth (1/60) of the total options vesting each month thereafter until all options are vested, subject to continued employment with us on each vesting date.

(6) Represents the unvested portion of options to purchase 600,000 shares of our common stock. One-fifth (1/5) of the options vested on April 1, 2010 with an additional one sixtieth (1/60) of the options vesting each month thereafter until all options are vested, subject to continued employment with us on each vesting date.

2011 Option Exercises Table

The following table provides information regarding options to purchase our common stock that were exercised by our named executive officers during the fiscal year ended September 30, 2011.

	Option Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)
Charles Bland	160,000	151,800
Joseph Thomas, Jr.	588,887	1,063,996
Conrad Gagnon	166,500	410,860
John Ocampo	—	—
Michael Murphy	220,000	411,200
Robert Donahue	40,000	58,300

(1) Amounts based on the difference between the exercise price of the options and the most recent fair market value of our common stock as determined by our board of directors at the time of exercise. The valuation assumptions used in determining the fair market value of our common stock are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Share-based compensation."

Pension Benefits

We currently do not (and did not in fiscal year 2011) sponsor any defined benefit pension or other actuarial plan.

Nonqualified Deferred Compensation

We currently do not (and did not in fiscal year 2011) maintain any nonqualified defined contribution or other deferred compensation plan or arrangement for our named executive officers.

Potential Payments Upon Termination or Change in Control

Certain of our named executive officers have employment agreements with us that provide for guaranteed payments upon involuntary termination for other than "cause" (as described in each respective named executive officer's employment agreement) and upon involuntary termination within six months after a change in control. Mr. Ocampo does not have any arrangements with us that provide for payments to him upon his termination or a change of control. A summary of the potential payments that each of our named executive officers, other than our former Chief Executive Officer, would have received upon the occurrence of these events, assuming that each triggering event occurred on September 30, 2011, is set forth below. Mr. Thomas retired as our Chief Executive Officer effective February 7, 2011, and the amounts included for him in the table below represent amounts earned under the separation agreement we entered into with him in connection with his retirement.

	Involuntary Termination for Other than Cause						Involuntary Termination within Six Months Following a Change in Control			
Name	Severance	Bonus	Health/Life Insurance Benefits	Vacation Payout	Acceleration of Restricted Stock/Option Awards	Total	Severance	Health Benefits	Acceleration of Stock Options (1)	Total
Charles Bland (2)	$ —	$ —	$ —	$ —	$ 578,644(1)	$578,644	$ —	$ —	$ —	$ —
Joseph Thomas, Jr. (3)	420,000	89,460	16,688	32,610	309,997	868,755	—	—	—	—
Conrad Gagnon (4)	202,500	—	14,310	—	—	216,810	—	—	—	—
John Ocampo	—	—	—	—	—	—	—	—	—	—
Michael Murphy (4)	150,000	—	5,941	—	—	155,941	—	—	—	—
Robert Donahue (4)	175,000	—	9,105	—	—	184,105	350,000	18,209	250,800	619,009

(1) Amounts based on the fair market value of our common stock of $4.34 per share, which was the most recent fair market value of our common stock as determined by our board of directors prior to the end of fiscal year 2011. The valuation assumptions used in determining the fair market value of our common stock are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Share-based compensation."

(2) Pursuant to Mr. Bland's employment agreement, upon termination for other than cause prior to February 1, 2012, Mr. Bland will receive acceleration of his restricted award of 16,666 shares per month for each month or partial month that Mr. Bland remains continuously employed with us between February 1, 2011 and the date his employment is terminated.

(3) Mr. Thomas retired as our Chief Executive Officer effective February 7, 2011. The amounts in the table for Mr. Thomas represent amounts earned under the separation agreement we entered into with Mr. Thomas in connection with his retirement. The amount included for Mr. Thomas's accelerated vesting of stock options is calculated based on the difference between the exercise price of the options and the fair market value of our common stock of $2.02 per share, which at the time of Mr. Thomas's retirement was the most recent fair market value of our common stock as determined by our board of directors.

(4) Pursuant to the employment agreements for Messrs. Gagnon, Murphy and Donahue, the payments due to such named executive officer upon an involuntary termination for other than cause would also be due upon such named executive officers' resignation for "good reason" (as defined in each respective named executive officer's employment agreement).

Employee Benefit and Stock Plans

Amended and Restated 2009 Omnibus Stock Plan

Our board of directors originally adopted, and our stockholders approved, the 2009 Omnibus Stock Plan (2009 Plan) on May 26, 2009. The 2009 Plan was amended and restated on September 29, 2009. No additional awards will be granted under the 2009 Plan after completion of this offering. After completion of this offering, outstanding options under the 2009 Plan will continue to be governed by their existing terms and conditions and those of the 2009 Plan.

The principal features of the 2009 Plan are summarized below. This summary is qualified by reference to the text of the 2009 Plan, which is filed as an exhibit to the registration statement of which this prospectus is a part.

Purpose. The purpose of the 2009 Plan is to promote the interests of us and our stockholders by providing our employees, officers, directors, consultants, advisors and independent contractors with an opportunity to acquire an equity interest in us and reward them for achieving a high level of performance. In addition, the opportunity to acquire an equity interest in us will aid in attracting and retaining individuals of outstanding ability.

Administration. The compensation committee of our board of directors administers the 2009 Plan (the administrator). Subject to the terms of the 2009 Plan, the administrator has the authority to, among other things, interpret the plan and determine who is granted awards under the 2009 Plan, the types of awards granted and the terms and conditions of the awards, including the number of shares covered by awards, the exercise price of awards and the vesting schedule or other restrictions applicable to awards. In addition, subject to the terms of the 2009 Plan, the administrator is authorized to establish, amend or waive regulations relating to administration of the 2009 Plan. Determinations of the administrator may be made by a majority of the members present at a meeting at which at least a majority of the committee members are present, or by unanimous written approval of all members of the committee. Solely for purposes of determining and administering awards to persons who are not officers as defined under Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (Exchange Act), the administrator may delegate all or any portion of its authority under the 2009 Plan to one or more persons who are not non-employee directors. Our full board of directors administers the plan with respect to awards to non-employee directors.

Eligibility. Our employees, non-employee directors and certain consultants, advisors or other persons who provide services to us are eligible to receive awards under the 2009 Plan. Incentive stock options may be granted only to our employees.

Share Reserve. There are 30,000,000 shares of our common stock reserved for issuance under the 2009 Plan. As of September 30, 2011, 899,091 shares subject to restricted stock awards and 9,168,708 shares of our common stock issuable upon the exercise of options had been granted under the 2009 Plan. As of September 30, 2011, options to purchase 9,168,708 shares of our common stock were outstanding at a weighted-average exercise price of $0.32 per share and 14,944,141 shares remained available for future grant under the 2009 Plan. The number of shares of our common stock authorized for issuance under the 2009 Plan is subject to adjustment in the event of a stock split, stock dividend, recapitalization or other change to our capitalization.

Awards. The 2009 Plan allows us to grant stock options, stock appreciation rights (SARs), restricted stock, performance units and other share-based awards. Each award is evidenced by an agreement with the award recipient setting forth the terms and conditions of the award, including, but not limited to, vesting conditions, term of the award and any performance conditions. The administrator at any time may amend the terms of any award previously granted, except that, in general, no amendment may be made that materially impairs the rights of any participant with respect to an outstanding award without the participant's consent.

- *Stock Options.* Stock options permit the holder to purchase a specified number of shares of our common stock at a set price. Options granted under the 2009 Plan may be either incentive or nonqualified stock options. Except as set forth in the 2009 Plan, options may not be exercised more than 10 years after the date of grant. The exercise price of options granted under the plan generally may not be less than the fair market value of our common stock on the date of grant. Incentive stock options granted to employees who hold more than 10% of the total combined voting power of all classes of our stock must have an exercise price not less than 110% of the fair market value of our common stock on the date of grant and a maximum term of five years. The administrator will determine the terms and conditions of all options granted under the 2009 Plan, including the exercise price and vesting and exercisability terms.
- *SARs.* SARs provide for payment to the holder of all or a portion of the excess of the fair market value of a specified number of shares of our common stock on the date of exercise over a specified exercise price. Payment may be made in cash or shares of our common stock or a combination of both, as determined by the administrator. The administrator will establish the terms and conditions of exercise, including the exercise price, of SARs granted under the 2009 Plan.
- *Restricted Stock.* Restricted stock awards are awards of shares of our common stock that are subject to restrictions and conditions determined by the administrator, which may include vesting, forfeiture and other restrictions or conditions. The holder of a restricted stock award will have all rights of a stockholder of our company, including, but not limited to, the right to receive dividends and the right to vote the shares of restricted stock.
- *Performance Units.* Performance units provide the holder with the right to receive payment, in cash or shares of our common stock or a combination of both, as determined by the administrator, based upon the achievement of pre-established performance targets. The administrator will establish the terms and conditions of the performance units, including the performance targets to be met and the amount and timing of any payment.
- *Other.* The administrator, in its discretion, may grant other share-based awards under the 2009 Plan. The administrator will set the terms and conditions of such awards.

Termination of Employment or Service. Unless otherwise determined by the administrator or provided in an award agreement, upon termination of an award recipient's service with our company, the following terms apply to awards under the 2009 Plan:

- If an award recipient's service with us terminates due to such person's death or disability (as defined in Section 22(e)(3) of the Code), (i) unexpired options or SARs that were exercisable immediately prior to the award recipient's death or disability remain exercisable for six months following such person's death or disability, (ii) the award recipient is entitled to payment with respect to performance units based upon the extent to which achievement of performance targets was met at the end of the performance period, pro-rated for the time in which the person was employed by us prior to such person's death or disability and (iii) all unvested shares of restricted stock immediately terminate and are forfeited to us.
- If an award recipient's service with us terminates for any reason other than death or disability, (i) unexpired options or SARs that were exercisable immediately prior to the award recipient's termination of service remain exercisable for 90 days following such person's termination of service with us, (ii) the award recipient is not entitled to payment with respect to any performance units and (iii) all unvested shares of restricted stock immediately terminate and are forfeited to us.

Fundamental Change; Change in Control. Unless otherwise provided in an award agreement, in the event of a fundamental change (as defined in the 2009 Plan), the administrator may, but is not obligated to: (i) if the fundamental change is a merger, consolidation or share exchange, make appropriate provision for the protection of outstanding options and SARs by the assumption or substitution of options, SARs and appropriate voting common stock of the corporation, or parent corporation, surviving the fundamental change or (ii) at least 10 days before the occurrence of the fundamental change, provide written notice to each holder of outstanding options or SARs that each outstanding option or SAR, whether or not exercisable, may be canceled at the time of, or immediately before the occurrence of the fundamental change, in exchange for a cash payment for each option or SAR as set forth in the 2009 Plan.

In the event of a change in control (as defined in the 2009 Plan), the administrator, in its discretion, may provide that any outstanding award will become fully vested and exercisable upon the change in control and may remain exercisable during the remaining term thereof or for such other period as provided in the award agreement or by the administrator. In addition, the administrator may provide that any outstanding award will be assumed or an equivalent award will be substituted by the successor entity or it may cause any outstanding award to terminate effective as of the date of the change in control. The administrator may also provide that any outstanding award will be cancelled as of the effective date of the change in control in exchange for a cash payment. The plan administrator has sole discretion in setting the terms of an award with respect to a change in control and may amend an outstanding award at any time without stockholder approval or consent of the award recipient, even if such change is to the recipient's detriment.

Amendment and Termination. Our board of directors may terminate, suspend or amend the 2009 Plan at any time, but, in general, no termination, suspension or amendment may materially impair the rights of any participant with respect to outstanding awards without the participant's consent. Awards that are outstanding on the termination date of the 2009 Plan will remain in effect in accordance with the terms of the 2009 Plan and the applicable award agreements. Stockholder approval of any amendment of the 2009 Plan will be obtained if required by applicable law or stock exchange rule.

Expiration Date. The 2009 Plan will expire on, and no awards may be granted pursuant to the 2009 Plan after, September 29, 2019. In any event, no additional awards will be granted under the 2009 Plan after completion of this offering.

2011 Omnibus Incentive Plan

We expect our board of directors to adopt, and our stockholders to approve, our 2011 Omnibus Incentive Plan (2011 Plan) prior to the completion of this offering. We intend that the 2011 Plan will become effective upon execution of the underwriting agreement for this offering.

Purpose. The purpose of the 2011 Plan will be to attract, retain and motivate our employees, officers, directors, consultants, agents, advisors and independent contractors by providing them with the opportunity to acquire an equity interest in us and to align their interests and efforts to the long-term interests of our stockholders.

Administration. Our board of directors or the compensation committee of our board of directors will be authorized to administer the 2011 Plan. Our board of directors may delegate concurrent administration of the 2011 Plan to different committees consisting of one or more members of our board of directors or to one or more officers in accordance with the 2011 Plan's terms. The plan administrator will be authorized to select the individuals to be granted awards, the types of awards to be granted, the number of shares subject to awards, and the other terms, conditions and provisions of such awards. References to the "committee" below are, as applicable, to our board of directors or the compensation committee, or other committee or officers that may be authorized to administer the 2011 Plan.

Eligibility. Awards may be granted under the 2011 Plan to our employees, officers, directors, consultants, agents, advisors and independent contractors and those of our subsidiaries and other related companies.

Share Reserve. The 2011 Plan will initially authorize the issuance of up to shares of our common stock. In addition, as of the effective date of the 2011 Plan, any shares not issued or subject to existing awards under our 2009 Plan, plus any shares then subject to outstanding awards under our 2009 Plan that subsequently cease to be subject to such awards (other than by reason of exercise or settlement of the awards in vested or nonforfeitable shares), will automatically become available for issuance under the 2011 Plan, up to an aggregate maximum of shares. The number of shares authorized under the 2011 Plan also may be increased on the first day of each fiscal year beginning in by an amount equal to the least of (i) % of our outstanding common stock on a fully diluted basis as of the end of our immediately preceding fiscal year, (ii) shares and (iii) a lesser amount determined by our board of directors.

The following shares will be available again for issuance under the 2011 Plan:

- shares subject to awards that lapse, expire, terminate or are canceled prior to the issuance of the underlying shares;
- shares subject to awards that are subsequently forfeited to or otherwise reacquired by us;
- shares withheld by or tendered to us as payment for the purchase price of an award or to satisfy tax withholding obligations related to an award; and
- shares subject to an award that is settled in cash or in another manner where some or all of the shares covered by the award are not issued.

Awards granted on assumption of or in substitution for previously granted awards by an acquired company will not reduce the number of shares authorized for issuance under the 2011 Plan.

If any change in our stock occurs by reason of a stock dividend, stock split, spin-off, recapitalization, merger, consolidation, combination or exchange of shares, distribution to stockholders other than a normal cash dividend or other change in our corporate or capital structure, the committee will make proportional adjustments to the maximum number and kind of securities (i) available for issuance under the 2011 Plan, (ii) issuable as incentive stock options and (iii) subject to any outstanding award, including the per share price of such securities (without any change in the award's aggregate price).

Awards. The 2011 Plan will permit the grant of any or all of the following types of awards:

- *Stock Options.* The committee may grant either incentive stock options, which must comply with Code Section 422, or nonqualified stock options. The exercise price of stock options granted under the 2011 Plan must not be less than 100% of the fair market value of our common stock on the date of grant, except in the case of options granted in connection with assuming or substituting options in acquisition transactions. Unless the committee otherwise determines, fair market value means, as of a given date, the closing price of our common stock. Options have a maximum term of ten years from the date of grant, subject to earlier termination following a participant's termination of employment or service relationship with us.
- *Stock Appreciation Rights (SARs).* The committee may grant SARs as a right in tandem with the number of shares underlying stock options granted under the 2011 Plan or as a freestanding award. Upon exercise, SARs are the right to receive payment per share in stock or cash, or in a combination of stock and cash, equal to the excess of the share's fair market value on the date of exercise over the grant price of the SAR. The grant price of a tandem SAR is equal to the exercise price of the related stock option and the grant price of a freestanding SAR is determined by the committee in accordance with the procedures described above for stock options. Exercise of an SAR issued in tandem with a stock option will reduce the number of shares underlying the related stock option to the extent of the SAR exercised. The term of a stand-alone SAR cannot be more than ten years, and the term of a tandem SAR cannot exceed the term of the related option.

- *Stock Awards, Restricted Stock and Stock Units.* The committee may grant awards of shares of common stock, or awards denominated in units of common stock, under the 2011 Plan. These awards may be made subject to repurchase or forfeiture restrictions at the committee's discretion. The restrictions may be based on continuous service with us or the achievement of specified performance criteria, as determined by the committee.
- *Performance Awards.* The committee may grant performance awards in the form of performance shares or performance units. Performance shares are units valued by reference to a designated number of shares of common stock, and performance units are units valued by reference to a designated amount of property other than shares of common stock. Both types of awards may be payable in stock, cash or other property, or a combination thereof, upon the attainment of performance criteria and other terms and conditions as established by the committee.
- *Other Stock or Cash-Based Awards.* The committee may grant other incentives payable in cash or in shares of common stock, subject to the terms of the 2011 Plan and any other terms and conditions determined by the committee.

Repricing. The 2011 Plan will permit the committee, without stockholder approval, to (i) reduce the exercise or grant price of an option or SAR after it is granted, (ii) cancel an option or SAR at a time when its exercise or grant price exceeds the fair market value of the underlying stock, in exchange for cash, another option or SAR, restricted stock or other equity award or (iii) take any other action that is treated as a repricing under GAAP.

Change in Control or Liquidation. Under the 2011 Plan, unless otherwise provided in the instrument evidencing an award or in a written employment, services or other agreement between a participant and us, the following will apply in the event of a change in control (as will be defined in the 2011 Plan):

- Upon certain changes in control, such as specified reorganizations, mergers or consolidations, outstanding awards will become fully vested and exercisable or payable, and all applicable restrictions or forfeiture provisions will lapse, only if and to the extent the awards are not converted, assumed, substituted for or replaced by a successor company. Except for such specified types of changes of control in which awards are converted, assumed, substituted for or replaced by a successor company, all outstanding awards, other than performance shares, performance units and other performance-based awards, will become fully vested and exercisable and all applicable restrictions or forfeiture provisions will lapse immediately prior to the change in control and the awards (other than stock awards) will terminate at the effective time of the change in control.
- Upon a change in control, all performance shares, performance units and other performance-based awards will be payable based on targeted performance being attained as of the effective date of the change in control and will be paid in accordance with the payout schedule for the award.
- In the event of certain reorganizations, mergers or consolidations, the committee, in its discretion, may provide that a participant's outstanding awards will be cashed out.

If we dissolve or liquidate, unless the committee determines otherwise, outstanding awards will terminate immediately prior to such dissolution or liquidation.

Amendment and Termination. Subject to applicable law, regulation or stock exchange rule, our board of directors or the compensation committee will be permitted to amend the 2011 Plan or any outstanding award thereunder, except that, any amendment that requires stockholder approval may only be made by our board of directors and not the compensation committee. Amendment of an outstanding award generally may not materially adversely affect a participant's rights under the award without the participant's consent, subject to certain exceptions to be set forth in the 2011 Plan.

Our board of directors or compensation committee may suspend or terminate all or any portion of the 2011 Plan at any time, but in such event, outstanding awards will remain outstanding in accordance with their existing

terms and conditions and the 2011 Plan's terms and conditions. Unless sooner terminated by our board of directors or the compensation committee, the 2011 Plan will terminate ten years from the date our board of directors adopts the 2011 Plan.

401(k) Plan

We maintain a tax-qualified 401(k) retirement plan for all employees who satisfy certain eligibility requirements. Under our 401(k) plan, employees may elect to defer up to 100% of their eligible compensation subject to applicable annual limits set pursuant to the Code. We may provide a discretionary employee matching contribution and discretionary profit sharing contribution under the 401(k) plan. We intend for the 401(k) plan to qualify, depending on the employee's election, under Section 401(a) of the Code so that contributions by employees, and income earned on those contributions, are not taxable to employees until withdrawn from the 401(k) plan.

2011 Employee Stock Purchase Plan

We expect our board of directors to adopt, and our stockholders to approve, our 2011 Employee Stock Purchase Plan (2011 ESPP) prior to completion of this offering. We intend that the 2011 ESPP will become effective upon the effective date of the registration statement of which this prospectus is a part.

Purpose. The purpose of the 2011 ESPP is to provide our employees and those of our subsidiaries designated to participate in the 2011 ESPP with an opportunity to purchase shares of our common stock at a discount using payroll deductions. The 2011 ESPP has two portions – one portion for employees in the U.S. and one portion for international employees.

The portion of the 2011 ESPP for employees in the U.S. is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code, though we make no representation of such status or undertaking to maintain such status.

Administration. The 2011 ESPP will be administered by the compensation committee of our board of directors or any other committee appointed by our board of directors to administer the 2011 ESPP. The compensation committee or other authorized committee will have the full and exclusive discretionary authority to construe and interpret the 2011 ESPP and the rights granted under it, to establish rules for the administration of the 2011 ESPP, to designate from time to time which of our subsidiaries will be eligible to participate in the 2011 ESPP, and to amend the 2011 ESPP to satisfy applicable laws, to obtain any exemption under such laws or to reduce or eliminate any unfavorable legal, accounting or other consequences. The compensation committee or other authorized committee also may adopt special rules for employees of our international subsidiaries to conform to the particular laws and practices of the countries in which such employees reside. References to the "committee" below are, as applicable, to our compensation committee or other committee that may be authorized to administer the 2011 ESPP.

Eligibility. Generally, all our employees and those of our designated subsidiaries whose customary employment is for more than 20 hours per week will be eligible to participate in the 2011 ESPP. However, any employee who would own or have options to acquire 5% or more of the total combined voting power or value of all classes of our stock or any subsidiary will be excluded from participation in the 2011 ESPP.

Share Reserve. The 2011 ESPP will initially authorize the issuance of up to shares of our common stock. In addition, the number of shares authorized under the 2011 ESPP may be increased on the first day of each fiscal year starting in by an amount equal to the least of (a) % of our outstanding common stock on a fully diluted basis as of the end of our immediately preceding fiscal year, (b) shares and (c) a lesser amount determined by our board of directors. If any purchase right terminates under the 2011 ESPP for

any reason without having been exercised, the shares of common stock not purchased under such right will again become available for issuance under the 2011 ESPP. To the extent shares are issued to employees under one portion of the 2011 ESPP, they will no longer be available for issuance under the other portion of the 2011 ESPP.

The 2011 ESPP provides for adjustment of the number of shares of common stock which may be granted under the 2011 ESPP as well as the purchase price per share of common stock and the number of shares of common stock covered by each purchase right as a result of any increase or decrease in the number of shares of common stock resulting from a stock split, reverse stock split, stock dividend, extraordinary cash dividend, combination or reclassification of our common stock, or recapitalization, reorganization, consolidation, split-up, spin-off or any other increase or decrease in the number of shares of our common stock effected without the receipt of consideration by us.

Purchase of Shares of Common Stock. Pursuant to procedures that will be established by the committee, eligible employees generally will be able to elect to have a portion of their compensation withheld each pay period to purchase shares of our common stock at the end of pre-established purchase periods. Purchases will be made on the last trading day of the purchase period with such compensation amounts. The first purchase period will begin on the first trading day on or after completion of this offering and all eligible employees will automatically participate in this first purchase period, provided they timely submit an enrollment election to continue participation in the purchase period after we file a Form S-8 registration statement with respect to the issuance of shares under the 2011 ESPP.

On each purchase date (the last trading day of each purchase period), amounts withheld from an employee's compensation during the applicable purchase period will be used to purchase whole shares of our common stock. Unless the committee determines higher percentages, the purchase price for a share of common stock will be the lesser of (a) 85% of the fair market value of a share of common stock on the first trading day of the purchase period and (b) 85% of the fair market value of a share of common stock on the purchase date. Fair market value generally will mean the closing price of our common stock for the applicable day, except that for purposes of the first trading day of the first purchase period under the 2011 ESPP, fair market value will be equal to 100% of the initial public offering price per share of our common stock, before underwriters' discounts or commissions.

The Code limits the aggregate fair market value of the shares of common stock (determined as of the beginning of the purchase period) that an employee in the U.S. may purchase under the 2011 ESPP during any calendar year to $25,000. In addition, unless the committee establishes otherwise for a purchase period, a participant may purchase a maximum of 2,500 shares of our common stock during a single purchase period.

An employee's participation in the 2011 ESPP will end automatically upon the employee's termination of employment with us for any reason. A participant may withdraw from the 2011 ESPP during a purchase period and any amounts withheld during the purchase period will be distributed to the employee. In such event, the employee will not be eligible to recommence withholding of compensation for the purchase of shares of common stock until the following purchase period.

Effect of Certain Corporate Events. In the event of certain corporate transactions, such as a dissolution, liquidation, merger, consolidation, sale of all or substantially all our outstanding voting securities or assets or a similar transaction, the committee may make such adjustment as it deems appropriate in the number, class of or price of shares of common stock available for purchase under the 2011 ESPP and in the number of shares of common stock which an employee is eligible to purchase and any other adjustments it deems appropriate. In the event of any such transaction, the committee may elect to have purchase rights under the 2011 ESPP assumed or substituted by a successor entity, set an earlier purchase date, terminate all outstanding purchase rights either prior to their expiration or upon completion of the purchase of shares of common stock on the next purchase date, or take such other action deemed appropriate by the committee.

Amendment and Termination. Our board of directors may amend the 2011 ESPP at any time, provided that such amendment does not cause rights issued under the portion of the 2011 ESPP for U.S. employees to fail to

meet the requirements of Section 423 of the Code. Moreover, any amendment for which stockholder approval is required under Section 423 or by any securities exchange on which the shares are traded must be submitted to stockholders for approval. Our board of directors may suspend or terminate the 2011 ESPP at any time. Unless sooner terminated by our board of directors, the 2011 ESPP will terminate on the tenth anniversary of the earlier of the date the board of directors adopts the 2011 ESPP and the date our stockholders approve the 2011 ESPP.

Limitation on Liability and Indemnification Matters

The following description references our fourth amended and restated certificate of incorporation and second amended and restated bylaws that will be in effect immediately following the closing of this offering. Our fourth amended and restated certificate of incorporation limits the liability of directors to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derives an improper personal benefit.

Our fourth amended and restated certificate of incorporation and second amended and restated bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by law. Our second amended and restated bylaws also permit us to secure insurance on behalf of any officer or director for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification.

We have also entered into agreements to indemnify our directors and certain of our officers to the maximum extent allowed under Delaware law. These agreements, among other things, provide that we will indemnify our directors for certain expenses (including attorneys' fees), judgments, fines and settlement amounts reasonably incurred by such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on our behalf or that person's status as our director.

There is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or requested, and we are not aware of any threatened litigation or proceeding that would reasonably be expected to result in a claim for indemnification.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

The following is a description of transactions since October 1, 2007, in which we have been a participant, in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers, beneficial owners of more than 5% of our capital stock, or entities affiliated with them, had or will have a direct or indirect material interest.

Indemnification of Officers and Directors

Our fourth amended and restated certificate of incorporation and second amended and restated bylaws that will become effective immediately following the closing of this offering will limit the liability of each of our directors and will provide that we will indemnify each of our directors and officers to the fullest extent permitted by Delaware law. In addition, we have entered into separate indemnification agreements with each of our directors and certain of our officers. See “Executive Compensation—Limitation on Liability and Indemnification Matters” for a general description of these provisions.

GaAs Labs Management Fee

On October 15, 2008, Mimix entered into a management services agreement with GaAs Labs which was amended on December 21, 2010. GaAs Labs is an affiliate of John Ocampo, our Chairman of the Board, and Susan Ocampo, one of our current directors. The agreement provides that in exchange for the provision of financial and strategic advisory and other services to us, we will pay GaAs Labs a management fee of $60,000 per month. In the fiscal years ended October 2, 2009 and October 1, 2010 and the nine months ended July 1, 2011, we paid GaAs Labs $720,000, $720,000 and $540,000, respectively, under the agreement. This agreement will terminate upon the closing of this offering.

Compensation Arrangements Between Cobham and Certain Named Executive Officers

In connection with the M/A-COM Acquisition, Cobham agreed to pay a retention bonus to Conrad Gagnon, our Chief Financial Officer, to encourage him to continue employment with us. The initial payment pursuant to this compensation arrangement was made in 2009 in an amount of $74,093 to Mr. Gagnon, which was paid to us by Cobham and distributed to Mr. Gagnon through our payroll. Mr. Gagnon is eligible to receive additional payments of up to $110,140 pursuant to this compensation arrangement with amounts payable after November 2011 and/or November 2012, provided that he remains employed with us through the payment dates. The payment may be accelerated in certain circumstances.

Series A Preferred Stock

On March 17, 2010, we effected a share exchange transaction with the holders of our outstanding common stock, whereby a portion of the outstanding shares of our common stock held by each such stockholder was exchanged for shares of our Series A-1 convertible preferred stock. A trust controlled by Mr. and Mrs. Ocampo received 94,400,000 shares of Series A-1 convertible preferred stock in this exchange. The Series A-1 convertible preferred stock will convert to common stock upon the closing of this offering.

On May 28, 2010, in connection with the Mimix Merger, we issued 16,821,780 shares of our Series A-2 convertible preferred stock to the preferred stockholders of Mimix in partial consideration for the transaction. An affiliate of Mr. and Mrs. Ocampo, GaAs Labs, was the majority stockholder of Mimix and a holder of its preferred stock, and in that capacity, was issued 10,571,470 shares of our Series A-2 convertible preferred stock in connection with the Mimix Merger. The Series A-2 convertible preferred stock will convert to common stock upon the closing of this offering.

Sale of Class B Convertible Preferred Stock and Warrants

On December 21, 2010, we issued and sold 284,746.33 shares of our Class B convertible preferred stock and warrants to purchase 42,711.95 shares of our common stock to Mainsail Partners II, L.P. for an aggregate purchase price of $1.0 million or $3.511898 per share of our Class B convertible preferred stock. We also issued and sold an aggregate of 33,884,813.42 shares of our Class B convertible preferred stock and warrants to purchase 5,082,722.01 shares of our common stock to Summit Partners Private Equity Fund VII-A, L.P., Summit Partners Private Equity Fund VII-B, L.P., Summit Investors I, LLC and Summit Investors I (UK), L.P. for an aggregate purchase price of $119.0 million or $3.511898 per share of our Class B convertible preferred stock. Peter Chung, one of our directors, is a Managing Director of Summit Partners, L.P., which is (i) the managing member of Summit Partners PE VII, LLC, which is the general partner of Summit Partners PE VII, L.P., which is the general partner of Summit Partners Private Equity Fund VII-A, L.P. and Summit Partners Private Equity Fund VII-B, L.P., and (ii) the managing member of Summit Investors Management, LLC, which is the manager of Summit Investors I, LLC, and the general partner of Summit Investors I (UK), L.P. Mr. Chung is also a member of Summit PE VII, LLC and a limited partner of Summit Partners PE VII, L.P. As described in the "Principal and Selling Stockholders" section, voting and dispositive power over the shares held by the investment funds affiliated with Summit Partners L.P. resides with a two-person investment committee, of which Mr. Chung is not a member. The Class B convertible preferred stock will convert to common stock upon the closing of this offering.

Upon the closing of this offering, we will be required under the terms of our current amended and restated certificate of incorporation to pay to the holders of our Class B convertible preferred stock a preference payment of between $20.0 million and $60.0 million plus all declared but unpaid dividends based on the initial public offering price of our common stock. Assuming an initial public offering price of $ per share, which is the midpoint of the range set forth on the cover page of this prospectus, we will be obligated to pay a preference payment relating to this offering to the holders of our Class B convertible preferred stock in the aggregate amount of $.

We may pay up to 50% of such preference payment with shares of our common stock. However, we currently intend to pay such preference payment in full in cash out of the net proceeds of this offering. As of July 1, 2011, there were no declared and unpaid dividends that would affect the required payment.

Warrants

We issued warrants to purchase an aggregate of 5,125,433.96 shares of our common stock to Mainsail Partners II, L.P. and certain investment funds affiliated with Summit Partners, L.P. The exercise price of the warrants is $3.511898 per share and the warrants are exercisable until the earlier of December 21, 2020 or the consummation of the sale of us or substantially all of our assets. The holder of the warrants may exercise them by (i) paying us cash equal to the aggregate exercise price; (ii) surrendering our equity securities to us with a fair market value equal to the aggregate exercise price; or (iii) instructing us to withhold from issuance upon exercise of the warrant, shares of common stock with a fair market value equal to the aggregate exercise price. The exercise price and number of shares underlying the warrants are subject to adjustment upon certain issuances of common stock for consideration of less than the warrant exercise price, which feature will lapse upon the closing of this offering. The warrants are also subject to adjustment upon stock splits, recapitalization and other similar events. The warrants will remain outstanding following the closing of this offering.

Amended and Restated Investor Rights Agreement

In connection with the sale of our Class B convertible preferred stock, we entered into an amended and restated investor rights agreement that provides for, among other things, restrictions on share transfers, rights of first refusal in connection with proposed transfers of shares, drag along and co-sale rights in connection with certain sales of shares, preemptive rights for the purchase of new securities and board designation rights. The rights and restrictions relating to the share transfers, certain preemptive rights for the purchase of new securities and board designation rights will terminate upon the closing of this offering.

In addition, pursuant to a Class B preferred rights agreement between us and the holders of our Class B convertible preferred stock, we are subject to certain affirmative and negative covenants that can only be waived by a majority of the holders of our Class B convertible preferred stock, including certain investment funds affiliated with Summit Partners, L.P. The restrictive covenants under this agreement will cease to be effective upon the closing of the offering.

Registration Rights

The amended and restated investor rights agreement provides parties to the agreement rights relating to the registration of the shares of our common stock, including with respect to this offering, held by them and issuable to them upon conversion of our preferred stock and warrants held by them. These securities are referred to as "registrable securities."

Specifically, the amended and restated investor rights agreement provides for (i) up to two demand registration rights, which require us to effect a registration of registrable securities with the SEC upon a written request from the majority of shares held by entities affiliated with the holders of our Class B convertible preferred stock; (ii) unlimited shelf demand registration rights after we are eligible to use a registration statement on Form S-3 upon request from the holders of at least 5% of the outstanding registrable securities; and (iii) piggyback registration rights, which require us to register any registrable securities if we propose to register any of our equity securities for sale to the public (whether for our account or the account of any stockholder).

A registration statement will not count against the two demand registration statements until it has become effective and the holders requesting such registration statement are able to register and sell at least 90% of the registrable securities requested to be included in such registration statement. We are not obligated to effect a demand registration within (i) 180 days after the effectiveness of a Form S-1 registration statement, including the registration statement of which this prospectus is a part; and (ii) 90 days of the effective date of a Form S-3 registration statement initiated by us. Our obligation to effect any shelf demand registration is subject to certain conditions, including that we need not effect more than two shelf registrations within the 12-month period immediately preceding the shelf demand request.

The holders of our Class B convertible preferred stock have not used any of their demand registrations. In connection with any registration effected pursuant to the terms of the amended and restated investor rights agreement, we will be required to pay for all of the fees and expenses incurred in connection with such registration, including registration fees, filing fees and printing fees. However, the underwriting discounts, commissions and fees payable in respect of registrable securities included in any registration will be paid by the persons including such registrable securities in any such registration. We have also agreed to indemnify the holders of registrable securities against claims, losses, damages and liabilities with respect to each registration effected pursuant to the amended and restated investor rights agreement subject to limited exceptions.

Policies and Procedures for Related Person Transactions

We do not currently have a formal, written policy or procedure for the review and approval of related person transactions. However, effective at the closing of this offering, our audit committee charter will provide that our audit committee will be required to approve any related person transactions. Our code of conduct and ethics also prohibits our directors and officers from engaging in a conflict of interest transaction without disclosure to and approval from the board of directors or one of its committees.

We intend that all future transactions between us and our directors, executive officers and principal stockholders and their affiliates will be approved in advance by our audit committee. All of the transactions described above were entered into prior to the adoption of our audit committee charter, but each was approved by a majority of our board of directors.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock at September 30, 2011 for:

- each person who we know beneficially owns more than five percent of our outstanding shares of common stock;
- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each of the selling stockholders.

We have determined beneficial ownership in accordance with SEC rules. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of September 30, 2011. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

"Shares Beneficially Owned Prior to the Offering" is based on 158,878,488 shares of common stock outstanding on September 30, 2011, assuming the conversion of all outstanding shares of our preferred stock on a one-for-one basis into shares of our common stock. Beneficial ownership "After the Offering" is calculated based on 158,878,488 shares of common stock outstanding on September 30, 2011, assuming the conversion of all outstanding shares of our preferred stock on a one-for-one basis into shares of our common stock, plus shares of common stock to be sold by us in this offering. Beneficial ownership "After the Offering (Over-allotment Option Exercised in Full)" is calculated based on 158,878,488 shares of common stock outstanding on September 30, 2011, assuming the conversion of all outstanding shares of our preferred stock on a one-for-one basis in to shares of our common stock, plus (i) shares of common stock to be sold by us in this offering and (ii) shares that will be issued by us in connection with the full exercise of the over-allotment option.

Unless otherwise noted, the address of each beneficial owner listed in the table is 100 Chelmsford Street, Lowell, Massachusetts 01851.

	Shares Beneficially Owned				Percentage of Shares Beneficially Owned		
	Shares Beneficially Owned Prior to the Offering	Shares Being Offered	After the Offering	After the Offering (Over-allotment Option Exercised in Full)	Prior to the Offering	After the Offering	After the Offering (Over-allotment Option Exercised in Full)
Greater than 5% Stockholders:							
John Ocampo and affiliates (1)	105,153,470				66.2%		
Summit Partners, L.P. (2)	38,967,531				23.8%		
Directors and Named Executive Officers:							
John Ocampo (1)	105,153,470				66.2%		
Susan Ocampo (1)	105,153,470				66.2%		
Charles Bland (3)	680,000				*		
Conrad Gagnon (4)	516,667				*		
Robert Donahue (5)	310,000				*		
Michael Murphy (6)	240,000				*		
Joseph Thomas, Jr.	1,388,887				*		
Peter Chung	—				—		
Gil Van Lunsen	30,000				*		
All directors and executive officers as a group (7 persons) (7)	106,930,137				67.2%		
Other Selling Stockholders:							

* Represents beneficial ownership of less than 1%

(1) Represents 94,582,000 shares beneficially owned by various family trusts affiliated with John and Susan Ocampo. Mr. and Mrs. Ocampo are the co-trustees of each of the family trusts and hold voting and dispositive power over the shares held in the family trusts. Also includes 10,571,470 shares beneficially owned by GaAs Labs, LLC, an entity controlled by Mr. and Mrs. Ocampo.

(2) Represents 24,301,923 shares beneficially owned by Summit Partners Private Equity Fund VII-A, L.P., 14,596,125 shares beneficially owned by Summit Partners Private Equity Fund VII-B, L.P., 64,900 shares beneficially owned by Summit Investors I, LLC, and 4,583 shares beneficially owned by Summit Investors I (UK), L.P. Shares beneficially owned also include the following shares issuable upon the exercise of warrants that are currently exercisable: 3,169,816 shares beneficially owned by Summit Partners Private Equity Fund VII-A, L.P., 1,903,842 shares beneficially owned by Summit Partners Private Equity Fund VII-B, L.P., 8,465 shares beneficially owned by Summit Investors I, LLC, and 597 shares beneficially owned by Summit Investors I (UK), L.P. Summit Partners, L.P. is (i) the managing member of Summit Partners PE VII, LLC, which is the general partner of Summit Partners PE VII, L.P., which is the general partner of each of Summit Partners Private Equity Fund VII-A, L.P. and Summit Partners Private Equity Fund VII-B, L.P., and (ii) the manager of Summit Investors Management, LLC, which is the managing member of Summit Investors I, LLC, and the general partner of Summit Investors I (UK), L.P. Summit Partners, L.P., through a two-person investment committee currently composed of Bruce R. Evans and Martin J. Mannion, has voting and dispositive authority over the shares held by each of these entities and therefore, Summit Partners, L.P. beneficially owns such shares. The address of each of these entities is 222 Berkeley Street, 18th Floor, Boston, MA 02116. Certain private funds sponsored by Summit Partners, L.P. hold private equity investments in one or more broker-dealers, and as a result Summit Partners, L.P. is an affiliate of a broker-dealer. However, entities affiliated with Summit Partners, L.P. acquired the securities to be sold in this offering in the ordinary course of business for investment for their own account and not as a nominee or agent and, at the time of that purchase, had no contract, undertaking, agreement, understanding or arrangement, directly or indirectly, with any person to sell, transfer, distribute or grant participations to such person or to any third person with respect to those securities.

(3) Includes 80,000 shares issuable upon the exercise of options that may be exercised within 60 days of September 30, 2011.

(4) Includes 50,167 shares issuable upon the exercise of options that may be exercised within 60 days of September 30, 2011.

(5) Includes 100,000 shares issuable upon the exercise of options that may be exercised within 60 days of September 30, 2011.

(6) Includes 20,000 shares issuable upon the exercise of options that may be exercised within 60 days of September 30, 2011.

(7) Includes 250,167 shares issuable to Messrs. Bland, Gagnon, Donahue and Murphy upon the exercise of options that may be exercised within 60 days of September 30, 2011.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and provisions of our fourth amended and restated certificate of incorporation and second amended and restated bylaws are summaries and are qualified by reference to our fourth amended and restated certificate of incorporation and second amended and restated bylaws that we expect our board of directors to adopt and stockholders to approve effective immediately upon the completion of this offering. You should read carefully our fourth amended and restated certificate of incorporation and second amended and restated bylaws, which are included as exhibits to the registration statement of which this prospectus is a part.

Upon the closing of this offering, our authorized capital stock will consist of shares of common stock, $0.001 par value per share, and shares of preferred stock, $0.001 par value per share.

Common Stock

The holders of common stock are entitled to one vote per share on all matters to be voted on by the common stockholders. The holders of our common stock are not entitled to cumulative voting in the election of our directors. Therefore, holders of a majority of the shares voting for the election of directors can elect all directors. Subject to preferences of any outstanding shares of preferred stock, the holders of common stock are entitled to receive ratably any dividends our board of directors may declare out of funds legally available for the payment of dividends. If we are liquidated, dissolved or wound up, the holders of common stock are entitled to share pro rata in all assets remaining after payment of, or provision for, our liabilities and liquidation preferences of any outstanding shares of preferred stock. Holders of common stock have no pre-emptive rights or rights to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and non-assessable, and the shares of common stock to be sold in this offering will be fully paid and non-assessable. As of September 30, 2011 and after giving effect to the conversion of our preferred stock into common stock as if it had occurred as of such date, we would have had 158,878,488 shares of common stock outstanding held by 134 record holders. Upon the closing of this offering, we will have shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding stock options or warrants.

Preferred Stock

Upon completion of this offering, our outstanding shares of convertible preferred stock will be converted into 150,991,337 shares of our common stock. Thereafter, pursuant to our fourth amended and restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to shares of preferred stock from time to time in one or more series. The board of directors also has the authority to fix the designations, voting powers, preferences, privileges, rights and limitations of any series of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. The board of directors, without stockholder approval, can issue preferred stock with voting, conversion or other rights that could adversely affect the voting power and other rights of the holders of common stock. The issuance of preferred stock may decrease the market price of our common stock. We have no plans at this time to issue any preferred stock.

Warrants

On December 21, 2010, we issued warrants to purchase an aggregate of 5,125,433.96 shares of our common stock at a price of $3.511898 per share to Mainsail Partners II, L.P. and certain investment funds affiliated with Summit Partners, L.P. These warrants will remain outstanding following the closing of this offering.

Preemptive Rights

Under Delaware law, a stockholder is not entitled to pre-emptive rights to subscribe for additional issuances of common stock or any other class of series of common stock or any security convertible into such stock in proportion to the shares that are owned unless there is a provision to the contrary in the certificate of incorporation. Our fourth amended and restated certificate of incorporation does not provide that our stockholders are entitled to pre-emptive rights.

Registration Rights

We are party to an amended and restated investor rights agreement with certain holders of our common and preferred stock, which provides for registration rights. See “Certain Relationships and Related Person Transactions—Sale of Class B Convertible Preferred Stock and Warrants—Registration Rights” for a general description of these provisions.

Anti-Takeover Effects of Certain Provisions of Our Amended and Restated Articles of Incorporation, Amended and Restated Bylaws and Delaware Law

Provisions of our fourth amended and restated articles of incorporation, our second amended and restated bylaws and Delaware law could have the effect of delaying or preventing a third party from acquiring us, even if the acquisition would benefit our stockholders. These provisions may delay, defer or prevent a tender offer or takeover attempt of our company that a stockholder might consider in the stockholder’s best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors and to reduce our vulnerability to an unsolicited proposal for a takeover that does not contemplate the acquisition of all of our outstanding shares, or an unsolicited proposal for our restructuring or sale of all or part of our business.

Authorized but Unissued Shares of Common Stock and Preferred Stock

Our authorized but unissued shares of common stock and preferred stock are available for our board of directors to issue without stockholder approval. As noted above, our board of directors, without stockholder approval, has the authority under our fourth amended and restated certificate of incorporation to issue preferred stock with rights superior to the rights of the holders of common stock. As a result, preferred stock could be issued quickly, could adversely affect the rights of holders of common stock and could be issued with terms calculated to delay or prevent a change of control or make removal of management more difficult. We may use the additional authorized shares of common or preferred stock for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of our authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of our company by means of a proxy contest, tender offer, merger or other transaction.

Classified Board; Election and Removal of Directors

Our fourth amended and restated certificate of incorporation provides for the division of our board of directors into three classes, as nearly as equal in number as possible, with the directors in each class serving for three-year terms, and one class being elected each year by our stockholders. Our directors can be removed only for cause and, subject to specified exceptions, vacancies on our board of directors may be filled only by the affirmative vote of a majority of the directors then in office. Further, only our board of directors may change the size of our board of directors. Because this system of electing, appointing and removing directors generally makes it more difficult for stockholders to replace a majority of the board of directors, it may discourage a third party from initiating a tender offer or otherwise attempting to gain control of our company, and may maintain the incumbency of our board of directors.

Stockholder Action; Special Meetings of Stockholders

Our fourth amended and restated certificate of incorporation allows stockholders to act by unanimous written consent. Our fourth amended and restated certificate of incorporation also provides that special meetings of our stockholders may be called only by the majority of our board of directors or by the chairman of the board of directors.

Advance Notice Requirements for Stockholders Proposals and Director Nominations

Our second amended and restated bylaws provide that stockholders seeking to bring business before a meeting of stockholders, or to nominate candidates for election as directors at a meeting of stockholders, must provide us with timely written notice of their proposal. Our second amended and restated bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

Amendment to our Certificate of Incorporation and Bylaws

Our fourth amended and restated certificate of incorporation may generally be amended by a majority of our stockholders, except with respect to provisions regarding our board of directors and stockholder meetings, which may only be amended upon approval of holders of at least 66-2/3% of our outstanding voting stock. Our second amended and restated bylaws may generally be amended by our board of directors or by our stockholders upon approval of holders of at least 66-2/3% of our outstanding voting stock.

Delaware Anti-Takeover Statute

We are subject to the provisions of Section 203 of the Delaware General Corporation Law, an anti-takeover law. Subject to exceptions, the statute prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to such date, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding for purposes of determining the number of shares outstanding, those shares owned by (1) persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder.

For purposes of Section 203, a "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, with an "interested stockholder" being defined as a person who, together with affiliates and associates, owns, or within three years prior to the date of determination whether the person is an "interested stockholder," did own, 15% or more of the corporation's voting stock.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC.

Listing

We have applied to have our common stock approved for listing on the Nasdaq Global Select Market under the symbol "MTSI."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and although we expect that our common stock will be approved for listing on the Nasdaq Global Select Market, an active public market for our common stock may not develop following this offering. We cannot predict the effect, if any, that market sales by our existing stockholders of shares of common stock, or the availability of shares of common stock for sale, will have on the market price of our common stock prevailing from time to time. Sales by our existing stockholders of substantial amounts of common stock in the public market, or the perception that such sales could occur, could reduce the market price of our common stock and impair our future ability to raise capital through the sale of equity securities.

Upon completion of this offering, based on our shares outstanding as of September 30, 2011, and after giving effect to the conversion of all outstanding shares of our convertible preferred stock into 150,991,337 shares of common stock, we will have shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option to purchase additional shares and no exercise of outstanding warrants and options. Of the outstanding shares, subject to the lock-up agreements described below, all of the shares of common stock sold in this offering will be freely tradable, except that any shares held or acquired by our "affiliates," as that term is defined in Rule 144 under the Securities Act of 1933, as amended (Securities Act), will be subject to the volume limitations and other restrictions of Rule 144 described below. The remaining shares of common stock held by our existing stockholders are "restricted securities" as defined under Rule 144. Restricted securities may be sold in the public market only if registered under the Securities Act or if they qualify for an exemption from registration, including, among others, the exemptions provided by Rule 144 and Rule 701 under the Securities Act, which are summarized below.

Rule 144

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell his or her shares provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the three months before, the sale and (2) we have been subject to and satisfied the Exchange Act periodic reporting requirements for at least 90 days before the sale. If such person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell the shares regardless of whether we have been subject to and satisfied the Exchange Act reporting requirements.

A person who has beneficially owned restricted shares of our common stock for at least six months, but who is one of our affiliates at the time of, or any time during the 90 days before, the sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume of our common stock during the four calendar weeks before the filing of a notice on Form 144 with respect to the sale;

provided that, in each case, we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales by affiliates must also comply with the manner of sale and notice provisions of Rule 144.

Rule 701

In general, under Rule 701 under the Securities Act, a person who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days may sell these shares in reliance upon Rule 144, but without being

required to comply with the public information requirements or holding period requirements of Rule 144. Rule 701 also permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after we have become subject to the Exchange Act periodic reporting requirements before selling their shares.

As of September 30, 2011, 5,887,151 shares of our outstanding common stock had been issued in reliance on Rule 701 as a result of stock option exercises or restricted stock grants. All of these shares are subject to the contractual lock-up agreements described below or similar market standoff agreements with us.

Lock-Up Agreements

We, our directors and officers and holders of substantially all of our equity securities have agreed, subject to certain exceptions, not to offer, sell or transfer any common stock or securities convertible into or exchangeable or exercisable for common stock, other than the shares which the selling stockholders may sell in this offering, for 180 days after the date of this prospectus without first obtaining the written consent of Barclays Capital Inc. and J.P. Morgan Securities LLC, subject to a possible extension beyond the end of such 180-day period as described under “Underwriting.”

Registration Rights

Pursuant to an amended and restated investor rights agreement, the holders of 158,516,768 shares of our common stock (including shares of our common stock issuable upon the conversion of our outstanding convertible preferred stock immediately prior to the closing of this offering), or their transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. For a description of these registration rights, see “Certain Relationships and Related Person Transactions—Sale of Class B convertible preferred stock and Warrants—Registration Rights.” If the offer and sale of these shares is registered, the shares will be freely tradable without restriction under the Securities Act and a large number of shares may be sold into the public market. If such sale occurs, the market price of our common stock could decline.

Stock Options

As of September 30, 2011, options to purchase a total of 9,168,708 shares of common stock pursuant to our 2009 Plan were outstanding, of which options to purchase 2,249,743 shares were exercisable, and no options were outstanding or exercisable under our 2011 Plan. We intend to file a registration statement on Form S-8 under the Securities Act promptly after the closing of this offering to register shares that may be issued pursuant to our 2011 Plan. The registration statement is expected to become effective immediately upon filing, and shares covered by the registration statement will then become eligible for sale in the public markets, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable lock-up agreements. For a more complete discussion of our equity incentive plans, see “Executive Compensation—Employee Benefit and Stock Plans.”

Warrants

We have issued warrants to purchase 5,125,433.96 shares of our common stock at a price of $3.511898 per share to Mainsail Partners II, L.P. and certain investment funds affiliated with Summit Partners, L.P. These warrants will survive the closing of this offering. The shares issuable upon exercise of the warrants will be restricted securities.

MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income and estate tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our common stock. This summary does not purport to be a complete analysis of all the potential tax considerations to non-U.S. holders relating to an investment in our common stock. This summary is based upon the provisions of the Code, U.S. Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof, all of which are subject to change, possibly with retroactive effect, which could result in U.S. federal income and estate tax consequences different than those summarized below. We have not sought, nor do we intend to seek a ruling from the Internal Revenue Service (IRS) with respect to the U.S. federal income tax and estate tax consequences described in the following summary, and there can be no assurance that the IRS will agree with any or all of such consequences described herein.

This summary does not address the tax considerations arising under the laws of any state, local non-U.S. or other taxing jurisdiction and is limited to investors who will hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code. This summary does not address all tax considerations that may be relevant to an investor in light of the investor's particular circumstances nor does it address tax considerations to non-U.S. investors that are subject to special rules, such as:

- banks, insurance companies, or other financial institutions (except to the extent specifically set forth below under "Additional Withholding and Information Requirements");
- persons subject to the alternative minimum tax;
- tax-exempt organizations or tax-qualified retirement plans;
- real estate investment trusts or regulated investment companies;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than 5% of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction," synthetic security, or other integrated or risk reduction transaction; or
- persons deemed to sell our common stock under the constructive sale provisions of the Internal Revenue Code; and
- persons that have a "functional currency" other than the U.S. dollar.

The following discussion of material U.S. federal income and estate tax consequences to non-U.S. holders is for general information only and it is not intended to be tax advice. You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are a beneficial owner of our common stock that is not treated as a partnership for U.S. federal income tax purposes other than (i) a U.S. citizen or U.S. resident, (ii) a corporation or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source, or (iv) a trust that either is subject to the primary supervision of a court within the United States and has one or more U.S. persons (as defined in the Internal Revenue Code) with authority to control all of its substantial decisions, or has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

In addition, if a partnership (including any entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner (including a person classified as a partner for U.S. federal income tax purposes) generally will depend on the status of the partner and on the activities of the partnership. Accordingly, partnerships that hold our common stock and partners in such partnerships should consult their tax advisors.

A modified definition of Non-U.S. Holder applies for U.S. federal estate tax purposes (as discussed below).

Distributions on Common Stock

As discussed under “Dividend Policy” above, we do not currently anticipate making cash distributions on our common stock. In the event that we do make distributions on our common stock, these distributions generally will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and may generally be subject to withholding as described below. To the extent these distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your adjusted tax basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock subject to the tax treatment described below in “Gain on Sale, Disposition of Common Stock.” Any such distribution would also be subject to the discussion below under the section titled “Additional Withholding and Information Requirements.”

Any dividend paid to you generally will be subject to withholding at a rate of 30% of the gross amount of the dividend, unless you provide us or our agent, as the case may be, with an appropriate IRS Form W-8 prior to the payment of dividends properly certifying qualification for a reduced treaty rate. If you hold our common stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. The certification requirements also may require a you to provide your U.S. taxpayer identification number if you provide an IRS form or claim treaty benefits.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, such dividends are attributable to a permanent establishment maintained by you in the U.S.) are exempt from withholding. In order to claim this exemption, you must provide us with an IRS Form W-8ECI (or successor form) properly certifying this exemption. Effectively connected dividends, although not subject to withholding, are taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons, net of certain deductions and credits, subject to an applicable income tax treaty providing otherwise. In addition, if you are a non-U.S. holder treated as a corporation for U.S. federal income tax purposes, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to an additional branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

Special certification and other requirements apply to certain non-U.S. holders that are entities rather than individuals.

You are urged to consult your own tax advisor about the specific methods for satisfying the requirements for an exemption from, or a reduced rate of, withholding. A claim for exemption from, or a reduced rate of, withholding will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form are false. If you are eligible for a reduced rate of withholding pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. You should consult your tax advisor about your ability to apply for a refund if necessary.

Gain on Disposition of Common Stock

Subject to the discussion below under "Additional Withholding and Reporting Requirements," you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, the gain is attributable to a permanent establishment maintained by you in the U.S.);
- you are an individual who is present in the U.S. for a period or periods aggregating 183 days or more during the taxable year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a "U.S. real property interest" by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or your holding period for our common stock and certain other requirements are met.

If you are described in the first bullet above, you generally will be subject to U.S. federal income tax with respect to gain derived from the sale on a net income basis in the same manner and at the same graduated U.S. federal income tax rates applicable to U.S. persons, and if you are a non-U.S. holder treated as a corporation for U.S. federal income tax purposes, you may be subject to an additional branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. If you are described in the second bullet above, you generally will be subject to U.S. federal income tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty on the gain derived from the sale and other U.S. source capital gains in excess of U.S. source capital losses during the taxable year of the disposition.

We believe that we are not currently and do not anticipate becoming a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, our common stock will be treated as a U.S. real property interest only if you actually or constructively hold more than 5% of such regularly traded common stock at any time during the applicable period specified in the Internal Revenue Code. However, no assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any, regardless of whether withholding is reduced or eliminated by an applicable tax treaty. A similar report is sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Information reporting and backup withholding will generally apply to the payment of the proceeds of a disposition of shares of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other

requirements, or otherwise establishes an exemption. Generally, backup, withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected through a non-U.S. office of a U.S. broker or non-U.S. office of a foreign broker. For information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors are urged to consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Payments of dividends on or the gross proceeds of disposition of our common stock may be subject to information reporting and backup withholding at a current rate of 28% (which, under current rules, is scheduled to increase to 31% commencing on or after January 1, 2013) unless you establish an exemption, for example by properly certifying your non-U.S. status on a Form W-8BEN or another appropriate version of IRS Form W-8. See also the discussion below under "Additional Withholding and Reporting Requirements." Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Backup withholding is not an additional tax. Any amounts withheld from a payment to you under the backup withholding rules will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information or returns are furnished to the IRS in a timely manner.

Additional Withholding and Reporting Requirements

Legislation enacted in March 2010 generally imposes withholding at a rate of 30% on payments to certain foreign entities (including financial institutions, which include hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles regardless of size) of dividends on, and the gross proceeds from a sale or other dispositions of, common stock of U.S. issuers (and certain other types of payments), unless various U.S. information reporting, due diligence and procedural (including in certain cases the entering into an agreement with the IRS) requirements have been timely satisfied. These requirements are different from, and are in addition to, the beneficial owner certification requirements described above. Pursuant to recent guidance from the IRS, this 30% withholding tax would apply to certain payments, including dividends on our common stock, if any, paid on or after January 1, 2014, and to payments of gross proceeds from the sale or other disposition of our common stock paid on or after January 1, 2015. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits for such taxes. The Code requires the IRS to provide for the coordination of this 30% withholding tax with other U.S. federal income withholding provisions, including providing for the proper crediting of amounts deducted and withheld under these rules against amounts required to be deducted and withheld under such other withholding provisions. To date, no such coordinating rules have been implemented.

The IRS's guidance with respect to these rules is only preliminary, and the scope of these rules remains unclear and potentially subject to material changes. You should consult your tax advisor regarding the possible implications of these rules on your investment in our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax.

Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the U.S. (as specially defined for U.S. federal estate tax purposes) at the time of death will be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and therefore may be subject to U.S. federal estate tax.

UNDERWRITING

Barclays Capital Inc. and J.P. Morgan Securities LLC are acting as joint book-running managers and as representatives of the underwriters of this offering. Jefferies & Company, Inc. is also acting as a joint book-running manager. Under the terms of an underwriting agreement, which will be filed as an exhibit to the registration statement of which this prospectus is a part, each of the underwriters named below has severally agreed to purchase from us and the selling stockholders the respective number of shares of common stock shown opposite its name below:

Underwriters	Number of Shares
Barclays Capital Inc.	
J.P. Morgan Securities LLC	
Jefferies & Company, Inc.	
Morgan Keegan & Company, Inc.	
Needham & Company, LLC	
Raymond James & Associates, Inc.	
Stifel, Nicolaus & Company, Incorporated	
Total	

The underwriting agreement provides that the underwriters' obligation to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the obligation to purchase all of the shares of common stock offered hereby (other than those shares of common stock covered by their option to purchase additional shares as described below), if any of the shares are purchased;
- the representations and warranties made by us and the selling stockholders to the underwriters are true;
- there is no material change in our business or the financial markets; and
- we deliver customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we and the selling stockholders will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to us and the selling stockholders for the shares.

	No Exercise	Full Exercise
Per share		
Total paid by us		
Total paid by the selling stockholders		

The representatives of the underwriters have advised us that the underwriters propose to offer the shares of common stock directly to the public at the public offering price on the cover of this prospectus and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of $ per share. After the offering, the representatives may change the offering price and other selling terms. Sales of shares made outside of the U.S. may be made by affiliates of the underwriters.

The expenses of the offering that are payable by us and the selling stockholders are estimated to be $ (excluding underwriting discounts and commissions).

Option to Purchase Additional Shares

We and the selling stockholders have granted the underwriters an option exercisable for 30 days after the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of shares at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than shares in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's underwriting commitment in the offering as indicated in the table at the beginning of this Underwriting section.

Lock-Up Agreements

We, all of our directors and executive officers and holders of substantially all of our outstanding stock, have agreed that, without the prior written consent of each of Barclays Capital Inc. and J.P. Morgan Securities LLC, we and they will not directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of common stock (including, without limitation, shares of common stock that may be deemed to be beneficially owned by us or them in accordance with the rules and regulations of the SEC and shares of common stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for common stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or other securities, in cash or otherwise, (3) subject to certain limited exceptions, make any demand for or exercise any right or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of common stock or securities convertible into or exercisable or exchangeable for common stock or any other securities of the company or (4) publicly disclose the intention to do any of the foregoing for a period commencing on the date hereof and ending 180 days after the date of this prospectus in each case subject to certain exceptions set forth in the lock-up agreements.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or occurrence of material event unless such extension is waived in writing by Barclays Capital and J.P. Morgan Securities LLC.

Barclays Capital Inc. and J.P. Morgan Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, Barclays Capital Inc. and J.P. Morgan Securities LLC will consider, among other factors, the holder's reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time.

As described below under "Directed Share Program," any participant who had agreed to the lock-up provisions described above or any participant who is our employee, will be subject to a 180-day lock up with respect to any shares sold to them pursuant to that program, with the same restrictions and an identical extension provision as the lock-up agreement described above. Any shares sold in the directed share program to our directors or officers shall be subject to the lock-up agreement described above.

Offering Price Determination

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be negotiated between the representatives and us. In determining the initial public offering price of our common stock, the representatives will consider:

- the history and prospects for the industry in which we compete;
- our financial information;
- the ability of our management and our business potential and earning prospects;
- the prevailing securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded shares of generally comparable companies.

Indemnification

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act and liabilities incurred in connection with the directed share program referred to below, and to contribute to payments that the underwriters may be required to make for these liabilities.

Directed Share Program

At our request, the underwriters have reserved for sale at the initial public offering price up to shares offered hereby for our officers, directors, employees, customers, suppliers, vendors and friends and relatives of our employees. The number of shares available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. Any participant who had agreed to the lock-up provisions described above, or any participant who is our employee, will be prohibited from selling, pledging or assigning any shares sold to them pursuant to this program for a period of 180 days after the date of this prospectus. This 180-day lock up period shall be extended with respect to our issuance of an earnings release or if a material news or a material event relating to us occurs, in the same manner as described above under “Lock-Up Agreements.”

Stabilization, Short Positions and Penalty Bids

The representatives may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriters may close out any short position by either exercising their option to purchase additional shares and/or purchasing shares in the open market. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for

purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq Global Select Market or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations. Other than the prospectus in electronic format, the information on any underwriter's or selling group member's web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus is a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

The Nasdaq Global Select Market

We have applied to list our shares of common stock on the Nasdaq Global Select Market under the symbol "MTSI."

Discretionary Sales

The underwriters have informed us that they do not intend to confirm sales to discretionary accounts that exceed 5% of the total number of shares offered by them.

Stamp Taxes

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Relationships

Certain of the underwriters and/or their affiliates have engaged, and may in the future engage, in commercial and investment banking transactions with us in the ordinary course of their business. They have received, and expect to receive, customary compensation and expense reimbursement for these commercial and investment banking transactions.

In September 2011, we entered into a revolving credit facility with JPMorgan Chase Bank, N.A., as lender and administrative agent, and a syndicate of other lenders including affiliates of Barclays Capital Inc., Raymond James & Associates, Inc. and Jefferies & Company, Inc. The revolving credit facility was negotiated on an arms-length basis and contains customary terms pursuant to which the administrative agent and lenders receive customary fees. There are currently no amounts outstanding under the revolving credit facility.

Selling Restrictions

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus may not be made to the public in that relevant member state other than:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives; or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of securities to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

We and the selling stockholders have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of us, the selling stockholders or the underwriters.

Switzerland

This document, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (Corporations Act)) in relation to the securities has been or will be lodged with the Australian Securities & Investments Commission (ASIC). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

  (i) a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;

  (ii) a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

  (iii) a person associated with the company under section 708(12) of the Corporations Act; or

  (iv) a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act,

  (v) and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

(b) you warrant and agree that you will not offer any of the securities for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Brunei

This prospectus has been provided at your request strictly for your information purposes only and does not constitute and shall not be construed as an offer to sell the securities described here or an invitation to make an offer to buy or to apply to subscribe for such securities. We and underwriters do not provide any investment advice or recommendations on the securities described here. This prospectus is not a prospectus for purposes of the Brunei Companies Act, Cap 39 and has not been registered as such. Neither our company, any of the

underwriters, nor any of our or their affiliates is licensed as dealers or an investment adviser under the Brunei Securities Order, 2001, nor are they or any of their affiliates registered or incorporated under the Brunei Companies Act, Cap 39. This prospectus has been provided to you solely for your own purposes and must not be copied, redistributed or circulated to any other person without the prior consent of our company or the underwriters.

China

The common stock may not be offered or sold directly or indirectly in the People's Republic of China (the PRC) (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). Neither this prospectus nor any material or information contained or incorporated by reference herein relating to the common stock, which have not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission (CSRC) or other relevant governmental authorities in the PRC pursuant to relevant laws and regulations, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the common stock in the PRC. The material or information contained or incorporated by reference herein relating to the common stock does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The common stock may only be offered or sold to the PRC investors that are authorized to engage in the purchase of securities of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the CSRC, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

Hong Kong

The common stock may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the common stock may be issued or may be in the possession of any person for the purpose of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the common stock which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or any rules made under that Ordinance.

India

This prospectus has not been and will not be registered as a prospectus with the Registrar of Companies in India or with the Securities and Exchange Board of India. This prospectus or any other material relating to these securities is for information purposes only and may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India and in any event to not more than 50 persons in India. Further, persons into whose possession this prospectus comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in these securities. Each prospective investor is also advised that any investment in these securities by it is subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.

Japan

No registration has been made under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (FIEL) in relation to the common stock. The shares of common stock are being offered in a private placement to: (i) "qualified institutional investors" (*tekikaku-kikan-toshika*) under

Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the FIEL (the Ministry of Finance Ordinance No. 14, as amended) (QIIs), under Article 2, Paragraph 3, Item 2 i of the FIEL**;** and/or (ii) up to 49 investors under Article 2, Paragraph 3, Item 2 iii of the FIEL. Any QII acquiring the common stock in this offering may not transfer or resell those shares except to other QIIs.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the common stock may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore (the SFA), (ii) to a "relevant person" as defined in Section 275(2) of the SFA, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the common stock is subscribed and purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole whole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the common stock under Section 275 of the SFA except:

  (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions, specified in Section 275 of the SFA;

  (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 275(1A) of the SFA, or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;

  (iii) where no consideration is or will be given for the transfer; or

  (iv) where the transfer is by operation of law.

By accepting this prospectus, the recipient hereof represents and warrants that he is entitled to receive it in accordance with the restrictions set forth above and agrees to be bound by limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

Taiwan

The common stock has not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the common stock in Taiwan, the Republic of China.

LEGAL MATTERS

Perkins Coie LLP, Denver, Colorado, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of common stock being offered by this prospectus. The underwriters have been represented by Ropes & Gray LLP, Boston, Massachusetts.

EXPERTS

Our combined consolidated financial statements included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing elsewhere in this Registration Statement (which report expresses an unqualified opinion on the combined consolidated financial statements and includes an explanatory paragraph referring to the common control business combination of Mimix and us). Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The combined consolidated financial statements of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited for the period from September 26, 2008 through March 30, 2009 included in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing elsewhere in this Registration Statement (which report expresses an unqualified opinion on the combined consolidated financial statements and includes explanatory paragraphs referring to affiliations with Cobham and the impact of such affiliation on the results of operations and the sale of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited to us on March 30, 2009). Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed with the registration statement. For further information about us and the common stock offered by this prospectus, reference is made to the registration statement and the exhibits filed with this prospectus.

Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. When we complete this offering, we will be required to file annual, quarterly and special reports, proxy statements and other information with the SEC. For further information about us and our common stock, you can inspect a copy of the registration statement and the exhibits to the registration statement without charge at the offices of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can obtain copies of all or any part of the registration statement from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549 upon paying the prescribed fees. You can obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants like us that file electronically with the SEC. You can also inspect our registration statement on this website.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
M/A-COM Technology Solutions Holdings, Inc.
Lowell, Massachusetts

We have audited the accompanying combined consolidated balance sheets of M/A-COM Technology Solutions Holdings, Inc. and subsidiaries (the "Company") as of October 2, 2009, October 1, 2010, and July 1, 2011, and the related statements of operations, comprehensive income, stockholders' equity (deficit), and cash flows for each of the three fiscal years in the period ended October 1, 2010 and for the nine months ended July 1, 2011. These combined consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 2, 2009, October 1, 2010 and July 1, 2011, and the results of their operations and their cash flows for each of the three fiscal years in the period ended October 1, 2010 and for the nine months ended July 1, 2011 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the Company and Mimix Holdings, Inc. ("Mimix") merged in a common control business combination on May 28, 2010. The accompanying combined consolidated financial statements have been presented in a manner similar to a pooling-of-interests and includes the results of operations of each entity since March 25, 2009, which was the date of common control and amounts have been retroactively combined using historical amounts. Mimix is deemed to be the predecessor entity and amounts prior to March 25, 2009 relate to Mimix only.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
August 1, 2011

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED BALANCE SHEETS

(In thousands)

	October 2, 2009	October 1, 2010	July 1, 2011	Pro Forma July 1, 2011 (Unaudited)
ASSETS				
Current assets:				
Cash and cash equivalents	$ 15,358	$ 23,946	$ 36,728	
Accounts receivable, net	43,245	45,522	49,011	
Inventories	41,748	45,289	52,158	
Prepaid expenses and other current assets	1,824	2,969	2,306	
Deferred income taxes	50	2,395	7,791	
Total current assets	102,225	120,121	147,994	
Property and equipment, net	23,283	21,106	23,540	
Goodwill	—	—	3,990	
Intangible assets, net	23,251	20,562	22,720	
Assets held for sale	4,303	2,840	—	
Deferred income taxes	—	—	4,704	
Other assets	253	207	1,644	
Total assets	$ 153,315	$ 164,836	$ 204,592	
LIABILITIES AND EQUITY (DEFICIT)				
Current liabilities:				
Accounts payable	$ 14,515	$ 17,720	$ 17,811	
Accrued liabilities	22,878	20,986	16,613	
Income taxes payable	137	2,408	14,034	
Deferred revenue	13,073	12,459	13,303	
Current portion of contingent consideration	—	8,825	15,753	
Revolving credit facility	5,118	—	—	
Current portion of notes payable	191	—	—	
Current portion of capital lease obligations	—	768	—	
Total current liabilities	55,912	63,166	77,514	
Capital lease obligations, less current portion	—	658	—	
Notes payable, less current portion	30,000	30,000	—	
Contingent consideration, less current portion	27,300	20,475	10,199	
Common stock warrant liability	—	—	15,897	
Class B conversion liability	—	—	98,692	
Other long-term liabilities	2,767	2,171	2,316	
Deferred income taxes	121	3,711	—	
Total liabilities	116,100	120,181	204,618	

(Continued)

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED BALANCE SHEETS

(In thousands)

	October 2, 2009	October 1, 2010	July 1, 2011	Pro Forma July 1, 2011 (Unaudited)
Class B redeemable convertible preferred stock	—	—	74,228	
Convertible preferred stock	—	—	106,400	
Commitments and contingencies (Note 11)				
Stockholders' equity (deficit):				
Convertible preferred stock:				
Series A	18	—	—	
Series A -1	—	100	—	
Series A -2	—	17	—	
Common stock	1,005	4	7	
Accumulated other comprehensive loss	(41)	(173)	(154)	
Additional paid-in capital	69,155	70,818	—	
Accumulated deficit	(32,945)	(26,111)	(180,507)	
Total M/A-COM Technology Solutions Holdings, Inc. stockholders' equity (deficit)	37,192	44,655	(180,654)	
Noncontrolling interest in a subsidiary	23	—	—	
Total equity (deficit)	37,215	44,655	(180,654)	
Total liabilities and equity (deficit)	$153,315	$164,836	$204,592	$

See notes to combined consolidated financial statements. (Concluded)

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands)

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Revenue	$25,423	$102,718	$260,297	$ 186,124	$ 231,493
Cost of revenue	17,228	77,171	166,554	120,264	134,516
Gross profit	8,195	25,547	93,743	65,860	96,977
Operating expenses:					
Research and development	6,728	13,553	25,795	18,672	25,533
Selling, general and administrative	6,047	25,601	45,860	33,281	36,617
Accretion of contingent consideration	—	2,800	2,000	1,500	660
Restructuring charges	—	5,100	2,234	1,369	866
Total operating expenses	12,775	47,054	75,889	54,822	63,676
Income (loss) from operations	(4,580)	(21,507)	17,854	11,038	33,301
Other (expense) income:					
Gain on bargain purchase	—	27,073	—	—	—
Accretion of common stock warrant liability	—	—	—	—	(10,241)
Accretion of Class B conversion liability	—	—	—	—	(57,051)
Interest expense	(1,009)	(1,699)	(2,323)	(1,738)	(750)
Total other (expense) income, net	(1,009)	25,374	(2,323)	(1,738)	(68,042)
Income (loss) before income taxes	(5,589)	3,867	15,531	9,300	(34,741)
Income tax (provision) benefit	—	124	(8,996)	(5,167)	(3,779)
Net income (loss) from continuing operations	(5,589)	3,991	6,535	4,133	(38,520)
Net income from discontinued operations	—	198	494	1,160	754
Net income (loss)	(5,589)	4,189	7,029	5,293	(37,766)
Less net income attributable to noncontrolling interest in a subsidiary	—	23	195	195	—
Net income (loss) attributable to controlling interest	(5,589)	4,166	6,834	5,098	(37,766)
Accretion to redemption value of redeemable preferred stock and preferred stock dividends	(1,780)	(3,559)	(6,298)	(4,585)	(79,062)
Net income (loss) attributable to common stockholders	$ (7,369)	$ 607	$ 536	$ 513	$ (116,828)

(Continued)

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Net income (loss) per share:					
Basic and diluted income (loss) per common share:					
Income (loss) from continuing operations	$(9.67)	$ 0.01	$ 0.00	$ (0.01)	$ (20.53)
Income from discontinued operations	—	0.00	0.01	0.02	0.13
Net income (loss)	$(9.67)	$ 0.01	$ 0.01	$ 0.01	$ (20.40)
Shares used to compute net income (loss) per common share:					
Basic	762	52,806	47,521	62,200	5,727
Diluted	762	53,366	50,343	62,553	5,727
Pro forma net income (loss) per common share (unaudited):					
Basic			$		$
Diluted			$		$
Shares used to compute pro forma net income (loss) per common share (unaudited):					
Basic					
Diluted					

See notes to combined consolidated financial statements. (Concluded)

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FISCAL YEARS ENDED 2008, 2009 AND 2010 AND FOR THE
NINE MONTHS ENDED JULY 2, 2010 AND JULY 1, 2011
(In thousands)

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Net income (loss)	$(5,589)	$4,189	$7,029	$ 5,293	$ (37,766)
Foreign currency translation gain (loss)	(49)	36	(132)	(209)	19
Total comprehensive income (loss)	$(5,638)	$4,225	$6,897	$ 5,084	$ (37,747)

See notes to combined consolidated financial statements.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except per share data)

	Convertible Preferred Stock, $0.001 Par Value												
	Series A		Series A-1		Series A-2		Common Stock		Accumulated Other Comprehensive Loss	Additional Paid-In Capital	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, October 1, 2007	—	$ —	—	$ —	—	$ —	763	$ 5	$ (28)	$ —	$ (29,993)	$ —	$ (30,016)
Accretion of redeemable convertible preferred stock	—	—	—	—	—	—	—	—	—	(251)	(1,529)	—	(1,780)
Warrants issued in connection with convertible notes payable	—	—	—	—	—	—	—	—	—	334	—	—	334
Exchange of redeemable convertible preferred stock for convertible preferred stock	12,810	13	—	—	—	—	—	—	—	29,984	—	—	29,997
Issuance of convertible preferred stock in connection with debt conversion	2,117	2	—	—	—	—	—	—	—	6,314	—	—	6,316
Issuance of convertible preferred stock	9,956	10	—	—	—	—	—	—	—	29,435	—	—	29,445
Repurchase and retirement of convertible perferred stock	(7,277)	(7)	—	—	—	—	—	—	—	(21,704)	—	—	(21,711)
Stock-based compensation	—	—	—	—	—	—	—	—	—	175	—	—	175
Foreign currency translation	—	—	—	—	—	—	—	—	(49)	—	—	—	(49)
Net loss	—	—	—	—	—	—	—	—	—	—	(5,589)	—	(5,589)
Balance, September 30, 2008	**17,606**	**18**	**—**	**—**	**—**	**—**	**763**	**5**	**(77)**	**44,287**	**(37,111)**	**—**	**7,122**
Issuance of common stock and contributions of capital in connection with the acquisition of M/A-COM Tech Business	—	—	—	—	—	—	100,000	1,000	—	24,000	—	—	25,000
Stock-based and other incentive compensation	—	—	—	—	—	—	—	—	—	868	—	—	868
Foreign currency translation	—	—	—	—	—	—	—	—	36	—	—	—	36
Net income	—	—	—	—	—	—	—	—	—	—	4,166	23	4,189
Balance, October 2, 2009	**17,606**	**18**	**—**	**—**	**—**	**—**	**100,763**	**1,005**	**(41)**	**69,155**	**(32,945)**	**23**	**37,215**

(Continued)

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except per share data)

	Convertible Preferred Stock, $0.001 Par Value												
	Series A		Series A-1		Series A-2		Common Stock		Accumulated Other Comprehensive Loss	Additional Paid-In Capital	Accumulated Deficit	Noncontrolling Interest	Total Stockholders' Equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, October 2, 2009	**17,606**	**18**	**—**	**—**	**—**	**—**	**100,763**	**1,005**	**(41)**	**69,155**	**(32,945)**	**23**	**37,215**
Recapitalization	—	—	100,000	100	—	—	(98,000)	(998)	—	898	—	—	—
Reorganization in connection with common control merger	(17,606)	(18)	—	—	17,501	18	(781)	(5)	—	(1,202)	—	—	(1,207)
Issuance of common stock upon exercise of common stock options and other awards	—	—	—	—	—	—	1,985	2	—	377	—	—	379
Acquisition of noncontrolling interest in a subsidiary	—	—	—	—	—	—	—	—	—	(2)	—	(218)	(220)
Reclaim of escrowed shares and cash in connection with common control merger	—	—	—	—	(679)	(1)	—	—	—	47	—	—	46
Stock-based and other incentive compensation	—	—	—	—	—	—	—	—	—	1,545	—	—	1,545
Foreign currency translation	—	—	—	—	—	—	—	—	(132)	—	—	—	(132)
Net income	—	—	—	—	—	—	—	—	—	—	6,834	195	7,029
Balance, October 1, 2010	**—**	**—**	**100,000**	**100**	**16,822**	**17**	**3,967**	**4**	**(173)**	**70,818**	**(26,111)**	**—**	**44,655**
Reclassification of Class A	—	—	(100,000)	(100)	(16,822)	(17)	—	—	—	(70,818)	(35,465)	—	(106,400)
Dividends declared	—	—	—	—	—	—	—	—	—	—	(80,000)	—	(80,000)
Issuance of common stock upon exercise of stock options	—	—	—	—	—	—	2,799	3	—	546	—	—	549
Stock-based and other incentive compensation	—	—	—	—	—	—	—	—	—	1,135	—	—	1,135
Accretion of redeemable convertible preferred stock	—	—	—	—	—	—	—	—	—	(1,681)	(1,165)	—	(2,846)
Foreign currency translation	—	—	—	—	—	—	—	—	19	—	—	—	19
Net loss	—	—	—	—	—	—	—	—	—	—	(37,766)	—	(37,766)
Balance, July 1, 2011	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**6,766**	**$ 7**	**$ (154)**	**$ —**	**$ (180,507)**	**$ —**	**$ (180,654)**

See notes to combined consolidated financial statements. (Concluded)

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net (loss) income	$ (5,589)	$ 4,189	$ 7,029	$ 5,293	$ (37,766)
Adjustments to reconcile net income to net cash from operating activities—net of effects from acquisition:					
Accretion of common stock warrant liability	—	—	—	—	10,241
Accretion of Class B conversion liability	—	—	—	—	57,051
Gain on bargain purchase	—	(27,073)	—	—	—
Accretion (settlement) of asset retirement obligations	61	136	231	158	(215)
Depreciation and amortization	1,502	6,381	11,416	8,511	7,752
Gain on disposition of business, net	—	—	—	—	(329)
Asset impairment	—	—	582	—	—
Accretion of contingent consideration	—	2,800	2,000	1,500	660
Noncash interest expense	417	191	—	—	—
Amortization of acquired unfavorable lease	—	(183)	(282)	(218)	(182)
Deferred income taxes	—	(386)	1,245	(70)	(15,411)
Loss on disposal of property and equipment	—	717	1,331	1,000	1,086
Stock-based and other noncash incentive compensation	175	868	1,545	1,271	1,135
Change in operating assets and liabilities (net of assets acquired and liabilities assumed in acquisition):					
Accounts receivable	(62)	(2,725)	(2,277)	(2,727)	(3,489)
Inventories	2,037	4,582	(2,978)	(3,027)	(6,799)
Prepaid expenses and other assets	214	(806)	(1,099)	(299)	(638)
Accounts payable	(1,648)	2,096	3,205	2,086	(401)
Accrued and other liabilities	(382)	7,927	(2,742)	(1,838)	(6,738)
Income taxes payable	—	133	2,143	2,081	11,626
Deferred revenue	(725)	11,877	(614)	(1,982)	844
Net cash from operating activities	(4,000)	10,724	20,735	11,739	18,427
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of a business—net of cash acquired	—	(21,587)	—	—	(1,807)
Proceeds from sale of assets	—	—	—	—	3,042
Purchases of property and equipment	(709)	(2,615)	(5,884)	(4,652)	(6,721)
Net cash from investing activities	(709)	(24,202)	(5,884)	(4,652)	(5,486)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from capital contributions	—	25,000	—	—	—
Borrowings on revolving credit facility	—	8,000	—	—	—
Payments on revolving credit facility	(3,723)	(2,882)	(5,118)	(5,118)	—
Payments on notes payable	—	(5,000)	(191)	(191)	(30,000)
Payments on capital lease	—	—	(132)	—	(1,426)
Proceeds from issuance of convertible notes payable and warrants, net	8,296	—	—	—	—
Payments of principal on convertible notes payable	(4,040)	—	—	—	—
Proceeds from issuance of convertible preferred stock with warrant and conversion features	29,445	—	—	—	118,680
Repurchase and retirement of convertible preferred stock	(21,711)	—	—	—	—
Acquisition of noncontrolling interest in a subsidiary	—	—	(220)	(220)	—
Proceeds from stock option exercises	—	—	367	191	549
Payment of contingent consideration	—	—	—	—	(8,825)
Payment of dividends	—	—	—	—	(79,137)
Payments to Mimix Holdings, Inc. preferred and common stockholders	—	—	(969)	(705)	—
Net cash from financing activities	8,267	25,118	(6,263)	(6,043)	(159)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,558	11,640	8,588	1,044	12,782
CASH AND CASH EQUIVALENTS—Beginning of period	160	3,718	15,358	15,358	23,946
CASH AND CASH EQUIVALENTS—End of period	$ 3,718	$ 15,358	$23,946	$ 16,402	$ 36,728
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid for interest	$ 1,009	$ 1,451	$ 2,574	$ 2,007	$ 1,010
Cash paid for income taxes	$ —	$ —	$ 4,710	$ 3,496	$ 7,724

See notes to combined consolidated financial statements.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business—M/A-COM Technology Solutions Holdings, Inc. ("M/A-COM Holdings") was incorporated in Delaware on March 25, 2009. M/A-COM Holdings is a provider of high-performance analog semiconductor solutions for use in wireless and wireline applications across the radio frequency ("RF"), microwave and millimeterwave spectrum. Headquartered in Lowell, Massachusetts, M/A-COM Holdings has offices in North America, Europe, Asia and Australia.

Basis of Presentation—M/A-COM Holdings acquired Mimix Holdings, Inc. ("Mimix") in connection with a common-control business combination on May 28, 2010 (the "Mimix Merger"). Mimix, a supplier of high-performance gallium arsenide semiconductors for RF, microwave, and millimeterwave applications, was acquired by the majority owner of M/A-COM Holdings in June 2008 and is the predecessor and accounting acquirer for financial statement presentation purposes. M/A-COM Holdings and Mimix were controlled by a common majority owner since March 25, 2009, the date M/A-COM Holdings was incorporated to acquire the outstanding stock of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited (collectively, the "M/A-COM Tech Business"). The accompanying combined consolidated financial statements include the consolidated operations of Mimix for the fiscal years ended September 30, 2008, October 2, 2009 and October 1, 2010 and for the nine months ended July 2, 2010, and the consolidated operations of M/A-COM Holdings for the period from its incorporation on March 25, 2009 to October 2, 2009 and for the fiscal year ended October 1, 2010, on a combined basis until the Mimix Merger. Subsequent to the Mimix Merger, the financial statements are presented on a consolidated basis. The accompanying combined consolidated financial statements have been presented in a manner similar to a pooling-of-interests, and include the results of operations of each business since the date of common control, March 25, 2009. All periods from March 2009 have been retroactively combined using historical amounts. In addition, Mimix's issued and outstanding shares of preferred and common stock prior to May 28, 2010 have been retroactively adjusted for the purposes of financial presentation to reflect the effects of the Mimix Merger using the exchange ratio established in the Mimix Merger.

The combined consolidated operations are referred to herein as those of the "Company."

References in the combined consolidated financial statements to fiscal year 2008 are to the Company's fiscal year ended September 30, 2008. In fiscal year 2009, the Company changed its fiscal year to be a "52 – 53 week" year ending on the Friday closest to the last day of September. For fiscal years in which there are 53 weeks, the fourth quarter reporting period includes 14 weeks. Unless otherwise indicated, references in the combined consolidated financial statements to fiscal years 2009 and 2010 are to the Company's fiscal years ended October 2, 2009 and October 1, 2010, respectively. Fiscal year 2009 was 53 weeks in length. Fiscal year 2010 was 52 weeks in length.

Unaudited Interim Combined Consolidated Financial Statements—The accompanying interim combined consolidated financial statements for the nine months ended July 2, 2010 and the related information contained in the notes to the consolidated financial statements are unaudited. These unaudited interim combined consolidated financial statements and notes have been prepared on the same basis as the audited combined consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's combined consolidated results of operations and cash flows for the nine months ended July 2, 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The accompanying combined consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation/combination.

Use of Estimates—The preparation of combined consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities during the reporting periods, the reported amounts of revenue and expenses during the reporting periods, and the disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, the Company bases estimates and assumptions on historical experience, currently available information and various other factors that management believes to be reasonable under the circumstances. Actual results may differ materially from these estimates and assumptions.

Discontinued Operations—In the second and third quarters of fiscal year 2011, the Company sold assets of non-core laser diode and ferrite business lines. The Company has reported the assets sold as held for sale in the Company's accompanying combined consolidated balance sheets for periods prior to the sale of the businesses and has segregated the operating results of the divested businesses from continuing operations for all periods presented.

Foreign Currency Translation and Remeasurement—The Company's combined consolidated financial statements are presented in U.S. dollars. While the majority of the Company's foreign operations use the U.S. dollar as the functional currency, the financial statements of the Company's foreign operations for which the functional currency is not the U.S. dollar are translated into U.S. dollars at the exchange rates in effect at the balance sheet dates (for assets and liabilities) and at average exchange rates (for revenue and expenses). The unrealized translation gains and losses on the net investment in these foreign operations are accumulated as a component of other comprehensive income (loss).

The financial statements of the Company's foreign operations where the functional currency is the U.S. dollar, but where the underlying transactions are transacted in a different currency, are remeasured at the exchange rate in effect at the balance sheet date with respect to monetary assets and liabilities. Nonmonetary assets and liabilities, such as inventories and property and equipment, and related statements of operations accounts, such as cost of revenue and depreciation, are remeasured at historical exchange rates. Revenues and expenses, other than cost of revenue, amortization and depreciation, are translated at the average exchange rate for the period in which the transaction occurred. The net gains (losses) on foreign currency remeasurement are reflected in selling, general and administrative expense in the accompanying combined consolidated statements of operations. The Company's recognized net gains and losses on foreign exchange are included in selling, general and administrative expense for all periods presented were immaterial.

Cash and Cash Equivalents—Cash and cash equivalents are primarily composed of short-term, highly liquid instruments, which consist primarily of overnight sweep accounts that settle each day and investments with an original maturity of three months or less.

Accounts Receivable—Accounts receivable are stated net of an allowance for estimated uncollectible accounts, which are determined by establishing reserves for specific accounts and considering historical and estimated probable losses.

Inventories—Inventories are stated at the lower of cost or market. The Company uses a combination of standard cost and moving weighted-average cost methodologies to determine the cost basis for its inventories, approximating a first-in, first-out basis. The standard cost of finished goods and work-in-process inventory is composed of material, labor and manufacturing overhead, which approximates actual cost. In addition to stating inventory at the lower of cost or market, the Company also evaluates inventory each reporting period for excess quantities and obsolescence, establishing reserves when necessary based upon historical experience, assessment of economic conditions and expected demand. Once recorded, these reserves are considered permanent adjustments to the carrying value of inventory.

Property and Equipment—Property and equipment are stated at cost, less accumulated depreciation. Assets held under capital leases are stated at the lesser of the present value of future minimum payments, using the Company's incremental borrowing rate at the inception of the lease, or the fair value of the property at the

inception of the lease. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements that significantly extend the useful life of the assets are capitalized as additions to property and equipment.

Property and equipment are depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Classification	Estimated Useful Life In Years
Machinery and equipment	2 – 7
Machinery and equipment under capital leases	5 – 7
Computer equipment and software	2 – 3
Furniture and fixtures	7 – 10
Leasehold improvements	Shorter of useful life or term of lease

Goodwill and Intangible Assets—The Company has intangible assets with indefinite and definite lives. Goodwill and the "M/A-COM" trade name are indefinite-lived assets and were acquired through business combinations. Neither the goodwill nor the "M/A-COM" trade name are subject to amortization; these are reviewed for impairment annually in August and more frequently if events or changes in circumstances indicate that the assets may be impaired. If impairment exists, a loss would be recorded to write down the value of the indefinite-lived assets to their implied fair values. There have been no impairments of intangible assets in any period presented through July 1, 2011. The Company's other intangible assets, including acquired technology and customer relationships, are definite-lived assets and are subject to amortization. The Company amortizes definite-lived assets over their estimated useful lives, which range from 5 to 10 years, based on the pattern over which the Company expects to receive the economic benefit from these assets.

Impairment of Long-Lived Assets—Long-lived assets include property and equipment and definite-lived intangible assets subject to amortization, which includes technology and customer relationships. The Company evaluates long-lived assets for recoverability when events or changes in circumstances indicate that their carrying amounts may not be recoverable. Circumstances which could trigger a review include, but are not limited to, significant decreases in the market price of the asset or asset group, significant adverse changes in the business climate or legal factors, the accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset, current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset and a current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its previously estimated useful life.

In evaluating an asset for recoverability, the Company estimates the undiscounted cash flows expected to result from the Company's use and eventual disposition of the asset. If the sum of the expected undiscounted cash flows is less than the carrying amount of the asset, an impairment loss, equal to the excess of the carrying amount over the fair value of the asset, is recognized. During the fourth quarter of fiscal year 2010, the Company recognized an impairment loss of $582,000 related to property and equipment. This impairment loss is included in discontinued operations in the accompanying combined consolidated statement of operations for fiscal year 2010. There was no impairment of long-lived assets in any other period presented.

Revenue Recognition—Revenue from the sale of products is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable, and collectibility is reasonably assured. Provided other revenue recognition criteria are met, product revenue is recognized upon transfer of title and risk of loss, which is generally upon shipment. The Company has distribution agreements that provide distributors with rights to return certain products and price protection on certain products. The Company is unable to estimate the amount of its products that may be returned by such distributors, and the ultimate sales price of products sold to such distributors, until the distributors have sold the products to third-party customers, at which point both the return rights and the price protection feature lapse. Accordingly, the Company defers the recognition of revenue on shipments of returnable and price-protected products until the products are sold by the

distributors to third-party customers. The Company defers both the revenue recognition and related cost of revenue on these products by recording the revenue as deferred revenue and the associated cost remains recorded in inventory in the accompanying combined and consolidated balance sheets. When these products are sold to a distributor's customers, the Company recognizes the revenue and associated cost of revenue. As of October 2, 2009, October 1, 2010 and July 1, 2011, $6.1 million, $6.3 million and $5.3 million, respectively, of product costs pertaining to deferred revenue was included in inventories as finished goods in the accompanying combined consolidated balance sheets. Shipping and handling fees billed to customers are recorded as revenue while the related costs are classified as a component of costs of revenue. The Company provides warranties for its products and accrues the estimated costs of warranty claims in the period the related revenue is recorded.

Advertising Costs—Advertising costs, which are not material, are expensed as incurred.

Deferred Offering Costs—Deferred offering costs consisted primarily of direct incremental professional services fees related to the Company's proposed initial public offering of its common stock. Approximately $342,000 of deferred offering costs are included in other assets on the Company's consolidated balance sheet as of July 1, 2011. Upon completion of the initial public offering contemplated herein, these amounts will be offset against the proceeds of the offering. If the offering is terminated, the deferred offering costs will be expensed.

Research and Development Costs—Costs incurred in the research and development of products are expensed as incurred.

Income Taxes—Deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities, using rates anticipated to be in effect when such temporary differences reverse. A valuation allowance against net deferred tax assets is required if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions and other issues. Reserves are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following an examination by taxing authorities. The Company recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. Potential interest and penalties associated with such uncertain tax positions are recorded as a component of income tax expense.

During the period from March 25, 2009 through December 31, 2009, M/A-COM Holdings elected, for U.S. federal income tax purposes, to be taxed under the provisions of Subchapter S of the Code ("Subchapter S"). Under such provisions, federal and certain state income taxes were the responsibility of the Company's stockholders, and no provisions for income taxes were recorded in the accompanying combined consolidated financial statements during this period, except for certain jurisdictions requiring income taxes to be paid by the corporation. Effective January 1, 2010, M/A-COM Holdings elected to terminate its Subchapter S status.

For interim periods, the Company records a tax provision or benefit based upon the estimated effective tax rate expected for the full fiscal year.

Earnings Per Share—Basic net income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period, excluding the dilutive effect of common stock equivalents. Diluted net income (loss) per share reflects the dilutive effect of common stock equivalents, such as convertible debt, convertible preferred stock, stock options, warrants and restricted stock, using the treasury stock method.

Unaudited Pro Forma Financial Information—The accompanying unaudited pro forma consolidated balance sheet reflects the conversion of all outstanding shares of preferred stock into 150,991,337 shares of common stock as a result of an automatic conversion upon the closing of the Company's proposed initial public offering.

The unaudited pro forma weighted-average number of shares of common stock outstanding included in the accompanying consolidated statements of operations gives effect to the automatic conversion of all of our outstanding convertible preferred stock into common stock upon the closing of this offering. The pro forma effect of the expected preference payment (the "QPO Preference") in the aggregate amount of $ to the holders of our Class B convertible preferred stock in connection with the conversion of our Class B convertible preferred stock to common stock upon completion of our initial public offering, has been reflected in the accompanying pro forma information as of and for the nine months ended July 1, 2011. The expected QPO Preference has been reflected in a manner similar to a dividend to be paid out of the proceeds of the offering in excess of the current year's earnings. The weighted-average shares used in the calculation of our pro forma per share data includes the additional million shares as of July 1, 2011 which, when multiplied by the assumed initial public offering price of $ per share (the mid-point of the estimated offering price range), and after deducting the pro rata estimated underwriting discounts and commissions and the pro rata estimated offering expenses payable by us, would have been required to be issued to generate net proceeds sufficient to pay the QPO Preference as of July 1, 2011.

Asset Retirement Obligations—The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is amortized over the life of the asset.

Changes in the fair value of a liability for an asset retirement obligation due to the passage of time are measured by applying an interest method of allocation. Under this method, changes in fair value due to the passage of time are recognized as an increase in the liability and as accretion expense in the same expense category for which the asset relates. Changes in fair value resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease in the carrying amounts of the liability and associated asset.

Fair Value Measurements—Financial assets and liabilities are measured at fair value. Fair value is an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Company groups financial assets and liabilities in a three-tier fair value hierarchy, according to the inputs used in measuring fair value as follows: Level 1—observable inputs such as quoted prices in active markets for identical assets and liabilities; Level 2—inputs other than quoted prices in active markets that are observable either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical assets and liabilities in markets that are not active, and model-based valuation techniques for which significant assumptions are observable in active markets; and Level 3—unobservable inputs for which there is little or no market data, requiring the Company to develop its own assumptions for model-based valuation techniques. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, the Company measures certain financial assets and liabilities at fair value.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to the short-term nature of these assets and liabilities. Management believes that the Company's debt obligations bear interest at rates which approximate prevailing market rates for instruments with similar characteristics, and accordingly, the carrying values for these debt obligations approximate fair value.

Contingent Consideration—The Company estimates and records at the acquisition date the fair value of contingent consideration making up part of the purchase price consideration for acquisitions. Additionally, at each reporting period, the Company estimates the changes in the fair value of contingent consideration, and any change in fair value is recognized in the combined consolidated statements of operations. The Company estimates the fair value of the contingent consideration by discounting the associated expected cash flows, using a probability-weighted, discounted cash flow model. The estimate of the fair value of contingent consideration requires subjective assumptions to be made regarding future operating results, discount rates, and probabilities assigned to various potential operating result scenarios. Future revisions to these assumptions and actual results could materially change the estimated fair value of contingent consideration and, therefore, may materially affect the Company's future financial results.

Share-Based Compensation—The Company accounts for all share-based compensation arrangements using the fair value method. The Company recognizes compensation expense over the requisite service period of the award, which is generally the vesting period, using the straight-line method and providing that the minimum amount of compensation recorded is equal to the vested portion of the award. The Company records the expense in the combined consolidated statements of operations in the same manner in which the award recipients' costs are classified. The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options, inclusive of assumptions for risk-free interest rates, dividends, expected terms, and estimated volatility. The Company records expense related to awards issued to non-employees over the related service period and periodically revalues the awards as they vest. The Company derives the risk-free interest rate assumption from the U.S. Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to the expected term of the award being valued. The Company based the assumed dividend yield on its expectation of not paying dividends in the foreseeable future. The Company calculated the weighted-average expected term of the options using the simplified method, which is a method of applying a formula that uses the vesting term and the contractual term to compute the expected term of a stock option. The decision to use the simplified method is based on a lack of relevant historical data, due to the Company's limited operating experience. In addition, due to the Company's limited historical data, the Company incorporates the historical volatility of comparable companies with publicly available share prices to determine estimated volatility. The accounting for stock options requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Escrow Arrangements and Outstanding Shares—In connection with the business acquisitions, escrows were established to hold portions of the stock and cash issuable to the former stockholders of the acquired businesses pending the outcome of certain contingencies and general representation matters. The escrows expire between November 2011 and August 2012. The escrow arrangement with the former stockholders of Mimix will terminate upon an initial public stock offering and any shares or amounts held in escrow, net of any pending indemnification claims, will be released. As of July 2, 2010, October 1, 2010 and July 1, 2011, accrued liabilities in the accompanying combined consolidated balance sheets include liabilities of $120,000, $73,000 and $936,000 respectively, which amounts are due to former stockholders of the acquired businesses pursuant to these escrow arrangements.

Outstanding shares of Series A-2 convertible preferred stock as of October 1, 2010 and July 1, 2011 include 1.1 million shares that are subject to forfeiture, pending resolution of an escrow arrangement. Outstanding shares of our common stock as of October 1, 2010 and July 1, 2011 exclude 30,000 and 887,850, respectively, shares of common stock issued as compensation to employees that vest over two to four years, subject to continued employment with the Company.

Guarantees and Indemnification Obligations—The Company enters into agreements in the ordinary course of business with, among others, customers, distributors, and original equipment manufacturers (OEM). Most of these agreements require the Company to indemnify the other party against third-party claims alleging that a Company product infringes a patent and/or copyright. Certain agreements in which the Company grants limited licenses to specific Company trademarks require the Company to indemnify the other party against third-party claims alleging that the use of the licensed trademark infringes a third-party trademark. Certain of these

agreements require the Company to indemnify the other party against certain claims relating to property damage, personal injury, or the acts or omissions of the Company, its employees, agents, or representatives. In addition, from time to time, the Company has made certain guarantees in the form of warranties regarding the performance of Company products to customers.

The Company has agreements with certain vendors, creditors, lessors, and service providers pursuant to which the Company has agreed to indemnify the other party for specified matters, such as acts and omissions of the Company, its employees, agents, or representatives.

The Company has procurement or license agreements with respect to technology that is used in its products and agreements in which the Company obtains rights to a product from an OEM. Under some of these agreements, the Company has agreed to indemnify the supplier for certain claims that may be brought against such party with respect to the Company's acts or omissions relating to the supplied products or technologies.

The Company's certificate of incorporation and agreements with certain of its and its subsidiaries' directors and officers provide them indemnification rights, to the extent legally permissible, against liabilities incurred by them in connection with legal actions in which they may become involved by reason of their service as a director or officer. As a matter of practice, the Company has maintained director and officer liability insurance coverage, including coverage for directors and officers of acquired companies.

The Company has not experienced any losses related to these indemnification obligations in any period presented, and no claims with respect thereto were outstanding as of July 1, 2011. The Company does not expect significant claims related to these indemnification obligations and, consequently, has concluded that the fair value of these obligations is negligible. No liabilities related to indemnification liabilities have been established.

Recent Accounting Pronouncements—In April 2010, the Financial Accounting Standards Board, (FASB), issued Account Standards Update (ASU) 2010-17, "Milestone Method of Revenue Recognition," which amends Accounting Standards Codification (ASC) 605. ASU 2010-17 provides guidance for determining when the milestone method of revenue recognition is appropriate and how this method should be applied, and specifies related disclosure requirements. ASU 2010-17 will be effective for the Company on October 2, 2011. The adoption of ASU 2010-17 is not expected to have a material effect on the Company's financial position or results of operations.

In December 2010, the FASB issued ASU 2010-29, "Disclosure of Supplementary Pro Forma Information for Business Combinations (a consensus of the FASB's Emerging Issues Task Force)." ASU 2010-29 clarifies that when presenting comparative financial statements, an entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only, and expands the related disclosure requirements. ASU 2010-29 will be effective for us on October 2, 2011, and will be applied to business combinations for which the acquisition date is subsequent to that date. The adoption of ASU 2010-29 is not expected to have a material effect on the Company's financial disclosures.

Evaluation of Subsequent Events—Management has evaluated subsequent events involving the Company for potential recognition or disclosure in the accompanying combined consolidated financial statements through August 1, 2011. Subsequent events are events or transactions that occurred after the balance sheet date but before the accompanying combined consolidated financial statements are issued.

3. MERGERS AND ACQUISITIONS

Merger Under Common Control—On May 28, 2010, by means of a merger transaction, M/A-COM Holdings acquired Mimix, an entity under common control. To effect the Mimix Merger, M/A-COM Holdings (i) purchased and retired all outstanding shares of Mimix common stock for cash, (ii) settled in-the-money vested Mimix stock options for cash, and (iii) at the election of each individual Mimix preferred stockholder, either

issued Series A-2 convertible preferred stock of M/A-COM Holdings or paid cash in exchange for Mimix preferred stock.

On the date of the Mimix Merger, M/A-COM Holdings paid $1.2 million and issued 17.5 million shares of Series A-2 convertible preferred stock in exchange for all of Mimix's outstanding shares of preferred stock and common stock, and settlement of in-the-money vested options to purchase Mimix common stock. At the closing of the Mimix Merger, 10% of such Series A-2 convertible preferred stock and cash consideration was held back by M/A-COM Holdings pursuant to the terms of an escrow arrangement to secure certain indemnification obligations of Mimix. In September 2010, the Company and the former noncontrolling Mimix stockholders agreed to release 678,913 shares of the Series A-2 convertible preferred stock to the Company and $46,000 from the escrow to resolve an indemnification claim. This release has been recorded as of October 1, 2010 in the accompanying consolidated financial statements.

Acquisition of the M/A-COM Tech Business—On March 30, 2009, M/A-COM Holdings acquired the M/A-COM Tech Business in exchange for $22.1 million in cash, net of purchase price adjustments, the issuance of $35 million in short- and long-term debt payable to the seller, and contingent consideration of up to $30 million payable to the seller through December 31, 2012, with an initial fair value of $24.5 million. The transaction was accounted for as a purchase. The total fair value purchase consideration paid in the acquisition by the Company was $81.6 million. The operations of the M/A-COM Tech Business have been included in the Company's combined consolidated financial statements since the date of the acquisition. The Company elected to record the acquisition as a purchase of assets for U.S. income tax purposes. The purpose of the acquisition was to obtain a portfolio of high performance analog semiconductor solutions.

The Company recognized all assets acquired and liabilities assumed, inclusive of the contingent consideration, based upon the fair value of such assets and liabilities measured as of March 30, 2009, the date of acquisition. The aggregate purchase price for the M/A-COM Tech Business was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows (in thousands):

Assets acquired:	
Cash	$ 531
Accounts receivable	36,591
Inventories	45,462
Property and equipment	24,763
Identifiable intangible assets	24,400
Other assets	907
Total assets acquired	132,654
Liabilities assumed:	
Accounts payable	9,913
Accrued liabilities	5,765
Deferred tax liability	457
Other liabilities	7,828
Total liabilities assumed	23,963
Net assets acquired	$108,691
Consideration:	
Cash paid at closing	$ 22,118
Seller-financed notes payable	35,000
Contingent consideration	24,500
Total consideration	81,618
Net assets acquired	108,691
Gain on bargain purchase	$ 27,073

The components of the acquired intangible assets were as follows (in thousands):

Technology	$10,700
Customer relationships	10,300
Trade name	3,400
	$24,400

A majority of the intangible assets acquired in the transaction will not be deductible for tax purposes. The overall weighted-average life of the identified intangible assets acquired in the acquisition was 8.5 years and the assets are being amortized over their estimated useful lives based upon based the pattern over which the Company expects to receive the economic benefit from these assets.

The acquisition of the M/A-COM Tech Business has been accounted for as a bargain purchase resulting in a $27.1 million gain recorded in earnings as reflected in the accompanying combined consolidated statement of operations for fiscal year 2009.

In connection with the acquisition of the M/A-COM Tech Business, the Company became obligated to pay the seller up to $30.0 million in additional purchase consideration should the Company's revenue from the M/A-COM Tech Business exceed certain thresholds. The amount to be paid to the seller is to be measured based upon the Company's qualifying revenue, as defined in the purchase agreement, during a three-year period commencing October 1, 2009 and ending September 30, 2012. The amount of contingent consideration for any one year in the three-year period may range from as little as zero up to a maximum of $15.0 million. The total cumulative contingent consideration over the entire three-year period may not exceed $30.0 million. The actual amount to be paid will be based upon a formula applied to qualifying revenue. As of March 30, 2009, the fair value of the contingent consideration was determined to be $24.5 million, which assumed the maximum payout of $30.0 million would occur. Payment of the contingent consideration may be accelerated, in full or in part, upon a sale of the business or upon a major disposition of assets, both as defined in the purchase agreement, prior to October 1, 2012. The revenue thresholds for payment of contingent consideration are also subject to adjustment for certain other dispositions of assets prior to October 1, 2012. The Company is required to record the liability at fair value as of each reporting date, with changes in fair value being recorded in earnings.

The Company paid $8.8 million of the contingent consideration in November 2010 as the required payment for the first year of the three-year period.

The prior owner of the M/A-COM Tech Business entered into incentive compensation arrangements with certain employees of the Company to induce such employees to remain employed by the Company. Certain of these incentive compensation arrangements were entered into prior to the sale of the M/A-COM Tech Business in March 2009 and provided for the employees to perform employment-related services for the Company for a period that expired in September 2009. Other arrangements between the seller and Company employees were entered into in October 2009 and provide an incentive for the employees to continue to perform employment-related services to the Company for an additional period of three years, coinciding with the aforementioned contingent purchase price payment period. Because the Company has and will continue to receive benefits from the employment services of the related employees, the incentive compensation is recorded in the Company's financial statements as non-cash incentive compensation expense in the combined consolidated statements of operations, with the offsetting amount recorded as a capital contribution through an increase in additional paid-in capital. For fiscal years 2009 and 2010 and for the nine months ended July 2, 2010 and July 1, 2011, the Company has expensed $629,000, $360,000, $270,000 and $197,000, respectively, pursuant to the terms of the incentive compensation arrangements. As of October 1, 2010 and July 1, 2011, $360,000 and $557,000, respectively, of the amount expensed is subject to adjustment should either the employees not remain employed or the incentive goals not achieved on the measurement dates. As of July 1, 2011, there was $206,000 of unrecorded compensation that, if realized, would be expensed by the Company in fiscal years 2011 and 2012.

Acquisition of Optomai, Inc.—On April 25, 2011, the Company acquired Optomai, Inc. ("Optomai"), a developer of integrated circuits and modules for fiber optic networks located in Sunnyvale, California, in exchange for $1.8 million in cash and contingent consideration of up to $16 million payable to the sellers through May 2013, and the assumption of $260,000 of liabilities. The transaction was accounted for as a purchase. The total fair value of purchase consideration paid in the acquisition by the Company was $6.6 million. The operations of Optomai have been included in the Company's consolidated financial statements since the date of acquisition. The Company is evaluating the status of the acquisition under U.S. income tax requirements. The operations of Optomai were not material and had the business combination occurred as of the earliest period presented, the Company's revenue and earnings would not have been materially different. The Company acquired Optomai to accelerate its entrance into the fiber optics market.

The Company recognized all assets acquired and liabilities assumed, inclusive of the contingent consideration, based upon the fair value of such assets and liabilities measured as of the date of acquisition. The aggregate purchase price for Optomai was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows (in thousands):

Assets acquired:	
Property and equipment	$ 238
Other assets	79
Identifiable intangible assets	4,176
Total assets acquired	4,493
Liabilities assumed:	
Deferred tax liability	$1,599
Other liabilities	260
Total liabilities assumed	1,859
Net assets acquired	$2,634
Consideration:	
Cash paid at closing	$1,807
Contingent consideration	4,817
Total consideration	6,624
Net assets acquired	2,634
Goodwill	$3,990

The components of the acquired intangible assets were as follows (in thousands):

Technology	$2,565
Customer relationships	1,611
	$4,176

The overall weighted-average life of the identified intangible assets acquired in the acquisition was seven years and the assets are being amortized over their estimated useful lives based upon based the pattern over which the Company expects to receive the economic benefit from these assets.

In connection with the acquisition of Optomai, the Company became obligated to pay the seller up to $16.0 million in additional purchase consideration should the acquired business' revenue and product development exceed certain thresholds. The amount to be paid to the seller is to be measured based upon the acquired business' revenue, contribution margin and product development during a two-year period commencing upon acquisition and ending March 29, 2013, with amounts payable in May 2012 and May 2013. The amount of

contingent consideration for any one year in the two-year period may range from as little as zero to a maximum of $1.0 million in the first year and $16.0 million in the second year, less any payments in the first fiscal year. As of April 25, 2011, the fair value of the contingent consideration was determined to be $4.8 million. The Company is required to record the liability at fair value as of each reporting date, with changes in fair value being recorded in earnings.

The changes in fair value of contingent consideration resulting from acquisitions of the M/A-COM Tech Business and Optomai are set below (in thousands):

Balance—October 1, 2008	$ —
Acquisition of M/A-COM Tech Business	24,500
Change in fair value	2,800
Balance—October 2, 2009	27,300
Change in fair value	2,000
Balance—October 1, 2010	29,300
Acquisition of Optomai	4,817
Payment	(8,825)
Change in fair value	660
Balance—July 1, 2011	25,952
Current portion	15,753
Long-term portion	$10,199

4. FINANCIAL INSTRUMENTS

Financial liabilities measured at fair value on a recurring basis consist of the following (in thousands):

		October 2, 2009		
	Fair Value	Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Contingent consideration	$ 27,300	$ —	$ —	$ 27,300

		October 1, 2010		
	Fair Value	Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Contingent consideration	$ 29,300	$ —	$ —	$ 29,300

		July 1, 2011		
	Fair Value	Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Contingent consideration	$ 25,952	$ —	$ —	$ 25,952
Common stock warrant liability	$ 15,897	$ —	$ —	$ 15,897
Class B conversion liability	$ 98,692	$ —	$ —	$ 98,692

The changes in financial liabilities with inputs classified within Level 3 of the fair value hierarchy consist of the following (in thousands):

	September 30, 2008	Net Realized/Unrealized Losses (Gains) Included in Earnings	Purchases and Issuances	Sales and Settlements	Transfers in and/or (out) of Level 3	October 2, 2009
Contingent consideration	$ —	$ 2,800	$ 24,500	$ —	$ —	$ 27,300

	October 2, 2009	Net Realized/Unrealized Losses (Gains) Included in Earnings	Purchases and Issuances	Sales and Settlements	Transfers in and/or (out) of Level 3	October 1, 2010
Contingent consideration	$27,300	$ 2,000	$ —	$ —	$ —	$ 29,300

	October 1, 2010	Net Realized/Unrealized Losses (Gains) Included in Earnings	Purchases and Issuances	Sales and Settlements	Transfers in and/or (out) of Level 3	July 1, 2011
Contingent consideration	$29,300	$ 660	$ 4,817	($ 8,825)	$ —	$25,952
Common stock warrant	$ —	$ 10,241	$ 5,656	$ —	$ —	$15,897
Class B conversion liability	$ —	$ 57,051	$ 41,641	$ —	$ —	$98,692

The fair values of the contingent consideration liabilities were estimated based upon a risk-adjusted present value of the probability-weighted expected payments by the Company. Specifically, the Company considered base, upside and downside scenarios for the operating metrics upon which the contingent payments are to be based. Probabilities were assigned to each scenario and the probability-weighted payments were discounted to present value using risk-adjusted discount rates.

The fair value of the common stock warrants was estimated based upon a present value of the probability-weighted expected investment returns to the holders. The Company weighted various scenarios of possible investment returns to the holders over the terms of the contracts, such as upon a sale of the Company and upon an initial public offering of its common stock, using a range of potential outcomes. Using the scenarios developed, management considered the likely timing and method of exercise of the warrants and investment returns to the holders. Where a settlement was considered likely in the near term, the probable settlement amounts were weighted. Where the time to exercise was expected to be longer, a Black-Scholes option pricing model was used to estimate the fair value of the warrants, giving consideration to remaining contractual life, expected volatility and risk free rates. The probability-weighted expected settlement of the warrant was discounted to the present using a risk adjusted discount rate.

The fair values of the Class B conversion liabilities were estimated based upon a consideration of the estimated fair value of the underlying common stock into which the Class B convertible preferred stock is convertible, and the expected preferential payments pursuant to the terms of the securities. The Company estimated the fair value of the common stock by using the same probability-weighted scenarios in estimating the fair value of the warrants. For each potential scenario, the value to the Class B convertible stock was estimated relative to the existing preferences. The amount in excess of the liquidation preferences, if any, was then probability-weighted and discounted to the present using a risk adjusted discount rate.

These estimates include significant judgments about potential future liquidity events and actual results could materially differ and have a material impact upon the values of the recorded liabilities. Any changes in the estimated fair values of the liabilities in the future will be reflected in the Company’s earnings and such changes could be material.

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The activity in the allowance for doubtful accounts related to accounts receivable is as follows (in thousands):

	Fiscal Years		Nine Months Ended
	2009	2010	July 1, 2011
Balance—beginning of period	$ —	$597	$ 891
Provision (recoveries), net	597	294	(47)
Charge-offs	—	—	(100)
Balance—end of period	$ 597	$891	$ 744

There was no related activity in fiscal year 2008.

6. INVENTORIES

Inventories consist of the following (in thousands):

	October 2, 2009	October 1, 2010	July 1, 2011
Raw materials	$ 25,119	$ 20,442	$26,090
Work-in-process	7,580	10,461	9,756
Finished goods	9,049	14,386	16,312
Total	$ 41,748	$ 45,289	$52,158

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following (in thousands):

	October 2, 2009	October 1, 2010	July 1, 2011
Machinery and equipment	$ 30,275	$ 28,104	$ 29,203
Leasehold improvements	2,595	2,621	3,507
Furniture and fixtures	74	113	302
Construction in process	423	1,482	2,452
Computer equipment and software	99	2,079	4,663
Total property and equipment	33,466	34,399	40,127
Less accumulated depreciation and amortization	(10,183)	(13,293)	(16,587)
Property and equipment—net	$ 23,283	$ 21,106	$ 23,540

Depreciation and amortization expense from continuing operations related to property and equipment for fiscal years 2008, 2009 and 2010, and for the nine months ended July 2, 2010 and July 1, 2011, was $1.3 million, $4.9 million, $8.7 million, $6.5 million and $5.7 million, respectively.

8. DEBT

Convertible Promissory Notes—During fiscal years 2007 and 2008, Mimix issued unsecured convertible notes payable to its stockholders and certain third parties aggregating $2.0 million and $8.3 million, respectively. During fiscal year 2008, individual notes aggregating $4.0 million of outstanding principal were repaid, with the remaining notes aggregating $6.3 million of outstanding principal and accrued interest converting into 2.1 million shares of Series A convertible preferred stock in connection with the Mimix Merger.

Acquisition-Related Debt—In connection with the acquisition of the M/A-COM Tech Business, the Company issued to the seller (i) a short-term note payable for $5.0 million (the "Short-Term Note") and (ii) a term note payable for $30.0 million (the "Term Note"). In addition, the seller provided the Company a revolving credit facility (the "Seller Revolver"), under which the Company borrowed $8.0 million.

The Short-Term Note was secured by substantially all assets of the Company, bore interest at 9.5% per annum (with a provision to increase over time) and was paid in full by September 2009.

The seller reduced the principal outstanding on the Seller Revolver in fiscal year 2009 by $2.9 million in lieu of making a cash payment of the same amount to the Company as was otherwise required by a purchase price adjustment provision included in the purchase agreement by which the Company acquired the M/A-COM Tech Business. As of October 2, 2009, $5.1 million was outstanding under the Seller Revolver, all of which was repaid in fiscal year 2010. The Seller Revolver was secured by substantially all assets of the Company and bore interest at 7.5% per annum through September 30, 2009, and 13% per annum thereafter. The Seller Revolver was terminated by mutual agreement with the seller after repayment in full in January 2010.

The Term Note was secured by substantially all assets of the Company and bore interest at 7.5% per annum through December 31, 2010, 8.5% per annum for the period from January 1, 2011 through December 31, 2011, and 9.5% per annum thereafter. Principal was due in two equal installments of $15.0 million on December 31, 2011 and 2012. In fiscal year 2009, the Company added $191,000 to the principal of the Term Note in lieu of paying the amount as interest, which was subsequently paid in February 2010. The Company repaid the Term Note in full in December 2010.

Senior Bank Debt—On January 11, 2010, the Company secured a revolving credit facility (the "Revolving Credit Facility") from a bank with borrowing availability of up to $10.0 million. Amounts outstanding under the Revolving Credit Facility were due either in October 2011 or December 2011, subject to the terms of the loan agreement. The amount available for borrowings was $10.0 million as of October 1, 2010. No amounts were borrowed under the Revolving Credit Facility and the Company terminated the facility in December 2010 in connection with securing new bank financing discussed below.

New Bank Financing—In December 2010, the Company secured a revolving credit facility ("Revolver") from a bank with borrowing capacity up to $50.0 million, which the Company used to repay the $30.0 million Term Note. The Revolver expires in December 2014, unless sooner terminated as provided in the agreement. Borrowings under the Revolver are limited to an amount based upon a formula applied to eligible assets, and bear a variable rate of interest, at the Company's election, equal to the higher of the bank's prime rate, the federal funds effective rate plus 0.50%, and the London InterBank Offered Rate for a one-month interest period plus either 1.75% or 2.25%, subject to certain conditions. Borrowings are secured by substantially all assets of the Company and the agreement provides for both financial and nonfinancial covenants, including restrictions on payments of dividends. The Company repaid all amounts outstanding under the Revolver with the proceeds from the issuance of Class B convertible preferred stock in December 2010. No amounts were outstanding under the Revolver as of July 1, 2011.

9. EMPLOYEE BENEFIT PLANS

M/A-COM Holdings established a defined contribution savings plan under Section 401(k) of the Code ("Section 401(k)") on October 1, 2009 (the "M/A-COM Tech 401(k) Plan"). The M/A-COM Tech 401(k) Plan follows a calendar year, covers substantially all U.S. employees who meet minimum age and service requirements, and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Company contributions to the plan may be made at the discretion of the Company's board of directors. In February 2011, the Company made a discretionary matching contribution to this plan for calendar year 2010 whereby the amounts contributed to the plan relating to fiscal year 2010 and the first quarter of fiscal year 2011 aggregated $738,000 and $360,000, respectively. There were no Company contributions made to the M/A-COM Tech 401(k) Plan for fiscal year 2009 or for the nine months ended July 1, 2011.

Prior to the Mimix Merger, Mimix also maintained a defined contribution savings plan under Section 401(k) (the "Mimix 401(k) Plan"). The Mimix 401(k) Plan followed a calendar year, covered substantially all Mimix U.S. employees who met minimum age and service requirements, and allowed participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Mimix matched contributions up to 50% of a maximum of 4% of compensation per employee, vesting over a six-year period. All Mimix contributions immediately vested upon consummation of the Mimix Merger and the plan was terminated. Mimix expensed contributions of $70,000, $82,000, $50,000, $50,000 and $0 in fiscal years 2008, 2009 and 2010 and for the nine months ended July 2, 2010 and July 1, 2011, respectively.

The Company's employees located in foreign jurisdictions meeting minimum age and service requirements participate in defined contribution plans whereby participants may defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Company contributions to the plan are discretionary and vary per region. The Company expensed contributions of $309,000, $435,000, $616,000, $466,000 and $527,000 for fiscal years 2008, 2009, 2010 and for the nine months ended July 2, 2010 and July 1, 2011, respectively.

10. ACCRUED LIABILITIES

Accrued liabilities consist of the following (in thousands):

	October 2, 2009	October 1, 2010	July 1, 2011
Compensation and benefits	$ 3,432	$ 10,423	$ 7,151
Product warranty	1,598	2,140	2,008
Professional fees	772	1,559	1,405
Software licenses	159	159	1,156
Asset retirement obligations—current portion	1,650	927	437
Distribution costs	661	850	615
Restructuring costs	2,056	765	343
Transition service costs	8,194	1,040	—
Other	4,356	3,123	3,498
Total	$ 22,878	$ 20,986	$16,613

11. COMMITMENTS AND CONTINGENCIES

Operating Leases—The Company has non-cancelable operating lease agreements for office, research and development and manufacturing space in the United States and foreign locations. The Company also has operating leases for certain equipment, automobiles and services in the United States and foreign jurisdictions. These lease agreements expire at various dates through 2017 and certain agreements contain provisions for extension at substantially the same terms as currently in effect. Any lease escalation clauses, rent abatements and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, are included in the determination of straight-line rent expense over the lease term.

Future minimum lease payments for the next five fiscal years as of July 1, 2011 follow (in thousands):

2011—(balance of fiscal year)	$ 830
2012	2,730
2013	2,391
2014	563
2015	78
2016	78
Thereafter	78
Total minimum lease payments	$6,748

Rent expense incurred under non-cancelable operating leases was $0.5 million, $2.2 million, $3.7 million, $2.2 million, and $2.1 million in fiscal years 2008, 2009 and 2010 and for the nine months ended July 2, 2010 and July 1, 2011, respectively.

Capital Leases—The Company entered into two non-cancelable capital lease agreements for equipment in fiscal year 2010 with terms of up to two years. The future minimum payments under the leases aggregated $1.5 million as of October 1, 2010, of which $39,000 represented interest. The leases were terminated in May and June 2011 with the Company purchasing the related assets. The Company recorded an immaterial loss on the transaction. The cost and accumulated amortization of the assets under the capital leases were $1.6 million and $98,000, respectively, as of October 1, 2010.

Unfavorable Lease Liability—In connection with the acquisition of the M/A-COM Tech Business, the Company recorded an unfavorable lease liability of $1.1 million due to certain assumed leases having lease commitments in excess of fair value. The current portion of the liability is included in accrued liabilities and the remainder is included in other long-term liabilities in the accompanying combined consolidated balance sheets. The Company is amortizing the liability as a reduction in lease expense over the terms of the respective leases. As of July 1, 2011, the remaining unfavorable lease liability was $453,000, which the Company expects to amortize through fiscal year 2013.

Asset Retirement Obligations—The Company is obligated under certain facility leases to restore those facilities to the condition in which the Company or its predecessors first occupied the facilities. The Company is required to remove leasehold improvements and equipment installed in these facilities prior to termination of the leases. The estimated costs for the removal of these assets are recorded as asset retirement obligations. A summary of the changes in the estimated fair values of the asset retirement obligations is as follows (in thousands):

	Fiscal Years			Nine Months Ended
	2008	2009	2010	July 1, 2011
Balance—beginning of period	$1,193	$1,254	$ 3,328	$ 1,819
Assumed on acquisition	—	1,938	—	—
Payments	—	—	(1,740)	(661)
Accretion expense and settlements	61	136	231	(215)
Balance—end of period	$1,254	$3,328	$ 1,819	$ 943

Unused Letter of Credit—As of October 1, 2010 and July 1, 2011, the Company had outstanding unused letters of credit from a bank aggregating $150,000 and $200,000, respectively.

Purchase Commitments—As of October 1, 2010 and July 1, 2011, the Company had outstanding noncancelable purchase commitments aggregating $1.0 million and $1.6 million, respectively, pursuant to inventory supply arrangements.

Litigation—The Company is periodically subject to legal proceedings, claims and contingencies arising in the ordinary course of business.

In April 2011, GigOptix, Inc. (“GigOptix”) filed a complaint in the Santa Clara County Superior Court against the Company, its subsidiary Optomai, and five employees who had previously worked for GigOptix. The complaint seeks unspecified damages, attorneys’ fees and costs, and injunctive relief for alleged breach of employment-related agreements, trade secret misappropriation and other related alleged torts by the employee defendants, Optomai and following its April 2011 acquisition of Optomai, the Company. GigOptix sought a temporary restraining order which was denied by the court on July 13, 2011. GigOptix later sought

an injunction on the same grounds, which was denied by the court on July 29, 2011. The Company intends to defend this lawsuit vigorously. The Company does not expect that the ultimate cost to resolve these matters will have a material effect on the consolidated financial statements. The Company does not believe a risk of material loss resulting from litigation is probable, nor is the Company able to estimate any reasonably possible range of loss.

12. RESTRUCTURINGS

In November 2005, the Company exited a facility and recorded a loss related to idle space under a lease that terminated in September 2010. The following summarizes the activity of the liability recorded related to the 2005 restructuring during fiscal years 2008, 2009 and 2010 (in thousands):

Balance—October 1, 2007	$ 755
Payments	(259)
Balance—September 30, 2008	496
Payments	(235)
Balance—October 2, 2009	261
Payments	(261)
Balance—October 1, 2010	$ —

Commencing in fiscal year 2009 and continuing in fiscal years 2010 and 2011, the Company implemented restructuring actions in connection with a broader plan to reduce staffing and the Company's manufacturing footprint. The Company expects to complete these restructuring activities by the end of fiscal year 2011 or in the first quarter of fiscal year 2012. The restructuring expense relates to direct and incremental costs related to severance and outplacement fees for the terminated employees during fiscal years 2009 and 2010 and for the nine months ended July 1, 2011. The unpaid costs as of July 1, 2011 are expected to be paid through the end of fiscal year 2011; however, as the restructuring activities are completed, the Company expects to incur $700,000 of additional unaccrued costs through fiscal year 2011 or in the first quarter of fiscal year 2012. The following is a summary of the costs related to the restructuring actions (in thousands):

Balance—October 1, 2008	$ —
Current period charges	5,100
Payments	(3,305)
Balance—October 2, 2009	1,795
Current period charges	2,234
Payments	(3,264)
Balance as of October 1, 2010	765
Current period charges	866
Payments	(1,288)
Balance—July 1, 2011	$ 343

13. PRODUCT WARRANTIES

The Company establishes a product warranty liability at the time of revenue recognition. Product warranties generally have terms of 12 months and cover nonconformance with specifications and defects in material or workmanship. The liability is based on estimated costs to fulfill customer product warranty obligations and utilizes historical product failure rates. Should actual warranty obligations differ from estimates, revisions to the warranty liability may be required.

Product warranty liability activity is as follows (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Balance—beginning of period	$ 174	$ 159	$ 1,598	$ 1,598	$ 2,140
Impact of acquisitions (divestitures)	—	426	—	—	(17)
Provisions	288	1,972	1,836	1,508	386
Direct charges	(303)	(959)	(1,294)	(948)	(501)
Balance—end of period	$ 159	$1,598	$ 2,140	$ 2,158	$ 2,008

14. INTANGIBLE ASSETS

The “M/A-COM” trade name and goodwill are intangible assets with indefinite lives, which are not subject to amortization and are tested for impairment annually. The Company performed its annual impairment test for the trade name in the fourth quarter of fiscal years 2009 and 2010, concluding no impairment existed. There were no triggering events that required the Company to perform any additional assessments as of July 1, 2011. The carrying amount of the trade name is $3.4 million as of each of October 2, 2009, October 1, 2010 and July 1, 2011. Through October 1, 2010, the Company did not have goodwill. In connection with the acquisition of Optomai (Note 3), the Company recorded goodwill of $4.0 million, which was unchanged as of July 1, 2011.

Amortized intangible assets consist of the following (in thousands):

	Total	Acquired Technology	Customer Relationships	Weighted-Average Remaining Life (Years)
Intangible assets—at October 1, 2008	$ 978	$ 489	$ 489	2.0
Additions	21,000	10,700	10,300	
Less accumulated amortization	(2,127)	(1,188)	(939)	
Intangible assets—net at October 2, 2009	$19,851	$ 10,001	$ 9,850	7.9
Intangible assets—at October 2, 2009	$21,978	$ 11,189	$ 10,789	
Less accumulated amortization	(4,816)	(2,782)	(2,034)	
Intangible assets—net at October 1, 2010	$17,162	$ 8,407	$ 8,755	7.0
Intangible assets—at October 1, 2010	$21,978	$ 11,189	$ 10,789	
Additions	4,176	2,565	1,611	
Less accumulated amortization	(6,834)	(3,989)	(2,845)	
Intangible assets—net at July 1, 2011	$19,320	$ 9,765	$ 9,555	5.9

Amortization expense related to the Company’s amortized intangible assets is as follows (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Cost of revenue	$ 98	$ 862	$1,594	$ 1,194	$ 1,207
Selling, general and administrative	98	613	1,095	822	811
Total	$196	$1,475	$2,689	$ 2,016	$ 2,018

Estimated amortization of the Company's intangible assets in future fiscal years as of July 1, 2011 (in thousands):

2011 (balance of year)	$ 664
2012	2,775
2013	2,974
2014	3,176
2015	3,268
2016	2,575
Thereafter	3,888
Total	$19,320

15. INCOME TAXES

Deferred income taxes reflect the net effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The components of the Company's deferred tax assets and liabilities as of the end of fiscal years 2009, 2010, and through July 1, 2011 are as follows (in thousands):

	October 2, 2009	October 1, 2010	July 1, 2011
Current deferred tax assets:			
Accrued liabilities	$ 1,453	$ 4,082	$ 2,835
Inventory	2,893	2,495	1,395
Deferred revenue	342	2,364	2,792
Contingent consideration	58	1,857	1,948
Accounts receivable	28	342	254
Valuation allowance	(4,724)	(8,745)	(1,433)
Current net deferred tax assets	$ 50	$ 2,395	$ 7,791
Noncurrent deferred tax assets (liabilities):			
Federal and state net operating losses and credits	$ 8,861	$ 11,195	$ 8,854
Intangibles assets	(228)	(6,661)	(7,662)
Property and equipment	256	3,303	5,494
Foreign earnings	—	—	(717)
Valuation allowance	(9,010)	(11,548)	(1,265)
Noncurrent net deferred tax assets (liabilities)	$ (121)	$ (3,711)	$ 4,704

The Company's net deferred tax asset relates predominantly to its operations in the United States. The valuation allowance is determined in accordance with the provisions for income taxes, which requires an assessment of both positive and negative evidence when determining whether it is more likely than not that the assets are recoverable. Such assessment is required on a jurisdictional basis. As of October 1, 2010, the Company has determined that it was not more likely than not that all of its net deferred tax assets will be realized and, accordingly, has recorded a valuation allowance to reduce the deferred tax assets to the amount expected to be realized. In arriving at this conclusion, the Company evaluated all available evidence, including cumulative losses for Mimix and for the years prior to fiscal year 2010 for M/A-COM Holdings and the limitations on the use of Mimix tax loss carryforwards. The valuation allowance increased by $2.5 million, $796,000 and $6.6 million, respectively, in fiscal years 2008, 2009, and 2010. The increases in the valuation allowance in fiscal years 2008, 2009 and 2010 was primarily due to increases in the deferred tax assets and the Company's recording of a full valuation allowance to reduce the deferred tax benefits otherwise to have been recorded due to losses incurred.

During the nine months ended July 1, 2011, the Company reduced the valuation allowance by $17.6 million, after concluding it was more likely than not that the deferred tax assets would be realized. The Company concluded the realization of the assets was more likely than not after recording combined consolidated taxable income for 18 consecutive months coupled with expectations of future taxable income for the remainder of fiscal year 2011 and thereafter that will be sufficient to allow the realization of the deferred tax assets. The reduction of the valuation allowance reduced the Company's provision for income taxes for the nine months ended July 1, 2011, resulting in the Company recognizing a net income tax provision of $3.8 million for the period. The remaining valuation allowance of $2.7 million as of July 1, 2011 will be released during the Company's last fiscal quarter of 2011 as the assets to which the valuation allowances relate are realized. As of October 1, 2010, the Company had $28.9 million of federal net operating loss carryforwards expiring at various dates between fiscal years 2019 and 2030. The use of substantially all of the Company's federal and state operating loss carryforwards is subject to limitations and such limitations may result in the operating loss carryforward periods expiring prior to full use of such losses.

The Company also has foreign research tax credits of approximately $800,000 which have no expiration period.

The domestic and foreign income from continuing operations before taxes were as follows (in thousands):

	Fiscal Years			Nine Months Ended
	2008	2009	2010	July 1, 2011
United States	$(5,560)	$2,533	$12,378	$ (48,107)
Foreign	(29)	1,334	3,153	13,366
Income (loss) from continuing operations before income taxes	$(5,589)	$3,867	$15,531	$ (34,741)

The components of the provision (benefit) for income taxes for each of the periods presented are as follows (in thousands):

	Fiscal Years			Nine Months Ended
	2008	2009	2010	July 1, 2011
Current:				
Federal	$ —	$ —	$ 6,099	$ 13,287
State	—	142	1,506	4,724
Foreign	—	120	146	1,179
Current provision	—	262	7,751	19,190
Deferred:				
Federal	(1,830)	(1,057)	(4,035)	1,900
State	(1)	(693)	(488)	(75)
Foreign	(622)	568	(791)	359
Change in valuation allowance	2,453	796	6,559	(17,595)
Deferred provision (benefit)	—	(386)	1,245	(15,411)
Total provision (benefit)	$ —	$ (124)	$ 8,996	$ 3,779

The Company's effective tax rates differ from the federal and statutory rate as follows:

	Fiscal Years			Nine Months Ended
	2008	2009	2010	July 1, 2011
Federal statutory rate	(35.0)%	35.0%	35.0%	(35.0)%
S-Corporation statutory rate	—	(44.0)	(5.4)	—
Foreign rate differential	0.2	(22.2)	(9.2)	(9.0)
State taxes, net of federal benefit	—	2.6	4.0	7.8
Gain on bargain purchase	—	(14.7)	—	—
Change in tax status	—	—	(3.4)	—
Class B conversion and warrant liabilities	—	—	—	87.0
Change in valuation allowance	32.7	35.6	40.0	(50.7)
Other permanent differences	2.1	4.5	(3.1)	10.8
Effective income tax rate	— %	(3.2)%	57.9%	10.9%

For the nine months ended July 1, 2011, the provision for income taxes has been determined using the estimated effective tax rates for the full fiscal years, subject to certain discrete period adjustments.

The effective income tax rate for the nine months ended July 1, 2011 was significantly impacted by the charges related to the Company's Class B conversion liability and common stock warrant liability, which are not deductible for income tax purposes.

The effective tax rate for the year ended October 2, 2009 was significantly impacted by M/A-COM Holdings' status as an S-Corporation. M/A-COM Holdings changed its tax status to C-Corporation effective January 1, 2010. The effective tax rate for 2009 was also impacted by the gain on bargain purchase, which was not taxable.

As of October 1, 2010, no provision had been made for the undistributed earnings of foreign subsidiaries as it was the Company's intention that such earnings be indefinitely reinvested. The Company has concluded that during the nine months ended July 1, 2011 the earnings of the Taiwan subsidiary will no longer be considered permanently invested and has provided for the earnings in its tax provision, which increased the tax provision by approximately $1.4 million. Undistributed earnings of all other foreign subsidiaries remain permanently reinvested. It is not practicable to determine the U.S. federal and state deferred tax liabilities associated with such foreign earnings.

Activity related to unrecognized tax benefits is as follows (in thousands):

Balance—September 30, 2007 and 2008	$ —
Additions based on tax positions	102
Balance—October 2, 2009	102
Additions based on tax positions	335
Balance—October 1, 2010	437
Additions based on tax positions	0
Balance—July 1, 2011	$ 437

The balance of the unrecognized tax benefit is included in other long-term liabilities in the accompanying combined consolidated balance sheets. It is the Company's policy to recognize interest and penalties related to income tax obligations as a component of income tax expense. During fiscal years 2009 and 2010, interest and penalties included in the income tax provisions were immaterial. The entire balance of unrecognized tax benefits, if recognized, will reduce income tax expense by $437,000.

A summary of the fiscal tax years that remain subject to examination, as of October 1, 2010, for the Company's significant tax jurisdictions are:

Jurisdiction	Tax Years Subject to Examination
United States—federal	1999—forward
United States—various states	2007—forward
Ireland	2008—forward

16. SHARE-BASED COMPENSATION PLANS

Share-based compensation expense included in the Company's combined consolidated statements of operations follows (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Cost of revenue	$ 26	$ 52	$ 214	$ 168	$ 271
Research and development	36	51	143	143	127
Selling, general and administrative	113	136	828	690	540
Total	$ 175	$ 239	$ 1,185	$ 1,001	$ 938

The Company's board of directors adopted the M/A-COM Tech 2009 Omnibus Stock Plan (the "M/A-COM Tech Plan") in fiscal year 2009, which provides for the grant of qualified incentive and nonqualified options to purchase Company common stock and other equity awards to the Company's employees, officers, directors, and outside consultants to purchase up to an aggregate of 30.0 million shares of the Company's common stock. The stock options and other equity awards generally vest over a three to five-year period and expire 10 years from the date of grant. As of October 1, 2010 and July 1, 2011, the Company had 13.1 million and 14.9 million shares, respectively, available for future grants under the M/A-COM Tech Plan. In connection with the issuance of the Class B convertible preferred stock in December 2010, the Company agreed to limit the issuance of stock options in fiscal year 2011 to no more than 1 million shares, plus any shares forfeited under then outstanding stock options.

For the period from July 2, 2010 through July 1, 2011, the Company granted the following stock options and restricted shares (in thousands, except per share amounts):

Date	Type of Award	Number of Common Stock Shares	Exercise/Purchase Price Per Share	Estimated Fair Value of Common Stock Per Share on Grant Date	Intrinsic Value of Award Per Share on Grant Date
July 22, 2010	Stock Options	2,530	$ 0.50	$ 0.50	$ —
August 14, 2010	Stock Options	1,680	0.50	0.50	—
August 30, 2010	Stock Options	100	0.50	0.50	—
August 30, 2010	Restricted Stock	30	0.00	0.50	0.50
February 8, 2011	Restricted Stock	440	0.00	2.02	2.02
March 25, 2011	Restricted Stock	40	0.00	2.02	2.02
April 20, 2011	Restricted Stock	163	0.00	2.77	2.77
June 2, 2011	Restricted Stock	215	0.00	2.77	2.77
June 2, 2011	Stock Options	65	2.77	2.77	—

For the purpose of determining the exercise prices of the Company's stock options and the fair value of restricted stock, fair value of the Company's common stock is contemporaneously estimated by its board of

directors as of each grant date, with input from management. The Company's board of directors exercised judgment in determining the estimated fair value of its common stock on the date of grant based on various factors, including:

- consultation with, and the receipt of valuation reports from, independent, unrelated, third-party valuation professionals prior to the dates of our equity grants;
- the prices paid in merger and acquisition transactions involving the Company, such as the M/A-COM Acquisition and the Mimix Merger;
- the prices for the Company's convertible preferred stock sold to outside investors in arm's-length transactions;
- the rights, preferences and privileges of that convertible preferred stock relative to those of the Company's common stock;
- the Company's operating and financial performance;
- the introduction of new products;
- the Company's stage of development and revenue growth;
- the lack of an active public market for the Company's common and preferred stock;
- industry information such as market growth and volume;
- the performance of similarly-situated companies in the Company's industry;
- the execution of strategic and development agreements;
- the risks inherent in the development and expansion of the Company's products and services; and
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of the Company given prevailing market conditions and the nature and history of its business.

Option activity for the M/A-COM Tech Plan follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Options outstanding—October 2, 2009	7,500	$ 0.16		
Granted	9,415	0.31		
Exercised	(1,967)	0.18		
Forfeited	(58)	0.16		
Options outstanding—October 1, 2010	14,890	0.26	9.1	$ 3,656
Granted	65	2.77		
Exercised	(2,799)	0.20		
Forfeited	(2,741)	0.16		
Options outstanding—July 1, 2011	9,415	$ 0.32	8.5	$ 28,511
Options vested and expected to vest—				
October 1, 2010	12,065	$ 0.28	9.2	$ 2,677
July 1, 2011	8,994	$ 0.29	8.0	$ 24,158
Options exercisable—				
October 1, 2010	1,746	$ 0.17	9.1	$ 570
July 1, 2011	1,427	$ 0.28	8.6	$ 3,546

The aggregate intrinsic value of options exercised was $269,000 and $5.7 million in fiscal year 2010 and in the nine months ended July 1, 2011, respectively. The weighted-average grant date fair value per share of options granted in fiscal years 2009 and 2010 and in the nine months ended July 1, 2011 was $0.09, $0.16 and $1.39, respectively.

Included in the table above for fiscal year 2009 are options granted for the purchase of 3.4 million shares of common stock issued to certain employees with vesting contingent upon the achievement of specific performance targets. These performance-based stock options have an aggregate grant-date fair value of $306,000. During the nine months ended July 1, 2011, options representing 2.0 million shares of these performance-based awards were forfeited in connection with employment termination. As of July 1, 2011, stock options as to 1.4 million shares of common stock remain unvested and subject to performance vesting. As of October 1, 2010 and July 1, 2011, the Company expected the awards to vest, and accordingly, the grant date fair value is recorded as expense over the expected performance period of three years. During the nine months ended July 1, 2011 share-based compensation expense was reduced as a result of the forfeitures.

The fair value of options vested during fiscal year 2010 and for the nine months ended July 1, 2011 was $340,000 and $348,000 respectively. No options vested or were exercised during fiscal year 2009.

The weighted-average assumptions used for calculating the fair value of stock options granted during fiscal years 2009 and 2010 and for the nine months ended July 1, 2011, were as follows:

	Fiscal Years		Nine Months Ended
	2009	2010	July 1, 2011
Risk-free interest rate	2.8%	2.4%	1.9%
Expected term (years)	6.7	6.0	5.8
Expected volatility	57.1%	54.1%	52.7%
Expected dividends	— %	— %	— %

During fiscal year 2010 and the nine months ended July 1, 2011, the Company issued 30,000 and 857,850, respectively, of shares of common stock with grant date fair values of $15,000 and $2.0 million, respectively, to employees for no consideration with ownership subject to vesting over two to four years. For the nine months ended July 1, 2011, share-based compensation relating to the awards was $220,000 and as of July 1, 2011, the unamortized compensation was $1.8 million. The amounts recorded in prior periods were immaterial. If the employment is terminated prior to vesting, the shares of common stock will be forfeited back to Company. All of these restricted shares were outstanding and unvested as of July 1, 2011.

As of October 1, 2010 and July 1, 2011, there was $1.8 million and $2.7 million, respectively, of total unrecognized compensation cost related to all share-based compensation awards, which is expected to be recognized over a weighted-average remaining period of 2.75 years and 2.4 years, respectively.

Certain of the stock options granted and outstanding as of July 1, 2011 are subject to accelerated vesting upon a sale of the Company or similar changes in control.

17. PREFERRED STOCK

Preferred Stock—As of October 1, 2007, the Company had authorized 77.8 million shares of preferred stock and (i) 1.0 million shares of Series A convertible preferred stock (“Old Series A”), (ii) 2.7 million shares of Series B convertible preferred stock (“Series B”), (iii) 2.3 million shares of Series B-1 convertible preferred stock (“Series B-1), and (iv) 1.6 million shares of Series B-2 convertible preferred stock (“Series B-2) (collectively, “Old Preferred”) were issued and outstanding. These shares were convertible into common stock, provided voting rights to the holders, earned cumulative 8% dividends, held rights to receive preferential payments in the event of any sale, liquidation, dissolution, or winding-up of the Company, and were redeemable at the option of

at least 60% of the holders of each class of preferred on or after September 8, 2008 at stated amounts, subject to adjustments. The Old Preferred was recorded outside of permanent stockholders' equity as mezzanine equity.

On June 30, 2008, the Company recapitalized and (i) converted all then outstanding shares of preferred stock into 12.8 million shares of Series A convertible preferred stock ("Series A"), (ii) converted Notes payable with $6.3 million of outstanding principal and accrued interest into 2.1 million shares of Series A, (iii) issued 10.0 million shares of Series A to the common majority owner for $29.4 million and (iv) repurchased and retired 7.3 million shares of Series A from existing stockholders for $21.7 million.

The Series A is convertible into common stock, provides voting rights to the holders, earns dividends at an annual rate of 8%, when and if declared, and hold rights to receive preferential payments in the event of any sale, liquidation, dissolution, or winding-up of the Company.

On March 16, 2010, the Company's board of directors and stockholders authorized 117,626,500 shares of $0.001 par value preferred stock; 100,000,000 shares of which are designated as Series A-1 convertible preferred stock ("Series A-1") and 17,626,500 shares of which are designated as Series A-2 convertible preferred stock ("Series A-2"). Together, Series A-1 and Series A-2 are referred to as Class A.

In December 2010, the Company authorized and issued 34,169,559.75 shares of Class B redeemable convertible preferred stock ("Class B") to new investors for $120.0 million in gross proceeds and net proceeds of $118.7 million. In connection with the Class B issuance, the Company also issued warrants to the new investors to purchase 5,125,434 shares of common stock for $3.51 per share. The warrants expire December 21, 2020, or earlier as per the terms of the agreement, including within 10 days following consummation of a sale of all or substantially all assets or capital stock or other equity securities of the Company, including by merger consolidation, recapitalization, or similar transactions, if not otherwise exercised.

The voting and dividend rights and preferences of Class A preferred stock were amended in connection with the issuance of Class B. The rights and preferences of Class A and Class B as of July 1, 2011 follow:

Voting Rights—The holders of the preferred stock are entitled to vote on all matters and are entitled to the number of votes equal to the number of shares of common stock into which each share of preferred stock is then convertible. The holders of preferred stock have the right, voting as a single class, to elect all of the members of the board of directors, providing that the Class A stockholders have the right to elect three directors and Class B stockholders have the right to elect one director. The Class A and Class B stockholders also have other exclusive rights relating to approval of certain Company transactions.

Dividends—The holders of the preferred stock are entitled to receive dividends at a rate of 8% per annum of the established "original price" of $0.265 per share for Series A-1, $2.50 per share for Series A-2 and $3.51 per share for Class B, when and if declared by the board of directors. Dividends are required to be declared and paid on Class B prior to Class A and on Class A prior to common stock and the holders of the preferred stock participate in further dividends on an as if converted to common stock basis after the preferential dividends are paid.

Liquidation Rights—In the event of any liquidation, dissolution, winding-up, or acquisition of the Company or substantially all of the Company's assets, the holders of the preferred stock are entitled to be paid preferential amounts out of the assets of the Company available for distribution to its stockholders before any distribution payments are made to the holders of common stock. The preferential amount payable to Class B is to be paid prior to any payments on Class A or common stock and is equal to the greater of i) the original issuance price of $3.51 per share, as may be adjusted for any stock dividends, combinations or splits with respect to such shares ("Class B Liquidation Value"), plus any declared and unpaid dividends and ii) 75% of the Class B Liquidation Value, plus any declared and unpaid dividends, plus an amount equal to the Class B's ratable portion, if any, of the aggregate amount of remaining proceeds distributable to the holders of common stock and preferred stock (on an as-converted to common stock basis) after payment of all preferred stock liquidation preferences in connection with such liquidation event. If the assets of the

Company are not sufficient to satisfy the required Class B Liquidation Value, the total assets available for distribution are to be paid ratably to the Class B stockholders. The preferential amount payable to Class A preferred stock is to be paid prior to any payments on common stock and is equal to $0.795 per share in the case of the Series A-1 and $2.50 per share in the case of the Series A-2, plus any declared and unpaid dividends. If the remaining assets of the Company after satisfaction of the Class B Liquidation Value are not sufficient to satisfy the required Class A liquidation preferences, the total assets available for distribution are to be paid ratably to the Class A stockholders. After satisfaction of the liquidation preferences of the Class A, holders of Class A will participate in the distribution of any remaining assets of the Company ratably with the holders of common stock on an as-if-converted to common stock basis.

Conversion—Each share of Class A is convertible into common stock at any time and will automatically convert into common stock upon the affirmative vote to convert by a majority of the holders of Class A. Each share of Class B is convertible into common stock at any time and will automatically convert into common stock upon the affirmative vote to convert by a majority of the holders of Class B. Each share of Class A and Class B shall automatically convert to common stock on the completion of a public stock offering with aggregate gross proceeds of at least $100.0 million at a price per share of at least two times the Class B conversion price ("Qualified Public Offering" or "QPO"). The shares of common stock into which the Class A and Class B is convertible is determined by a formula that initially and currently results in a one-one conversion and is subject to antidilution adjustments should the Company issue additional shares of common stock or other instruments, with certain exceptions, that are convertible into common stock at issuance or conversion prices of less than $0.265 per share in the case of Series A-1, $2.50 per share in the case of Series A-2 and $3.51 per share in the case of Class B.

Redemption—The Class B is redeemable on or after December 21, 2017 at the election of a majority of the holders, if then outstanding, at the greater of (i) the Class B Liquidation Value, plus any accrued dividends, which accrue at a rate of 8% to 14% should the Company delay redemption ("Default Dividends"), plus any declared and unpaid dividends and (ii) 75% of the Class B Liquidation Value, plus any accrued Default Dividends and declared and unpaid dividends, plus the fair market value, as defined, of the common stock issuable upon conversion of the Class B. In addition, in the event of bankruptcy, as defined, the Class A and Class B become redeemable with first priority given to Class B in the event available assets of the Company are insufficient to satisfy all preferred redemption rights. The rights to redemption in connection with a bankruptcy are subordinate to Company lending arrangements. Upon bankruptcy, the Class B's redemption value is computed in a consistent manner as described above and the Class A redemption amounts are consistent to their liquidation preferences described above. In the event that the assets of the Company are not sufficient to satisfy the required redemption amounts on the proposed redemption date, the Class B redemption amount is paid prior to Class A redemption amount and the Class A redemption amount is paid prior to any other class.

QPO Preference—The Class B stockholders are eligible to receive a payment between 16.7% and 50% of the Class B Liquidation Value upon a QPO, the exact amount of which is subject to a formula applied to the return on investment the Class B stockholders receive as measured based upon the selling price per share of the common stock in a QPO.

The Class B is recorded outside of permanent stockholders' equity as mezzanine equity due to the existence of the optional redemption rights. As a result of the amendments to the preference rights of Class A described above, the Company reclassified the Class A from stockholders' equity to mezzanine equity in December 2010. The reclassification was made at the issuance date fair value, which aggregated $106.4 million.

The Company initially recorded the carrying value of the Class B as the total gross proceeds from the issuance less issuance costs, the fair value of the warrants (see Note 18) and the fair value of the Class B Conversion Liability discussed further below. The Company accretes the carrying value of the redeemable securities, including the Class B, to their redemption values using the effective interest method over the period from issuance to earliest redemption date. The accretion is recorded as an increase in the carrying value of the

redeemable securities and a reduction to additional paid in capital, or in the absence of such, as an increase in the accumulated deficit.

A summary of the allocation of proceeds to and changes in the carrying value of the Class B follows (in thousands):

	Shares	Amount
Balance October 1, 2010	—	$ —
Issuance of Class B redeemable convertible preferred stock	34,170	120,000
Less:		
Issuance costs		1,320
Fair value of common stock warrant		5,657
Fair value of Class B conversion liability		41,641
Initial recorded value		71,382
Accretion	—	2,846
Balance July 1, 2011	34,170	$ 74,228

Class B Conversion Liability—The Class B redemption right allows the holders to elect to receive a greater redemption amount related to the fair value of the Company's common stock. This feature and the QPO Preference are embedded derivatives not deemed clearly and closely related to the host contract, Class B, due to, among other things, the potential cash settlement of both features. The embedded derivatives have been aggregated for financial reporting purposes. Accordingly, the embedded derivatives require separate accounting from the Class B. Upon issuance of the Class B, the estimated fair values of these embedded derivatives were bifurcated from the remainder of the Class B proceeds and recorded as long-term liabilities in the accompanying consolidated financial statements. The carrying values of the embedded derivatives are adjusted to fair value at the end of each reporting period and the changes in fair value are recognized in the statements of operations. The following is a summary of the changes in the carrying value of the Class B conversion liability (in thousands):

Balance—October 1, 2010	$ —
Estimated fair value upon issuance	41,641
Change in estimated fair value	57,051
Balance—July 1, 2011	$98,692

18. STOCKHOLDERS' EQUITY (DEFICIT)

The following summarizes the Company's authorized and outstanding shares of convertible preferred and common stock (in thousands, except per share amounts):

	Convertible Preferred Stock			
	Series A	Series A-1	Series A-2	Common Stock
As of October 2, 2009:				
Par value	$ 0.001	$ —	$ —	$ 0.010
Authorized shares	162,273	—	—	155,000
Issued and outstanding shares	17,606	—	—	100,763
As of October 1, 2010:				
Par value	$ —	$ 0.001	$ 0.001	$ 0.001
Authorized shares	—	100,000	17,627	155,000
Issued and outstanding shares	—	100,000	16,822	3,967
As of July 1, 2011:				
Par value	$ —	$ 0.001	$ 0.001	$ 0.001
Authorized shares	—	100,000	17,627	208,921
Issued and outstanding shares	—	100,000	16,822	6,766

The carrying value of Series A-1 and Series A-2 is reported outside of stockholders' equity (deficit) as of July 1, 2011.

On March 16, 2010, the Company's board of directors and stockholders approved changing the par value of the common stock from $0.01 per share to $0.001 per share. In addition, on March 16, 2010, the board of directors and stockholders approved the issuance of 100,000,000 shares of Series A-1 convertible preferred stock ("Series A-1") in exchange for 98,000,000 shares of outstanding common stock. The Company has reserved 144,824,577 shares of common stock as of October 1, 2010, for the issuance and exercise of stock options and conversions of convertible preferred stock.

Special Dividend—On January 4, 2011, in connection with the Class B issuance, the Company declared and paid a special dividend of $80 million to Class A and common stockholders of record on that date. Dividends of $0.63 per share, $0.81 per share and $0.61 per share were paid to the record holders as of January 4, 2011 of the Company's Series A-1 convertible preferred stock, Series A-2 convertible preferred stock and common stock, respectively, aggregating $80.0 million.

Common Stock Warrants—During fiscal years 2007 and 2008, the Company issued warrants to purchase an aggregate of 450,000 shares of common stock in connection with the issuance of convertible notes payable to stockholders. The fair value of the warrants were estimated using a Black-Scholes option pricing methodology and such amounts have been recorded as a reduction to the carrying value of the debt and an increase to additional paid in capital through June 2008. These warrants were cancelled unexercised between June 2008 and May 2010.

In connection with the Class B issuance, the Company issued warrants to purchase 5,125,434 shares of common stock for $3.51 per share. The warrants expire December 21, 2020, or earlier as per the terms of the agreement, including immediately following consummation of a sale of all or substantially all assets or capital stock or other equity securities of the Company, including by merger, consolidation, recapitalization, or similar transactions. The number of shares issuable upon exercise of the warrants may be increased pursuant to certain antidilution rights included in the agreements. The inclusion of antidilution rights results in the number of shares

issuable upon exercise not being fixed and, therefore, the warrants are recorded outside stockholders' equity (deficit) and as a liability in accordance with authoritative accounting literature. The Company is recording the estimated fair values of the warrants as a long-term liability in the accompanying consolidated financial statements with changes in the estimated fair value being recorded in the accompanying statements of operations. The following is a summary of the activity of the warrant liability (in thousands):

Balance—October 1, 2010	$ —
Estimated fair value of warrants upon issuance	5,656
Change in estimated fair value	10,241
Balance—July 1, 2011	$15,897

Noncontrolling Interest—The Company recorded a noncontrolling interest for the equity interests in a subsidiary that was not 100% owned by the Company or one of its wholly owned subsidiaries. As of October 2, 2009, the noncontrolling interest reflected equity interests held by third parties in the Company's Taiwan subsidiary. On June 28, 2010, another wholly owned subsidiary of the Company purchased substantially all of the remaining noncontrolling interest in the Taiwan subsidiary for $220,000, increasing the Company's indirect ownership from 79.2% to 99.996%. The net income attributable to noncontrolling interest was $23,000 and $195,000 in fiscal years 2009 and 2010 and the Company incurred an immaterial loss on the acquisition of the noncontrolling interest in fiscal year 2010.

19. RELATED-PARTY TRANSACTIONS

The Company's majority stockholder controls another entity which has been engaged to provide management services pursuant to an agreement entered into in 2008 and amended in December 2010. Commencing in fiscal year 2009, the Company paid the entity $60,000 per month pursuant to this agreement. Selling, general and administrative expenses for fiscal years 2009 and 2010 and for the nine months ended July 2, 2010 and July 1, 2011 included $720,000, $720,000, $540,000 and $540,000 respectively, for such services. At October 2, 2009, October 1, 2010, and July 1, 2011, $60,000 was included in accounts payable pursuant to this arrangement.

20. DIVESTITURES

In the nine months ended July 1, 2011, the Company sold non-core assets representing two businesses to two separate acquirers, receiving cash proceeds aggregating $3.0 million. The Company has no continuing interests in either business. One arrangement provides for amounts held back pursuant to escrow arrangements whereby $188,000 is payable to the Company in July 2011. The Company expects to collect the full escrow amounts and has included the receivables in other assets in the accompanying consolidated balance sheet as of July 1, 2011 and in the computation of gain and loss on the sales. One sale resulted in a loss of $1.3 million and the other sale resulted in a gain of $1.6 million. The net gain arising from the divestitures is included in income from discontinued operations in the accompanying consolidated statement of operations for the nine months ended July 1, 2011. The following is a summary of operating results related to the divested businesses (in thousands):

	Fiscal Years			Nine Months Ended:	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Revenue	$ —	$9,813	$14,860	$ 12,358	$ 5,808
Income from discontinued operations before income taxes	$ —	$ 198	$ 63	$ 1,103	$ 67
Gain on disposition of businesses, net	—	—	—	—	329
Income tax benefit	—	—	431	57	358
Net income from discontinued operations	$ —	$ 198	$ 494	$ 1,160	$ 754

21. EARNINGS PER SHARE

The following table set forth the computation for basic and diluted net income (loss) per share of common stock (in thousands, except per share data):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Numerator:					
Net income (loss) attributable to controlling interest	$(5,589)	$ 4,166	$ 6,834	$ 5,098	$ (37,766)
Accretion to redemption value of redeemable convertible preferred stock	(1,780)	—	—	—	(2,846)
Participating preferred dividends	—	(3,559)	(6,298)	(4,585)	—
Dividends declared and paid to preferred stockholders	—	—	—	—	(76,216)
Net income (loss) attributable to common stockholders	$(7,369)	$ 607	$ 536	$ 513	$(116,828)
Dividends declared and paid to common stockholders	$ —	$ —	$ —	$ —	$ 3,784
Denominator:					
Weighted average common shares outstanding— basic	762	52,806	47,521	62,200	5,727
Dilutive effect of options and restricted stock	—	560	2,822	353	—
Dilutive effect of convertible shares and warrants	—	—	—	—	—
Weighted average common shares outstanding— diluted	762	53,366	50,343	62,553	5,727
Common stock earnings per share—basic and diluted:					
Distributed	$ —	$ —	$ —	$ —	$ 0.66
Undistributed	(9.67)	0.01	0.01	0.01	(20.40)
Net common stock earnings per share	$ (9.67)	$ 0.01	$ 0.01	$ 0.01	$ (19.74)

The following common equivalent shares were excluded from the calculation from net income per share as their inclusion would have been antidilutive (in thousands):

	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Stock options and restricted stock	2,028	9,545	14,908	13,881	12,524
Convertible debt and warrants	1,484	451	300	401	5,125
Convertible preferred shares	16,822	16,822	116,822	116,822	150,991
Total common stock equivalent shares excluded	20,334	26,818	132,030	131,104	168,640

22. UNAUDITED PRO FORMA NET INCOME (LOSS) PER SHARE

Pro Forma net income (loss) per common share is computed as follows (in thousands, except per share data):

	Fiscal Year 2010	Nine Months Ended July 1, 2011
Numerator		
Net income (loss) attributable to controlling interest	$	$
Accretion to redemption value of redeemable convertible preferred stock		
Participating preferred dividends		
Dividends declared and paid to preferred stockholders		
Net income (loss) attributable to common stockholders	$	$
Denominator		
Weighted average common shares outstanding—basic		
Adjustment for conversion of preferred stock		
Adjustment for assumed shares issued to fund the special dividend in excess of current period earnings		
Adjustment for assumed Class B preference payment		
Pro forma shares outstanding—Basic		
Dilutive effect of options and restricted stock		
Dilutive effect of convertible shares and warrants		
Pro forma shares outstanding—Diluted		
Common stock earnings per share		
Basic	$	$
Diluted	$	$

23. SUPPLEMENTAL CASH FLOW INFORMATION

The following is supplemental cash flow information regarding noncash investing and financing activities in fiscal years 2008, 2009, 2010 and the nine months ended July 2, 2010 and July 1, 2011:

- In fiscal year 2008, the Company converted $6.3 million of principal on convertible notes and accrued interest into 2.1 million shares of Series A.
- In fiscal year 2009, the Company added $191,000 to the principal of the Term Note in lieu of paying the amount as interest. The amount was subsequently paid in the same fiscal year.
- In fiscal year 2010, the Company acquired equipment under two capital leases with initial obligations aggregating $1.5 million.
- In the nine months ended July 1, 2011, pursuant to the terms of an escrow agreement with certain former Mimix stockholders, the Company withheld the payment of $863,000 in dividends, such amount included in accrued liabilities in the accompanying consolidated balance sheet as of July 1, 2011.
- As of July 1, 2011, the Company had $2.3 million in unpaid amounts related to purchases of property and equipment during the nine months then ended included in accounts payable, accrued liabilities and other long-term liabilities. This amount has been excluded from the payments for purchases of property and equipment for the nine months ended July 1, 2011. The Company did not have material similar transactions as of any other period presented.

24. GEOGRAPHIC AND SIGNIFICANT CUSTOMER INFORMATION

The Company has one reportable operating segment which designs, develops, manufactures and markets semiconductors and modules. The determination of the number of reportable operating segments is based on the management's chief operating decision maker's use of financial information for the purposes of assessing performance and making operating decisions. In evaluating financial performance and making operating decisions, management primarily uses consolidated net revenue, gross profit, and operating income (loss).

Information about the Company's operations in different geographic regions, based upon customer locations, is presented below (in thousands):

Revenue by Geographic Region	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
United States	$ 9,816	$ 47,989	$156,942	$ 114,100	$ 121,395
International (1)	15,607	54,729	103,355	72,024	110,098
Total	$25,423	$102,718	$260,297	$ 186,124	$ 231,493

Long-Lived Assets by Geographic Region	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
United States	$2,012	$21,034	$19,315	$ 18,766	$ 20,293
International (2)	950	2,249	1,791	1,675	3,247
Total	$2,962	$23,283	$21,106	$ 20,441	$ 23,540

(1) In fiscal year 2008, Malaysia represented 23% of total revenue. No other international countries represented greater than 10% of total revenue during the presented periods.

(2) In fiscal year 2008, 13% and 13% of the total net long-lived assets were located in Asia and Australia, respectively. No other international country or region represented greater than 10% of the total net long-lived assets as of the presented periods.

The following is a summary of customer concentrations as a percentage of total sales and accounts receivable as of and for the periods presented:

Revenue	Fiscal Years			Nine Months Ended	
	2008	2009	2010	July 2, 2010 (Unaudited)	July 1, 2011
Customer A	25%	—	—	—	—
Customer B	—	13%	23%	24%	21%
Customer C	—	—	11%	11%	11%

Accounts Receivable	October 2, 2009	October 1, 2010	July 1, 2011
Customer B	17%	15%	16%
Customer C	—	11%	—
Customer D	12%	—	—

No other customer represented more than 10% of revenue or accounts receivable in the periods presented in the accompanying combined consolidated financial statements. In fiscal year 2010 and for the nine months ended July 1, 2011, 10 customers represented 58% and 59% of total revenue.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
M/A-COM Technology Solutions Holdings, Inc.
Lowell, Massachusetts

We have audited the accompanying combined consolidated statement of operations and parent company equity and cash flows of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited (collectively, the "Company"), both of which are under common ownership and management, for the period from September 26, 2008 through March 30, 2009. These combined consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such combined consolidated financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the period from September 26, 2008 through March 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

Certain expenses represent allocations made from Cobham Defense Electronic Systems Corporation. The accompanying combined consolidated financial statements have been prepared from the separate records maintained by the Company and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Company had been operated as an unaffiliated company.

As discussed in Note 1 to the combined consolidated financial statements, the Company was acquired by Cobham Defense Electronic Systems Corporation on September 26, 2008 and subsequently sold to M/A-COM Technology Solutions Holdings, Inc. on March 30, 2009.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
August 1, 2011

M/A-COM TECHNOLOGY SOLUTIONS INC. AND
M/ACOM TECHNOLOGY SOLUTIONS (CORK) LIMITED

COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS AND OWNER EQUITY
FOR THE PERIOD FROM SEPTEMBER 26, 2008 THROUGH MARCH 30, 2009
(In thousands)

Revenue	$ 91,254
Cost of revenue	65,418
Gross profit	25,836
Operating expenses:	
Research and development	12,456
Selling, general and administrative	20,465
Goodwill and other impairments	44,278
Allocated management fees—related party	2,116
Restructuring charges	2,423
Total operating expenses	81,738
Loss from operations	(55,902)
Interest expense—related party	(229)
Net loss from continuing operations	(56,131)
Income from discontinued operations	1,617
Net loss	$ (54,514)
Initial capitalization	$180,100
Net loss	(54,514)
Non-cash compensation	1,094
Change in owner equity	(15,545)
Ending owner equity	$111,135

See notes to combined consolidated financial statements.

M/A-COM TECHNOLOGY SOLUTIONS INC. AND
M/ACOM TECHNOLOGY SOLUTIONS (CORK) LIMITED

COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM SEPTEMBER 26, 2008 THROUGH MARCH 30, 2009
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$(54,514)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Goodwill and other impairments	44,278
Accretion of asset retirement obligations	49
Non-cash compensation	1,094
Depreciation and amortization	6,188
Loss on disposal of property and equipment	93
Change in current operating assets and liabilities:	
Accounts receivable	16,623
Inventories	820
Prepaid expenses and other assets	(292)
Accounts payable	(7,601)
Accrued and other liabilities	6,013
Net cash provided by operating activities	12,751
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property and equipment	(292)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Borrowings on revolving credit facility	3,609
Change in owner equity	(15,545)
Net cash used in financing activities	(11,936)
NET INCREASE IN CASH	$ 523
CASH—Beginning of period	8
CASH—End of period	$ 531
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid for interest—related party	$ 234

See notes to combined consolidated financial statements.

M/A-COM TECHNOLOGY SOLUTIONS INC.
AND M/ACOM TECHNOLOGY SOLUTIONS (CORK) LIMITED

NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 26, 2008 THROUGH MARCH 30, 2009

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business—On September 26, 2008, Cobham Defense Electronics Systems Corporation, hereinafter referred to as the "former owner," completed an acquisition of assets from a third-party (the "Acquisition") including the radio frequency and microwave component and subsystem design and manufacturing business operations that would become the operations of M/A-COM Technology Solutions Inc., or M/A-COM U.S., and M/ACOM Technology Solutions (Cork) Limited, or M/A-COM Ireland. M/A-COM U.S. and M/A-COM Ireland are hereinafter collectively referred to as "M/A-COM." Former owner incorporated the two subsidiaries comprising M/A-COM in 2008 in connection with the Acquisition to facilitate its planned divestment of a portion of the assets acquired in the Acquisition. See Note 12 discussing the subsequent sale of these entities to M/A-COM Technology Solutions Holdings, Inc. in March 2009. M/A-COM has a fiscal year ending in September.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination and Basis of Presentation—The accompanying combined consolidated financial statements include the accounts of M/A-COM U.S. and its subsidiaries and M/A-COM Ireland on a combined standalone basis for the period from September 26, 2008 to March 30, 2009, and have been prepared by the management of M/A-COM's parent company, M/A-COM Technology Solutions Holdings, Inc. All intra- and inter-company balances and transactions between and among M/A-COM U.S. and its subsidiaries and M/A-COM Ireland have been eliminated in combination.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, M/A-COM bases estimates and assumptions on historical experience, currently available information, and various other factors that management believes to be reasonable under the circumstances. Actual results may differ materially from these estimates and assumptions.

Foreign Currency Translation and Remeasurement—The combined consolidated financial statements of M/A-COM are presented in U.S. dollars. M/A-COM's foreign operations use the U.S. dollar as the functional currency. The financial statements of M/A-COM's foreign operations where certain underlying transactions are in a different currency are remeasured at the exchange rate in effect at the balance sheet date with respect to monetary assets and liabilities. Nonmonetary assets and liabilities, such as inventories and property and equipment, and related statements of operations accounts, such as cost of revenue and depreciation, are remeasured at historical exchange rates. Revenues and expenses, other than cost of revenue, amortization and depreciation, are translated at the average exchange rate for the period in which the transaction occurred. The net gains (losses) on foreign currency remeasurement are reflected in selling, general and administrative expense in the accompanying combined consolidated statement of operations. During the period from September 26, 2008 to March 30, 2009, M/A-COM's recognized net gains and losses on foreign exchange included in selling, general and administrative expense were immaterial.

Property and Equipment—Property and equipment is depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Classification	Estimated Useful Life
Machinery and equipment	4–7
Machinery and equipment under capital leases	5–7
Computer equipment and software	2–3
Furniture and fixtures	6–10
Leasehold improvements	Shorter of useful life or term of lease

Depreciation and amortization expense related to property and equipment for the period from September 26, 2008 to March 30, 2009, was $6.2 million.

Intangible Assets and Impairment of Long-Lived Assets—M/A-COM has intangible assets with indefinite and definite lives. Goodwill and M/A-COM's trade names are indefinite-lived assets and were acquired through a business combination (see Notes 1 and 3). Goodwill and M/A-COM's trade name assets are not subject to amortization; these are reviewed for impairment annually and more frequently if events or changes in circumstances indicate that the asset may be impaired. If impairment exists, a loss would be recorded to write down the value of the indefinite-lived assets to the implied fair value. The acquired technology and customer relationships are definite-lived assets and are subject to amortization. M/A-COM amortizes definite-lived assets over their estimated useful lives, which range from 7 to 10 years, based on the pattern over which M/A-COM expects to receive the economic benefit from these assets as of the date of acquisition. Where the losses are expected to be incurred in periods immediately following an acquisition, the straight-line method or amortization is used.

M/A-COM evaluates long-lived assets for recoverability when events or changes in circumstances indicate that their carrying amounts may not be recoverable. Circumstances which could trigger a review include, but are not limited to, significant decreases in the market price of the asset or asset group; significant adverse changes in the business climate or legal factors; the accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and a current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its previously estimated useful life.

Based on the indication of a possible impairment due to the impending sale of M/A-COM in March 2009, management estimated the fair value of its recorded assets and liabilities, which resulted in impairments of intangible assets of $8.9 million and property and equipment of $3.7 million. After recognizing those impairments, the difference between the estimated fair value of the business and the recorded net assets indicated that the goodwill was impaired, and an impairment charge of $31.7 million was recorded to reduce goodwill to its indicated value of $0. As a result of the evaluation in March 2009, an aggregate impairment charge of $44.3 million was recorded during the period from September 26, 2008 through March 30, 2009.

Revenue Recognition—Revenue from the sale of products is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been provided, the price to the buyer is fixed or determinable, and collectibility is reasonably assured. Provided other revenue recognition criteria are met, product revenue is recognized upon transfer of title and risk of loss, which is generally upon shipment. M/A-COM recognizes revenue from service arrangements over the period the services are provided or upon customer acceptance of such services. Shipping and handling fees billed to customers are recorded as revenue while the related costs are classified as a component of costs of revenue. For the period from September 26, 2008 through March 30, 2009 one customer represented 24% of total revenue. No other customer represented more than 10% of revenue.

Product Warranties—M/A-COM provides warranties for its products and accrues the estimated costs of warranty claims in the period the related revenue is recorded. Product warranties generally have terms of 12 months and cover nonconformance with specifications and defects in material or workmanship. The liability is based on estimated costs to fulfill customer product warranty obligations and utilizes historical product failure rates. Should actual warranty obligations differ from estimates, revisions to the warranty expense may be required.

Research and Development Costs—Costs incurred in the research and development of products are expensed as incurred.

Income Taxes—M/A-COM recognizes deferred tax assets and liabilities for the expected future tax consequences or events that have been included in M/A-COM's financial statements and/or tax returns. Deferred tax assets and liabilities are based upon the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities, and for loss and credit carryforwards using enacted tax rates expected to be in effect in the years in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

M/A-COM provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions and other issues. Reserves are based on a determination of whether and how much of a tax benefit taken by M/A-COM in its tax filings or positions is more likely than not to be realized following an examination by taxing authorities. M/A-COM recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. Potential interest and penalties associated with such uncertain tax positions are recorded as a component of income tax expense. For the period from September 26, 2008 to March 30, 2009, there are no material identified uncertain tax positions.

Guarantees and Indemnification Obligations—M/A-COM enters into agreements in the ordinary course of business with, among others, customers, resellers, and original equipment manufacturers (OEM). Many of these agreements require M/A-COM to indemnify the other party against third-party claims alleging that a M/A-COM product infringes a patent and/or copyright. Certain of these agreements require M/A-COM to indemnify the other party against certain claims relating to property damage, personal injury, or the acts or omissions of M/A-COM, its employees, agents, or representatives. In addition, from time to time, M/A-COM has made certain guarantees in the form of warranties regarding the performance of M/A-COM products to customers.

M/A-COM also has agreements with certain vendors, creditors, lessors, licensees and service providers pursuant to which M/A-COM has agreed to indemnify the other party for specified matters like those described above.

M/A-COM has procurement or license agreements with respect to material and technology that is used in its products. Under some of these agreements, M/A-COM has agreed to indemnify the supplier for certain claims that may be brought against such party with respect to M/A-COM's acts or omissions relating to the supplied products or technologies.

M/A-COM has not experienced any losses related to these indemnification obligations, and no claims with respect thereto were outstanding as of March 30, 2009. M/A-COM does not expect significant claims related to these indemnification obligations and, consequently, has concluded that the fair value of these obligations is negligible.

Evaluation of Subsequent Events—Management has evaluated subsequent events involving M/A-COM for potential recognition or disclosure in the accompanying combined consolidated financial statements through August 1, 2011. Subsequent events are events or transactions that occurred after the balance sheet date but before the accompanying combined consolidated financial statements were available to be issued.

3. MERGERS AND ACQUISITIONS

On September 26, 2008, former owner acquired the assets comprising the operations of M/A-COM from a third party. The fair value of those assets was estimated by M/A-COM's management to be $180.1 million at that date. The operations of M/A-COM have been included in the accompanying combined consolidated financial statements from the date of acquisition on September 26, 2008. The acquisition qualifies as a purchase of assets for U.S. income tax purposes.

M/A-COM recognized all assets acquired and liabilities assumed, based upon the fair value of such assets and liabilities measured as of September 26, 2008, the acquisition date. The aggregate estimated fair value of the assets acquired was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows (in thousands):

Assets acquired:	
Cash	$ 8
Accounts receivable	53,213
Inventories	40,194
Property and equipment	39,249
Goodwill	31,672
Identifiable intangible assets	35,100
Other assets	6,528
Total assets acquired	205,964
Liabilities assumed:	
Accounts payable	17,526
Accrued expenses	6,454
Other liabilities	1,884
Total liabilities assumed	25,864
Net assets acquired	$180,100

The components of the acquired intangible assets were as follows (in thousands):

Asset Class	
Technology	$12,300
Customer relationships	19,200
Trade name	3,600
	$35,100

The intangible assets acquired in the transaction are deductible for tax purposes.

In connection with the acquisition of M/A-COM, former owner entered into incentive compensation arrangements with certain employees of M/A-COM. These incentive compensation arrangements provided for the employees to perform employment-related services for M/A-COM for the period from September 26, 2008 through up to six months from the date M/A-COM was to be resold, that period expiring in September 2009. The

incentive compensation is recorded in M/A-COM's financial statements as non-cash incentive compensation expense in the accompanying combined consolidated statements of operations, with the offsetting amount recorded as a former owner capital contribution. For the period from September 26, 2008 to March 30, 2009, M/A-COM has expensed $1.1 million pursuant to the terms of the incentive compensation arrangements. As of March 30, 2009, there was approximately $0.6 million of unrecorded compensation to be recognized through September 2009.

4. FAIR VALUE MEASUREMENTS

As discussed in Note 2, as of March 30, 2009, M/A-COM determined the goodwill, other intangible assets and property and equipment were impaired and recorded a realized loss for approximately $44.3 million to reduce the carrying value of the long-lived assets to their implied fair values. The impairment loss was determined, in part, using the discounted cash flows expected to result from M/A-COM's use and eventual disposition of the assets. This fair value measurement falls within Level 3 of the fair value hierarchy. The loss is included in the accompanying combined consolidated statement of operations for the period from September 26, 2008 to March 30, 2009. M/A-COM did not have any other material assets and liabilities measured at fair value on a non-recurring basis as of March 30, 2009.

5. EMPLOYEE BENEFIT PLANS

The employees of M/A-COM meeting minimum age and service requirements participated in former owner's defined contribution plans whereby participants were able to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Contributions to the plan by former owner were discretionary and variable per region. M/A-COM expensed contributions of approximately $1.7 million, for the period from September 26, 2008 through March 30, 2009 pursuant to these plans.

6. COMMITMENTS AND CONTINGENCIES

Operating Leases—M/A-COM has non-cancelable operating lease agreements for office, research, development, and manufacturing space in the United States and foreign locations. M/A-COM also has operating leases for certain equipment, automobiles, and services. These lease agreements expire at various dates through 2017 and certain agreements contain provisions for extension at substantially the same terms as currently in effect. Any lease escalation clauses, rent abatements, and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, are included in the determination of straight-line rent expense over the lease term.

Future minimum payments for the next five fiscal years as of March 30, 2009, follow (in thousands):

2009—(balance of fiscal year)	$1,162
2010	1,745
2011	637
2012	556
2013	527
2014	527
Total minimum lease payments	$5,154

Rent expense incurred under non-cancelable operating leases was approximately $2.5 million, for the period from September 26, 2008 to March 30, 2009.

Unfavorable Lease Liability—In connection with the Acquisition, M/A-COM recorded an unfavorable lease liability of approximately $230,000 due to certain assumed leases having lease commitments in excess of their then fair value. M/A-COM is amortizing the liability as a reduction in lease expense over the terms of the respective leases. As of March 30, 2009, the remaining unfavorable lease liability was approximately $210,000.

Asset Retirement Obligations—M/A-COM is obligated under certain facility leases to restore those facilities to the condition in which M/A-COM or its predecessors first occupied the facilities. M/A-COM is required to remove leasehold improvements and equipment installed in these facilities prior to termination of the leases. The estimated costs for the removal of these assets as of March 30, 2009 totaled approximately $1.3 million.

Purchase Commitments—As of March 30, 2009, M/A-COM had noncancelable purchase commitments of approximately $1.2 million pursuant to inventory supply arrangements.

7. RESTRUCTURING

During the period from September 26, 2008 to March 30, 2009, M/A-COM implemented and completed restructuring actions to reduce staffing. Severance and outplacement fees for the terminated staff was approximately $2.4 million and was payable for up to one year. The following is a summary of the activities under the restructuring actions (in thousands):

Accrued balance as of September 26, 2008	$ —
Current period charges	2,423
Payments	(486)
Accrued balance as of March 30, 2009	$1,937

8. INTANGIBLE ASSETS

Intangible assets consist of the following (in thousands):

	Technology	Customer Relationships	Trade name (Indefinite Life)	Total
Balance, September 26, 2008	$ 12,300	$ 19,200	$ 3,600	$35,100
Amortization	(879)	(960)	—	(1,839)
Impairment recorded	(721)	(7,940)	(200)	(8,861)
Balance, March 30, 2009	$ 10,700	$ 10,300	$ 3,400	$24,400

M/A-COM amortizes the acquired technology assets on a straight-line basis over their estimated useful lives of 7 years and amortizes the customer relationship assets on a straight-line basis over their estimated useful lives of 10 years.

Amortization expense related to M/A-COM's amortized intangible assets included in the accompanying statement of operations for the period from September 26, 2008 to March 30, 2009 follows (in thousands):

Cost of revenue	$ 879
Selling, general and administrative	960
Total	$1,839

Estimated amortization of M/A-COM's intangible assets in future fiscal years as of March 30, 2009 (in thousands):

2009 (balance of fiscal year)	$ 2,048
2010	4,096
2011	4,096
2012	4,096
2013	4,096
Thereafter	2,568
Total	$21,000

9. INCOME TAXES

M/A-COM incurred taxable losses in all jurisdictions for the period from September 26, 2008 to March 30, 2009 and has established a full valuation allowance against the net deferred tax assets, the most significant component of which relates to net operating loss carryforwards, due to the uncertainty of earning sufficient taxable income and, accordingly, has not given recognition to these deferred tax assets in the accompanying financial statements. As a result, M/A-COM has not reflected an income tax provision or benefit in the accompanying combined consolidated statement of operations for the period from September 26, 2008 to March 30, 2009.

No provision has been made for the undistributed earnings of foreign subsidiaries as it is M/A-COM's intention that such earnings be indefinitely reinvested. It is not practicable to determine the U.S. federal and state deferred tax liabilities associated with its undistributed foreign earnings.

10. RELATED-PARTY TRANSACTIONS

Former owner charged general overhead expenses to M/A-COM related to certain management services it provided. The amount of these charges depended upon on a number of factors that were outside the control of M/A-COM, including total costs incurred by former owner, as well as changes in relative size of former owner's other businesses. During the period from September 26, 2008 through March 30, 2009, former owner billed M/A-COM for services for three months and an allocation was made for the remaining period, all aggregating $2.1 million for the above services, which are included in the accompanying combined consolidated statements of operations for the period from September 26, 2008 to March 30, 2009.

M/A-COM believes the assumptions and methodologies underlying the billing and allocation of general and corporate group division overhead expenses from former owner are reasonable. However, such allocations may not be indicative of the actual level of expenses that would have been or will be incurred by M/A-COM if it were to operate as an independent, stand-alone company. As such, the financial information herein may not necessarily reflect the combined results of operations and cash flows for M/A-COM in the future or if M/A-COM had been an independent, stand-alone company during the period presented.

11. DISCONTINUED OPERATIONS

Subsequent to March 30, 2009, assets relating to the laser diode and ferrite business lines of M/A-COM were sold to a third party. The operations of those disposed business lines are reflected as discontinued operations in the accompanying combined consolidated financial statements. These business lines had aggregate revenues of $13.7 million and pre-tax income of $1.6 million for the period from September 26, 2008 through March 30, 2009.

12. SUBSEQUENT EVENTS

On March 30, 2009, M/A-COM Technology Solutions Holdings, Inc. acquired 100% of the outstanding stock of M/A-COM U.S. and M/A-COM Ireland.

* * * * * *

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Shares

M/A-COM Technology Solutions Holdings, Inc.

Common Stock

Preliminary Prospectus
, 2011

Barclays Capital
J.P. Morgan
Jefferies

Morgan Keegan
Needham & Company, LLC
Raymond James
Stifel Nicolaus Weisel

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. Other Expenses of Issuance and Distribution

The following table shows expenses to be incurred in connection with the offering described in this registration statement, all of which will be paid by the registrant. All amounts are estimates, other than the SEC registration fee and the FINRA filing fee.

SEC registration fee	$26,703
FINRA filing fee	23,500
Nasdaq listing fee	25,000
Accounting fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees and expenses	*
Blue-sky fees and expenses	*
Miscellaneous	*
Total	*

* To be filed by amendment.

ITEM 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law (DGCL) authorizes a corporation to indemnify its directors, officers, employees and agents against expenses (including attorney's fees), judgments, fines and amounts paid in settlement reasonably incurred, provided they act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful, although in the case of proceedings brought by or on behalf of the corporation, such indemnification is limited to expenses and is not permitted if the individual is adjudged liable to the corporation (unless the Delaware Court of Chancery or the court in which such proceeding was brought determines otherwise in accordance with the DGCL).

Section 102 of the DGCL authorizes a corporation to limit or eliminate its directors' liability to the corporation or its stockholders for monetary damages for breaches of fiduciary duties, other than for (1) breaches of the duty of loyalty, (2) acts or omissions not in good faith or that involve intentional misconduct or knowing violations of law, (3) unlawful payments of dividends, stock purchases or redemptions or (4) transactions from which a director derives an improper personal benefit.

Upon the closing of the offering, our fourth amended and restated certificate of incorporation will contain provisions protecting our directors and officers to the fullest extent permitted by Sections 102 and 145 of the DGCL. Our second amended and restated bylaws will provide similar protection under Section 145 of the DGCL for our directors and officers.

Section 145 of the DGCL also authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against certain liabilities asserted against and incurred by such person in any such capacity, or arising out of such person's status as such. We have obtained liability insurance covering our directors and officers for claims asserted against them or incurred by them in such capacity.

We have also entered into agreements to indemnify our directors and certain of our officers to the maximum extent allowed under Delaware law. These agreements will, among other things, indemnify our directors for certain expenses (including attorneys' fees), judgments, fines and settlement amounts reasonably incurred by

such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on behalf of the company or that person's status as a member of our board or directors.

The underwriting agreement provides that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act. Reference is made to the form of underwriting agreement to be filed as Exhibit 1.1 hereto.

Reference is also made to Item 17 for our undertakings with respect to indemnification for liabilities under the Securities Act.

ITEM 15. Recent Sales of Unregistered Securities

Since October 1, 2008, we have made sales of the following unregistered securities:

On March 27, 2009, we issued 1,000 shares of our common stock to a trust beneficially owned by our founders, John and Susan Ocampo. This transaction was exempt from the registration requirements of the Securities Act in reliance upon Section 4(2) of the Securities Act. On June 28, 2009, we issued an additional 99,999,000 shares of our common stock to a trust beneficially owned by our founders, Mr. and Mrs. Ocampo as a share dividend in connection with a 100,000-to-one forward stock split.

Since September 2009, we have granted stock options to purchase an aggregate of 16,980,000 shares of our common stock at exercise prices ranging from $0.16 to $2.77 per share to a total of 179 directors, officers, employees and consultants under our 2009 Omnibus Stock Plan. Since February 2011, we have granted restricted stock awards for an aggregate of 926,766 shares of our common stock to a total of 27 directors, officers, employees and consultants under our 2009 Omnibus Stock Plan. These transactions were exempt from the registration requirements of the Securities Act in reliance upon Rule 701 promulgated under the Securities Act or Section 4(2) of the Securities Act. All grants made in reliance upon Section 4(2) of the Securities Act were made to accredited investors.

On March 17, 2010, we issued an aggregate of 100,000,000 shares of our Series A-1 convertible preferred stock to the holders of our common stock in exchange for an aggregate of 98,000,000 shares of our outstanding common stock then held by them. This transaction was exempt from the registration requirements of the Securities Act in reliance upon Section 3(a)(9) of the Securities Act.

On May 28, 2010, we issued 17,500,693 shares of our Series A-2 convertible preferred stock to 15 accredited investors in connection with the Mimix Merger. The accredited investors were holders of the preferred stock of Mimix. This transaction was exempt from the registration requirements of the Securities Act in reliance upon Section 4(2) of the Securities Act.

On December 21, 2010, we sold 34,169,559.75 shares of our Class B convertible preferred stock and warrants to purchase an aggregate of 5,125,433.96 shares of our common stock to seven accredited investors for an aggregate purchase price of $120 million. These transactions were exempt from the registration requirements of the Securities Act in reliance upon Section 4(2) of the Securities Act.

ITEM 16. Exhibits and Financial Statement Schedules

(a) Exhibits

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
2.1#	Purchase Agreement by and among Cobham Defense Electronic Systems Corporation, Lockman Electronic Holdings Limited and Kiwi Stone Acquisition Corp., dated as of March 30, 2009, as amended.
2.2#	Agreement and Plan of Merger by and among M/A-COM Technology Solutions Inc., Optomai, Inc., Optomai Merger Sub, Inc. and the others parties named therein, dated April 7, 2011.
3.1**	Third Amended and Restated Certificate of Incorporation (currently in effect).
3.2**	Amended and Restated Bylaws (currently in effect).
3.3*	Fourth Amended and Restated Certificate of Incorporation (to be in effect following the closing of the offering).
3.4*	Second Amended and Restated Bylaws (to be in effect following the closing of the offering).
4.1*	Specimen of Common Stock Certificate.
4.2*	Amended and Restated Investor Rights Agreement, dated December 21, 2010, as amended.
4.3**	Form of Common Stock Purchase Warrant issued on December 21, 2010.
5.1*	Opinion of Perkins Coie LLP.
10.1+	Form of Indemnification Agreement between M/A-COM Technology Solutions Holdings, Inc. and each of its directors and executive officers.
10.2+**	M/A-COM Technology Solutions Holdings, Inc. Amended and Restated 2009 Omnibus Stock Plan.
10.3+**	Form of Incentive Stock Option Agreement under the M/A-COM Technology Solutions Holdings, Inc. 2009 Omnibus Stock Plan.
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10.8+*	M/A-COM Technology Solutions Holdings, Inc. 2011 Employee Stock Purchase Plan (to be in effect following the closing of the offering).
10.9+**	Offer of Employment Letter to Joseph Thomas, Jr., dated July 9, 2009, as amended.
10.10+**	Offer of Employment Letter to Charles Bland, dated February 8, 2011.
10.11+**	Offer of Employment Letter to Conrad Gagnon, dated May 1, 2009.
10.12+**	Offer of Employment Letter to Robert Donahue, dated July 16, 2009, as amended.
10.13+**	Offer of Employment Letter to Michael Murphy, dated September 28, 2009, as amended.
10.14+**	Management Services Agreement with GaAs Labs, LLC dated October 15, 2008, as amended.
10.15	Credit Agreement by and among M/A-COM Technology Solutions Holdings, Inc., the lenders party thereto, JPMorgan Chase Bank, N.A., Barclays Capital, RBS Citizens, N.A. and Raymond James Bank, FSB, dated as of September 30, 2011.
10.16**	Lease Agreement between Cobham Properties, Inc. and M/A-COM Technology Solutions Inc., dated September 26, 2008, as amended.

Exhibit Number	Description
21.1	Subsidiaries of the registrant.
23.1	Consent of Deloitte & Touche LLP, independent registered public accounting firm, relating to M/A-COM Technology Solutions Holdings, Inc.
23.2	Consent of Deloitte & Touche LLP, independent auditors, relating to M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited.
23.3*	Consent of Perkins Coie LLP (contained in the opinion filed as Exhibit 5.1).
23.4**	Consent of Strategy Analytics.
23.5**	Consent of Frost & Sullivan.
24.1**	Power of Attorney (contained on page II-5).

* To be filed by amendment.

** Previously filed.

\+ Management contract or compensatory plan.

\# Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K under the Exchange Act. We hereby undertake to supplementally furnish copies of any omitted schedules to the SEC upon request by the SEC.

(b) The following financial statement schedule is filed as part of this Registration Statement:

All financial statement schedules have been omitted because they are not required, not applicable or the information to be included in the financial statement schedules is included in the financial statements or the notes thereto.

ITEM 17. Undertakings

A. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and persons controlling the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

B. The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) The registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, Massachusetts, on October 21, 2011.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: /s/ Charles Bland
Name: Charles Bland
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Charles Bland Charles Bland	Chief Executive Officer (Principal Executive Officer) and Director	October 21, 2011
* Conrad Gagnon	Chief Financial Officer (Principal Financial and Accounting Officer)	October 21, 2011
* John Ocampo	Chairman of the Board	October 21, 2011
* Peter Chung	Director	October 21, 2011
* Gil Van Lunsen	Director	October 21, 2011

*By: /s/ Charles Bland
Charles Bland
Attorney-in-Fact

EXHIBIT INDEX

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* To be filed by amendment.

** Previously filed.

\+ Management contract or compensatory plan.

\# Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K under the Exchange Act. We hereby undertake to supplementally furnish copies of any omitted schedules to the SEC upon request by the SEC.

PURCHASE AGREEMENT

This Purchase Agreement (this "Agreement") is made and entered into as of this 30th day of March, 2009 by and among Cobham Defense Electronic Systems Corporation, Inc., a Massachusetts corporation ("CDES"), Lockman Electronic Holdings Limited, a corporation organized under the laws of England and Wales ("Lockman" and, together with CDES, "Sellers", and each a "Seller") and Kiwi Stone Acquisition Corp., a Delaware corporation ("Purchaser"). Each of the Sellers and Purchaser are herein referred to individually as a "Party" and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, Sellers, through certain of their Subsidiaries, are engaged in the Business;

WHEREAS, the Sellers are the record and beneficial owners of all of the issued and outstanding shares of capital stock of the Conveyed Entities (collectively, the "Shares"), as set forth in Schedule 3.3(b) of the Seller Disclosure Letter, and CDES or one of its Affiliates is the owner of the Non-Transferred Assets and the Conveyed Intellectual Property; and

WHEREAS, the Parties desire that, in exchange for the Purchase Price, (i) at the Closing, Sellers shall sell and transfer to Purchaser, and Purchaser shall purchase from Sellers, all of the Shares, and (ii) at or after the Closing, Sellers shall (as directed by Purchaser) sell and transfer to Purchaser or an Affiliate of Purchaser, the Non-Transferred Assets and the Conveyed Intellectual Property.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth or as referenced below:

"Accountant" shall have the meaning set forth in Section 2.3(h).

"Actual Value" shall have the meaning set forth in Section 2.4(c)(iii).

"ADSP Allocation" shall have the meaning set forth in Section 7.14(c).

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreed Claims" shall have the meaning set forth in Section 8.6(c).

"Agreement" shall have the meaning set forth in the preamble of this Agreement.

"Allocation" shall have the meaning set forth in Section 2.8(a).

"Antitrust Authorities" shall mean the Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States of America, and any other Governmental Authority having jurisdiction pursuant to applicable Antitrust Laws with respect to the transactions contemplated hereby.

"Antitrust Laws" shall mean the Sherman Act of 1890, as amended, the Clayton Act of 1914, as amended, the Federal Trade Commission Act of 1914, as amended, the HSR Act, and all other federal or state Laws or Orders or Laws or Orders of any other country, in effect from time to time that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

"Applicable Employee" shall have the meaning set forth in Section 5.6A(a).

"Balance Sheet" shall have the meaning set forth in Section 3.6(a).

"Balance Sheet Date" shall have the meaning set forth in Section 3.6(a).

"Basic Earn-Out Payment" shall have the meaning set forth in Section 2.3(a)(i)(A).

"Benefit Plan" shall mean each "employee benefit plan" as defined in Section 3(3) of ERISA (whether or not subject to ERISA) and each other bonus, stock option, equity, severance, termination pay, management bonus, consulting, relocation, employment, change-in-control, fringe benefit, deferred compensation, perquisite, tuition reimbursement and incentive plan, agreement, program or policy or other employee benefits or remuneration of any kind, whether written or unwritten, funded or unfunded, contributed to or maintained by a Conveyed Entity or Tyco or any trade or business (whether or not incorporated) that is treated as a single employer with a Conveyed Entity or Tyco within the meaning of Section 414(b), (c), (m) or (o) of the Code (an "ERISA Affiliate") for the benefit of any Business Employee or with respect to which a Conveyed Entity may have any obligation or with respect to which Tyco or any ERISA Affiliate has or may have any liability or obligation with respect to a Business Employee and any International Employee Plan. For the avoidance of doubt, for purposes hereof a "collective bargaining" plan or arrangement shall not include any works council, national union or similar body or organization, or the statutory obligations pertaining thereto.

"Bidder Representative" shall mean any of Purchaser's directors, officers, employees, advisors and agents to whom Evaluation Material (as defined in the Confidentiality Agreement) was disclosed under the Confidentiality Agreement.

"Books and Records" shall have the meaning set forth in Section 3.10.

"Business" shall mean the design, manufacture, sale, maintenance, procurement and distribution of the products (including components thereof), and the services related thereto, in each of the following product lines: (A) the Power Hybrids Operation (PHO), GaAs / SiGe ICs, Broadband, Components and Diodes; (B) the Infrastructure products line; (C) the product lines manufactured, sold and distributed by Laser Diode Incorporated; and (D) the Auto Solutions product line, in each case, as such activities are or were carried out by the Conveyed Entities, Sellers and/or their respective Affiliates or Tyco and/or its Affiliates during the period beginning immediately prior to the Tyco Closing Date through and including immediately prior to the Closing Date, and any other activities, operations or business of, including, without limitation, with respect to any other products designed, manufactured, sold, maintained or distributed by, the Conveyed Entities, and any services related thereto as at immediately prior to the Closing Date; provided, however, that the term "Business" does not include the manufacture of products and supply of services supplied to the Conveyed Entities pursuant to the Supply and Foundry Agreement or the rights of the Conveyed Entities under the IP Cross License Agreement.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banks in New York City, New York or San Francisco, California are authorized or obligated by Law or executive order to close.

"Business Employee" shall mean and include, without limitation, each individual listed on Schedule 1.1(a) of the Seller Disclosure Letter who, immediately prior to the Closing: (i) shall be (or, in the case of clause (C) in subsection (ii) below, is scheduled to become) an employee of a Conveyed Entity or an employee of a Seller, Tyco or one of their Affiliates that is primarily employed in the Business; and (ii) either (A) shall have been employed and at work on the Closing Date; (B) shall have been absent on the Closing Date because of illness or being on short-term disability (including maternity leave) workers' compensation, vacation, parental leave of absence, military leave of absence or other authorized leave of absence; or (C) shall have received an offer of employment with the Business in the ordinary course of the Business consistent with past practice from a Conveyed Entity or an Affiliate of Sellers or Tyco or an Affiliate of Tyco (in each case, as permitted by this Agreement) on or prior to the Closing Date, but shall have not yet commenced work as of the Closing Date. Any employee of Sellers or its Affiliates or of Tyco or its Affiliates who is not otherwise a Business Employee but who is offered and accepts employment with Purchaser or its Affiliates, pursuant to mutual agreement with each of the Sellers and Tyco and otherwise in compliance with Section 5.9 hereof, during the ninety (90) days following the Closing Date, shall be deemed to be a Business Employee as of the date of actual employment with Purchaser or its Affiliates. The individuals listed on Schedule 1.1(b) of the Seller Disclosure Letter shall not be deemed to be Business Employees.

"Business Products" shall mean the products and services of the Business.

"Business Revenues" shall mean, for any period, the aggregate revenues directly attributable to the Business during such period derived in the ordinary course of business from sales by the Conveyed Entities or their Affiliates of the Business Products as of the Closing Date determined in accordance with GAAP, as consistently applied by Purchaser.

"Claim Certificate" shall have the meaning set forth in Section 8.6(a).

"Closing" shall mean the closing of the transactions contemplated by this Agreement pursuant to the terms and conditions of this Agreement.

"Closing Cash Consideration" shall have the meaning set forth in Section 2.2(a).

"Closing Date" shall have the meaning set forth in Section 2.5(a).

"Closing Date Working Capital" shall have the meaning set forth in Section 2.4(c).

"Closing Statement" shall have the meaning set forth in Section 2.4(a).

"Closing Statement Disputed Item" shall have the meaning set forth in Section 2.4(c).

"Closing Statement Dispute Notice" shall have the meaning set forth in Section 2.4(b).

"COBRA" shall have the meaning set forth in Section 5.5(b).

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral Source" shall have the meaning set forth in Section 8.5.

"Confidentiality Agreement" shall mean the Confidentiality Agreement dated as of October 22, 2008 between CDES and GaAs Labs, LLC.

"Contest" shall mean any audit, court proceeding or other dispute with respect to any Tax matter that affects any of the Conveyed Entities.

"Contract" shall mean any legally binding contract, note, loan, lease, purchase order, letter of credit, license, undertaking, instrument or other agreement, whether written or oral, including all amendments thereto.

"Conveyed Entities" shall mean those entities listed on Schedule 3.3(a) of the Seller Disclosure Letter and each Subsidiary of any such entity, and each of the Conveyed Entities shall be referred to individually as a "Conveyed Entity."

"Conveyed Intellectual Property" means any and all Intellectual Property that (i) is a Transferred Asset; or (ii) is owned by, or held in the name of, any of the Conveyed Entities or any of their Subsidiaries as of the date hereof; or (iii) is or should have been listed on Schedule 3.14(b)(i) of the Seller Disclosure Letter; or (iv) is otherwise a Conveyed Patent.

"Conveyed Patent" means any United States or foreign patent, patent application, or invention disclosure that is (A) either (i) listed on Schedule 3.14(b)(i) of the Seller Disclosure Letter, (ii) primarily related to, or invented in the course of the conduct of, the Business, or (iii) claims priority from or to any of the foregoing or is related to any of the foregoing by a terminal disclaimer; and (B) is not Licensed Intellectual Property.

"Covered Benefit Plan" shall have the meaning given in Section 3.16(b).

"Delayed Transfer Assets" shall mean those assets primarily relating to the Business in the Delayed Transfer Countries.

"Delayed Transfer Countries" shall mean China, India, and South Korea.

"Delayed Transfer Liabilities" shall mean those Liabilities, other than Liabilities for Taxes, to the extent relating to the Delayed Transfer Assets.

"Dollars" and "$" shall each mean lawful money of the United States.

"Earn-Out Cap" shall have the meaning set forth in Section 2.3(b).

"Earn-Out Disputed Item" shall have the meaning set forth in Section 2.3(h).

"Earn-Out Dispute Notice" shall have the meaning set forth in Section 2.3(g).

"Earn-Out Payment" shall have the meaning set forth in Section 2.3(f).

"Earn-Out Revenue" shall have the meaning set forth in Section 2.3(f).

"Earn-Out Statement" shall have the meaning set forth in Section 2.3(f).

"Effective Time" shall have the meaning set forth in Section 2.5(a).

"Environmental Indemnity Claim" shall have the meaning set forth in Section 8.2(c).

"Environmental Law" shall mean any Law, Order or other requirement of Law for the protection of the environment, for the use, transport, treatment, storage, disposal, discharge, emission, release or threatened release of petroleum products, asbestos, urea formaldehyde insulation, polychlorinated biphenyls or any substance, chemical, emission, waste or material listed, classified or regulated as "hazardous", "toxic", or constituting a "pollutant", "contaminant" or any similar term under such Environmental Law (collectively, "Hazardous Substances"), or otherwise relating to a Hazardous Substance Activity.

"Environmental Permits" shall have the meaning set forth in Section 3.11(b).

"Environmental Representations Claim" shall have the meaning set forth in Section 8.2(c).

"Environmental Standalone Claim" shall have the meaning set forth in Section 8.2(c).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall have the meaning set forth in the definition of Benefit Plan.

"EU Business Employee" shall mean any Business Employee employed by a Conveyed Entity based in any member state of the European Union, ordinarily working in any member state of the European Union.

"Evaluation Material" shall have the meaning set forth in Section 5.1(b).

"Excluded Environmental Liabilities" shall mean any liability, obligation, judgment, penalty, fine, cost or expense, of any kind or nature, or the duty to indemnify, defend or reimburse any Person arising out of the stock and assets acquired by Sellers under the Tyco Agreement (other than, in each case, to the extent arising on any of the Leased Real Properties), including: (i) the presence on or before the Closing Date of any Hazardous Substances in the soil, groundwater, surface water, air or building materials of any real property ("Pre-Existing Contamination"); (ii) any Hazardous Substances Activity conducted on any real property prior to the Closing Date ("Pre-Closing Hazardous Substances Activities"); (iii) the exposure of any person to Pre-Existing Contamination or to Hazardous Substances in the course of or as a consequence of any Pre-Closing Hazardous Substances Activities, without regard to whether any health effect of the exposure has been manifested as of the Closing Date; (iv) the violation of any Environmental Laws prior to the Closing Date or in connection with any Pre-Closing Hazardous Substances Activities prior to the Closing Date; (v) any actions or proceedings brought or threatened by any third party with respect to any of the foregoing; and (vi) any of the foregoing to the extent they continue after the Closing Date.

"Expiration Date" shall have the meaning set forth in Section 8.1.

"Final Determination" shall mean, with respect to any Taxes, (i) the expiration of the statute of limitations on both assessments and refunds of such Taxes, or (ii) the final settlement of Taxes through agreement of the parties to an administrative or judicial proceeding or by an administrative or judicial decision from which no appeal can be taken or the time for taking any such appeal has expired.

"Final Earn-Out Payment" shall have the meaning set forth in Section 2.3(a)(iii).

"Final Earn-Out Period" shall have the meaning set forth in Section 2.3(a)(iii).

"Final Earn-Out Revenue" shall have the meaning set forth in Section 2.3(a)(iii).

"Final Earn-Out Tier I Target" shall have the meaning set forth in Section 2.3(a)(iii).

"Final Earn-Out Tier II Target" shall have the meaning set forth in Section 2.3(a)(iii)(B).

"Final Earn-Out Tier III Target" shall have the meaning set forth in Section 2.3(a)(iii)(C).

"Finance Services Agreement" shall mean the Finance Services Agreement by and between M/A-COM Technology Solutions Inc. and Cobham Defense Electronic Systems – M/A-COM Inc. to be entered into as of the Closing in substantially the form attached as Exhibit I.

"First Earn-Out Payment" shall have the meaning set forth in Section 2.3(a)(i).

"First Earn-Out Period" shall have the meaning set forth in Section 2.3(a)(i).

"First Earn-Out Revenue" shall have the meaning set forth in Section 2.3(a)(i).

"First Earn-Out Tier I Target" shall have the meaning set forth in Section 2.3(a)(i).

"First Earn-Out Tier II Target" shall have the meaning set forth in Section 2.3(a)(i)(B).

"First Earn-Out Tier III Target" shall have the meaning set forth in Section 2.3(a)(i)(C).

"GAAP" shall mean generally accepted accounting principles in the United States.

"Government Contract" shall mean any Contract entered into by any Conveyed Entity or by or on behalf of the Business with (i) the United States government or (ii) any subcontract which by its terms relates to a Contract to which the United States government is a party thereto.

"Governmental Authority" shall mean any transnational, domestic or foreign federal, state or local, governmental authority, department, court, agency or official, including any political subdivision thereof.

"Hazardous Substance" shall have the meaning set forth in the definition of Environmental Law.

"Hazardous Substances Activity" is the transportation, transfer, recycling, storage, use, treatment, manufacture, removal, remediation, release, exposure of others to, sale, or distribution of any Hazardous Substance or any product or waste containing a Hazardous Substance, or product manufactured with Ozone depleting substances, including, without limitation, any required labeling, payment of waste fees or charges (including so-called e-waste fees) and compliance with any product take-back or product content requirements.

"High Value" shall have the meaning set forth in Section 2.4(c)(ii).

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

"Income Taxes" shall mean any Taxes based on or measured by or with respect to gross or net income or gross receipts (including capital gains Taxes, minimum Taxes, income Taxes collected by withholding, and Taxes on Tax preference items, but excluding sales Taxes, value-added Taxes, or similar Taxes), together with any interest, penalties, or additions imposed with respect thereto.

"Indebtedness" of any Person shall mean indebtedness of such Person for borrowed money. For the avoidance of doubt, Indebtedness shall not include any capitalized lease obligations or any current Liabilities for trade payables or accrued expenses incurred and payable in the ordinary course of business.

"Indemnified Party" shall have the meaning set forth in Section 8.6(a).

"Indemnifying Party" shall have the meaning set forth in Section 8.6(a).

"In-Licenses" shall have the meaning set forth in Section 3.14(c).

"Intellectual Property" shall mean all rights in any United States or foreign jurisdiction in, arising under or associated with any of the following: (i) patents and applications therefore; (ii) registered and unregistered trademarks, service marks and other indicia of origin, pending trademark and service mark registration applications, and intent-to-use registrations or similar reservations of marks and all appurtenant goodwill thereto; (iii) registered and unregistered copyrights and applications for registration; (iv) Internet domain names, applications and reservations therefore and uniform resource locators; and (v) trade secrets and similar rights in proprietary information not otherwise listed in (i) through (iv) above, including rights in unpatented inventions, invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, computer software programs, databases, data collections and other proprietary information or material of any type.

"Intellectual Property License" shall have the meaning set forth in Section 3.14(c).

"International Benefit Plan" shall have the meaning set forth in Section 3.16(d).

"Inventory" shall mean any inventory, including goods, purchased and manufactured parts, goods-in-transit, supplies, containers, packaging materials, raw materials, work-in-progress, finished goods, samples and other consumables.

"IP Cross License Agreement" shall mean the Intellectual Property Cross License Agreement between CDES and M/A-COM Technology Solutions Inc. to be entered into at the Closing in substantially the form attached hereto as Exhibit B.

"Irish Shares" shall mean the outstanding shares of capital stock of M/ACOM Cork.

"IRS" shall mean the Internal Revenue Service of the United States of America.

"ISRA" shall have the meaning set forth in Section 5.18.

"Knowledge of Sellers" shall have the meaning set forth in Section 1.4.

"Law" shall mean any federal, state, territorial, foreign or local law, common law, statute, directive, or ordinance or any rule, regulation or code of any Governmental Authority.

"Leased Real Property" shall have the meaning set forth in Section 3.15(a).

"Liabilities" shall mean any and all debts, liabilities and obligations, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured or determined or determinable.

"Licensed Intellectual Property" means the Intellectual Property licensed to the Conveyed Entities or Purchaser in the IP Cross License Agreement.

"Liens" shall mean any lien, security interest, mortgage, encumbrance or charge of any kind.

"Litigation" shall have the meaning set forth in Section 3.8.

"Loss" or "Losses" shall mean any claims, actions, causes of action, judgments, awards and losses, Liabilities, costs or damages (including reasonable out-of-pocket attorneys' and consultants' fees and expenses); and, only to the extent payable in respect of a Third-Party Claim, punitive or exemplary damages; provided that, "Losses" shall not include any internal costs and expenses (or any allocation thereof), including for the avoidance of doubt internal employee costs, of any Seller Indemnitees or any Purchaser Indemnitees, as the case may be.

"Lower Working Capital Limit" shall have the meaning set forth in Section 2.4(d)(i).

"Low Value" shall have the meaning set forth in Section 2.4(c)(i).

"M/ACOM Cork" means M/ACOM Technology Solutions (Cork) Limited.

"Major Disposition" shall have the meaning set forth in Section 2.3(n).

"Mark" shall have the meaning set forth in Section 5.12.

"Material Adverse Effect" shall mean any circumstances, change or effect, when taken individually or in the aggregate, that has had or would reasonably be expected to have a material adverse effect on the assets (tangible or intangible), operations, results of operations or condition (financial or otherwise) of the Business or the Conveyed Entities, taken as a whole; provided, however, that changes or effects to the extent relating to: (i) changes in economic or political conditions or the financing, banking, currency or capital markets in general; (ii) changes in Laws or interpretations thereof or changes in accounting requirements or principles (including

GAAP); (iii) changes affecting industries, markets or geographical areas in which the Business operates, including, but not limited to, the present downturn in the semiconductor market; (iv) the consummation of the transactions contemplated by this Agreement or any actions by Purchaser or Sellers required to be taken pursuant to this Agreement or in connection with the transactions contemplated hereby; (v) any natural disaster or any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof, whether or not occurring or commenced before, on or after the date of this Agreement; or (vi) any failure by the Business to meet any internal projections or forecasts and seasonal changes in the results of operations of the Business, in each case, shall be deemed to not constitute a "Material Adverse Effect" and shall not be considered in determining whether a "Material Adverse Effect" has occurred, provided, however, that (A) with respect to clauses (i) and (iii) of this definition, such circumstance, changes or effects do not have a disproportionate or unique effect the Business, and (B) it is understood that the underlying cause or causes of any failure described in clause (vi) of this definition may constitute, or be considered in any determination of, a Material Adverse Effect.

"Material Contracts" shall have the meaning set forth in Section 3.12(a).

"Maximum Earn-Out Payment" shall have the meaning set forth in Section 2.3(a)(i)(D).

"Minor Disposition" shall have the meaning set forth in Section 2.3(o).

"Net Proceeds" shall have the meaning set forth in Section 2.3(m).

"NFA Letter" shall have the meaning set forth in Section 8.2(d)(iii).

"NJDEP" shall have the meaning set forth in Section 5.18.

"NJ Sites" shall have the meaning set forth in Section 5.18.

"Noncompete Term" shall have the meaning set forth in Section 5.19(a).

"Non-EU Business Employee" shall mean any Business Employee who is not an EU Business Employee.

"Non-Transferred Assets" shall mean all Transferred Assets (including any Conveyed Intellectual Property), in each case, to the extent such assets, as of the date of hereof, have not been validly transferred to any of the Conveyed Entities.

"Objection Certificate" shall have the meaning set forth in Section 8.6(b).

"Omission Notice" shall have the meaning set forth in Section 5.14.

"Omitted Asset" shall have the meaning set forth in Section 5.14.

"Order" shall mean any judgment, order, injunction, decree, writ, permit or license of any Governmental Authority or any arbiter.

"Out-Licenses" shall have the meaning set forth in Section 3.14(c).

"Overall Cap Amount" shall have the meaning set forth in Section 8.4(d).

"Parties" shall have the meaning set forth in the preamble of this Agreement.

"Party" shall have the meaning set forth in the preamble of this Agreement.

"Payee" shall have the meaning set forth in Section 7.11.

"Payor" shall have the meaning set forth in Section 7.11.

"Per-Claim Deductible" shall have the meaning set forth in Section 8.4(a)(i).

"Performance Bonus" shall mean any cash bonus payable under a Benefit Plan to a Business Employee on the basis of achievement of pre-determined performance of CDES or any of its Affiliates, a subdivision of CDES or any of its Affiliates, Tyco, or a subdivision of Tyco, or such Business Employee for the 2008 fiscal year or any prior fiscal year. For the avoidance of doubt, any awards, commissions, bonuses or targeted annual income incentive payments earned by the Business' sales force shall not be deemed a Performance Bonus.

"Permit" shall mean each permit, certificate, license, consent, approval or authorization of any Governmental Authority.

"Permitted Liens" shall mean: (i) Liens for Taxes, assessments and other governmental charges that are not yet due and payable or that may be paid after payment thereof is due and payable without penalty; (ii) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties; (iii) easements, covenants, conditions and restrictions, whether of record or not, which would not materially interfere with the conduct of the Business; (iv) any zoning or other governmentally established restrictions or encumbrances; (v) pledges or deposits to secure obligations under workers or unemployment compensation Laws or similar legislation or to secure public or statutory obligations; (vi) mechanic's, materialman's, warehouse man's, supplier's, vendor's or similar Liens arising or incurred in the ordinary course of business securing amounts that are not overdue for a period of more than sixty (60) days or the amount or validity of which is being contested in good faith by appropriate proceedings; (vii) railroad trackage agreements, utility, slope and drainage easements, right of way easements and leases regarding signs; (viii) other Liens, if any, that do not have a material and adverse impact on the value, use or operation of the assets subject thereto; and (ix) Liens listed on Schedule 1.1(c) of the Seller Disclosure Letter.

"Person" shall mean an individual, a limited liability company, a joint venture, a corporation, a company, a partnership, an association, a trust, a division or operating group of any of the foregoing or any other entity or organization.

"Post-Closing Transferred Contract" shall have the meaning set forth in Section 5.13(a).

"Pre-Closing Hazardous Substances Activities" shall have the meaning set forth in the definition of Excluded Environmental Liabilities.

"Pre-Closing Period" shall mean any taxable period ending on or prior to the Closing Date.

"Pre-Closing Period Tax Returns" shall have the meaning set forth in Section 7.4(a).

"Predecessor Cafeteria Plan" shall mean the cafeteria plans in which Transferred Employees are eligible to participate as of the Closing Date.

"Predecessor Entity" means any entity, including Tyco, Sellers, any of their Affiliates or other entity that owned or purported to own any asset that was, is required to be, or was purported to have been, assigned, contributed or transferred to any Conveyed Entity or any entity that was a predecessor entity to any Conveyed Entity related to the Business.

"Predecessor Savings Plan" shall mean the Cobham Retirement Savings and Investment Plan and if, by the relevant date, Sellers or their Affiliates have replaced such plan with another plan "Predecessor Savings Plan" shall also mean such other plan.

"Pre-Existing Contamination" shall have the meaning set forth in the definition of Excluded Environmental Liabilities.

"Proceeding" shall have the meaning set forth in Section 10.9(b).

"Purchase Price" shall have the meaning set forth in Section 2.2.

"Purchaser" shall have the meaning set forth in the preamble of this Agreement.

"Purchaser Cafeteria Plan" shall have the meaning set forth in Section 5.5(f).

"Purchaser Group" shall have the meaning set forth in Section 5.19.

"Purchaser Group Restricted Activities" shall have the meaning set forth in Section 5.19.

"Purchaser Indemnitees" shall have the meaning set forth in Section 8.2(a).

"Purchaser Savings Plan" shall have the meaning set forth in Section 5.5(c).

"Purchaser's Refunds" shall have the meaning set forth in Section 7.7(b).

"Quarterly Report" shall have the meaning set forth in Section 2.3(e).

"Real Property" shall have the meaning set forth in Section 3.15(a).

"Real Property Lease" shall have the meaning set forth in Section 3.15(b).

"Registered Intellectual Property" shall mean applications, registrations and filings for Intellectual Property that have been registered, filed, certified or otherwise perfected or recorded with or by any state, government or other public or quasi public legal authority anywhere in the world, including the United State Patent Office ("PTO") or United States Copyright Office.

"Re-Opener" shall have the meaning set forth in Section 8.2(d)(iii).

"Representatives" of any Person shall mean such Person's directors, managers, members, officers, employees, agents, advisors and representatives (including attorneys, accountants, consultants, financial advisors, financing sources and any representatives of such advisors or financing sources).

"Revolving Credit Agreement" shall have the meaning set forth in Section 2.5(b)(iv).

"Sale of the Business" shall have the meaning set forth in Section 2.3(m).

"Second Earn-Out Payment" shall have the meaning set forth in Section 2.3(a)(ii).

"Second Earn-Out Period" shall have the meaning set forth in Section 2.3(a)(ii).

"Second Earn-Out Revenue" shall have the meaning set forth in Section 2.3(a)(ii).

"Second Earn-Out Tier I Target" shall have the meaning set forth in Section 2.3(a)(ii).

"Second Earn-Out Tier II Target" shall have the meaning set forth in Section 2.3(a)(ii)(B).

"Second Earn-Out Tier III Target" shall have the meaning set forth in Section 2.3(a)(ii)(C).

"Section 338(h)(10) Election" shall have the meaning set forth in Section 7.14(a).

"Secured Promissory Note" shall have the meaning set forth in Section 2.2(c).

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Seller" or "Sellers" shall have the meaning set forth in the preamble of this Agreement.

"Seller Disclosure Letter" shall have the meaning set forth in the preamble to ARTICLE III.

"Seller Group" shall have the meaning set forth in Section 5.19.

"Seller Group Restricted Activities" shall have the meaning set forth in Section 5.19(a).

"Seller Indemnitees" shall have the meaning set forth in Section 8.3.

"Sellers' Refunds" shall have the meaning set forth in Section 7.7(a).

"Sellers' Taxes" shall have the meaning set forth in Section 7.1.

"Services in France" shall have the meaning set forth in Section 5.6A(e).

"Set-Off Right" shall have the meaning set forth in Section 10.15.

"Shares" shall have the meaning set forth in the recitals hereto.

"Short Term Note" shall have the meaning set forth in Section 2.2(c).

"Solvent" shall mean, with respect to any Person, that (i) the property of such Person, at a present fair saleable valuation, exceeds the sum of its Liabilities, (ii) the present fair saleable value of the property of such Person exceeds the amount that will be required to pay such Person's probable Liabilities as they become absolute and matured, (iii) such Person has adequate capital to carry on its business and (iv) such Person does not intend to incur, or believe it will incur Liabilities beyond its ability to pay as such Liabilities mature. In computing the amount of contingent or unliquidated Liabilities at any time, such Liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become actual or matured Liabilities.

"Straddle Period" shall have the meaning set forth in Section 7.3(a).

"Straddle Period Returns" shall have the meaning set forth in Section 7.4(b).

"Sublease Agreement" shall mean the Sub-Sublease Agreement between Purchaser and Cobham Defense Electronic Systems – M/A-COM Inc. relating to a portion of the Pawtucket Boulevard property to be entered into at the Closing in substantially the form attached hereto as Exhibit C.

"Subsequent Employee Transfer Date" shall mean the applicable date on which Applicable Employees become employees of Purchaser or one of its Affiliates; provided, however, that such date shall not be later than the eighteen (18) month anniversary of September 26, 2008.

"Subsequent Transfer" shall mean each transfer of Delayed Transfer Assets and Delayed Transfer Liabilities pursuant to Section 2.7.

"Subsequent Transfer Date" shall mean each date on which a transaction contemplated by Section 2.7 occurs.

"Subsidiary" shall mean, with respect to any Person, (i) any corporation more than fifty percent (50%) of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is owned by such Person directly or indirectly through one or more Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person directly or indirectly through one or more Subsidiaries of such Person has more than a fifty percent (50%) equity interest.

"Supply and Foundry Agreement" shall mean the Mutual Foundry, Supply, Purchasing and Services Agreement between Cobham Defense Electronic Systems – M/A-COM Inc. and M/A-COM Technology Solutions Inc. to be entered into as of the Closing in substantially the form attached hereto as Exhibit D.

"Tax Claim" shall have the meaning set forth in Section 7.6(d).

"Tax Indemnified Party" shall have the meaning set forth in Section 7.6(d).

"Tax Indemnifying Party" shall have the meaning set forth in Section 7.6(d).

"Tax Notice" shall have the meaning set forth in Section 7.6(d).

"Tax Objection Notice" shall have the meaning set forth in Section 7.6(e).

"Tax Return" shall mean any report of Taxes due, any information return with respect to Taxes, or other similar report, statement, declaration or document required to be filed under the Code or other Laws in respect of Taxes, including the Foreign Investment in Real Property Tax Act, any amendment to any of the foregoing, any claim for refund of Taxes paid, and any attachments, amendments or supplements to any of the foregoing.

"Taxes" shall mean any federal, state, county, local, or foreign tax (including Transfer Taxes), charge, fee, levy, impost, duty, or other assessment, including income, gross receipts, excise, employment, sales, use, transfer, recording, license, payroll, franchise, severance, documentary, stamp, occupation, windfall profits, environmental, highway use, commercial rent, customs duty, capital stock, paid-up capital, profits, withholding, Social Security, single business, unemployment, disability, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum, estimated, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by any Governmental Authority, including any estimated payments relating thereto, any interest, penalties, and additions imposed thereon or with respect thereto.

"Taxing Authority" or "Taxing Authorities" shall mean any Governmental Authority or Authorities having jurisdiction over the assessment, determination, collection, or other imposition of any Taxes.

"Taxing Authority Notice" shall have the meaning set forth in Section 7.6(d).

"Third-Party Claim" shall have the meaning set forth in Section 8.7(a).

"Top Customer" shall mean the top ten (10) customers of the Business, based on total revenue for the twelve (12) months ended as of the Balance Sheet Date.

"Transaction Documents" means this Agreement (including the letter attached as Exhibit J hereto), the Transition Services Agreement, the IP Cross License Agreement, the Supply and Foundry Agreement, the Sublease Agreement, the Secured Promissory Note, the Short Term Note, the Finance Services Agreement, the Revolving Credit Agreement and any other written agreements entered into in accordance with the terms of this Agreement.

"Transfer Regulations" means any Law implementing the provisions of Council Directive 2001/23/EEC dated 12 March 2001.

"Transfer Taxes" means all stamp, transfer, real property transfer, recordation, grantee/grantor, documentary, sales and use, value added, goods and services, registration, occupation, privilege, or other such similar taxes, fees and costs (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement.

"Transferred Assets" shall mean any and all assets, whether tangible or intangible (but other than Real Property), purchased by or transferred to CDES or its Affiliates under the Tyco Agreement, or acquired, or made available to the Business, by either Sellers or their Affiliates (including the Conveyed Entities) on or after the Tyco Closing Date, in each case, (i) that are primarily related to, used as a material asset in, or necessary for the operation of, the Business, including as such business has been conducted from and after the Tyco Closing Date, (ii) that will be necessary to the operation of the Business by the Conveyed Entities and Purchaser following the Closing Date in the same manner as operated during the period beginning immediately prior to the Tyco Closing Date through and including immediately prior to the Closing Date, or (iii) that are otherwise owned by any of the Conveyed Entities; provided that, "Transferred Assets" shall not include (A) those Intellectual Property assets licensed to the Conveyed Entities pursuant to the IP Cross License Agreement and (B) those assets, the use and benefit of which, the Conveyed Entities will obtain under the Transition Services Agreement, the Sublease or the Supply and Foundry Agreement; but, for the avoidance of doubt, "Transferred Assets" shall include (x) the accounts receivable, notes receivable and other receivables of the Business and (y) ownership of the "M/A-COM" name, trademark and all associated rights and all domain names incorporating the "M/A-COM" or "MACOM" names.

"Transferred Employee" and "Transferred Employees" shall have the meaning set forth in Section 5.5(a).

"Transition Services Agreement" shall mean the Transition Services Agreement between CDES and Purchaser to be entered into and effective as of the date hereof in substantially the form attached hereto as Exhibit E.

"Tyco" shall mean Tyco Electronics Group S.A., a company organized under the laws of Luxembourg, and it subsidiaries, as applicable.

"Tyco Agreement" shall mean that certain Stock and Asset Purchase Agreement by and between Tyco, CDES and Cobham plc, dated as of May 12, 2008.

"Tyco Closing Date" shall mean the "Closing Date" as such term is defined in the Tyco Agreement.

"Unassumed Liabilities" shall have the meaning set forth in Section 8.2(a).

"Unpaid Transaction Expenses" shall mean all fees and expenses of third parties incurred by a Party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby (including all legal, accounting, financial advisory, and consulting fees) that have not been paid, but have become due, on or before the Closing Date, or are reasonably expected to become due after Closing.

"Upper Working Capital Limit" shall have the meaning set forth in Section 2.4(d)(i).

"U.S. Business Employee" shall mean any Business Employee ordinarily working in the United States or employed by a Conveyed Entity based in the United States.

"WARN Act" shall have the meaning set forth in Section 3.17(f).

"Working Capital" shall mean the current assets of the Conveyed Entities (excluding deferred income tax assets) *less* the current liabilities of the Conveyed Entities (excluding (a) interest obligations but including other contractual payment obligations related to the License Agreement, dated as of October 10, 2001, by and between M/A-COM, Inc. and Xemod Incorporated, and (b) deferred income tax liabilities) owned or owing by the Conveyed Entities, taken as a whole, and determined in accordance with the policies, principles, practices and methodologies set forth on Exhibit A primarily, and otherwise in accordance with GAAP. The calculations of the Lower Working Capital Limit and the Upper Working Capital Limit have been included in Exhibit F.

"2010/2011 Earn-Out Payments" shall have the meaning set forth in Section 2.3(a)(iii).

Section 1.2 Construction. In this Agreement, unless the context otherwise requires:

(a) any reference in this Agreement to "writing" or comparable expressions includes a reference to facsimile transmission or comparable means of communication (but excluding e-mail communications);

(b) the phrase "made available," when used in this Agreement, shall mean that the information referred to has been posted to the virtual data room located at https://services.intralinks.com/logon.html established by Sellers by 9:00 A.M. New York time on the Closing Date;

(c) words expressed in the singular number shall include the plural and vice versa, and words expressed in the masculine shall include the feminine and neuter genders and vice versa;

(d) references to Articles, Sections, Exhibits, Schedules and Recitals are references to articles, sections, exhibits, schedules and recitals of this Agreement;

(e) references to “day” or “days” are to calendar days;

(f) references to “the date hereof” shall mean as of the date of this Agreement;

(g) unless expressly indicated otherwise, the words “hereof”, “herein”, “hereto” and “hereunder”, and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any provision of this Agreement;

(h) references to this “Agreement” or any other agreement or document shall be construed as references to this Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented;

(i) “include”, “includes”, and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of similar import; and

(j) reference to any U.S. statute, bylaw, regulation, rule, delegated legislation or order, in relation to any assets owned, Liabilities incurred, company incorporated in, or business carried on in any jurisdiction other than the U.S., shall be deemed to include what most nearly approximates such statute, bylaw, regulation, rule, delegated legislation or order in that jurisdiction to that reference.

Section 1.3 Exhibits and Seller Disclosure Letter. The Exhibits to this Agreement and the Seller Disclosure Letter are incorporated into and form an integral part of this Agreement. If an Exhibit is a form of agreement, such agreement, when executed and delivered by the parties thereto, shall constitute a document independent of this Agreement.

Section 1.4 Knowledge. Where any representation or warranty or other provision contained in this Agreement is expressly qualified by reference to the “Knowledge of Sellers,” such knowledge shall mean to the actual knowledge (as distinguished from constructive or imputed knowledge) of those individuals listed on Schedule 1.4 of the Seller Disclosure Letter.

ARTICLE II

PURCHASE AND SALE

Section 2.1 Purchase and Sale. Upon the terms and subject to the conditions set forth herein, at the Closing, Sellers shall sell to Purchaser, and Purchaser agrees to purchase from the respective Seller, the Shares free and clear of all Liens, and any Non-Transferred Assets which have not been transferred to Purchaser or any of the Conveyed Entities prior to the date

hereof free and clear of all Liens, other than Permitted Liens. The certificates, if any, representing the Shares shall be duly endorsed in blank, or accompanied either by stock powers duly executed in blank by the respective Seller or by such other instruments of transfer as are reasonably acceptable to Purchaser (including any power of attorney or other authority under which any transfer has been executed).

Section 2.2 Purchase Price. In consideration of the sale and transfer of the Shares and any Non-Transferred Assets (as described in Section 2.1 above), Purchaser agrees to pay to Sellers the following consideration (collectively, the "Purchase Price"), subject to adjustment pursuant to this Agreement:

(a) at Closing, an amount of cash equal to Twenty-Five Million Dollars ($25,000,000) (the "Closing Cash Consideration");

(b) at Closing, the issuance by Purchaser to Sellers of a Short Term Promissory Note in the form attached hereto as Exhibit G in the principal amount of Five Million Dollars ($5,000,000) (the "Short Term Note");

(c) at Closing, the issuance by Purchaser to Sellers of a Secured Promissory Note in the form attached hereto as Exhibit H in the principal amount of Thirty Million Dollars ($30,000,000) (the "Secured Promissory Note"); and

(d) the Earn-Out Payments, if any, payable at such times after Closing pursuant to and otherwise in accordance with Section 2.3.

Section 2.3 Earn-Out Payments. (a) Upon the terms and conditions set forth in this Agreement, following the Closing Date, upon final determination thereof in accordance with this Section 2.3, Purchaser shall make the following additional payments, if any, to Sellers:

(i) In the event that, during the fiscal year beginning on October 1, 2009 and ending on September 30, 2010 (the "First Earn-Out Period"), the Purchaser generates Business Revenues (such Business Revenues, the "First Earn-Out Revenue") in an amount equal to or greater than Two-Hundred Thirty Million Dollars ($230,000,000) (the "First Earn-Out Tier I Target"), then Purchaser shall, on a one-time basis, pay to Sellers an amount calculated as follows (such payment, the "First Earn-Out Payment"):

(A) if the First Earn-Out Revenue is equal to the First Earn-Out Tier I Target, the First Earn-Out Payment shall be Five Million Dollars ($5,000,000) (the "Basic Earn-Out Payment"); or

(B) if the First Earn-Out Revenue is greater than the First Earn-Out Tier I Target but equal to or less than Two-Hundred Fifty Million Dollars ($250,000,000) (the "First Earn-Out Tier II Target"), then the First Earn-Out Payment shall equal the sum of (i) the Basic Earn-Out Payment, *plus* (ii) the product of (X) Five-Million Dollars ($5,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) the First Earn-Out Revenue, *minus*, (b) the First Earn-Out Tier I Target, *by* (2) Twenty Million (20,000,000); or

(C) if the First Earn-Out Revenue is greater than the First Earn-Out Tier II Target but less than Two-Hundred Sixty-Five Million Dollars ($265,000,000) (the "First Earn-Out Tier III Target"), then the First Earn-Out Payment shall equal the sum of (i) Ten Million Dollars ($10,000,000), *plus* (ii) the product of (X) Five-Million Dollars ($5,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) the First Earn-Out Revenue, *minus*, (b) the First Earn-Out Tier II Target, *by* (2) Fifteen Million (15,000,000); or

(D) if the First Earn-Out Revenue is equal to or greater than the First Earn-Out Tier III Target, then the First Earn-Out Payment shall equal Fifteen Million Dollars ($15,000,000) (the "Maximum Earn-Out Payment").

For the avoidance of doubt, if the First Earn-Out Revenue is less than the First Earn-Out Tier I Target, no payment shall be made to Sellers in respect of the First Earn-Out Period.

(ii) In the event that, during the fiscal year beginning on October 1, 2010 and ending on September 30, 2011 (the "Second Earn-Out Period"), the Purchaser generates Business Revenues (such Business Revenues, the "Second Earn-Out Revenue") in an amount equal to or greater than Two-Hundred Forty-Five Million Dollars ($245,000,000) (the "Second Earn-Out Tier I Target"), then Purchaser shall, on a one-time basis, pay to Sellers an amount calculated as follows (such payment, the "Second Earn-Out Payment"):

(A) if the Second Earn-Out Revenue is equal to the Second Earn-Out Tier I Target, the Second Earn-Out Payment shall be the Basic Earn-Out Payment; or

(B) if the Second Earn-Out Revenue is greater than the Second Earn-Out Tier I Target but equal to or less than Two-Hundred Sixty-Five Million Dollars ($265,000,000) (the "Second Earn-Out Tier II Target"), then the Second Earn-Out Payment shall equal the sum of (i) the Basic Earn-Out Payment, *plus* (ii) the product of (X) Five-Million Dollars ($5,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) the Second Earn-Out Revenue, *minus*, (b) the Second Earn-Out Tier I Target, *by* (2) Twenty Million (20,000,000); or

(C) if the Second Earn-Out Revenue is greater than the Second Earn-Out Tier II Target but less than Two-Hundred Eighty Million Dollars ($280,000,000) (the "Second Earn-Out Tier III Target"), then the Second Earn-Out Payment shall equal the sum of (i) Ten Million Dollars ($10,000,000), *plus* (ii) the product of (X) Five-Million Dollars ($5,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) the Second Earn-Out Revenue, *minus*, (b) the Second Earn-Out Tier II Target, *by* (2) Fifteen Million (15,000,000); or

(D) if the Second Earn-Out Revenue is equal to or greater than the Second Earn-Out Tier III Target, then the Second Earn-Out Payment shall equal the Maximum Earn-Out Payment.

For the avoidance of doubt, if the Second Earn-Out Revenue is less than the Second Earn-Out Tier I Target, no payment shall be made to Sellers in respect of the Second Earn-Out Period.

(iii) In the event that, during the fiscal year beginning on October 1, 2011 and ending on September 30, 2012 (the "Final Earn-Out Period"), the Purchaser generates Business Revenues (such Business Revenues, the "Final Earn-Out Revenue") in an amount equal to or greater than Two-Hundred Sixty Million Dollars ($260,000,000) (the "Final Earn-Out Tier I Target"), then, if, and only if, the sum of (A) the First Earn-Out Payment, if any, *plus* (B) the Second Earn-Out Payment, if any (such sum, the "2010/2011 Earn-Out Payments"), is less than the Earn-Out Cap, Purchaser shall, on a one-time basis, pay to Sellers an amount calculated as follows (such payment, the "Final Earn-Out Payment"):

(A) if the Final Earn-Out Revenue is equal to the Final Earn-Out Tier I Target, the Final Earn-Out Payment shall be the Basic Earn-Out Payment, provided, however, that if the sum of (i) the 2010/2011 Earn-Out Payments, *plus*, (ii) the Final Earn-Out Payment as calculated pursuant to this Section 2.3(a)(iii)(A), is greater than the Earn-Out Cap, the Final Earn-Out Payment shall equal the difference of (X) the Earn-Out Cap, minus (Y) the 2010/2011 Earn-Out Payments; or

(B) if the Final Earn-Out Revenue is greater than the Final Earn-Out Tier I Target but equal to or less than Two-Hundred Eighty Million Dollars ($280,000,000) (the "Final Earn-Out Tier II Target"), then the Final Earn-Out Payment shall equal the sum of (i) the Basic Earn-Out Payment, *plus* (ii) the product of (X) Five-Million Dollars ($5,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) the Final Earn-Out Revenue, *minus* (b) the Final Earn-Out Tier I Target, *by* (2) Twenty Million (20,000,000), provided, however, that if the sum of (i) the 2010/2011 Earn-Out Payments, *plus*, (ii) the Final Earn-Out Payment as calculated pursuant to this Section 2.3(a)(iii)(B), is greater than the Earn-Out Cap, the Final Earn-Out Payment shall equal the difference of (X) the Earn-Out Cap, *minus* (Y) the 2010/2011 Earn-Out Payments; or

(C) if the Final Earn-Out Revenue is greater than the Final Earn-Out Tier II Target but less than Two-Hundred Ninety-Five Million Dollars ($295,000,000) (the "Final Earn-Out Tier III Target"), then the Final Earn-Out Payment shall equal the sum of (i) Ten Million Dollars ($10,000,000), *plus* (ii) the product of (X) Five-Million Dollars ($5,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) the Final Earn-Out Revenue, *minus* (b) the Final Earn-Out Tier II Target, *by* (2) Fifteen Million (15,000,000), provided, however, that if the sum of (i) the 2010/2011 Earn-Out Payments, *plus*, (ii) the Final Earn-Out Payment as calculated pursuant to this Section 2.3(a)(iii)(C), is greater than the Earn-Out Cap, the Final Earn-Out Payment shall equal the difference of (X) the Earn-Out Cap, *minus* (Y) the 2010/2011 Earn-Out Payments; or

(D) if the Final Earn-Out Revenue is equal to or greater than the Final Earn-Out Tier III Target, then the Final Earn-Out Payment shall equal the Maximum Earn-Out Payment, provided, however, that if the sum of (i) the 2010/2011 Earn-Out Payments, *plus*, (ii) the Final Earn-Out Payment as calculated pursuant to this Section 2.3(a)(iii)(D), is greater than the Earn-Out Cap, the Final Earn-Out Payment shall equal the difference of (X) the Earn-Out Cap, *minus* (Y) the 2010/2011 Earn-Out Payments.

For the avoidance of doubt, if the Final Earn-Out Revenue is less than the Final Earn-Out Tier I Target, no payment shall be made to Sellers in respect of the Final Earn-Out Period.

(b) Notwithstanding anything to the contrary contained in this Agreement (and subject to the terms of the letter contained in Exhibit J hereto), the maximum possible amount of all Earn-Out Payments required to be made by Purchaser pursuant to this Section 2.3, in the aggregate, shall in no case exceed Thirty Million Dollars ($30,000,000) (the "Earn-Out Cap").

(c) For the avoidance of doubt, the Business Revenue included in calculating any Earn-Out Payment in any Earn-Out Period shall not be included in the Business Revenue included in calculating an Earn-Out Payment in any other Earn-Out Period.

(d) If, on or prior to September 30, 2012, Purchaser shall sell or transfer all of the shares of capital stock or all or substantially all of the assets of Laser Diode Incorporated to a third Person (other than an Affiliate of Purchaser), then solely for purposes of determining Earn-Out Payments arising after the effective date of such sale or transfer, then the amounts of the First Earn-Out Tier I Target, First Earn-Out Tier II Target, First Earn-Out Tier III Target, Second Earn-Out Tier I Target, Second Earn-Out Tier II Target, Second Earn-Out Tier III Target, Final Earn-Out Tier I Target, Final Earn-Out Tier II Target and/or Final Earn-Out Tier III Target, as applicable, shall be reduced by (i) for the Earn-Out Period in which such sale or transfer is completed, an amount equal to the product of (X) Eight Million Dollars ($8,000,000), *multiplied by* (Y) the quotient obtained by *dividing* (1) the difference of (a) three-hundred and sixty-five (365), *minus* (b) the number of days in the period beginning on October 1st of the fiscal year of the Business in which such sale or transfer is completed and ending on the date such sale or transfer is completed *by* (2) three-hundred and sixty-five (365), and (ii) for all subsequent Earn-Out Periods, if any, Eight Million Dollars ($8,000,000).

(e) As soon as practicable after the end of each quarter during each Earn-Out Period in which the aggregate of all Earn-Out Payments is less than the Earn-Out Cap, but no later than forty-five (45) days after the end of such quarter, Purchaser shall transmit to Sellers a report setting forth its calculation of the Business Revenue for such quarter (the "Quarterly Report"). Each Quarterly Report shall contain the following information by product line for the three (3) month and year-to-date periods covered thereby: Business Revenue, sales orders received and the methodology which has been used to calculate the Business Revenue. Each Quarterly Report shall also contain the following information by product line: (i) the most recent year to date Business Revenue and sales order budget; (ii) the most recent year-to-date sales forecast of Business Revenue; (iii) the revised forecast of Business Revenue for the current year of the Earn-Out Period, if any, and (iv) at the end of each year, the sales budget and sales target for the following year.

(f) Within sixty (60) days following the end of each of the First Earn-Out Period, the Second-Earn-Out Period and the Final Earn-Out Period, as applicable, Purchaser shall prepare and deliver to Sellers for its review a statement (each an "Earn-Out Statement") of the First Earn-Out Revenue, Second Earn-Out Revenue and Final Earn-Out Revenue (each, the "Earn-Out Revenue"), as applicable and the corresponding First Earn-Out Payment, Second Earn-Out Payment and Final Earn-Out Payment (each an "Earn-Out Payment"), as applicable. Each Earn-Out Statement shall be prepared in accordance with revenue recognition policies consistent with those applied by the Conveyed Entities and their predecessors for the year ended September 26, 2008 and the quarter ended December 26, 2008.

(g) Sellers shall have thirty (30) days from the date Purchaser delivers an Earn-Out Statement to complete its review of such Earn-Out Statement. In connection with the foregoing, Purchaser shall give Sellers and its Representatives reasonable access, during normal business hours and upon reasonable notice, to the books and records, and appropriate personnel of the Conveyed Entities and Purchaser solely for purposes of its review of such Earn-Out Statement. Purchaser shall instruct its employees (including the Transferred Employees) and Representatives to cooperate with, and promptly respond to all reasonable requests and inquiries of, Sellers and its Representatives, and, upon execution of a customary access letter if required by Purchaser's outside accountants, Sellers and its Representatives shall have reasonable access, upon reasonable notice, to all relevant work papers, schedules, memoranda and other documents prepared by Purchaser or its Representatives (including its outside accountants) to the extent such materials have been prepared by Purchaser or its Representatives and relate to the calculation of the Earn-Out Revenue to which such an Earn-Out Statement relates. Promptly following completion of its review of an Earn-Out Statement (but in no event later than ten (10) Business Days following the conclusion of the thirty (30) day period), Sellers shall submit to Purchaser a letter stating its concurrence or disagreement with the accuracy of the Earn-Out Statement; provided that, if Sellers submit a letter stating its disagreement with amounts set forth in an Earn-Out Statement (such letter, an "Earn-Out Dispute Notice"), such Earn-Out Dispute Notice will specify (i) the item or items in the Earn-Out Statement with which Sellers disagrees and its basis therefor, (ii) the adjustments that Sellers proposes to be made to the Earn-Out Revenue and/or Earn-Out Payment to which such Earn-Out Statement relates and (iii) the specific amount of such disagreement and all supporting documentation and calculations; and provided, further, that Sellers shall only submit an Earn-Out Dispute Notice to the extent (A) Sellers claims Purchaser did not prepare such Earn-Out Statement in accordance with GAAP as consistently applied by Purchaser, and/or (B) Sellers' proposed calculation will result in an adjustment to the Earn-Out Payment to which such Earn-Out Statement relates. If Sellers deliver a letter stating its concurrence with the Earn-Out Statement or if Sellers does not deliver an Earn-Out Dispute Notice within ten (10) Business Days following the conclusion of such thirty (30) day period, such Earn-Out Statement shall be final and binding upon the Parties.

(h) Following timely and proper delivery of an Earn-Out Dispute Notice, if any, Sellers and Purchaser shall attempt in good faith to resolve promptly any disagreement as to the computation of any item or items as to which there was disagreement as set forth in the Earn-Out Dispute Notice (such items, the "Earn-Out Disputed Items"), and any item or items set forth in such Earn-Out Dispute Notice as to which there is no disagreement shall be deemed agreed by the Parties. If the Parties cannot reach a resolution of any Earn-Out Disputed Items within fifteen (15) days (or longer, as mutually agreed by the Parties) after timely and proper delivery of a Earn-Out Dispute Notice by Sellers, then Sellers and Purchaser shall submit any such Earn-Out Disputed Items to a nationally recognized accounting firm that is mutually agreeable to Sellers and Purchaser (the "Accountant") for determination. Each of Sellers and Purchaser shall execute a reasonably acceptable engagement letter, if requested to do so by the Accountant, and shall provide the Accountant with all information and documentation within its possession or control that the Accountant requests for making its determination as to the Earn-Out Disputed Items. The determination of the Accountant with respect to any Earn-Out Disputed Items shall be completed within thirty (30) days after the appointment of the Accountant and shall be determined in accordance with this Agreement and be final and binding upon the Parties. Each of Sellers and Purchaser shall have an opportunity to submit to the Accountant written

memoranda setting forth their positions with respect to any Earn-Out Disputed Items. The Accountant shall adopt a position within the range of positions submitted by Sellers and Purchaser with respect to any Earn-Out Disputed Item. The Accountant's determination regarding any Earn-Out Disputed Item shall be based solely on whether Purchaser included such Earn-Out Disputed Item in or excluded such Earn-Out Disputed Item from the Earn-Out Statement or calculated such Earn-Out Disputed Item, as the case may be, in accordance with GAAP as consistently applied by Purchaser. The applicable Earn-Out Revenue and applicable Earn-Out Payment as finally determined in accordance herewith shall be used by the Parties as the applicable Earn-Out Revenue and applicable Earn-Out Payment for all purposes hereunder. The fees and expenses of the Accountant incurred with respect to this Section 2.3 shall be allocated between Sellers and Purchaser proportionately to reflect the amounts by which Sellers' and Purchaser's respective calculations of the Earn-Out Disputed Items differed from the Accountant's final calculation of the Earn-Out Disputed Items.

(i) Any payments required to be made pursuant to this Section 2.3, if any, shall be made by wire transfer of immediately available funds to the account designated in writing by Sellers within five (5) Business Days after the final determination of the applicable Earn-Out Payment in accordance with this Section 2.3. Any payment required to be made pursuant to this Section 2.3 shall be considered by the Parties as an adjustment to the Purchase Price. If the payments required to be made pursuant to this Section 2.3 are made after the date on which they are due, then interest shall accrue from said date which interest will be calculated on the amount due on the basis of a year of three-hundred sixty (360) days and the actual number of days elapsed at a rate equal to the then applicable Default Rate (as defined in the Secured Promissory Note).

(j) Purchaser hereby agrees that, for a period beginning on the Closing Date and ending on the date that is the six (6) month anniversary thereof, Purchaser shall not sell or otherwise divest any material business line of the Business (other than all of the shares of capital stock or all or substantially all of the assets of Laser Diode Incorporated as contemplated by Section 2.3(d) above), provided, however, that, for the avoidance of doubt, the foregoing shall in no event apply to an equity financing of Purchaser so long as the net proceeds of such equity offering are contributed to the Purchaser and not distributed to the Purchaser's equity holders.

(k) The parties understand and agree that the Earn-Out Payments payable pursuant to this Section 2.3, if any, constitute integral parts of the Purchase Price, the rights to receive such amounts will not be represented by any form of certificate, are not transferable, except by operation of law, and do not constitute an equity or ownership interest in Purchaser or any Conveyed Entity.

(l) During the period commencing on the Closing Date and ending on September 30, 2012, Purchaser shall operate the Business in the ordinary course and in good faith in a manner consistent with reasonable business practices and the then current annual budget of Purchaser for the Business and the Conveyed Entities as set forth in the then current Quarterly Report. Purchaser agrees to use commercially reasonable efforts to provide or obtain the financial and/or other support and resources to the Conveyed Entities and the Business necessary to enable them to operate as contemplated by their then current annual budget, and at a level consistent with good business practices.

(m) In the event of a Sale of the Business, Purchaser shall, concurrently therewith, pay to the Sellers the lesser of (i) the difference of (A) Thirty Million Dollars ($30,000,000), *minus* (B) the amount of all Earn-Out Payments paid to Sellers pursuant to this Section 2.3 prior to the date of such Sale of the Business, or (ii) the aggregate net proceeds realized by Purchaser upon such Sale of the Business (*less* (1) any fees, expenses and disbursements (including those of legal, financial and other advisors) to the extent related to or incurred in connection with any Sale of the Business, (2) all payments made against the principal and/or interest of the Secured Promissory Note, the Short Term Note and the Revolving Credit Agreement required to be made as a result of, or otherwise made concurrently with, a Sale of the Business, and (3) the amount of all Sellers' Profit on Sale (as defined in the letter attached as Exhibit J hereto) paid or payable (whether in the form of cash or a note) to the Sellers contemplated by the terms of the letter attached as Exhibit J hereto prior to the date of such Sale of the Business) (the "Net Proceeds"). For purposes of this Agreement, "Sale of the Business" shall mean: (i) any merger, consolidation, reorganization, recapitalization, transfer of securities or other similar transaction as a result of which: (A) the Purchaser or any controlled Affiliate of Purchaser sells or transfers the record or direct or indirect beneficial ownership of all or substantially all of the outstanding equity securities of the Conveyed Entities, taken as a whole, to an unaffiliated third party, or (B) the present equity holders of Purchaser cease to be the record or direct or indirect beneficial owner of more than 50% of the equity interests, however classified, of Purchaser; or (ii) any transaction or series of related transactions that result, individually or in the aggregate, in the sale, transfer or other disposition to an unaffiliated third party or parties of assets of the Purchaser and the Conveyed Entities that generated more than 80% of the consolidated Business Revenue of Purchaser and the Conveyed Entities measured at the time of each such sale, transfer or other disposition based on the consolidated Business Revenues of Purchaser and the Conveyed Entities during the twelve (12) month period ending as of the Purchaser's then most recently completed fiscal quarter prior to such sale, transfer or other disposition, taken as a whole.

(n) Purchaser shall not make a Major Disposition without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. In the event that Purchaser or the Conveyed Entities completes a Major Disposition, Purchaser and Sellers shall negotiate in good faith and mutually agree, in a timely manner, (i) the amount of the Earn-out Payment due and payable solely as a result of such Major Disposition (which negotiations and agreement shall be in accordance with the principles set forth in the letter attached as Exhibit J hereto); and (ii) revise any future Business Revenue targets set forth in this Section 2.3 in a manner that reflects such proportion of the Business Revenue targets attributable to the assets divested as a result of such Major Disposition. For purposes of this Agreement, a "Major Disposition" shall mean any transaction or series of transactions that, considered in the aggregate with all other such transactions cumulatively, result in the sale, transfer or other disposition to an unaffiliated third party or parties of assets of the Purchaser and the Conveyed Entities that generated more than 40% but less than or equal to 80% of the consolidated Business Revenue of Purchaser and the Conveyed Entities measured at the time of each such sale, transfer or other disposition based on the consolidated Business Revenues of Purchaser and the Conveyed Entities during the twelve (12) month period ending as of the Purchaser's then most recently completed fiscal quarter prior to such sale, transfer or other disposition, taken as a whole (it being understood, for the sake of clarity, that in the event that two or more transactions are cumulated hereunder for the purpose of determining whether they together constitute a Major

Disposition, the percentage of Business Revenue divested in any such individual transaction shall first be determined separately by reference to the Business Revenue of Purchaser and the Conveyed Entities as of the applicable twelve (12) month period noted above for such transaction, and then the percentages of Business Revenue so determined for all such transactions shall be summed).

(o) In the event that Purchaser shall complete a Minor Disposition, Purchaser and Sellers shall negotiate in good faith, and mutually agree in a timely manner on revised Business Revenue targets set forth in this Section 2.3 that reflect the proportion of the Business Revenue targets previously in effect attributable to the assets divested as a result of such Minor Dispositions. For purposes of this Agreement, "Minor Disposition" shall mean the sale, transfer or other disposition to an unaffiliated third party or parties of assets of the Purchaser and the Conveyed Entities that generated 40% or less of the consolidated Business Revenue of Purchaser and the Conveyed Entities measured at the time of each such sale, transfer or other disposition based on the consolidated Business Revenues of Purchaser and the Conveyed Entities during the twelve (12) month period ending as of the Purchaser's then most recently completed fiscal quarter prior to such sale, transfer or other disposition, taken as a whole.

(p) In the event that Purchaser shall (i) shut down or otherwise discontinue any material business line of the Business; or (ii) make a broad reduction in product offerings of the Business resulting in a 2% or more reduction in Business Revenue as measured against either (A) the preceding fiscal year or (B) the twelve months ended at the most recently completed fiscal quarter, Purchaser and Sellers shall negotiate in good faith, and mutually agree in a timely manner on revised Business Revenue targets set forth in this Section 2.3 that reflects the proportion of the Business Revenue targets attributable to the assets divested as a result of the shut down, discontinuation or reduction (but, for the avoidance of doubt, no acceleration of Earn-Out Payments shall occur). For the sake of clarity, no adjustment pursuant to this Section 2.3(p) shall be made in the event of a Sale of the Business, Major Disposition or Minor Disposition.

(q) In the event that the parties are unable to reach an agreement with thirty (30) days after negotiations begin or there is any dispute, controversy or claim arising from or related to Section 2.3(m), Section 2.3(n), Section 2.3(o) or Section 2.3(p), such disagreement or dispute shall be submitted to a court of competent jurisdiction as set forth in Section 10.9(b).

Section 2.4 Purchase Price Adjustment. (a) Promptly after the Closing Date, and in any event not later than sixty (60) days following the Closing Date, Sellers shall prepare and deliver to Purchaser for its review a statement (the "Closing Statement") of the Working Capital as of the Closing Date. The Closing Statement shall be prepared in a manner consistent with Exhibit A; Purchaser shall give Sellers and its Representatives reasonable access, during normal business hours and upon reasonable notice, to the books and records, and appropriate personnel of the Conveyed Entities and Purchaser for purposes of the preparation of the Closing Statement in accordance with this Section 2.4(a) (and during the periods contemplated by this Section 2.4(a)). Purchaser shall instruct its employees (including the Transferred Employees) and Representatives to cooperate with, and promptly respond to all reasonable requests and inquiries of, Sellers and their Representatives.

(b) Purchaser shall complete its review of the Closing Statement within thirty (30) days after the delivery thereof to Purchaser. In connection with the foregoing, Sellers shall give Purchaser and its Representatives reasonable access, during normal business hours and upon reasonable notice, to the books and records, and appropriate personnel of Sellers and their Affiliates solely for purposes of its review of such Closing Statement. Sellers shall instruct their employees and Representatives that were responsible for preparation of the Closing Statement to cooperate with, and promptly respond to all reasonable requests and inquiries of, Purchaser and its Representatives, and, upon execution of a customary access letter if required by Sellers' outside accountants, Purchaser and its Representatives shall have reasonable access, upon reasonable notice, to all relevant work papers, schedules, memoranda and other documents prepared by Sellers or their Representatives (including its outside accountants) to the extent such materials have been prepared by Sellers or their Representatives and relate to the preparation of the Closing Statement. Promptly following completion of its review (but in no event later than ten (10) Business Days following the conclusion of the thirty (30) day period), Purchaser shall submit to Sellers a letter regarding its concurrence or disagreement with the accuracy of the Closing Statement; provided that, if Purchaser submits a letter of disagreement disputing any items set forth in the Closing Statement (such letter, a "Closing Statement Dispute Notice"), such Closing Statement Dispute Notice will specify (i) the item or items of the Closing Statement with which Purchaser disagrees and the basis therefor, (ii) the adjustments that Purchaser proposes to be made to the Closing Statement and (iii) the specific amount of such disagreement and all supporting documentation and calculations; and provided, further, that Purchaser may only submit a Closing Statement Dispute Notice to the extent that (i) Purchaser claims Sellers did not prepare the Closing Statement in accordance with Section 2.4(a) and/or (ii) Purchaser's proposed calculation will result in an adjustment to the Purchase Price. If Purchaser delivers a letter stating its concurrence with the Closing Statement or if Purchaser does not deliver a Closing Statement Dispute Notice within ten (10) Business Days following the conclusion of such thirty (30) day period, the Closing Statement shall be final and binding upon the Parties.

(c) Following timely and proper delivery of a Closing Statement Dispute Notice, if any, Sellers and Purchaser shall attempt in good faith to resolve promptly any disagreement as to the computation of any item or items to which there was disagreement as set forth in the Closing Statement Dispute Notice (such items, the "Closing Statement Disputed Items"), and any item or items set forth in the Closing Statement as to which there is no disagreement shall be deemed agreed by the Parties. If the Parties cannot reach a resolution of any Closing Statement Disputed Items within fifteen (15) days (or longer, as mutually agreed by the Parties) after timely and proper delivery of a Closing Statement Dispute Notice by Sellers, then Sellers and Purchaser shall submit any such Closing Statement Disputed Items to the Accountant for determination. Each of Sellers and Purchaser shall execute a reasonably acceptable engagement letter, if requested to do so by the Accountant, and shall provide the Accountant with all information and documentation within its possession or control that the Accountant requests for making its determination as to the Closing Statement Disputed Items. The determination of the Accountant with respect to any Closing Statement Disputed Items shall be completed within thirty (30) days after the appointment of the Accountant and shall be determined in accordance with this Agreement and be final and binding upon the Parties. Each of Sellers and Purchaser shall have an opportunity to submit to the Accountant written memoranda setting forth their positions with respect to any Closing Statement Disputed Items. The Accountant shall adopt a position within the range of positions submitted by Sellers and

Purchaser with respect to any Closing Statement Disputed Item. The Accountant's determination regarding any Closing Statement Disputed Item shall be based solely on whether Sellers included such Closing Statement Disputed Item in or excluded such Closing Statement Disputed Item from the Closing Statement or calculated such Closing Statement Disputed Item, as the case may be, in accordance with Section 2.4(a). The Working Capital as finally determined in accordance with this Section 2.4 shall be referred to as the "Closing Date Working Capital" for all purposes hereunder. The fees, costs, and expenses of the Accountant incurred with respect to this Section 2.4 shall be shared as follows:

(i) if the Accountant resolves all of the Closing Statement Disputed Items in favor of Purchaser's position (the Closing Date Working Capital so determined is referred to herein as the "Low Value"), then Sellers shall be obligated to pay for all of the fees and expenses of the Accountant;

(ii) if the Accountant resolves all of the Closing Statement Disputed Items in favor of Sellers' position (the Closing Date Working Capital so determined is referred to herein as the "High Value"), then Purchaser shall be obligated to pay for all of the fees and expenses of the Accountant; and

(iii) if the Accountant neither resolves all of the Closing Statement Disputed Items in favor of Purchaser's position nor resolves all of the Disputed Items in favor of Sellers' position (the Closing Date Working Capital so determined is referred to herein as the "Actual Value"), Sellers shall be responsible for such fraction of the fees and expenses of the Accountant for the Closing Date Working Capital equal to (x) the difference between the High Value and the Actual Value over (y) the difference between the High Value and the Low Value, for the Closing Date Working Capital and Purchaser shall be responsible for the remainder of the fees and expenses of the Accountant.

(d) If Closing Date Working Capital:

(i) is equal to or greater than Sixty Three Million Eight Hundred Thousand Dollars ($63,800,000) (the "Lower Working Capital Limit") and is equal to or less than Sixty Four Million Two Hundred Thousand Dollars ($64,200,000) (the "Upper Working Capital Limit"), then no adjustments will be made to the Purchase Price in respect of Working Capital; or

(ii) exceeds the Upper Working Capital Limit, then Purchaser shall be obligated to pay to Sellers the amount by which Closing Date Working Capital exceeds the Upper Working Capital Limit; or

(iii) is less than the Lower Working Capital Limit, then Sellers shall be obligated to repay to Purchaser the amount by which the Lower Working Capital Limit exceeds Closing Date Working Capital.

(e) Any payments to be made pursuant to this Section 2.4 shall be made by wire transfer of immediately available funds to the account designated in writing by Purchaser or Sellers, as the case may be, within five (5) Business Days after the determination of the Closing Date Working Capital in accordance with this Section 2.4. Any payment required to be made pursuant to this Section 2.4 shall be considered by the Parties as an adjustment to the Purchase Price.

Section 2.5 Closing. (a) The Closing shall take place at the offices of Jaeckle Fleischmann & Mugel, LLP, 12 Fountain Plaza, Buffalo, New York 14202, at 10:00 A.M., New York time on March 30, 2009 (or at such other time and place as the Parties may mutually agree). The date on which the Closing occurs is called the "Closing Date." The parties agree that time is of the essence with respect to the Closing Date. The Closing shall be deemed to occur and be effective as of 11:59 P.M. New York time on the Closing Date (the "Effective Time").

(b) At the Closing, Purchaser shall deliver or cause to be delivered to Sellers:

(i) the Closing Cash Consideration by wire transfer of immediately available funds to an account or accounts specified by Sellers;

(ii) the Secured Promissory Note duly and validly executed by Purchaser;

(iii) the Short Term Note duly and validly executed by Purchaser;

(iv) the Revolving Credit Agreement attached hereto as Exhibit K duly and validly executed by Purchaser;

(v) such agreements, documents and instruments as may be reasonably required by Sellers to evidence (A) a security interest in favor of Sellers in substantially all the assets of Purchaser and the Conveyed Entities to secure the Secured Promissory Note, the Short Term Note, the Revolving Credit Agreement and the Earn-Out Payments (except that no security interest in more than 66% of the shares of M/ACOM Cork or in the assets of M/ACOM Cork shall be granted), and (B) guarantees by John Ocampo and the Ocampo Family Trust to secure the Short Term Note;

(vi) an opinion of counsel by Wilson Sonsini Goodrich & Rosati, Professional Corporation in substantially the form attached hereto as Exhibit L with respect to the deliveries described in the preceding clauses (ii), (iii), and (iv); and

(vii) a certificate of the Secretary of Purchaser, in form and substance reasonably acceptable to Sellers, certifying as to the authorization of Purchaser of the execution, delivery and performance of this Agreement, the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby.

(c) At the Closing, Sellers shall deliver or cause to be delivered to Purchaser:

(i) all certificates (if any) representing the Shares duly endorsed in blank, or accompanied either by stock powers duly executed in blank by the respective Seller or by such other instruments of transfer as are reasonably acceptable to Purchaser (including any power of attorney or other authority under which any transfer has been executed);

(ii) unless otherwise directed by Purchaser, resignations and releases, in a form acceptable to Purchaser, of all of the directors and officers of the Conveyed Entities effective as of the Effective Time;

(iii) the Revolving Credit Agreement duly and validly executed by Seller;

(iv) a certificate of the Secretary of each Seller, in form and substance reasonably acceptable to Purchaser, certifying as to the authorization of the board of directors of each Seller of the execution, delivery and performance of this Agreement, the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, including minutes of the board of directors of M/ACOM Cork of a meeting at which valid resolutions are passed (A) to approve the transfers of the Shares of for entry in the statutory books of M/ACOM Cork subject to stamping; and (B) to appoint with effect from the end of the meeting as directors and secretary of M/ACOM Cork such persons as Purchaser may nominate; and

(v) any other documents requested by Purchaser and reasonably necessary or appropriate to transfer and convey fully to Purchaser all of the rights, titles and interests intended to be conveyed to Purchaser under this Agreement (including the Non-Transferred Assets, if any) and the other Transaction Documents, other than the transfer of the Irish Shares.

(d) At the Closing, each of the Sellers and Purchaser shall enter, or cause their respective Subsidiaries or Affiliates to enter, into the Transaction Documents (other than this Agreement) to which they are a party.

Section 2.6 Further Conveyances. From time to time following the Closing, Sellers and Purchaser shall execute, acknowledge and deliver, without any further consideration, all such further conveyances, notices, assumptions, releases and acquittances and such other instruments, and shall take such further actions, as may be reasonably necessary or appropriate to transfer, convey and record fully to Purchaser and its successors or assigns, all of the rights, titles and interests intended to be conveyed to Purchaser under this Agreement (including the Non-Transferred Assets, if any) and the other Transaction Documents, and to otherwise make effective the transactions contemplated hereby and in the other Transaction Documents.

Section 2.7 Subsequent Transfers. (a) Upon the terms and subject to the conditions set forth herein, promptly after the Closing Date, but in no event later than March 25, 2010, without any further consideration, (i) Sellers shall convey, assign and transfer to Purchaser or its designee(s), or cause to be conveyed, assigned and transferred to Purchaser or its designee, and Purchaser or its designee(s) shall acquire and accept, free and clear of all Liens other than Permitted Liens, all right, title and interest in and to the Delayed Transfer Assets, (ii) Sellers shall deliver or cause to be delivered to Purchaser such instruments of transfer, assignment and assumption as are reasonably necessary to convey to Purchaser or its designee(s) all right, title and interest in and to such Delayed

Transfer Assets, in form and substance reasonably satisfactory to Purchaser, and (iii) Purchaser shall, contemporaneously with the transfer of such Delayed Transfer Assets, assume and satisfy and discharge as and when due all of the Delayed Transfer Liabilities. From and after the Closing Date, Sellers shall hold and operate, or cause to be held and operated, the Delayed Transfer Assets and the portion of the Business relating thereto for the sole benefit and detriment of Purchaser, subject to and in accordance with the provisions of the Transition Services Agreement (to the extent the same is still in effect on and after any such transfer) and this Agreement.

(b) Notwithstanding anything to the contrary contained herein, (i) the Subsequent Transfer of all Delayed Transfer Assets and Delayed Transfer Liabilities are not required to occur on the same date, and (ii) such Subsequent Transfer shall occur on a date or dates prior to March 25, 2010, as determined by the Purchaser, in its sole discretion.

(c) Subject to the next sentence, the operation and maintenance of the Delayed Transfer Assets and the Delayed Transfer Liabilities shall be funded by Sellers. The Parties agree that, no later than fifteen (15) days following the end of each month (or later, if by such date Purchaser shall not have received a reasonably detailed itemization from Sellers setting forth such expenses), Purchaser will reimburse Sellers for direct expenses of the Business reasonably incurred in good faith by it or Tyco or its Affiliates in operating the Business in the ordinary course of business consistent with past practices in each Delayed Transfer Country as well as for allocations of costs to such portion of the Business by Sellers that are consistent with the historical allocation of costs to such portion of the Business by Sellers or Tyco or its Affiliates; provided that, there shall be no duplication of such expenses with any amounts paid or payable under the Transition Services Agreement.

Section 2.8 Purchase Price Allocation. (a) Within ninety (90) days after the Closing Date, Purchaser shall prepare and deliver to Sellers a statement (the "Allocation"), allocating the Purchase Price among the Shares of each Conveyed Entity and any Non-Transferred Assets in accordance with Section 1060 of the Code. Sellers shall notify Purchaser of any disagreement within fifteen (15) Business Days of Sellers' receipt of the proposed Allocation. Any dispute regarding the Allocation shall be resolved pursuant to the procedures set forth below in Section 2.8(b). Each of Sellers, on the one hand, and Purchaser, on the other hand, shall (x) be bound by the Allocation for purposes of determining any Taxes; (y) prepare and file, and cause its Affiliates to prepare and file, its Tax Returns on a basis consistent with the Allocation; and (z) take no position, and cause its Affiliates to take no position, inconsistent with the Allocation on any applicable Tax Return or in any proceeding before any Taxing Authority or otherwise. Each of Sellers, on the one hand, and Purchaser on the other hand, will each report, on the appropriate IRS form and any other corresponding state or local form, the federal, state and local income and other tax consequences of the purchase and sale contemplated by this Agreement. In the event that the Allocation is disputed by any Taxing Authority, the Party receiving notice of the dispute shall promptly notify the other Party hereto, and Sellers and Purchaser agree to use their commercially reasonable efforts to defend such Allocation in any audit or similar proceeding. Any adjustments to the Purchase Price pursuant to this Agreement shall be allocated to and among in the same proportion as the original Allocation of the Purchase Price among the Shares of each Conveyed Entity and any Non-Transferred Assets to the extent permitted by applicable Law. Notwithstanding the foregoing, prior to Closing, Sellers and Purchaser shall agree upon a valuation for the Irish Shares and any Real Property, to be used in connection with any Transfer Taxes and relevant Tax Returns. In addition, cooperation shall be given to Sellers to determine tentative allocations for purposes of any Transfer Taxes and relevant Tax Returns due prior to the ninety (90) days identified in the foregoing.

(b) If Sellers and Purchaser fail to agree on the Allocation, such matter shall be referred to the Accountant for binding arbitration. Sellers and Purchaser shall deliver to the Accountant copies of any schedules or documentation which may reasonably be required by the Accountant to make its determination. Purchaser and Sellers shall be entitled to submit to the Accountant a memorandum setting forth its position with respect to such arbitration. The Accountant shall render a determination within sixty (60) days. The determination of the Accountant shall be final and binding on all Parties. The costs incurred in retaining the Accountant pursuant to this Section 2.8 shall be shared equally, fifty percent (50%) by Sellers and fifty percent (50%) by Purchaser.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the letter (the "Seller Disclosure Letter") delivered by Sellers to Purchaser concurrently with the execution of this Agreement (it being understood that any matter disclosed on any Schedule of the Seller Disclosure Letter will be deemed to be disclosed on any other Schedule of the Seller Disclosure Letter to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other Schedule or Schedules, but shall expressly not be deemed to constitute an admission by either Seller, or to otherwise imply, that any such matter is material for the purposes of this Agreement), each of the Sellers hereby represents and warrants to Purchaser, as of the date hereof, as follows:

Section 3.1 Organization and Qualification. CDES is a corporation duly organized and validly existing and in good standing under the Laws of Massachusetts, and Lockman is a company duly organized and validly existing and in good standing (to the extent such concept is applicable) under the laws of England and Wales. Each of the Sellers has all requisite corporate power and authority to own, lease and otherwise hold, operate or sell its properties and other assets.

Section 3.2 Corporate Authority; Binding Effect. (a) Each Seller has all requisite corporate power and authority to execute and deliver the Transaction Documents and to perform its obligations hereunder and thereunder. The execution and delivery by each Seller of the Transaction Documents and each other document, agreement or instrument to be executed and delivered by such Seller pursuant to the Transaction Documents, and the performance by such Seller of its respective obligations hereunder and thereunder, have been, or will have been at the Closing, duly authorized by all requisite corporate action on the part of such Seller. No approval or other proceeding of either Seller's stockholders is necessary to authorize the Transaction Documents and the transactions contemplated thereby.

(b) The Transaction Documents, when executed and delivered by each Seller, assuming due execution and delivery hereof and thereof by Purchaser, constitute the valid and binding obligations of such Seller, enforceable against such Seller in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization,

fraudulent conveyance, moratorium or similar Laws affecting creditors' rights generally or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

Section 3.3 Conveyed Entities; Capital Structure. (a) Schedule 3.3(a) of the Seller Disclosure Letter sets forth the name and jurisdiction of incorporation or formation of each Conveyed Entity. Each of the Conveyed Entities is duly organized, validly existing and, where applicable, in good standing under the Laws of its jurisdiction of organization, except in jurisdictions where the failure to be in good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, with the corporate power and authority to own and operate its properties and assets and to carry on its business as currently conducted. Each of the Conveyed Entities is duly qualified to do business in each jurisdiction where the nature of its business or properties makes such qualification necessary, except in jurisdictions where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Schedule 3.3(b) of the Seller Disclosure Letter sets forth the authorized capitalization of the Conveyed Entities and the number of shares of each class of capital stock or other equity interests in each such Conveyed Entity, which are (to the extent applicable) validly issued and outstanding, fully paid and non-assessable. There are no outstanding warrants, options, agreements, subscriptions, convertible or exchangeable securities or other Contracts pursuant to which any of the Conveyed Entities is or may become obligated to issue, sell, purchase, return or redeem any shares of capital stock or other securities or other equity interests of the Conveyed Entities, and no equity securities or other equity interests of any of the Conveyed Entities are reserved for issuance for any purpose. Except as set forth on Schedule 3.3(b) of the Seller Disclosure Letter, the Conveyed Entities have no Subsidiaries, and all of the issued and outstanding capital stock of any Subsidiaries of the Conveyed Entities is owned beneficially and of record by the applicable Conveyed Entity. The Sellers own beneficially and of record the outstanding Shares as indicated on Schedule 3.3(b) of the Seller Disclosure Letter, free and clear of all Liens. Prior to the consummation of the transactions contemplated by the Tyco Agreement, none of the Conveyed Entities other than Laser Diode Incorporated carried on any business or had any Liabilities other than those activities and Liabilities carried out or incurred in connection with the Tyco Agreement.

Section 3.4 Non-Contravention. The execution, delivery and performance of the Transaction Documents by each of the Sellers and the Conveyed Entities (to the extent they are a party thereto), and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate any provision of the certificate of incorporation, bylaws or comparable organizational document of either Seller or any of the Conveyed Entities, as applicable; (ii) subject to obtaining the consents or delivery of notices referred to in Schedule 3.4 of the Seller Disclosure Letter, conflict with, result in a breach of, constitute a default under, or result in the termination, cancellation or acceleration (whether after the giving of notice or the lapse of time or both) of any right or obligation of the Sellers or the Conveyed Entities under, or to a loss of any benefit of the Business to which the Sellers or the Conveyed Entities are entitled under, any Material Contract, Real Property Lease or material license of Intellectual Property; (iii) result in the creation of any Lien on any of the assets of either of the Sellers or any of the Conveyed Entities; and (iv) assuming the accuracy of Section 4.3, violate or result in a material breach of or constitute a default under any Law or other restriction of any Governmental Authority to which any Seller or Conveyed Entity is subject.

Section 3.5 Permits. Except as set forth on Schedule 3.5 of the Seller Disclosure Letter, the execution and delivery by Sellers and the Conveyed Entities of the Transaction Documents to which they are a party and each other document, agreement or instrument to be executed and delivered by a Seller or a Conveyed Entity pursuant to the Transaction Documents do not require any Permits. Each of the Sellers and the Conveyed Entities have all Permits required by any Governmental Authority for the operation of the Business, except where the failure to obtain such Permits would not reasonably be expected to be, individually or in the aggregate, material to the Business; and, except as set forth on Schedule 3.5 of the Seller Disclosure Letter, each such Permit will be, as of the Closing Date, held by a Conveyed Entity. None of the Sellers or the Conveyed Entities is in default, or received any written notice of any claim of default, with respect to any such Permit.

Section 3.6 Financial Information; Undisclosed Liabilities. (a) The internally prepared balance sheets of the Business as at September 26, 2008 and December 31, 2008 and the related statements of income for the fiscal year then ended (subject to normal year-end adjustments, which are not expected to be material, and the omission of footnotes to the financial statements) (December 31, 2008 being referred to herein as the "Balance Sheet Date") (the internally prepared balance sheet of the Business at the Balance Sheet Date is hereinafter referred to as the "Balance Sheet"), are included as Schedule 3.6(a) of the Seller Disclosure Letter and were extracted from the accounting records of the Business provided to Seller by Tyco. The Balance Sheet and related statements of income are consistent with the Books and Records and present fairly, in all material respects, the current assets and current Liabilities of the Business as of the Balance Sheet Date and the results of operations of the Business as of and up to such date.

(b) Except as set forth on Schedule 3.6(b) of the Seller Disclosure Letter, the Business does not have any Liabilities (whether accrued, absolute, contingent or otherwise) required to be set forth on a consolidated balance sheet prepared in accordance with GAAP (or in the notes thereto), except for (i) those Liabilities reflected on the Balance Sheet, (ii) Liabilities incurred in the ordinary course of the Business and consistent with past practice since the Balance Sheet Date or which are included in the Closing Date Working Capital, or (iii) Liabilities specifically contemplated by this Agreement to be incurred in connection with the transactions contemplated hereby. For the avoidance of doubt, this Section 3.6(b) does not address any matters that are addressed by the specific language (as opposed to the topic matter) of the other representations contained elsewhere in this ARTICLE III.

Section 3.7 Absence of Certain Changes. Since the Balance Sheet Date to the date of this Agreement there has not occurred a Material Adverse Effect. Except as set forth on Schedule 3.7 of the Seller Disclosure Letter, since the Balance Sheet Date to the date of this Agreement, the Business has been conducted in all material respects in the ordinary course of business and consistent with past practice. Since the Balance Sheet Date, neither the Conveyed Entities nor either of the Sellers has suffered any material damage, destruction or other casualty loss (whether or not covered by insurance) with respect to the Business. From the Balance Sheet Date to the date of this Agreement, neither the Conveyed Entities nor either of the Sellers has (i) sold, assigned or transferred any of the assets primarily related to or necessary to conduct the

Business, singly or in the aggregate, other than sales, assignments or transfers from inventory in the ordinary course of the Business, (ii) amended, cancelled or terminated any Contract or Permit material to the operation of the Business (or committed to do so); or (iii) made any capital expenditure or incurred any obligation relating to the Business, in each case, in excess of $500,000 individually or in the aggregate.

Section 3.8 No Litigation. Except as set forth on Schedule 3.8 of the Seller Disclosure Letter, there is no action, suit, litigation, legal proceeding or arbitration (collectively "Litigation") pending, or, to the Knowledge of Sellers, threatened against any Seller or any Conveyed Entity, or any officer, director or employee of a Seller or Conveyed Entity, in such Person's capacity with respect to any Seller or any Conveyed Entity, by or before any Governmental Authority or arbitrator or in which any of the Conveyed Entities is a plaintiff or otherwise with respect to the Business, in each case, that would reasonably be expected to be material to the Conveyed Entities taken as a whole. No Conveyed Entity and no Seller is in Default with respect to or subject to any Court Order applicable to the Business, and there are no unsatisfied judgments against any of the Conveyed Entities.

Section 3.9 Compliance with Laws. (a) Except as set forth on Schedule 3.9(a) of the Seller Disclosure Letter, each Seller and each Conveyed Entity is and has been since September 26, 2008, and, to the Knowledge of Sellers, the Business was at all times prior to September 26, 2008, in compliance, in all material respects, with all Laws and Orders applicable to it or them, as applicable. No Seller or Conveyed Entity has received any notice to the effect that, or otherwise been advised in writing that, a Seller or Conveyed Entity is not in compliance with any Laws or Orders applicable to it in connection with the Business.

(b) Except as set forth on Schedule 3.9(b) of the Seller Disclosure Letter, each Seller and each Conveyed Entity is and has since September 26, 2008, and, to the Knowledge of Sellers, the Business has prior to September 26, 2008, at all times conducted their export transactions in material compliance with (i) all applicable export and re-export control laws and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce, trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control and the International Traffic in Arms Regulations maintained by the Department of State and (ii) all other applicable export controls in other countries in which the Business is conducted.

Section 3.10 Books and Records. Sellers have made available to Buyer true, correct and complete records of all material meetings held of, and corporate action taken by, the shareholders, board of directors and committees of the board of directors of each Conveyed Entity. Since September 26, 2008, each of the Sellers and the Conveyed Entities have made and kept business records, financial books and records, personnel records, ledgers, sales accounting records, tax records and related work papers and other books and records of the Business (collectively, the "Books and Records") that accurately and fairly reflect, in all material respects, the business operations of the Business. Neither of the Sellers nor any Conveyed Entity has engaged in any transaction, maintained any bank account or used any corporate funds except as reflected in the normally maintained Books and Records relating to the Business. At the Closing, the minute books and other Books and Records of the Business will be in the possession of a Conveyed Entity.

Section 3.11 Environmental Matters. (a) Except as set forth on Schedule 3.11(a) of the Seller Disclosure Letter, to the Knowledge of Sellers, (i) the Business and the Conveyed Entities have since January 1, 2006 been and are currently in compliance, in all material respects, with all applicable Environmental Laws; and (ii) there are no claims, proceedings, investigations or actions by any Governmental Authority or other Person pending or, to the Knowledge of Sellers, threatened in writing in connection with the operation of the Business or the Conveyed Entities under any applicable Environmental Law.

(b) Schedule 3.11(b) of the Seller Disclosure Letter accurately describes all of the Permits currently held by the Conveyed Entities necessary for the continued conduct of any activities of the Conveyed Entities involving Hazardous Substances or otherwise required by Environmental Laws (collectively "Environmental Permits"). All such Environmental Permits are valid and in full force and effect. The Conveyed Entities have complied, in all material respects, with all covenants and conditions of any Environmental Permit which is or has been in force with respect to any Hazardous Substances Activities. All Environmental Permits and all other consent and clearances required by any Environmental Law or any agreement to which the Conveyed Entities or the Business is bound as a condition to the performance and enforcement of this Agreement, have been obtained prior to the Closing.

(c) Other than the Real Property Leases and Contracts for the sale of goods or provision of services entered into in the ordinary course of the Business, none of the Business nor any of the Conveyed Entities have entered into any Contract that may require any of them to guarantee, reimburse, pledge, defend, hold harmless or indemnify any other party with respect to Liabilities arising out of Environmental Laws or any Hazardous Substances Activities.

(d) Other than as set forth in this Section 3.11, Sellers do not make any representation or warranty with respect to environmental matters.

Section 3.12 Material Contracts. (a) Schedule 3.12(a) of the Seller Disclosure Letter sets forth, as of the date hereof, a list of all of the following Contracts that relate primarily to the Business or are necessary for the operation of the Business, in each case, to which a Seller or a Conveyed Entity is a party, or that has been entered into on behalf of the Business (collectively, together with each such Contract that is entered into after the date of this Agreement, the "Material Contracts"; and each a "Material Contract"), materially correct and complete copies of which (other than purchase orders for Business Products entered into in the ordinary course of the Business) have been made available to Purchaser:

(i) each equipment lease or other lease of personal property which entails annual rental payments in excess of $250,000 per annum or $500,000 in the aggregate;

(ii) each Contract for goods and/or services (including any intercompany Contracts) by and between any of the Sellers and/or the Conveyed Entities and/or any of their Affiliates (other than the Business) and/or any of the officers, directors or employees of either Seller or the Conveyed Entities and/or any of their Affiliates (other than the Business), on the one hand, and the Business, on the other hand;

(iii) each mortgage, indenture, security agreement, pledge, note, loan agreement or guarantee (excluding items set forth in Schedule 3.15(b) of the Seller Disclosure Letter) in respect of Indebtedness of the Conveyed Entities or the Business in excess of $250,000;

(iv) each customer, distribution, reseller or sales representative Contract expected to result in payment to the applicable Conveyed Entity or any other Person on behalf of the Business in excess of $1,000,000 per annum or that have resulted in such payments in excess of $2,000,000 in the aggregate over the last three years;

(v) each Contract with a Governmental Authority expected to result in payment to a Conveyed Entity in excess of $100,000;

(vi) each Contract with vendors (including OEMs) of the Business expected to result in payment by the applicable Conveyed Entity in excess of $1,000,000 per annum or that have resulted in such payments in excess of $2,000,000 in the aggregate over the last three years;

(vii) each Contract relating to capital expenditures and involving similar future payments in excess of $250,000 individually or $500,000 in the aggregate;

(viii) each Contract relating to the disposition of material assets of the Business or the acquisition or disposition of any assets or any interest in any Person or business enterprise;

(ix) each Contract limiting the ability of any Conveyed Entity or the Business to compete with any Person;

(x) each material joint venture Contract;

(xi) each Intellectual Property License;

(xii) each employment Contract, consulting Contract and severance agreement with any director, officer or employee of either Seller or its Affiliates, Tyco or its Affiliates or the Conveyed Entities, in each case, engaged primarily in the Business, which is likely to involve payments by or on behalf of the Seller or its Affiliates, Tyco or its Affiliates or the Conveyed Entities in excess of $150,000 per year, including Contracts (A) to employ or terminate executive officers or other key personnel (including key engineering staff), (B) with such present or former officers or directors pursuant to which the Conveyed Entities or the Business has current Liabilities or (C) that will result in the payment by, or the creation of any Liability to pay on behalf of the Conveyed Entities, the Business or the Purchaser any severance, termination, “golden parachute,” or other similar payments to any such present or former employees following termination of employment or otherwise as a result of the consummation of the transactions contemplated by Transaction Documents, provided that the information relating to the foregoing shall be as of the date specified in Schedule 3.12(a) of the Seller Disclosure Letter;

(xiii) each collective bargaining Contract or similar Contract, including any Contract with any union, works council or similar labor entity;

(xiv) each Contract of indemnification or hold harmless agreement (including with respect to any director, officer or employee of either Seller or its Affiliates, Tyco or its Affiliate or the Conveyed Entities, in each case, engaged primarily in the Business);

(xv) each power of attorney granted by any Conveyed Entity that is effective and outstanding as of the date hereof; and

(xvi) each other Contract, the loss of which would have a Material Adverse Effect.

(b) Except as set forth on Schedule 3.12(a) of the Seller Disclosure Letter, all notices, approvals and consents that were agreed by the parties to the Tyco Agreement to be given or obtained pursuant to that agreement have been properly given or obtained as required by each Material Contract in order to validly assign, transfer or convey each such Contract to Sellers or the Conveyed Entities. Except as set forth on Schedule 3.12(a) of the Seller Disclosure Letter, each Material Contract is in full force and effect and is a valid and binding agreement of each of the Conveyed Entities (or, as applicable, the Affiliate of the Conveyed Entities party thereto) and, to the Knowledge of Sellers, any other party to any such Contract; and there exists no breach, violation, default or event of default (with or without notice, lapse of time or both) by the applicable Seller or a Conveyed Entity or, to the Knowledge of Sellers, any other party to any such Contract, with respect to any term or provision of any such Contract, in each case, which would have a Material Adverse Effect.

(c) There are no warranty claims or other uninsured claims pending or, to the Knowledge of Sellers, threatened against any of the Sellers, the Conveyed Entities or the Business under any Contracts which might involve a material monetary Liability which is not reserved against in the Balance Sheet.

Section 3.13 Top Customers. Except as set forth on Schedule 3.13 of the Seller Disclosure Letter, no Seller, Conveyed Entity or any of their Affiliates has received any written notice or other written communication indicating that any Top Customer intends to cease dealing with the Business or otherwise materially reduce the volume of business transacted by any Top Customer with the Business and, to the Knowledge of Sellers, no such Top Customer intends to do so.

Section 3.14 Intellectual Property. (a) Except for the Licensed Intellectual Property and except as set forth on Schedule 3.14(a) of the Seller Disclosure Letter, the Conveyed Intellectual Property includes all of the Intellectual Property of any Predecessor Entity or Sellers, that is used in the Business or by the Conveyed Entities, necessary to the operation of the Business or the operations of the Conveyed Entities, or which, absent a license or ownership thereof, would be infringed by the Business or the operations of the Conveyed Entities. The Conveyed Intellectual Property includes all Intellectual Property that was owned by Sellers or any Predecessor Entity that, as between such entities and the Conveyed Entities, is primarily related to the Business, which arose or was created in the course of the activities of an employee of the Predecessor Entities, Sellers or the Conveyed Entities engaged in the Business, or was acquired by any of them primarily for the Business.

(b) Schedule 3.14(b)(i) of the Seller Disclosure Letter and Schedule 3.14(b)(ii) of the Seller Disclosure Letter are, respectively, correct and complete lists of all Registered Intellectual Property that is Conveyed Intellectual Property or is Licensed Intellectual Property, including: (i) patents and patent applications, (ii) registrations and applications for any trademarks, service marks, logos, domain names and trade names, and (iii) registrations and applications for registration of any copyrights. The patents listed on Schedule 3.14(b)(i) of the Seller Disclosure Letter are all of the patents that meet the criteria of (ii) and (iii) of the definition of Conveyed Patents. Except as set forth in Schedule 3.14(b)(iii) of the Seller Disclosure Letter, all Conveyed Patents are, to the Knowledge of Sellers, valid and subsisting, and all Conveyed Patents have been or will be before Closing validly and properly assigned to a Conveyed Entity along with all rights therein, including the right to past damages for the infringement thereof. Except as set forth on Schedule 3.14(b)(iv) of the Seller Disclosure Letter, no Person other than the Conveyed Entities has, or has any right to obtain, any exclusive right in or ownership (including joint ownership) of, the Conveyed Intellectual Property. The Conveyed Intellectual Property includes the trademark M/A-Com and all goodwill appurtenant thereto, and includes the right to past damages for the infringement thereof, and except as permitted pursuant to Section 5.12 or pursuant to the Tyco Agreement, following the Closing Date, no entity will have the right to use the trademark M/A-Com or any other trademark that is Conveyed Intellectual Property.

(c) Except as set forth on Schedule 3.14(c)(i), Purchaser, an Affiliate of Purchaser or a Conveyed Entity will exclusively own as of the Closing Date, free and clear of all Liens other than Permitted Liens, all of the Conveyed Intellectual Property, including the right to past damages for the infringement thereof. The transfer of all Registered Intellectual Property that is Conveyed Intellectual Property to a Conveyed Entity was (or will be after Closing in accordance with this Agreement) properly filed and recorded with the PTO or other appropriate authority. Except as set forth on Schedule 3.14(c)(i) of the Seller Disclosure Letter, there is no claim, demand or proceeding by any Person which is currently pending or, to the Knowledge of Sellers, threatened in writing, which challenges the rights of Sellers or the applicable Conveyed Entity in respect of the Conveyed Intellectual Property or the Licensed Intellectual Property and Sellers have no Knowledge of any third party that is currently infringing, misappropriating, misusing or violating any Conveyed Intellectual Property in any material respect. Sellers and the Conveyed Entities have taken all reasonable measures to protect and preserve the Conveyed Intellectual Property. To the Knowledge of Sellers, the conduct of the Business (including the making, using selling and importing of any product by the Sellers or the Conveyed Entities) as currently conducted does not, and as conducted prior to the date hereof did not, infringe, misappropriate, misuse or violate in any material respect any Intellectual Property of any Person. Except as set forth on Schedule 3.14(c)(ii) of the Seller Disclosure Letter, within the last three (3) years, neither Sellers nor the Business has received written notice from any Person, challenging Sellers', the Business' or any Conveyed Entities' claim to ownership or right to use or practice any Intellectual Property that is material to the Business.

(d) Schedule 3.14(d)(i) of the Seller Disclosure Letter lists all Contracts ("In-Licenses") pursuant to which any third party has licensed to any Conveyed Entity, any Predecessor Entity or any Seller any technology or software or any Intellectual Property that is used in, necessary for, or related to the operation of the Business, other than non-exclusive licenses to commercially available software for an aggregate fee, royalty, or other consideration

of less than $250,000; provided, however that the term In-License shall not include licenses for any technology or software or Intellectual Property to which the Business or the Conveyed Entities may have access to or the benefit of under the Transition Services Agreement. Schedule 3.14(d)(ii) of the Seller Disclosure Letter lists all Contracts ("Out-Licenses") pursuant to which any Seller Entity, any Predecessor Entity or any Conveyed Entity has granted or agreed to grant any third party a right (including ownership right) or license (including cross licenses) to any Conveyed Intellectual Property, other than non-exclusive licenses granted to customers in the ordinary course of business. As of the Closing, all such In-Licenses and Out-Licenses (together, the "Intellectual Property Licenses") will have been properly transferred to the Conveyed Entities and will continue in full force and effect following the Closing. The Conveyed Entities are not and, to the Knowledge of Sellers, the other parties to the Intellectual Property Licenses are not, in material breach of any Intellectual Property License. The Conveyed Entities will not assume, as of the Closing, any In-Licenses which by its term prohibits assignment or cannot be assigned or assumed without the consent of the other parties if such consent has not been obtained (non-assumed contracts) as of the Closing.

Section 3.15 Real Property. (a) Schedule 3.15(a) of the Seller Disclosure Letter sets forth a list as of the date hereof of all of the real property owned by any of the Conveyed Entities (collectively, the "Real Property"). A Conveyed Entity has title in fee simple (or its equivalent under applicable Law) to the Real Property, free and clear of all Liens, other than Permitted Liens and Liens that will be released after the Closing in accordance with this Agreement.

(b) Schedule 3.15(b) of the Seller Disclosure Letter sets forth a list as of the date hereof of all of the real property leased or subleased by the Conveyed Entities (the "Leased Real Property") (including any options to renew or purchase in connection therewith) (each a "Real Property Lease"). Materially correct and complete copies of all Real Property Leases have been made available to Purchaser. Each Real Property Lease is in full force and effect and there exists no default or event of default by the applicable Conveyed Entity or, to the Knowledge of Sellers, any other party to any such lease. Except as set forth in Schedule 3.15(b) of the Seller Disclosure Letter, no party has the right to occupy all or any portion of any Leased Real Property other than one of the Conveyed Entities. The Leased Real Properties are in good condition and repair in all respects, ordinary wear and tear excepted.

Section 3.16 Employee Benefit Plans. (a) Schedule 3.16(a)(i) of the Seller Disclosure Letter contains an accurate and complete list of each material Benefit Plan.

(b) With respect to each Benefit Plan contributed to or maintained by a Conveyed Entity after September 26, 2008, or a Seller for the benefit of a Business Employee (in either case, a "Covered Benefit Plan"), the Sellers have provided or made available to Purchaser a current, accurate and complete copy (or, to the extent no such copy exists, or, even if such copy does exist, but it does not reflect the current terms, an accurate description) thereof and any amendments thereto and, to the extent applicable: (i) any related trust agreement or other funding instrument; (ii) for the three most recent years (A) Forms 5500 and attached schedules, (B) audited financial statements, (C) nondiscrimination testing results, (D) Forms PBGC-1, and (E) actuarial valuation reports, if any; (iii) the most recent summary plan description together with any summary of material modifications thereto, if any, and other written communications

(or a description of any oral communications) to the Business Employees concerning the extent of the benefits provided under a Benefit Plan; (iv) all material correspondence to or from any governmental entity and the most recent IRS determination, opinion, notification or advisor letter issued with respect to each Benefit Plan.

(c) (i) Each Covered Benefit Plan has been established and administered in material compliance with the terms of any document that affects such activity in respect of such Covered Benefit Plan, and in material compliance with the applicable provisions of ERISA, the Code and other applicable laws, rules and regulations, to the extent applicable to a Covered Benefit Plan; (ii) each Covered Benefit Plan which is intended to be qualified within the meaning of Section 401(a) of the Code is so qualified and has received a favorable determination letter or the remedial amendment period for applying for such a determination has not yet expired, or its sponsor has received or applied for a favorable opinion letter as to its qualification (or, in the case of an opinion letter, its qualification in form), and nothing has occurred, whether by action or failure to act, that could reasonably be expected to cause the loss of such qualification; (iii) no event has occurred and no condition exists that would subject any Conveyed Entity, either directly or by reason of their affiliation with an ERISA Affiliate, to any tax, fine, lien, penalty or other liability imposed by ERISA, the Code or other applicable Laws; (iv) no Conveyed Entity has incurred any current or projected liability in respect of post-employment or post-retirement health, medical or life insurance benefits for the Business Employees, except as required to avoid an excise tax under Section 4980B of the Code or otherwise except as may be required pursuant to any other applicable Law; (v) each Covered Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms, without liability to Purchaser or the Conveyed Entities (other than ordinary administration expenses); (vi) there are no audits, inquiries or proceedings pending or, to the knowledge of the Sellers, threatened by the IRS, DOL, or any other governmental entity with respect to any Covered Benefit Plan; and (vi) the Conveyed Entities have timely made all contributions and other payments required by and due under the terms of each Covered Benefit Plan.

(d) Each Benefit Plan that has been adopted, contributed to, required to be contributed to, or maintained by a Conveyed Entity or any ERISA Affiliate, whether formally or informally, or with respect to which a Conveyed Entity or ERISA Affiliate will or may have any Liability, for the benefit of Business Employees who perform services outside the United States (each an "International Benefit Plan") has been established, maintained and administered in material compliance with its terms and conditions and with the requirements prescribed by any and all statutory or regulatory legal requirements that are applicable to such International Benefit Plan. No International Benefit Plan has unfunded Liabilities, that as of the Effective Time, will not be offset by insurance or fully accrued. Except as required by applicable Law, no condition exists that would prevent any Conveyed Entity or Purchaser from terminating or amending any International Benefit Plan at any time for any reason.

(e) Other than as set forth in this Section 3.16, Sellers do not make any representation or warranty with respect to employee benefits plan matters.

Section 3.17 Labor Matters. (a) Except as set forth on Schedule 3.17(a) of the Seller Disclosure Letter, each Conveyed Entity is in material compliance with all applicable Laws applicable to the ownership and operation of the Business respecting employment and

employment practices, vacation and paid time off accrual and payment, meal and rest periods, immigration status, employee safety and health, other terms and conditions of employment and wages and hours (including overtime wages), and is not engaged in any unfair labor practice, other than any such unfair labor practice that would not reasonably be expected to be, individually or in the aggregate, material to the Conveyed Entities taken as a whole.

(b) No unfair labor practice complaint against any Conveyed Entity or any of its representatives or employees in connection with the ownership and operation of the Business is pending or, to the Knowledge of Sellers, has been threatened before the National Labor Relations Board or other Governmental Authority, other than any such complaint that would not reasonably be expected to be, individually or in the aggregate, material to the Business.

(c) There is no labor strike, dispute, slowdown or stoppage actually pending, or to the Knowledge of Sellers, threatened or reasonably anticipated, against or involving the Conveyed Entities that would reasonably be expected to be, individually or in the aggregate, material to the Conveyed Entities taken as a whole.

(d) As of the date hereof, there are no collective bargaining and labor union agreements applicable to any Business Employee. No union is currently certified, and there is no union representation question and no union or other organizational activity that would be subject to the National Labor Relations Act (20 U.S.C. §151 et. seq.), or any similar law existing or, to the Knowledge of Sellers, threatened with respect to the Conveyed Entities.

(e) No grievance exists or, to the Knowledge of Sellers, has been threatened and no arbitration proceeding arising out of or under any collective bargaining agreement, works council or other similar agreement, of the Business is pending or, to the Knowledge of Sellers, has been threatened, other than any such grievance or arbitration proceeding that would not reasonably be expected to be, individually or in the aggregate, material to the Conveyed Entities taken as a whole. No Conveyed Entity is currently in material violation of any collective bargaining agreement, works council or similar agreement. There are no actions, suits, claims, charges or pending matters relating to any employment, safety or discrimination matters involving any Business Employees that would reasonably be expected to be, individually or in the aggregate, material to the Business.

(f) None of the Conveyed Entities have taken any action which would constitute a “plant closing” or “mass layoff” within the meaning of the Worker Adjustment and Retraining Notification Act (“WARN Act”) or any similar state, local or foreign Law, or incurred any liability or obligation under the WARN Act or any similar state, local or foreign Law that remains unsatisfied. Sellers and each of their Affiliates complied with all obligations under the European Communities (Protection of Employees on Transfer of Undertaking) Regulations 2003 when each Business Employee in the European Union was transferred to the Conveyed Entities.

(g) The representations and warranties in this Section 3.17 are the sole and exclusive representations and warranties of Seller concerning labor matters.

Section 3.18 Taxes. (a) Except as set forth on Schedule 3.18, with respect to all amounts in respect of Taxes imposed upon the Conveyed Entities or the Non-Transferred Assets, or for which any of the Conveyed Entities are or could be liable, with respect to all taxable periods or portions thereof ending on or before the Closing Date, all applicable Tax Laws have been or will be complied with by the Closing and all amounts required to be paid by the Conveyed Entities or with respect to the Non-Transferred Assets to Taxing Authorities on or before the close of business on the Closing Date have been or will be timely paid on or before the Closing Date except Taxes not then due and payable or being contested in good faith by appropriate proceedings and for which adequate reserves have been established on the Balance Sheet.

(b) Except as set forth on Schedule 3.18, Sellers or the Conveyed Entities have timely filed or caused to be filed, or will file or cause to be filed, all Tax Returns required to be filed on or before the Closing Date (taking into account applicable extensions) with respect to the Conveyed Entities or the Non-Transferred Assets, and all such Tax Returns were (or will be when filed) true, correct and complete in all material respects.

(c) There is no Contract, agreement, plan or arrangement to which a Conveyed Entities or any of ERISA Affiliates is a party, including the provisions of this Agreement, covering any Business Employee, which, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to Sections 404 or 162(m) of the Code.

(d) Schedule 3.18(d) of the Seller Disclosure Letter lists each Contract, agreement or arrangement between a Conveyed Entity or any ERISA Affiliate and any Business Employee that is a "nonqualified deferred compensation plan" subject to Section 409A of the Code. Each such nonqualified deferred compensation plan, if any, has been amended to comply with Section 409A of the Code and neither the Conveyed Entities nor any ERISA Affiliate is reasonably expected to have any Tax withholding obligation in respect of Section 409A of the Code. No deferred compensation plan existing prior to January 1, 2005, which would otherwise be subject to Section 409A, has been "materially modified" at any time after October 3, 2004. No compensation shall be includable in the gross income of any Business Employee as a result of the operation of Section 409A of the Code with respect to any arrangements or agreements in effect as of the Effective Time. There is no Contract, agreement, plan or arrangement to which the Conveyed Entities or any of their ERISA Affiliates is a party, including the provisions of this Agreement, covering any Business Employee, which individually or collectively could require the Conveyed Entities or any of their ERISA Affiliates to pay a tax gross up payment to any Business Employee for Tax-related payments under Section 409A(a)(1)(B) of the Code.

(e) None of the Sellers, the Conveyed Entities or any of their ERISA Affiliates have made any payment to any Business Employee and is not party to a Contract, agreement or arrangement with any Business Employee to make payment, individually or considered collectively with any other events, agreements, plans, arrangements or other Contracts, that will, or could reasonably be expected to, be characterized as an excess "parachute payment" within the meaning of Section 280G(b)(1) of the Code or that could not be deductible under Section 280G of the Code. There is no agreement, plan, arrangement or other contract by which the Conveyed Entities or any of ERISA Affiliates is bound to compensate any Business Employee for excise taxes paid pursuant to Section 4999 of the Code.

(f) Other than as set forth in this Section 3.18, Sellers do not make any representation or warranty with respect to Tax matters.

Section 3.19 Brokers. Except for UBS Securities LLC, no broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission in connection with the transactions contemplated by the Transaction Documents based upon arrangements made by or on behalf of either Seller or any Conveyed Entity. Sellers are solely responsible for such fees and expenses of UBS Securities LLC.

Section 3.20 Title to Assets; Sufficiency. (a) Sellers and the Conveyed Entities own and have good title to, and, following the Closing Date, the Conveyed Entities will own and have good title to, all of the Transferred Assets free and clear of all Liens, other than Permitted Liens.

(b) Except as set forth in Schedule 3.20 of the Seller Disclosure Letter, pursuant to the Tyco Agreement and the other agreements entered into in connection therewith, Sellers acquired from Tyco and its Affiliates all of the properties, rights, interest and other tangible and intangible assets necessary and sufficient to conduct the Business in the manner in which the Business was conducted as of immediately prior to the Tyco Closing Date. Except as set forth on Schedule 3.20 of the Seller Disclosure Letter, the assets owned (or, in the case of the Leased Real Property, leased) by the Conveyed Entities, together with the rights set forth in the Transaction Documents, the Non-Transferred Assets and the Conveyed Intellectual Property, will constitute, as of the Closing Date, all of the assets, properties, rights, interests and other tangible and intangible assets necessary and sufficient to enable the Purchaser to (i) own (or in the case of the Leased Real Property, lease) and use such assets, and exercise such rights, in all material respects, in a manner in which such assets and rights have historically been owned (or in the case of the Leased Real Property, leased), used and exercised in connection with the Business, and (ii) conduct the Business in the manner in which the Business was conducted during the period beginning immediately prior to the Tyco Closing Date through and including immediately prior to the Closing Date. Nothing in this Section 3.20(b) shall be deemed to constitute a representation or warranty as to the adequacy of the amounts of working capital or cash of the Business as of the Closing.

Section 3.21 Tangible Personal Property. Sellers and the Conveyed Entities have good and marketable title to, or a valid leasehold interest in, all of their tangible property and Inventory, in each case used primarily in connection with the Business, free and clear of any Liens, other than Permitted Liens, including the tangible personal property set forth on Schedule 3.21 of the Seller Disclosure Letter.

Section 3.22 Illegal Payments. (a) Except as set forth in Schedule 3.22(a) of the Seller Disclosure Letter, no Conveyed Entity, or any of their Subsidiaries or, to the Knowledge of Sellers, neither the Business, nor any of the officers, directors, employees, agents, or representatives of the Business or the Conveyed Entities, has, directly or indirectly, (i) made, offered to make, promised to make, or authorized the payment or giving of any bribes,

kickbacks, rebates, payoffs, influence payments, gifts of money, illegal political contributions, other unlawful payments, or anything of value, to governmental officials, for the purpose of affecting their action or the action of the government they represent, to obtain or retain business, licenses, or special concessions, or (ii) taken any other action which would cause it to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, any rules or regulations thereunder (the "FCPA") or other similar applicable U.S. or non-U.S. regulations.

(b) Except as set forth in Schedule 3.22(b) of the Seller Disclosure Letter, (i) no Conveyed Entity, or any of their Subsidiaries has engaged in any transaction, maintained any bank account, or used any corporate funds, except as reflected in its normally maintained business records, (ii) the Conveyed Entity and its Subsidiaries have made and kept business records, which, in reasonable detail, accurately and fairly reflect the business activities of the Company, (iii) the business records of the Conveyed Entity and its Subsidiaries have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls.

(c) Sellers have established and maintained a compliance program and internal controls and procedures which covers the Conveyed Entities and the Sellers believe is appropriate to the requirements of the FCPA and similar applicable non-U.S. regulations.

Section 3.23 Government Contracts. (a) Except as set forth in Schedule 3.23(a) of the Seller Disclosure Letter, to the Knowledge of Sellers, (i) none of the Business Employees is or during the last three (3) years has been (except as to routine security investigations) under administrative, civil or criminal investigation, indictment or information by a U.S. Governmental Authority, (ii) there is no pending audit or investigation by any U.S. Governmental Authority of the Conveyed Entities, the Business or any Business Employee with respect to any alleged irregularity, misstatement or omission arising under or relating to a Government Contract and (iii) since September 26, 2008 none of the Conveyed Entities has, and during the last three (3) years, to the Knowledge of Sellers, no prior owner of the Business has, made a voluntary disclosure with respect to any alleged irregularity, misstatement or omission arising under or relating to a Government Contract with respect to the Business, other than inquiries, audits and reconciliations that would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect. Neither of the Sellers, nor to the Knowledge of Sellers any of the Business Employees, has made any intentional misstatement or omission in connection with any voluntary disclosure relating to the Conveyed Entities or the Business that has led to any of the consequences set forth in clause (i) or (ii) of the immediately preceding sentence or any other material damage, penalty assessment, recoupment of payment or disallowance of cost.

(b) Except as set forth in Schedule 3.23(b) of the Seller Disclosure Letter, to the Knowledge of Sellers, there are no disputes between any Conveyed Entity or its Subsidiaries and a U.S. Governmental Authority under the Contract Disputes Act or any other federal statute or between Sellers and any of their Affiliates and any prime contractor, subcontractor or vendor arising under or relating to any such Government Contract with respect to the Business, except any such claim or dispute that would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect.

(c) Except as set forth in Schedule 3.23(c) of the Seller Disclosure Letter, none of the Conveyed Entities and, to the Knowledge of Sellers, any of the Business Employees

is (or during the last two years has been) suspended or debarred from doing business with a U.S. Governmental Authority or is (or during such period was) the subject of a finding of non-responsibility or ineligibility for U.S. Government contracting.

(d) Except as set forth in Schedule 3.23(d) of the Seller Disclosure Letter, none of the Conveyed Entities and, to the Knowledge of Sellers, any of the Business Employees, has received written notice of a termination for default or convenience, cure notice, or show cause notice from any U.S. Governmental Authority with respect to performance by the Company as a subcontractor of any portion of the obligation of a Government Contract.

(e) Except as set forth in Schedule 3.23(e) of the Seller Disclosure Letter, (i) the representations, certifications, and warranties made by the Conveyed Entities and, to the Knowledge of Sellers, any of the Business Employees, in any Government Contract, were accurate in all material respects as of their effective date, and Conveyed Entities and, to the Knowledge of Sellers, Business Employees have complied in all material respects with all such representations, certifications and warranties, (ii) no past performance evaluation received by Sellers, the Conveyed Entities and, to the Knowledge of Sellers, any of the Business Employees, with respect to any such Government Contract has set forth a default or other failure to perform thereunder or termination or default thereof, and (iii) Conveyed Entities and, to the Knowledge of Sellers, the Business Employees, have complied in all material respects with all terms and conditions of any Government Contract.

(f) Except as set forth in Schedule 3.23(f) of the Seller Disclosure Letter, neither Sellers, the Conveyed Entities, any of their Subsidiaries, nor to the Knowledge of Sellers, any of the Business Employees, are aware of any facts or circumstances that are reasonably likely to give rise to the revocation of any security clearance of the Seller, the Conveyed Entities, or any of the Business Employees, either prior to or as a result of the transactions contemplated herein.

Section 3.24 Exclusivity of Representations. The representations and warranties made by Sellers in this ARTICLE III are the exclusive representations and warranties made by Sellers with respect to the Sellers, the Conveyed Entities and the Non Transferred Assets. Sellers hereby disclaim any other express or implied representations or warranties with respect to the Sellers, the Conveyed Entities, any of their respective Affiliates and the Business.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to each of the Sellers, as of the date hereof, as follows:

Section 4.1 Organization and Qualification. Purchaser is a corporation organized, validly existing and in good standing under the laws of the State of Delaware.

Section 4.2 Corporate Authority. (a) Purchaser has all requisite corporate power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its respective obligations hereunder and thereunder. The execution and delivery by

Purchaser of the Transaction Documents and each other document, agreement or instrument to be executed and delivered by Purchaser pursuant to the Transaction Documents, and the performance by Purchaser of its obligations hereunder and thereunder, have been, or will have been at the Closing, duly authorized by all requisite corporate action on the part of Purchaser.

(b) The Transaction Documents to which it is a party, assuming due execution and delivery hereof and thereof by Sellers, constitute the valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar Laws affecting creditors' rights generally or by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

Section 4.3 Non-Contravention. The execution, delivery and performance by Purchaser of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate any provision of the certificate of incorporation, bylaws or other comparable organizational document of Purchaser; (ii) conflict with, or result in a breach of, constitute a default under, result in the termination, cancellation or acceleration (whether after the giving of notice or the lapse of time or both) of any right or obligation of Purchaser under, or to a loss of any benefit of Purchaser to which Purchaser is entitled under, any Contract to which Purchaser is a party or by which any of its assets are bound, lease of real estate or license of Intellectual Property to which Purchaser and its Affiliates is a party or is subject; and (iii) assuming the accuracy of Section 3.2(b), violate or result in a material breach of or constitute a default under any Law or other restriction of any Governmental Authority to which Purchaser is subject.

Section 4.4 Permits. The execution and delivery by Purchaser of the Transaction Documents to which it is a party and each other document, agreement or instrument to be executed and delivered by Purchaser pursuant to the Transaction Documents do not require any Permits.

Section 4.5 Third-Party Approvals. The execution, delivery and performance by Purchaser of the Transaction Documents to which it is a party and each other document, agreement or instrument to be executed and delivered by Purchaser pursuant to the Transaction Documents, and the transactions contemplated hereby and thereby, do not require any consents, waivers, authorizations or approvals of, or filings with, any third Persons which have not been obtained or effected by Purchaser.

Section 4.6 Financial Capability. On the date hereof, Purchaser has sufficient funds to pay the Closing Cash Consideration.

Section 4.7 Investigation by Purchaser. Purchaser has conducted its own independent investigation, verification, review and analysis of the operations, assets, Liabilities, results of operations, financial condition, technology and the probable success or profitability of the ownership, use or operation of the Business and the Conveyed Entities by Purchaser after the Closing, which investigation, review and analysis was conducted by Purchaser and, to the extent Purchaser deemed appropriate, by its Affiliates and Bidder Representatives. Purchaser has selected and been represented by, and/or consulted with, such expert advisors as it has deemed

appropriate in connection with the negotiation of this Agreement and its determination to enter into and consummate the transactions contemplated hereby. Purchaser acknowledges that it, its Affiliates and the Bidder Representatives have been provided adequate access to the personnel, properties, premises and records of the Business and the Conveyed Entities for such purpose.

Section 4.8 No Litigation. There is no Litigation pending or, to the knowledge of Purchaser, threatened in writing, against Purchaser or any of its Affiliates by or before any Governmental Authority or arbitrator which would reasonably be expected to delay or prevent the consummation of the transactions contemplated by the Transaction Documents.

Section 4.9 Brokers. No broker, finder or investment banker is entitled to any brokerage, finders or other fee, commission or expenses in connection with the transactions contemplated by the Transaction Documents based upon arrangements made by or on behalf of Purchaser.

Section 4.10 [RESERVED]

Section 4.11 Confidentiality Agreement. Except as has been disclosed to the Sellers prior to the date hereof, Purchaser and its Affiliates that are subject to the terms of the Confidentiality Agreement and the Bidder Representatives have complied in all material respects with the terms of the Confidentiality Agreement including the restrictions on contacting other potential acquirers of the Business and the restriction on limiting Purchaser's financing sources from providing financing to, or arranging financing for, any other potential acquirer of the Business. Following the Closing all Confidential Information of Sellers or any of their Affiliates to the extent related to the Business shall be deemed the Confidential Information of the Conveyed Entities and of Purchaser.

Section 4.12 Absence of Arrangements with Management. As of the date hereof, there are no written Contracts, undertakings, commitments, or other written agreements between Purchaser or any of its controlled Affiliates, on the one hand, and any member of the management of the Business, on the other hand, relating to the transactions contemplated by the Transaction Documents or the operation of the Business after the Closing.

Section 4.13 Securities Act. Purchaser is acquiring the Shares solely for the purpose of investment and not with a view to, or for sale in connection with, any distribution thereof. Purchaser acknowledges that the Shares are not registered under the Securities Act, any applicable state securities Laws or any applicable foreign securities Laws, and that such Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act or applicable foreign securities Laws or pursuant to an applicable exemption therefrom and pursuant to applicable state securities Laws. Purchaser (either alone or together with its advisors) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares and is capable of bearing the economic risks of such investment.

ARTICLE V

COVENANTS

Section 5.1 Information and Documents. (a) From and after the date hereof, subject to applicable Law and any applicable Order, upon reasonable advance notice to Sellers, Sellers shall permit Purchaser and its Representatives to have supervised, reasonable access, during regular normal business hours, to the Business Employees and to the assets, properties, books and records of Sellers and the Conveyed Entities to the extent relating primarily to the Business and shall, to the extent permitted by applicable Law any applicable Order, make available to Purchaser such financial and operating data and other available information with respect to the Business (to the extent such data or information is readily available under normal operating procedures), including such information relating to the employment of the Business Employees with respect to compensation, service and other similar information relating to Sellers' or any of the Conveyed Entities' employment of the Business Employees, as Purchaser shall from time to time reasonably request for the purposes of enabling Purchaser to (i) consummate the transactions contemplated by this Agreement, and (ii) operate the Business as operated prior to Closing, after Closing; provided, however, that no such access shall unreasonably interfere with Sellers' operation of their respective businesses; and provided, further, that Sellers shall not be required to take any action which would reasonably be expected to constitute a waiver of attorney-client privilege where alternative measure are not available to preserve such privilege while granting such access.

(b) All information received by Purchaser and given by Sellers and the Conveyed Entities in connection with this Agreement and the transactions contemplated hereby will be held by Purchaser and its Affiliates and Representatives as "Evaluation Material," as defined in, and pursuant to the terms of, the Confidentiality Agreement. From and after the Closing, Sellers shall not, and shall cause its Affiliates not to, make use of any such information or disclose any such information to any Person (except to the extent required by applicable Law or Order).

(c) It is expressly understood and agreed that, without the prior written consent of Sellers, which consent may be granted or withheld in Sellers' sole and absolute discretion, nothing in this Agreement shall be construed to grant Purchaser the right to perform any Phase I, Phase II or other environmental testing on any of the properties of the Conveyed Entities.

Section 5.2 [RESERVED].

Section 5.3 Efforts to Close; Filings and Consents. Except as otherwise set forth in this Section 5.3, subject to the terms and conditions set forth herein, and to applicable Law, each Party agrees to use its reasonable best efforts to take, or cause to be taken, all actions necessary, and assist and cooperate with the other Party in doing, all things necessary, proper or advisable, to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby. Sellers shall, and shall cause their Representatives to, cooperate with the Purchaser and Purchaser's Representatives, and use commercially reasonable efforts to comply with the reasonable requests of the Purchaser with respect to, and make, give and obtain on a timely basis, all filings, notices and consents required to be made, given or obtained in order to consummate the transactions contemplated by this Agreement and the other Transaction Documents, including without limitation any such filings, notices or consents required or otherwise reasonably necessary to transfer or assign all Permits, Contracts and

Conveyed Intellectual Property currently held by Sellers or their Affiliates related to the Business. At all times after the execution of this Agreement, Sellers and their Representatives shall cooperate with the Purchaser and with Purchaser's Representatives, and prepare and make available such documents and take such other actions as the Purchaser may reasonably request, in connection with any filing, notice or consent that the Purchaser is required or elects to make, give or obtain or in connection with the transfer of any Non-Transferred Assets (which transfers shall be effected in accordance with the instructions of, and to the entities designated by, the Purchaser).

Section 5.4 Antitrust Laws. (a) Purchaser and Sellers shall as promptly as practicable take all actions necessary to file or cause to be filed the filings required of them or any of their Affiliates under any applicable Antitrust Laws in connection with this Agreement and the transactions contemplated hereby no later than fifteen (15) Business Days following the date hereof the notification and report forms required for the transactions contemplated by this Agreement and any supplemental information requested in connection therewith. Any such notification and report forms and supplemental information will be in substantial compliance with the requirements of the applicable Antitrust Laws. Sellers and Purchaser shall furnish to each other such necessary information and reasonable assistance as the other may request, in connection with its preparation of any filing or submission that is necessary under the applicable Antitrust Laws. Sellers and Purchaser shall keep each other apprised of the status of any communications with, and inquiries or requests for additional information from the applicable Antitrust Authority and shall comply promptly with any such inquiry or request. Sellers and Purchaser will use their respective reasonable best efforts to obtain any clearance required under applicable Antitrust Laws for the transactions contemplated by this Agreement.

(b) Purchaser shall be responsible for the payment of all filing fees under any Antitrust Laws. Each Party shall be responsible for the fees and costs that it incurs in connection with making such filings under the Antitrust Laws.

(c) Purchaser shall not, and shall cause its Affiliates not to, acquire or agree to acquire, by merging with or into or consolidating with, or by purchasing a substantial portion of the assets of or equity in, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets, if the entering into of a definitive agreement relating to, or the consummation of such acquisition, merger or consolidation would reasonably be expected to: (i) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any consents of any Governmental Authority necessary to consummate the transactions contemplated hereby or the expiration or termination of any applicable waiting period; (ii) materially increase the risk of any Governmental Authority entering an Order prohibiting the consummation of the transactions contemplated hereby; (iii) materially increase the risk of not being able to remove any such Order on appeal or otherwise; or (iv) materially delay or prevent the consummation of the transactions contemplated hereby.

(d) Notwithstanding anything in this Agreement to the contrary, neither Purchaser nor any of its Affiliates shall be required to: (i) agree to sell, divest, hold separate, license, cause a third-party to acquire, or otherwise dispose of, the Business, any Subsidiary, operations, divisions, businesses, product lines, customers or assets of Purchaser, its Affiliates, or

any Conveyed Entity, (ii) take or commit to take such other actions that may limit Purchaser, its Affiliates, or any Conveyed Entity's freedom of action with respect to, or its ability to retain, one or more of its operations, divisions, businesses, product lines, customers or assets, or (iii) enter into any Order, consent decree or other agreement to effectuate any of the foregoing.

Section 5.5 Non-EU Business Employees and Employee Benefits. The provisions of this Section 5.5 shall apply only to Non-EU Business Employees.

(a) Transfer and Terms and Conditions of Employment. Purchaser shall cause the Conveyed Entities to continue the employment of each of their Non-EU Business Employees, commencing as of the Closing Date, in the same job or position and location as in effect immediately prior to the Closing Date (regardless of whether such job or position was with the Conveyed Entity, Sellers, Tyco, or an Affiliate of any of them) and (x) at a rate of pay at least equal to, (y) with severance entitlements not less favorable than, and (z) with other employee benefits, perquisites and terms and conditions of employment (including benefits pursuant to qualified and non-qualified retirement and savings plans, medical, life insurance, disability, dental and pharmaceutical plans and programs, deferred compensation arrangements and incentive compensation plans) not substantially less favorable in the aggregate than, the rate of pay, severance entitlements and other employee benefits, perquisites and terms and conditions of employment provided to the Non-EU Business Employee (regardless of whether provided by the Conveyed Entity, Sellers, Tyco, or an Affiliate of any of them), or to which the Non-EU Business Employee would be entitled, upon commencing employment with the applicable Conveyed Entity or applicable Affiliate of Sellers, immediately prior to the Closing Date. For purposes of this Section 5.5, (i) "pay" shall include base salary or wages plus any commission, variable pay target bonus, incentive compensation, premium pay, overtime and shift differentials, but not stock options or other equity-based compensation and (ii) there shall be no breach of this Section 5.5 if Purchaser does not grant stock options and other equity-based compensation and does not provide post-retirement health and post-retirement life insurance benefits to Non-EU Business Employees; provided, however, that, if and to the extent stock options or other equity-based compensation are provided by Purchaser to similarly situated employees of Purchaser, Purchaser shall grant (or shall cause to be granted) stock options and other equity-based compensation to Non-EU Business Employees (or other long-term incentive compensation, to the extent Purchaser cannot grant such stock options or other equity-based compensation to a Non-EU Business Employee pursuant to Law). Purchaser acknowledges that by purchasing the Conveyed Entities, Purchaser shall cause the Conveyed Entities or its Affiliates to continue to employ all Non-EU Business Employees of the Conveyed Entities commencing as of the Closing Date, and such Non-EU Business Employees shall be referred to as "Transferred Employees" for purposes of this Agreement. For a period of at least twelve (12) months following the Tyco Closing Date, Purchaser covenants and agrees to (or to cause the Conveyed Entities or their Affiliates to) continue to provide each Transferred Employee with the pay, severance, benefits, perquisites and terms and conditions of employment described in this Section 5.5 unless the Transferred Employee's employment is sooner terminated (other than in the case of severance or similar termination pay and benefits). No provision in this Agreement shall give any Business Employee any right to continued employment with Purchaser or impair in any way the right of Purchaser to terminate the employment of any employee. With respect to matters described in this Section 5.5, the Sellers and the Conveyed Entities will consult with Purchaser (and will consider in good faith the advice of Purchaser) prior to sending any notices or other communication materials to the Non-EU Business Employees.

(b) Provision of Health Benefits. With respect to U.S. Business Employees, Purchaser shall provide or cause to be provided, effective commencing on the Closing Date, coverage to all Transferred Employees and their respective spouses and dependents, under a group health plan sponsored by Purchaser or its Affiliates, which plan shall have no pre-existing condition limitations or exclusions with respect to any such employee, spouse or dependant. Purchaser shall be solely responsible for compliance with the requirements of Section 4980B of the Code and part 6 of subtitle B of Title I of ERISA ("COBRA"), including the provision of continuation coverage, with respect to all such Transferred Employees, and their spouses and dependents, for whom a qualifying event occurs on or after the Closing Date. For purposes of this Section 5.5(b), the terms "group health plan," "continuation coverage" and "qualifying event" shall have the meanings ascribed to them in COBRA.

(c) Severance; Retention; Bonuses. Without limiting the generality of the foregoing, (i) Purchaser shall, or shall cause its Affiliates to, have in effect until at least twelve (12) months following the Tyco Closing Date, severance and retention plans, practices and policies applicable to each Transferred Employee on the Closing Date that are not less favorable than such policies in effect immediately prior to the Closing Date with respect to such employee (whether provided by the Conveyed Entity, Seller, Tyco, or an Affiliate of any of them), and Purchaser shall indemnify, in accordance with ARTICLE VIII hereof, and hold harmless Seller and its Affiliates from any severance Liabilities with respect to Transferred Employees, and (ii) Purchaser shall, or shall cause the Conveyed Entities or their Affiliates to, ensure that each Transferred Employee who was notified of his or her target bonus for the current fiscal year prior to the Closing Date, and who meets the performance targets, if any, established at the time of such notification, receives an annual bonus at least equal to such target bonus if the Transferred Employee meets the performance targets. Seller agrees to reimburse Purchaser within thirty (30) days of demand for any payment made by Purchaser to a Non-EU Business Employee in respect of any retention, change in control or similar agreement or obligation entered into or otherwise agreed upon prior to the Closing or any Performance Bonus.

(d) Tax-Qualified Plans. In the event Transferred Employees are not permitted to continue to participate in the Predecessor Savings Plan following the Closing Date, each Transferred Employee who is a participant in the Predecessor Savings Plan shall cease to be an active participant under such plan effective as of the Closing Date, and each Conveyed Entity shall cease to be a participating employer in the Predecessor Savings Plan effective as of the Closing Date (Sellers shall have provided Purchaser with satisfactory evidence to this effect as of the date hereof). In such case, effective as of as soon as reasonably practicable after the Closing Date, Purchaser shall have, or shall cause its Affiliates to have, in effect a defined contribution plan that is qualified under Section 401(a) of the Code and that includes a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code with terms and conditions not substantially less favorable than those provided under the Predecessor Savings Plan as determined on an annualized basis (the "Purchaser Savings Plan") in which Transferred Employees shall be eligible to participate. Effective as of the Closing Date, each Transferred Employee shall become fully vested in his or her account balance in the Predecessor Savings Plan. Notwithstanding anything to the contrary contained herein, Purchaser may modify the terms of, or terminate, the Purchaser Savings Plan subject to the limitations set forth in Section 5.5(a).

(e) Certain Welfare Plan Matters. Following the Closing Date, to the extent permitted by Law and the terms of the applicable Benefit Plan, Purchaser shall use its best efforts (i) to ensure that no waiting periods, exclusions or limitations with respect to any pre-existing conditions, evidence of insurability or good health or actively-at-work exclusions are applicable to any Transferred Employees or their dependents or beneficiaries under any welfare benefit plans in which such Transferred Employees may be eligible to participate and (ii) to provide or cause to be provided that any costs or expenses incurred by the Transferred Employees (and their respective dependents and beneficiaries) up to (and including) the Closing Date shall be specifically applied for purposes of satisfying applicable deductible, co-payment, coinsurance, maximum out-of-pocket provisions and like adjustments or limitations on coverage under any such welfare benefit plans.

(f) Cafeteria Plan. Purchaser shall have in effect, or cause to be in effect, as of the Closing Date, flexible spending reimbursement accounts under a cafeteria plan qualifying under Section 125 of the Code (the "Purchaser Cafeteria Plan") that provides benefits to Transferred Employees not substantially less favorable than those provided by the Predecessor Cafeteria Plan. As soon as practicable following the Closing Date, Sellers shall cause to be transferred to Purchaser an amount in cash equal to the excess of the aggregate accumulated contributions to the flexible spending reimbursement accounts under the Predecessor Cafeteria Plan made during the year in which the Closing Date occurs by the Transferred Employees over the aggregate reimbursement payouts made for such year from such accounts to such Transferred Employees; provided, however, that, if the aggregate payouts from the flexible spending reimbursement accounts made during the year in which the Closing Date occurs to such Transferred Employees exceed the aggregate accumulated contributions to such accounts for such year by such employees, Purchaser shall cause such excess to be transferred to Sellers as soon as practicable following the Closing Date. Purchaser shall cause such amounts to be credited to each such Transferred Employees' corresponding accounts under the Purchaser Cafeteria Plan in which such employees participate following the Closing Date. On and after the Closing Date, Purchaser shall assume and be solely responsible for all claims for reimbursement by Transferred Employees, whether incurred prior to, on or after the Closing Date, that have not been paid in full as of the Closing Date, which claims shall be paid pursuant to and under the terms of the Purchaser Cafeteria Plan, and Purchaser shall indemnify and hold harmless Sellers and their Affiliates from any and all claims by or with respect to Transferred Employees for reimbursement under the Predecessor Cafeteria Plan that have not been paid in full as of the Closing Date, subject to Sellers satisfying their obligations under this Section 5.5(f). Purchaser agrees to cause the Purchaser Cafeteria Plan to honor and continue through the end of the calendar year in which the Closing Date occurs the elections made by each Transferred Employees under the Predecessor Cafeteria Plan in respect of the flexible spending reimbursement accounts that are in effect immediately prior to the Closing Date.

(g) Supplemental Life and Long Term Disability. Effective on and for at least twelve (12) months after the Tyco Closing Date, Purchaser shall, or shall cause its Affiliates to, offer Transferred Employees coverage for supplemental life insurance and provide Transferred Employees with long-term disability policies that are not substantially less favorable

than those offered immediately prior to the Closing Date by the Conveyed Entity, Sellers, Tyco, or an Affiliate of any of them, as applicable, and that cover Transferred Employees as of the date hereof, and Purchaser shall indemnify and hold harmless Sellers and their Affiliates from any Liabilities, costs or expenses with respect to such policies.

(h) Credited Service. With respect to each employee benefit plan, policy or practice, including severance, vacation and paid time-off plans, policies or practices, sponsored or maintained by Purchaser or its Affiliates, Purchaser shall recognize, for all Transferred Employees from and after the Closing Date, credit for all service with the Conveyed Entities and their respective predecessors (including, without limitation, Sellers, Tyco, and their Affiliates), prior to the Closing Date for all purposes (including eligibility to participate, vesting credit, eligibility to commence benefits, benefit accrual, early retirement subsidies and severance).

(i) No Third Party Beneficiaries. This Agreement shall inure exclusively to the benefit of and be binding upon the parties hereto and their respective successors, assigns, executors and legal representatives. Without limiting the generality of Section 10.5, nothing in this Section 5.5(i), express or implied, is intended to constitute an amendment to any Benefit Plan or confer on any person other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or Liabilities under or by reason of this Agreement.

Section 5.6 EU Business Employees. (a) Transfer via Transfer Regulations. The Purchaser shall cause the Conveyed Entities to continue the employment of each of the EU Business Employees with effect from the Closing Date, as provided in the Transfer Regulations as they would have applied to Sellers had the transactions contemplated by this Agreement not occurred or any applicable Laws. Notwithstanding the foregoing, with respect to such EU Business Employees, such employment shall be on terms and conditions that are not less favorable than the terms and conditions of employment provided to the EU Business Employees immediately prior to the Closing Date, regardless of whether by the Conveyed Entity, Sellers, Tyco, or an Affiliate of any of them. Notwithstanding the foregoing, and except to the extent required by Law, Purchaser shall not be obligated to establish a defined benefit retirement plan or arrangement for any EU Business Employees or any other Transferred Employees. If any EU Business Employees or any other Transferred Employees were covered by a defined benefit arrangement of Sellers or Tyco immediately prior to the Closing, Purchaser shall establish as of the Closing Date, a defined contribution arrangement for the benefit of such employees that provides reasonably comparable benefits, taking into account the difference in plan design, or such greater benefits as may be required by Law. For a period of at least twelve (12) months following the Tyco Closing Date, Purchaser covenants and agrees to, or to cause its Affiliates to, continue to provide each EU Business Employee with the terms and conditions of employment described in this Section 5.6(a). With respect to matters described in this Section 5.6, the Sellers and the Conveyed Entities will consult with Purchaser (and will consider in good faith the advice of Purchaser) prior to sending any notices or other communication materials to the EU Business Employees and will use commercially reasonable efforts to have Tyco consult with Purchaser in the same manner. Sellers agree to reimburse Purchaser within thirty (30) days of demand for any payment made by Purchaser to an EU Business Employee in respect of any retention, change in control or similar agreement or obligation entered into or otherwise agreed upon prior to the Closing or any Performance Bonus.

(b) Indemnity. Purchaser shall indemnify and hold harmless Sellers and their Affiliates from any and all Losses incurred prior to, on or after the Closing Date, as a result of, arising out of, or in connection with (i) the EU Business Employees before the Closing Date, in respect of any breach of the information and consultation provisions of the Transfer Regulations by Purchaser or any Affiliate of Purchaser; or (ii) any claim by an EU Business Employee (whether or not such EU Business Employee resigns or objects to being employed by a Conveyed Entity under the Transfer Regulations) that a Conveyed Entity is in breach of contract and/or in breach of any statutory employment rights because of any change in, or any plans of Purchaser (or any relevant Affiliate of Purchaser) to change, any terms and conditions of employment or working conditions of any EU Business Employee after the Closing Date. The indemnity provided in this Section 5.6(b) shall not duplicate any obligation of Purchaser pursuant to ARTICLE VIII of this Agreement, and shall be governed by the provisions of such Article to the extent applicable.

(c) Non-Transfer of EU Business Employees. If a contract of employment has been offered by a Seller or a Conveyed Entity to an individual who would, upon the Closing Date be an EU Business Employee had the contract taken effect on its intended effective date, and if the contract is found (or alleged) not to have effect after the Closing Date, as originally made with Sellers or the Conveyed Entity, Purchaser agrees that (i) in consultation with Sellers, it will within seven (7) days of being informed of such finding or allegation make to the relevant individual an offer in writing to employ him or her under a new contract of employment to take effect on the termination referred to below and (ii) any such offer made by Purchaser will be on terms and conditions which taken as a whole do not differ in any material way from the terms and conditions of employment of that individual immediately before the Closing Date, (save as to the identity of the employer). Upon that offer being made, Purchaser shall indemnify and hold harmless Sellers and their Affiliates from any Losses arising directly or indirectly out of the employment of that individual from the Closing Date, until such termination and the termination of such employment.

(d) No Third Party Beneficiaries. This Agreement shall inure exclusively to the benefit of and be binding upon the parties hereto and their respective successors, assigns, executors and legal representatives. Without limiting the generality of Section 10.5, nothing in this Section 5.6, express or implied, is intended to constitute an amendment to any Benefit Plan or confer on any person other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 5.6A Subsequent Transfer of Employees in Certain Countries. (a) Except for this Section 5.6A, for purposes of applying Section 5.5 or Section 5.6 with respect to the Business Employees, if any, located in each of the Delayed Transfer Countries and Finland, Germany, Hong Kong, Italy, Malaysia, Russia, South Africa, Sweden, Taiwan, the United Kingdom and, but only if designated in Schedule 5.6A of the Seller Disclosure Letter, the United States (each an "Applicable Employee"), the term "Subsequent Employee Transfer Date" shall be substituted for all references to the terms "Closing" and "Closing Date." With respect to each Applicable Employee, on the Subsequent Employee Transfer Date, Sellers shall take the actions necessary to make such Applicable Employee an employee of a Seller immediately prior to the transfer of the employee to Purchaser or one of the Conveyed Entities, unless Tyco has agreed to a transfer directly from Tyco to Purchaser or one of the Conveyed Entities. With respect to

matters described in this Section 5.6A, the Sellers and the Conveyed Entities will consult with Purchaser (and will consider in good faith the advice of Purchaser) prior to sending any notices or other communication materials to the Applicable Employees.

(b) Purchaser hereby covenants and agrees for the benefit of Sellers and their Affiliates to take any and all actions necessary or desirable in order to ensure that persons conducting business or otherwise interacting or having contact with the Applicable Employees prior to the Subsequent Employee Transfer Date are informed and understand that the Applicable Employees have no power or authority to bind, commit or otherwise obligate Sellers or Purchaser or any of their respective Affiliates in respect of any transaction or Liability.

(c) In respect of the Applicable Employees, Purchaser and Sellers hereby covenant and agree for the benefit of each other and each other's Affiliates to use commercially reasonable efforts to authorize and enable each Applicable Employee, effective from and after the Closing, to perform his or her duties and obligations substantially as performed on behalf of Sellers and their Affiliates prior to the Closing.

(d) In connection with the payments contemplated by Section 2.7(c), Purchaser shall reimburse Sellers for any and all reasonable and documented out-of-pocket costs and expenses incurred by Sellers, whether directly or indirectly, in respect of the Applicable Employees after the Closing and prior to the Subsequent Employee Transfer Date, including, without limitation, all payroll, pension, and other benefits and related costs and expenses in respect of the Applicable Employees as well as for allocations of any other cost related to such Applicable Employees that are consistent with the historical allocation of costs to the Business by Sellers or Tyco or its Affiliates.

(e) CDES shall, directly or indirectly, provide in France to Purchaser, the Conveyed Entities, or their Affiliates, such services with respect to the Business as to which CDES and Purchaser agree from time to time (the "Services in France"). CDES makes no warranties with respect to the Services in France, and CDES's obligation to provide Services in France shall be contingent upon its continued ability to obtain services from Tyco. Purchaser shall reimburse CDES for any and all reasonable and documented out-of-pocket costs and expenses incurred by CDES for the provision of the Services in France, whether directly or indirectly, including, without limitation, the fee charged by Tyco for provision of underlying services to CDES.

(f) Purchaser shall indemnify and hold harmless Sellers and their Affiliates from and against any and all Losses arising out of or in connection with, directly or indirectly: (t) any act or omission (or alleged act or omission) of any Applicable Employee that occurs (or is alleged to have occurred) after the Closing, regardless of legal theory, and whether based in tort, contract, strict liability or otherwise, to the extent that Purchaser would have liability if it were the employer of such Applicable Employee, (u) any claim, action, cause of action or other proceeding brought or asserted by or on behalf of any Applicable Employee in respect of his or her employment and based upon facts or circumstances during the period from the Closing until the Subsequent Employee Transfer Date (including, without limitation, any claim of discrimination on any basis, harassment or unlawful termination) except that such indemnification shall not apply with respect to acts or omissions of Sellers or their Affiliates, (v)

any and all Losses (including any severance costs) associated with the termination of employment of any Applicable Employee for any reason after the Closing and prior to the Subsequent Transfer Date, (w) any claim, action, cause of action or other proceeding brought or asserted by or on behalf of any Applicable Employee or Purchaser against Sellers in respect of any failure to inform and consult under the Transfer Regulations, or (x) any act or omission (or alleged act or omission) of CDES or Tyco or an Affiliate of either in connection with or related to the provision of the Services in France, regardless of legal theory, and whether based in tort, contract, strict liability or otherwise, (y) any claim, action, cause of action or other proceeding brought or asserted by or on behalf of any person based upon facts or circumstances related to the provision of the Services in France, or (z) any claim, action, cause of action or other proceeding brought or asserted by or on behalf of any employee of CDES or Tyco or Affiliate of either or the representative of such employee through whom CDES directly or indirectly provides the Services in France, or by Purchaser, against Sellers or Tyco or an Affiliate of either in respect of any failure to inform and consult under applicable law.

Section 5.7 Post-Closing Information. For a period of seven (7) years following the Closing, upon written request delivered to Purchaser, Purchaser shall, and Purchaser shall cause the Conveyed Entities and the Affiliates of Purchaser to afford to Sellers and their Representatives reasonable access during regular normal business hours, upon reasonable advance notice subject restrictions under applicable Law, to the properties, books and records and employees of Purchaser, the Conveyed Entities and the Affiliates of Purchaser with respect to the Business to the extent necessary to prepare or defend any judicial or administrative proceeding related to the Business or to enable Sellers and their Representatives to satisfy Sellers' and their Affiliates' financial reporting and Tax planning, preparation and reporting obligations.

Section 5.8 Exclusive Dealing. (a) Immediately following the execution of this Agreement, Sellers shall, and shall cause their Affiliates, and each of their respective Representatives to terminate any existing discussions or negotiations with any Persons, other than Purchaser (and its Affiliates and the Bidder Representatives), concerning the purchase of the Business, and material assets of the Business or the Shares.

Section 5.9 No Hire and Non-Solicitation of Employees. (a) No Seller nor any of their controlled Affiliates will at any time prior to two (2) years from the Closing Date, directly or indirectly, (i) solicit the employment or services (whether as an employee, consultant, independent contractor or otherwise) of any of the Business Employees without Purchaser's prior written consent or (ii) hire in any capacity (whether as an employee, consultant, independent contractor or otherwise) any of the Business Employees, who is not first terminated by Purchaser or any of its Affiliates subsequent to the Closing, to the extent such no-hire covenants are permitted by applicable Law, without Purchaser's prior written consent.

(b) Except as contemplated by the Transition Services Agreement, neither Purchaser nor any of its controlled Affiliates will at any time prior to two (2) years from the Closing Date, directly or indirectly, (i) solicit the employment or services (whether as an employee, consultant, independent contractor or otherwise) of any of the employees of Sellers and its Affiliates (other than the Business Employees) without Sellers' prior written consent or (ii) hire in any capacity (whether as an employee, consultant, independent contractor or

otherwise) any of the employees of Sellers and their Affiliates (other than the Business Employees), who is not first terminated by Sellers or any of their Affiliates subsequent to the Closing, to the extent such no-hire covenants are permitted by applicable Law, without Sellers' prior written consent.

(c) For purposes of this Section 5.9, the term "solicit the employment or services" shall not be deemed to include generalized searches for employees through media advertisements of general circulation, employment search firms, open job fairs or otherwise; provided, that, such searches are not focused or targeted on the Business Employees or the employees of Sellers and their Affiliates (other than the Business Employees), as applicable.

Section 5.10 Post-Closing Obligations for Leases. Purchaser shall not, without the prior written consent of Sellers (not to be unreasonably withheld or delayed), exercise any right with regard to, or enter into, any amendment, renewal, modification or waiver of any Real Property Lease that could extend the term thereof beyond its then current term (which current term shall be deemed to include the term of any future renewal options existing as of the date hereof in any Real Property Lease) with respect to any Real Property Lease as to which Sellers or one of their Affiliates remains the leasing party, or a guarantor, or is otherwise secondarily liable for the obligations of the lessee, under such lease. Notwithstanding the foregoing, with respect to any Real Property Lease that involves a month to month tenancy and with respect to which Sellers or one of their Affiliates remains the leasing party, or a guarantor or is otherwise secondarily liable, in no event shall Purchaser extend such Real Property Lease (or otherwise continue or renew such month to month tenancy) later than the date that is twelve (12) months after the Closing Date. Nothing in this Agreement shall be deemed to prevent Purchaser from seeking a novation of, or entering into a new lease for the Leased Real Property relating to any Real property Lease as to which Sellers remain the leasing party, or a guarantor, or is otherwise secondarily liable for the obligations of the lessee under such lease so long as such novation or new lease contains a full release of all obligations of Sellers and/or their Affiliates, as the case may be, under such Real Property Lease.

Section 5.11 Pre-Closing Transfers. (a) To the extent not transferred at or prior to the Closing, as soon as possible after the Closing, Sellers shall, and shall cause their Affiliates to, as the case may be, transfer (and record where applicable such transfers) all of Sellers' or its Affiliates' right, title and interest in and to such Non-Transferred Assets, including, without limitation, the assets set forth on Schedule 5.11(a) hereof, to a Conveyed Entity or other Person (as directed by Purchaser), for no additional consideration and free and clear of all Liens (other than Permitted Liens and Liens arising under the Secured Promissory Note, the Short Term Note and the Revolving Credit Agreement), and provide Purchaser with evidence of such transfers and recording.

(b) To the extent not conveyed and transferred on or prior to the Closing Date, except as otherwise provided in this Agreement, as soon as possible after the Closing, Sellers shall, and shall cause their Affiliates to, as the case may be, convey and transfer (and record where applicable such transfers), in a form reasonably acceptable to Purchaser, to the relevant Conveyed Entity or other Person (as directed by Purchaser), each and every item of Intellectual Property that is Conveyed Intellectual Property, for no additional consideration and free and clear of all Liens (other than Permitted Liens and Liens arising under the Secured Promissory Note, the Short Term Note and the Revolving Credit Agreement), such that the

representation and warranty in Section 3.14(a) is true and correct. All such transfers with respect to Registered Intellectual Property shall be pursuant to an assignment recorded in the PTO and with any other relevant authority anywhere in the world in a form reasonably acceptable to Purchaser.

Section 5.12 Purchaser Trademarks and Trade Names. Effective upon the Closing, Purchaser hereby grants to Sellers and their Affiliates (A) for a period of one (1) year, a non-exclusive, worldwide, fully-paid and royalty-free license (i) to use the trademark "M/A-COM" (the "Mark") in connection with their business solely in the same manner such term is currently used (other than in connection with the Business), provided that, in connection with their RFID business, Sellers and its Affiliates shall only use the Mark adjacent to the term "RFID" as part of a compound mark (*e.g.*, M/A-COM RFID), and (ii) to reproduce the Mark solely as currently included in the mask works for Sellers' and its Affiliates' semiconductor products (including RFID products) that are to be imbedded in other products which are not visible to the general public, and (B) for a period of three (3) years from the Tyco Closing Date, a non-exclusive, worldwide, fully-paid and royalty-free license solely to sublicense the Mark to Tyco as provided under Section 5.17 of the Tyco Agreement. All goodwill arising from such use of the Mark shall inure to the sole benefit of the Purchaser and the Conveyed Entities, as the case may be. Sellers acknowledge that the products manufactured and services provided by or on behalf of Sellers and their Affiliates and licensees in respect of which the Mark is used shall be of a quality and nature comparable to such products manufactured and services provided prior to the Closing. Except in connection with transfers or sales to Affiliates, (1) Purchaser agrees not to sell or transfer the Mark except in connection with a Sale of the Business; and (2) Sellers and their Affiliates agree not to sub-license the use of the Mark, except that Sellers may grant a sub-license of the use of the Mark in connection with a sale of the RFID business, the scope of use of which shall be as set forth above. The Mark is licensed to Sellers and their Affiliates on an "as is" basis and without any representations, warranties or indemnities of any kind.

Section 5.13 Novation and Assignment of Contracts. (a) Purchaser and Sellers shall cooperate in seeking the transfer (by novation or assignment) from Sellers or any of its Affiliates (other than the Conveyed Entities) of all Contracts which are Transferred Assets (each a "Post-Closing Transferred Contract"), effective as of or as soon as practicable after the Closing Date. For each Government Contract directly between any Seller or its Affiliates and any one or more U.S. Governmental Authorities which is a Post-Closing Transferred Contract, Sellers and Purchaser shall use commercially reasonable efforts to obtain the consents and approvals of the other party or parties to that Government Contract to novate the obligations and rights to Purchaser, consistent with 48 C.F.R. § 42.1204 *et seq.* For each other Post-Closing Transferred Contract, Sellers and Purchaser shall use commercially reasonable efforts to obtain all required consents and approvals of the other party or parties to novate such Contracts, and if such novation cannot be obtained, Sellers and Purchaser shall use commercially reasonable efforts to obtain all required consents and approvals of the other party or parties to such other Contracts for the assignment of such other Contracts, it being understood that neither Sellers nor any of its Affiliates shall be required to expend money, commence any litigation or offer or grant any material accommodation (financial or otherwise) to any third party to obtain such consents and approvals. Nothing in this Agreement shall be deemed to constitute a novation or assignment of any Post-Closing Transferred Contract if the attempted novation or assignment thereof without the consent of the other party or parties thereto would constitute a breach thereof, would be ineffective with respect to any party or parties to such Contract or affect the rights of the Sellers or their Affiliate thereunder.

(b) In the event that the transfer of one or more Post-Closing Transferred Contracts as described in this Section 5.13 cannot be made, or if such attempted novation or assignment would give rise to any right of termination, or would otherwise adversely affect the rights of Sellers, their Affiliates or Purchaser under such Contract, or would not novate or assign all of Sellers or their Affiliate's rights thereunder at the Closing, from and after the Closing, Sellers and Purchaser shall continue to cooperate and use commercially reasonable efforts to obtain all consents and approvals required to provide Purchaser with all such rights. To the extent that any such consents and waivers are not obtained, or until the impediments to such novation or assignment are resolved, to the extent permitted by applicable Law and the terms of such Post-Closing Transferred Contract, Sellers shall and shall cause their Affiliates to use commercially reasonable efforts (but without any obligation to expend money, commence any litigation or offer or grant any accommodation (financial or otherwise)) to (i) provide to Purchaser, at the request of Purchaser, the benefits of any such Contract to the extent related to the Business, including entering into a subcontract with Purchaser for the performance of such Post-Closing Transferred Contract until such Contract is transferred in accordance with Section 5.13(a); (ii) cooperate in any lawful arrangement designed to provide such benefits to Purchaser and take all necessary steps and actions to provide Purchaser with the benefits of such Post-Closing Transferred Contract and to relieve Sellers or their Affiliate of the performance and other obligations thereunder; and (iii) enforce, at the request of and for the account of Purchaser, any rights of Sellers or their Affiliate arising from any such Post-Closing Transferred Contract against any third party (including any Governmental Authority) including the right to elect to terminate in accordance with the terms thereof upon the advice of Purchaser. To the extent that Purchaser is provided the benefits of any Post-Closing Transferred Contract referred to in this Section 5.13 (whether from Sellers or otherwise), Purchaser shall perform on behalf of Sellers or their Affiliate and for the benefit of any third party (including any Governmental Authority) the obligations of Sellers or their Affiliate thereunder. Purchaser agrees to pay, perform and discharge, and defend and indemnify Sellers and their Affiliates against and hold Sellers and their Affiliates harmless from, all Liabilities of Sellers and their Affiliates relating to such performance or failure to perform, and in the event of a failure of such indemnity, Sellers and their Affiliates shall cease to be obligated under this Agreement with respect to the Post-Closing Transferred Contract that is the subject of such failure. This Section 5.13 shall also apply to any Real Property Lease, equipment leases of the Conveyed Entities, Intellectual Property License or Permit as if such lease, license or permit was a Post-Closing Transferred Contract.

Section 5.14 Manifest Error with Respect to Purchased Assets. To the extent that, during the six- (6)-month period following the Closing Date, Sellers or Purchaser, in good faith, identifies an asset that is owned by Sellers or their Affiliates (other than a Conveyed Entity) and was owned by Sellers or their Affiliates (other than a Conveyed Entity) as of the Closing Date that is or should be a Transferred Asset (any such asset, an "Omitted Asset"), then such Seller or the Purchaser, as the case may be, shall promptly deliver to the other party written notice describing the Omitted Asset and the facts supporting that party's determination that such asset is an Omitted Asset (the "Omission Notice"). Promptly following its delivery or receipt of an Omission Notice, such Seller shall transfer such Omitted Asset to Purchaser, at no cost to the Purchaser and in a manner mutually agreeable to Sellers and Purchaser, as promptly as

practicable after such Seller delivers or receives the Omission Notice. If Purchaser delivers an Omission Notice to a Seller and such Seller disagrees with Purchaser's assertion that the asset referred to in the Omission Notice is an Omitted Asset, Purchaser and such Seller shall escalate the disagreement to their respective Chief Financial Officers or similar level executives who shall consider the dispute in a mutually agreeable location and shall attempt in good faith to resolve the dispute. If such officers are unable to resolve such dispute within ten (10) calendar days, Purchaser and such Seller shall submit for arbitration any and all matters that remain in dispute and were properly included in the Omission Notice to submit such dispute to a court of competent jurisdiction as set forth in Section 10.9(b).

Section 5.15 Intercompany Accounts. The Parties agree that Purchaser will be deemed to have contributed to the Conveyed Entities, immediately upon Closing, an amount of the Closing Cash Consideration necessary to repay all intercompany balances owing to or owed by the Conveyed Entities to any Seller or any of their Affiliates or Subsidiaries (and any intercompany Contracts relating thereto), in each case, other than such intercompany balances that are due or incurred on a current basis (i.e. as a current asset or current liability of the Business), in the ordinary course of business consistent with past practice and necessary for the day-to-day operations of the Business, and that are included in the Closing Date Working Capital, and from and after the Closing, all intercompany balances owing to or owed by the Conveyed Entities to any Seller or any of their Affiliates or Subsidiaries shall be forgiven, eliminated and otherwise terminated (including, any intercompany Contracts relating thereto). Such amounts to be repaid, as well as the relevant Conveyed Entity that is the obligor and the entity that is the creditor, are set forth on Schedule 5.15 hereto, it being understood and agreed that such Schedule 5.15 may be updated within ten (10) Business Days after Closing, in order to adjust for the final amounts through Closing.

Section 5.16 Liabilities Covered by Sellers Insurance. With respect to events relating to the Business that occurred or existed prior to the Closing Date that are covered by Sellers or their Affiliates' occurrence-based third-party liability insurance policies (other than policies of the Conveyed Entities that remain in full force and effect after the Closing), Purchaser may make claims on behalf of the Business to the extent such coverage and limits are available under such policies; Purchaser and Sellers shall cooperate in connection with making such claim and each party shall provide the other with all reasonably requested information necessary for Sellers to make such claim. Sellers agree to take actions that it believes in good faith are commercially reasonable to permit Purchaser acting on behalf of the Business to make claims under such insurance policies of Sellers and their Affiliates solely in respect of Liabilities of the Business that existed or occurred prior to the Closing Date.

Section 5.17 Release of Liens. Each Seller shall use its commercially reasonable efforts to cause to be released all Liens on the Shares, the Transferred Assets or any of the other assets of the Conveyed Entities (other than: (i) the Leased Real Property and (ii) the Liens arising under the Secured Promissory Note, the Short Term Note and the Revolving Credit Agreement), and shall provide to Purchaser duly and validly executed copy of all agreements, instruments, certificates and other documents, in form and substance reasonably satisfactory to Purchaser, that are necessary to evidence the release of all such Liens.

Section 5.18 ISRA Compliance. Seller shall comply with the N.J.S.A. 13:1K-6 et seq. and applicable rules at N.J.A.C. 7:26B (collectively, "ISRA") with respect to its leased real property located at 2 and 4 Olsen Ave., Edison, New Jersey ("NJ Sites"). Seller shall submit

a General Information Notice as described at N.J.A.C. 7:26B-3.3(a) and an Application for Remediation Agreement by the Closing Date with respect to the NJ Sites. Seller shall comply with the confidentiality provisions of N.J.A.C. 7:26B-7.1 when filing the General Information Notice and the Application for Remediation. Seller shall further obtain a Remediation Agreement executed by the New Jersey Department of Environmental Protection ("NJDEP") prior to the Closing Date or as soon as possible after the Closing Date, promptly sign said Remediation Agreement, and thereafter submit the executed Remediation Agreement to the NJDEP in accordance with ISRA. Thereafter, Seller shall take, at its own cost and expense, all such steps as are required to obtain a No Further Action approval letter from the NJDEP with respect to the NJ Sites.

Section 5.19 Non-Competition. (a) Except as otherwise set forth in this Section 5.19(a), for a period of three (3) years after the Closing (the "Noncompete Term"), Purchaser agrees not to, and agrees that it shall cause the Conveyed Entities and their Subsidiaries (including those Subsidiaries of Purchaser or the Conveyed Entities formed after the date hereof to which the assets of the Business are transferred after the date hereof) (collectively the "Purchaser Group") not to engage directly in any of the activities set forth in Paragraph 2 of Schedule 5.19(a) hereof (the "Purchaser Group Restricted Activities"). During the Noncompete Term, each Seller agrees not to and agrees that it shall cause its Subsidiaries and controlled Affiliates and their Subsidiaries and controlled Affiliates (collectively the "Seller Group") not to engage directly in any of the activities set forth in Paragraph 3 of Schedule 5.19(a) of the Seller Disclosure Letter (the "Seller Group Restricted Activities"). Notwithstanding anything to the contrary contained in this Section 5.19 or in Schedule 5.19(a), except to the extent specifically provided in the proviso contained at the end of this sentence, the restrictions on Purchaser Group Restricted Activities and Seller Group Restricted Activities contained in this Section 5.19 and in Schedule 5.19(a) shall only apply so as to limit the applicable party's sale of the products of CDES or MTS, as applicable, which were in existence at the time of the Closing, provided, however, that the Purchaser Group Restrictions set forth in Paragraph 2(c) of Schedule 5.19(a) shall not only apply so as to limit the applicable party's sale of the products of CDES or MTS, as applicable, which were in existence at the time of the Closing, but shall be limited by the terms of Section 5.19(e) and Section 5.19(f) hereof.

(b) The Parties recognize that their failure to comply with the provisions of this Section 5.19 and Schedule 5.19(a) and the attachments thereto shall cause irreparable harm to the other Parties hereto and that money damages alone would be insufficient to compensate such other Parties. The Parties therefore agree that any court having jurisdiction may enter a preliminary or permanent restraining order or injunction against either or both of the Parties in the event of any actual or threatened breach of any of the provisions of this Section 5.19 or Schedule 5.19(a). Any such relief shall not preclude a Party hereto from seeking any other relief at law or equity, subject to applicable standards of pleading and proof, with respect to any such claim.

(c) If any provision of this Section 5.19 or Schedule 5.19(a) is deemed to be in violation of any law or unenforceable for any reason, then such provision shall not be construed to be null, void and of no effect, and shall remain in full force and effect and shall continue to be binding upon the Parties, and the court shall substitute a reasonable, judicially enforceable limitation in place of the unenforceable provision in order to serve the intent of the Parties as expressed herein.

(d) The covenants of the Parties in this Section 5.19 and Schedule 5.19(a) are not intended to supersede any covenant in any other agreement that they may enter into. The covenants in this Section 5.19 and Schedule 5.19(a) shall be cumulative with any covenants given pursuant to any other agreement that the Parties may enter into.

(e) Notwithstanding anything to the contrary contained in this Section 5.19 or in Schedule 5.19(a), the restrictions contained in this Section 5.19 and its associated schedules shall not apply to any Person or any business lines, product lines or similar groups of assets acquired by Purchaser or any of its Subsidiaries after the date hereof (except so as to limit for the remaining Noncompete Term, if any, their sale of the products of MTS in existence as of the Closing), even if such Person or business lines, product lines or similar groups of assets have engaged in activities that would otherwise constitute Purchaser Group Restricted Activities prior to their acquisition by Purchaser, provided that such products are not misrepresented as products of MTS in existence as of the Closing. Notwithstanding anything to the contrary contained in this Section 5.19 or in Schedule 5.19(a), the restrictions contained in this Section 5.19 and its associated schedules shall not apply to any Person or any business lines, product lines or similar groups of assets acquired by Seller or any of its Subsidiaries after the date hereof (except so as to limit for the remaining Noncompete Term, if any, their sale of the products of CDES in existence as of the Closing), even if such Person or business lines, product lines or similar groups of assets have engaged in activities that would otherwise constitute Seller Group Restricted Activities prior to their acquisition by Seller, provided that such products are not misrepresented as products of CDES in existence as of the Closing.

(f) Notwithstanding anything to the contrary contained in this Section 5.19 or in Schedule 5.19(a), the restrictions contained in this Section 5.19 and its associated schedules shall not apply to any Person that acquires after the date hereof, by merger, asset purchase, stock purchase or otherwise, the Purchaser Group or any business lines, product lines or similar groups of assets or other portion thereof (except so as to limit for the remaining Noncompete Term, if any, their sale of the products of the Purchaser Group in existence as of the Closing), even if such Person has engaged in activities that would otherwise constitute Purchaser Group Restricted Activities prior to such acquisition, provided that such products are not misrepresented as products of MTS in existence as of the Closing. Notwithstanding anything to the contrary contained in this Section 5.19 or in Schedule 5.19(a), the restrictions contained in this Section 5.19 and its associated schedules shall not apply to any Person that acquires after the date hereof, by merger, asset purchase, stock purchase or otherwise, the Seller Group or any business lines, product lines or similar groups of assets or other portion thereof (except so as to limit for the remaining Noncompete Term, if any, their sale of the products of the Seller Group in existence as of the Closing), even if such Person has engaged in activities that would otherwise constitute Seller Group Restricted Activities prior to such acquisition, provided that such products are not misrepresented as products of CDES in existence as of the Closing.

ARTICLE VI

[RESERVED]

ARTICLE VII

TAX MATTERS

Section 7.1 Allocation of Taxes to Sellers. Except to the extent reflected in the calculation of Closing Date Working Capital, Sellers shall be responsible for and will pay or cause to be paid, and will indemnify Purchaser and its Affiliates from and against, any and all of the following (collectively, "Sellers' Taxes"):

(a) any and all Taxes imposed on the Sellers with respect to any taxable period, and any and all Taxes of, or relating to, the Conveyed Entities or the Non-Transferred Assets with respect to all Pre-Closing Periods, including (i) any Liability arising under Treasury Regulation Section 1.1502-6 or similar provision of state, local or foreign Law, or as a transferee or successor, by Contract or otherwise, and (ii) for the avoidance of doubt, (A) any Taxes of Sellers or the Conveyed Entities or imposed on the Non-Transferred Assets relating to the payment of any Performance Bonus and (B) any Taxes of Sellers or the Conveyed Entities or imposed on the Non-Transferred Assets relating to the matters set forth in Section 5.15 (*Intercompany Accounts*);

(b) the portion of the Taxes for any Straddle Period allocated to Sellers as determined under Section 7.3; and

(c) one-half (50%) of all Transfer Taxes;

provided, however, that Sellers' Taxes shall not include any Taxes arising as a result of actions taken by any Conveyed Entity, Purchaser, or any of their Affiliates with respect to any Conveyed Entity, the Business or the Non-Transferred Assets after the Closing Date and not expressly contemplated by this Agreement.

Section 7.2 Allocation of Taxes to Purchaser. (a) Purchaser shall be responsible for, will pay or cause to be paid, and will indemnify Sellers and their Affiliates from and against (i) any and all Taxes of, or relating to, the Conveyed Entities or the Non-Transferred Assets with respect to all periods that begin after the Closing Date, (ii) one-half (50%) of all Transfer Taxes, and (iii) any and all Taxes of, or relating to, the Conveyed Entities or the Non-Transferred Assets arising as a result of actions taken by any Conveyed Entity, Purchaser or any of their Affiliates on the Closing Date, after the Effective Time of such Closing, excluding, for the avoidance of doubt, any Taxes relating to the Section 338(h)(10) Election.

Section 7.3 Allocation of Straddle Period Taxes. (a) With respect to any taxable period of a Conveyed Entity or applicable to the Non-Transferred Assets relating to Taxes that would (absent an election) include, but not end until after, the Closing Date (a "Straddle Period"), Sellers may or may cause one or more of the Conveyed Entities, at their sole option, to elect with any relevant Taxing Authority to close such Straddle Period as of the end of the Closing Date; provided, however, that any such election shall not materially alter the allocation of Taxes from that set forth in Section 7.3(b) and Section 7.3(c) below.

(b) Sellers will be allocated any Income Taxes imposed on the Conveyed Entity for the portion of the Straddle Period up to and including the Closing Date. For purposes

of this Section 7.3(b), Income Taxes for the portion of a Straddle Period up to and including the Closing Date will be determined based upon an interim closing of the books of a Conveyed Entity as of 11:59 p.m. on the Closing Date based upon Tax accounting methods, practices, and procedures last used by such Conveyed Entity in preparing its Tax Returns.

(c) As to any Tax other than an Income Tax for any Straddle Period, Sellers will be allocated:

(i) for any such Tax that is determined based upon specific transactions (including, but not limited to, value added, goods and services, sales, and use Taxes), all such Taxes applicable to transactions that have been consummated during the period through the end of the Closing Date; and

(ii) for any such Tax that is not based upon specific transactions (including, but not limited to, license, real property, personal property, franchise and doing business Taxes), any such Tax equal to the full amount of such Tax for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in the Straddle Period ending on the Closing Date and the denominator of which is the number of days in the entire Straddle Period.

Section 7.4 Tax Returns; Payment of Taxes. (a) Except as set forth on Schedule 7.4(a) of the Seller Disclosure Letter, Sellers shall, and shall cause the Conveyed Entities to, prepare and file, or cause to be prepared and filed, within applicable statutory limits and consistent with prior practice, (i) all Tax Returns of or which include the Conveyed Entities or the Non-Transferred Assets (including any amendments thereto) that are required to be filed on or prior to the Closing Date; (ii) all Income Tax Returns of or which include the Conveyed Entities (including any amendments thereto) for all taxable periods ending on or prior to the Closing Date, whether required to be filed before, on or after the Closing Date ((i) and (ii), the "Pre-Closing Period Tax Returns"); and (iii) all Transfer Tax Returns required to be filed by Sellers. Sellers shall, and shall cause the Conveyed Entities to, pay all Taxes shown on such Pre-Closing Period Tax Returns when due. Sellers shall file all such Pre-Closing Period Tax Returns that are Income Tax Returns; provided, however, that if any such Income Tax Returns are filed after the Closing and the Sellers are not authorized to file and execute such Income Tax Return by Law, Purchaser shall file (or cause to be filed) such Income Tax Return with the appropriate Taxing Authority.

(b) (i) Purchaser shall, and shall cause its Affiliates to, prepare and file, or cause to be prepared and filed, all Tax Returns (other than Pre-Closing Period Tax Returns which shall be the responsibility of Sellers) relating to the Conveyed Entities or the Non-Transferred Assets that are required to be filed (giving effect to any extensions of time to file) after the Closing Date and Transfer Tax Returns required to be filed by Purchaser. Purchaser shall, and shall cause its Affiliates to, permit Sellers to review and comment on any Tax Return that includes any taxable period ending on or before or beginning before and ending after the Closing Date (collectively, the "Straddle Period Returns") no fewer than thirty (30) Business Days prior to the due date of the applicable Straddle Period Return for which Sellers or any of their Affiliates has any obligation under this Agreement, and Purchaser shall, and shall cause its Affiliates to, make such revisions to such Tax Returns as are reasonably requested by Sellers. Purchaser shall pay or

cause to be paid all Taxes with respect to such Straddle Period Returns when due and Sellers shall pay over to Purchaser no fewer than three (3) Business Days prior to the due date of the applicable Straddle Period Return, an amount of cash sufficient for the payment of any Taxes shown as due on such Tax Return and for which Sellers bear responsibility pursuant to Section 7.1.

(ii) Purchaser and Sellers shall, and shall cause their Affiliates to, permit each other to review and comment on the portion of any Tax Returns related to the determination of any Transfer Tax, and Purchaser and Sellers shall, and shall cause their Affiliates to, make such revisions to such Tax Returns as are reasonably requested by the other party, and shall reimburse the other party for one-half (1/2) of such Transfer Taxes.

(c) Purchaser agrees that, with respect to each of the Conveyed Entities and any successor thereto:

(i) except as provided in Section 7.7(d), neither Purchaser nor any of its Affiliates or any successor thereto will file any claim for refund of Taxes with respect to (a) any period ending on or before the Closing Date, or (b) in the case of a Straddle Period, the portion of such Straddle Period ending on the Closing Date;

(ii) Purchaser, its Affiliates, and any successor thereto must make any election available to them to waive the right to claim in respect of any period ending on or before the Closing Date any carryback with respect to Taxes arising in (a) any period beginning after the Closing Date, or (b) in the case of a Straddle Period, the portion of such Straddle Period beginning after the Closing Date; and

(iii) neither Purchaser nor any of its Affiliates or any successor thereto will file any amended Tax Return in respect of (a) any period ending on or before the Closing Date, or (b) in the case of a Straddle Period, the portion of such Straddle Period ending on the Closing Date.

Section 7.5 Tax Contests. (a) Sellers and Purchaser shall provide notice within fifteen (15) Business Days to the other of any pending or threatened Contest of which it becomes aware related to Taxes for any period for which it is indemnified by the other Party hereunder. Such notice shall contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents it has received from any Taxing Authority in respect of any such matters. If a Party hereto has knowledge of an asserted Tax liability with respect to a matter for which it is to be indemnified under Section 7.6 hereof and such Party fails to give the indemnifying Party prompt notice of such asserted Tax liability, then (i) if the indemnifying Party is precluded from contesting the asserted Tax liability in any forum as a result of the failure to give prompt notice, the indemnifying Party shall have no obligation to indemnify the indemnified Party for any Taxes arising out of such asserted Tax liability, and (ii) if the indemnifying Party is not precluded from contesting such asserted Tax liability in any forum, but such failure to give prompt notice results in a monetary detriment to the indemnifying Party, then any amount that the indemnifying Party is otherwise required to pay the indemnified Party pursuant to Section 7.6 hereof shall be reduced by the amount of such detriment.

(b) Sellers or their designee shall have the right, upon written notice to Purchaser within thirty (30) days after delivery by Purchaser to Sellers of notice, to represent a Conveyed Entity's interests in any Contest relating to a Tax matter arising with respect to a Pre-Closing Period Tax Return to the extent such Contest is in connection with any Taxes for which Sellers may be liable pursuant to Section 7.1 hereof, to employ counsel of its choice at its expense and to control the conduct of such Contest, including settlement or other disposition thereof.

(c) Purchaser shall have the right to control the conduct of any Contest relating to a Tax matter of a Conveyed Entity or the Non-Transferred Assets arising with respect to a period ending after the Closing Date and of any Contest in respect of which Sellers have not elected to represent the interests of a Conveyed Entity pursuant to Section 7.5(b) and of any Tax Contest relating to Transfer Taxes; provided, however, that Sellers shall have the right, at Sellers' own expense, to consult with Purchaser regarding any such Contest that may affect a Conveyed Entity for any Pre-Closing Period or for any portion of a Straddle Period ending on the Closing Date or for Transfer Taxes; and provided, further, that any settlement or other disposition of any such Contest that may affect a Conveyed Entity for any Pre-Closing Period or any portion of a Straddle Period ending on the Closing Date may only be made with the consent of Sellers, which consent will not be unreasonably withheld or delayed. As with all other disputes under this Agreement, it is understood by the Parties that any disputes arising under this Section 7.5(c), including, but not limited to, disputes regarding consent being unreasonably withheld, delayed or conditioned, shall constitute disputes regarding matters in this ARTICLE VII that require the agreement of the Parties within the meaning of Section 7.10 of this Agreement and, therefore, shall be resolved in accordance with Section 7.10 of this Agreement.

(d) Sellers and Purchaser agree, in each case at no cost to the other Party, to cooperate with the other and the other's Representatives in a prompt and timely manner in connection with any Contest. Such cooperation shall include, but not be limited to, making available to the other Party, during normal business hours, all books, records, returns, documents, files, other information (including working papers and schedules), officers or employees (without substantial interruption of employment) or other relevant information necessary or useful in connection with any Contest requiring any such books, records and files.

(e) Where there is a dispute with a Taxing Authority regarding liability for Tax for a Pre-Closing Period and for which Sellers have an indemnification obligation, Purchaser shall, or shall cause the appropriate Conveyed Entity to, as the case may be, at the request of Sellers, pay the amount of the disputed Tax to the Taxing Authority, and Purchaser or the Conveyed Entity shall be reimbursed by Sellers in a manner to be agreed upon by the Parties at such time as Sellers make such request.

Section 7.6 Indemnification. (a) The indemnification provisions set forth in this ARTICLE VII are the exclusive remedy for obligations of the Parties arising under this Agreement that relate to Taxes and ARTICLE VIII of this Agreement shall not apply to such obligations, except that ARTICLE VIII of this Agreement shall apply to breaches of Section 3.18. The covenants contained in this ARTICLE VII shall survive the Closing until the expiration of the applicable statute of limitations.

(b) Sellers shall be liable for, and covenants and agrees to indemnify and hold harmless Purchaser and its Affiliates from and against, any and all Losses incurred by Purchaser or any of its Affiliates:

(i) to the extent arising out of, in connection with or related to any breach by Sellers of any covenant contained in ARTICLE VII hereof; or

(ii) for Taxes for which Sellers bear responsibility pursuant to Section 7.1 hereof.

(c) Purchaser shall be liable for, and covenants and agrees to indemnify and hold harmless Sellers and their Affiliates from and against, any and all Losses incurred by any of Sellers or any of their Affiliates:

(i) to the extent arising out of, in connection with or related to any breach by Purchaser of any covenant contained in ARTICLE VII hereof; or

(ii) for Taxes for which Purchaser bears responsibility pursuant to Section 7.2 hereof.

(d) If a Party (the "Tax Indemnified Party") determines that it or any of its Affiliates is or may be entitled to indemnification by another Party (the "Tax Indemnifying Party") under Section 7.6(b) or Section 7.6(c) hereof, the Tax Indemnified Party will promptly deliver to the Tax Indemnifying Party a written notice and demand therefore (the "Tax Notice") specifying the basis for indemnification and, if known, the amount for which the Tax Indemnified Party reasonably believes it or any of its Affiliates is entitled to be indemnified (a "Tax Claim"), together with any supporting documentation (including, if applicable, any relevant notice from any Taxing Authority). The Tax Notice must be received by the Tax Indemnifying Party no later than thirty (30) days before the expiration of the applicable Tax statute of limitations; provided, however, that if the Tax Indemnified Party does not receive notice from the applicable Taxing Authority ("Taxing Authority Notice") that an item exists that could give rise to a Tax Claim more than thirty (30) days before the expiration of the applicable Tax statute of limitations, then the Tax Notice must be received by the Tax Indemnifying Party as promptly as practicable after the Tax Indemnified Party receives the Taxing Authority Notice (but in no event more than five (5) Business Days after the Tax Indemnified Party receives the Taxing Authority Notice). If the Tax Indemnifying Party objects to the Tax Claim in the manner set forth in Section 7.6(e) hereof or if either the Tax Indemnifying Party or the Tax Indemnified Party exercises Contest rights as contemplated by Section 7.5(b), then the Tax Indemnifying Party shall not be liable to make an indemnification payment to the Tax Indemnified Party until there is a determination by the Accountant or a Final Determination regarding the Tax Claim, as the case may be. In all other cases, the Tax Indemnifying Party will pay the Tax Indemnified Party the amount set forth in the Tax Notice, in cash or other immediately available funds, within thirty (30) days after receipt of the Tax Notice; provided, however, that if the amount for which the Tax Indemnified Party reasonably believes it is entitled to be indemnified is not known at the time of the Tax Notice, the Tax Indemnifying Party shall pay the amount known to be due and the Tax Indemnified Party will deliver to the Tax Indemnifying Party a further Tax Notice specifying the unknown amount as soon as reasonably practicable after such amount is known and payment will then be made as set forth above.

(e) The Tax Indemnifying Party may object to the Tax Claim (or the amount thereof) set forth in any Tax Notice by giving the Tax Indemnified Party, within thirty (30) days following receipt of such Tax Notice, written notice setting forth the Tax Indemnifying Party's grounds for so objecting (the "Tax Objection Notice"). If the Tax Indemnifying Party does not give the Tax Indemnified Party the Tax Objection Notice within such thirty (30) day period, the Tax Indemnified Party may exercise any and all of its rights under applicable Law and this Agreement to collect such amount.

(f) The amount of a Tax Claim shall be the amount of Taxes payable by the Tax Indemnified Party net of any net Tax benefit, if any, actually recognized and attributable to such Loss in the year in which the Tax Claim is made after taking into account any reduction in future Tax deductions.

(g) If the Tax Indemnified Party and the Tax Indemnifying Party are unable to settle any dispute regarding a Tax Claim within thirty (30) days after receipt of the Tax Objection Notice, the Tax Indemnified Party and the Tax Indemnifying Party will, in accordance with Section 7.10, jointly request the Accountant to resolve the dispute as promptly as possible.

(h) Failure by the Tax Indemnified Party to promptly deliver to the Tax Indemnifying Party a Tax Notice in accordance with Section 7.6(d) hereof will not relieve the Tax Indemnifying Party of any of its obligations under this Agreement except to the extent the Tax Indemnifying Party is prejudiced by such failure.

(i) Each of the Parties, on behalf of itself and its Affiliates, agrees not to bring any actions or proceedings, at law, in equity or otherwise, against any other Party or its Affiliates, in respect of any breaches or alleged breaches of any representation, warranty or other provision of this ARTICLE VII, except pursuant to and subject to the express provisions of this Section 7.6.

Section 7.7 Refunds. (a) Purchaser shall, and shall cause its Affiliates to, hold in trust for the benefit of Sellers all refunds (including interest paid thereon by a Governmental Authority and any amounts applied against a Tax liability for other taxable periods) of any Taxes not reflected as an asset in the calculation of Closing Date Working Capital for which Purchaser is entitled to indemnification pursuant to this Agreement ("Sellers' Refunds"), and, within five (5) Business Days after receipt by Purchaser or any of its Affiliates of any such Sellers' Refund, Purchaser or its Affiliate, as applicable, shall pay over to Seller the amount of such Seller's Refund without right of set off or counterclaim.

(b) Sellers shall, and shall cause their Affiliates to, hold in trust for the benefit of Purchaser and its Affiliates all refunds (including interest paid thereon by a Governmental Authority and any amounts applied against a Tax Liability for other taxable periods) of any Taxes for which Sellers are entitled to indemnification pursuant to this Agreement ("Purchaser's Refunds") and, within five (5) Business Days of receipt by Sellers or any of their Affiliates of any such Purchaser's Refund, Sellers or and their Affiliate, as applicable, shall pay over to Purchaser the amount of Purchaser's Refund without right of set off or counterclaim.

(c) Upon the request of Sellers, Purchaser will file, or cause a Conveyed Entity or its Affiliate to file, claims for Sellers' Refunds, in such form as Sellers may reasonably request; provided, however, that the filing of any such claim will not result in any prejudice to Purchaser or its Affiliates. Sellers will have the sole right to prosecute any claims for Sellers' Refunds (by suit or otherwise) at Sellers' expense and with counsel of Sellers' choice. Purchaser will cooperate, and cause the appropriate Conveyed Entity or Affiliate to cooperate, fully, at Sellers' expense, with Sellers and their counsel in connection therewith.

(d) Upon the request of Purchaser, Sellers shall and shall cause their Affiliates to file, claims for Purchaser's Refunds, in such form as Purchaser may reasonably request; provided, however, that the filing of any such claim will not result in any prejudice to Sellers or their Affiliates. Purchaser will have the sole right to prosecute any claims for Purchaser's Refunds (by suit or otherwise) at Purchaser's expense and with counsel of Purchaser's choice. Sellers will cooperate, and cause their Affiliates to cooperate, fully, at Purchaser's expense, with Purchaser and its counsel in connection therewith.

(e) Except as provided in Section 7.7(a) and Section 7.7(b) hereof, any refunds of Taxes other than Sellers' Refunds and Purchaser's Refunds will be the property of the payee of such refunds and no other Party or its Affiliates will have any right to such refunds.

(f) To the extent reasonably requested by Sellers, and within (30) days of such request, Purchaser and its Affiliates shall grant to Sellers appropriate powers of attorney as may reasonably be necessary to prosecute or defend its rights hereunder.

Section 7.8 Assistance and Cooperation. After the Closing Date, Sellers and Purchaser shall cooperate (and shall cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Conveyed Entities or the Non-Transferred Assets including (i) the preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceedings in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession related to the Conveyed Entities and the Non-Transferred Assets available to the other, as provided in Section 7.9 hereof. Sellers and Purchaser also shall (and shall cause their respective Affiliates to) make available to the other, as reasonably requested and available, personnel responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes. Any information or documents provided under this Section 7.8 shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes.

Section 7.9 Tax Records. Tax records in possession of Sellers relating to the Conveyed Entities or the Non-Transferred Assets shall be transferred to Purchaser, however such records may be redacted to eliminate items regarding CDES. Sellers may make and retain copies

of such Tax records. Sellers, Purchaser, and their respective Affiliates shall make available to each other (at no cost to the requesting Party) for inspection and copying during normal business hours upon reasonable notice all Tax records in their possession relating to the Conveyed Entities or the Non-Transferred Assets to the extent reasonably required by the other Party in connection with the preparation of Tax Returns, audits, litigations, or the resolution of items under this ARTICLE VII. Sellers, Purchaser, and their respective Affiliates shall preserve and keep such Tax records in their possession until the expiration of any applicable statutes of limitation and as otherwise required by Law, but in any event for a period of not less than ten (10) years after the Closing Date.

Section 7.10 Dispute Resolution. If Sellers and Purchaser fail to agree on the resolution of any of the matters in this ARTICLE VII that require the agreement of the Parties or otherwise disagree about the proper interpretation or operation of any provision of this ARTICLE VII, then such matter shall be referred to the Accountant for binding arbitration. Sellers and Purchaser shall deliver to the Accountant copies of any schedules or documentation that may reasonably be required by the Accountant to make its determination. Each of Purchaser and Sellers shall be entitled to submit to the Accountant a memorandum setting forth its position with respect to such arbitration. The Accountant shall render a determination within sixty (60) days of the referral of such matter for binding arbitration. Sellers or Purchaser, as the case may be, shall pay to the other Party the amount determined by the Accountant within ten (10) days of the date on which the Accountant makes its determination. The determination of the Accountant shall be final and binding on all Parties. The costs incurred in retaining the Accountant shall be shared equally, fifty percent (50%) by Sellers and fifty percent (50%) by Purchaser.

Section 7.11 Payment. All amounts required to be paid to a Party under this ARTICLE VII shall be paid in Dollars and translated from local currency at the spot rate. If a Party (the "Payor") fails to make a payment due and owing under this ARTICLE VII to the other Party or any of its Affiliates (the "Payee") within thirty (30) days of the date prescribed by this ARTICLE VII, the Payor will pay to the Payee interest (such interest to be calculated on the basis of a year of 360 days and the actual number of days elapsed) on such payment from and including the date on which such payment was due, but excluding the day the Payor makes such payment, at a rate equal to eight percent (8%) per annum.

Section 7.12 Termination of Tax Allocation Agreements. Immediately prior to the close of business on the Closing Date, (i) all Tax allocation or sharing agreements or arrangements existing between any of Sellers or any of their Affiliates, on the one hand, and any of the Conveyed Entities, on the other hand, shall be terminated; and (ii) amounts due under such agreements or arrangements shall be settled as of the Closing Date in such manner as Sellers shall determine (including capitalization or distribution of amounts due or receivable under such agreements or arrangements). Upon such termination and settlement, no further payments by or to the Conveyed Entities with respect to such agreements or arrangements shall be made, and all other rights and obligations resulting from such agreements or arrangements between the Conveyed Entities and others shall cease at such time.

Section 7.13 Adjustment. All amounts paid, or caused to be paid, by one Party or its Affiliates to another Party or its Affiliates pursuant to this Agreement (other than interest in accordance with Section 7.11 hereof, but including amounts payable under ARTICLE VIII hereof) shall be treated by the Parties as an adjustment to the Purchase Price to the extent permitted by Law.

Section 7.14 Section 338(h)(10) Election. (a) Purchaser shall join with Sellers in making an election under Section 338(h)(10) of the Code and any corresponding or similar elections under state, local or foreign Tax Law (collectively the "Section 338(h)(10) Election") with respect to the purchase and sale of the Shares of the Conveyed Entities that are domestic corporations.

(b) Sellers shall prepare all forms and documents required in connection with the Section 338(h)(10) Election. For the purpose of making the Section 338(h)(10) Election, Purchaser and Sellers each shall execute two (2) copies of Internal Revenue Service Form 8023 (or successor form) and timely file such Form 8023 in accordance with IRS guidelines. Purchaser shall execute (or cause to be executed) and deliver to Sellers such additional documents or forms as are reasonably requested to complete the Section 338(h)(10) Election at least ten (10) days prior to the date such documents or forms are required to be filed.

(c) The Parties agree that, for purposes of the Section 338(h)(10) Election, the 'aggregate deemed sales price' with respect to the assets of the Conveyed Entities that are domestic corporations based upon the amount of the Purchase Price allocated to the Shares of the Conveyed Entities pursuant to Section 2.8, shall be allocated for purposes of Section 338 of the Code and the applicable Treasury Regulations promulgated thereunder (and any similar provision of state, local or foreign Tax Law, as appropriate) (the "ADSP Allocation") in accordance with the procedures provided in Section 2.8, substituting "ADSP Allocation" for "Allocation" therein, which allocation shall be binding upon Sellers the Conveyed Entities and Purchaser.

ARTICLE VIII

SURVIVAL; INDEMNIFICATION

Section 8.1 Survival of Representations and Warranties. (a) The respective representations and warranties of Sellers and Purchaser contained in ARTICLE III and ARTICLE IV shall survive the Closing until the date that is fifteen (15) months from the Closing Date; provided that the representations and warranties set forth in (i) (A) Section 3.1 (*Organization and Qualification*), Section 3.2 (*Corporate Authority; Binding Effect*), Section 3.3 (*Conveyed Entities; Capital Structure*), Section 3.20(a) (*Title to Assets*), Section 3.22 (*Illegal Payments*) and Section 3.23 (*Government Contracts*) shall survive for the statute of limitations applicable thereto; and (B) Section 3.6(b) (*Undisclosed Liabilities*), Section 3.14 (*Intellectual Property*) and Section 3.20(b) (*Sufficiency*) shall survive the Closing until the date that is twenty-four (24) months from the Closing; (ii) Section 4.1 (*Organization and Qualification*) and Section 4.2 (*Corporate Authority; Binding Effect*) (such representations and warranties, the "Purchaser Specified Representations") shall survive for the statute of limitations applicable thereto; and (iii) Section 3.11 (*Environmental Matters*) shall survive as set forth in Section 8.2(c) hereof. The applicable date on which the periods referenced in this Section 8.1 expire shall be referred to collectively, and in each case as the context may require, as the "Expiration Date." The representations and warranties contained in Section 3.1 (*Organization and Qualification*),

Section 3.2 (*Corporate Authority; Binding Effect*), Section 3.3 (*Conveyed Entities; Capital Structure*), Section 3.6(b) (*Undisclosed Liabilities*), Section 3.14 (*Intellectual Property*) and Section 3.20 (*Title to Assets; Sufficiency*) shall be referred to as the "Seller Specified Representations."

(b) Neither Sellers nor Purchaser shall have any liability whatsoever with respect to any representation and warranty unless a claim is made hereunder prior to the applicable Expiration Date for such representation and warranty, in which case such representation and warranty shall survive as to such claim until such claim has been finally resolved.

Section 8.2 Indemnification by Sellers. (a) Subject to the limitations set forth in this ARTICLE VIII, from and after the Closing, each Seller shall, jointly and severally, defend and indemnify Purchaser, its Affiliates and each of their respective officers, directors, employees, stockholders, partners and agents, as the case may be (the "Purchaser Indemnitees"), and save and hold each of them harmless against, any Losses incurred by them to the extent arising out of, in connection with or related to: (i) any failure of any representation or warranty made by Sellers contained in ARTICLE III to be true and correct when made (or, with respect to those representations and warranties as of a specified date, as of such date) (it being agreed that any materiality or Material Adverse Effect qualification in a representation and warranty (other than the representation and warranty at Section 3.12(a)(xvi) hereof) shall be disregarded in determining whether any such representation and warranty has been breached); (ii) any breach of any covenant or agreement by Sellers contained in this Agreement (other than covenants contained in ARTICLE VII, which are addressed by ARTICLE VII exclusively); (iii) any Liability, whether arising out of facts or circumstances existing before or after the Closing, of the Conveyed Entities, Sellers or any of their Affiliates to the extent not related to the Business, including any Liability of Sellers or their Affiliates or Tyco or its Affiliates, and any Liabilities relating to the matters set forth in Schedule 8.2(a)(iii) hereof (any such Liabilities, the "Unassumed Liabilities"); (iv) any Excluded Environmental Liabilities; and (v) any Unpaid Transaction Expense of the Conveyed Entities to the extent not included in the calculation of Closing Date Working Capital.

(b) Subject to the rights and limitations set forth in Section 8.2(c) and Section 8.4(b), Section 8.4(d), Section 8.6, Section 8.7 and Section 8.8, after the Closing, each Seller agrees, jointly and severally, to defend and indemnify the Purchaser Indemnitees and save and hold each of them harmless against any Losses incurred by to the extent arising out of, in connection with or related to: (i) the presence or release of, or human exposure to, Hazardous Substances in, on, or beneath any Leased Real Property or any Real Property, in each case, to the extent existing or occurring on or prior to the Closing Date; and (ii) any violation of any Environmental Law by the Business or any Conveyed Entity, to the extent relating to or arising from acts or omissions occurring on or prior to the Closing Date; provided it is understood that no Losses relating to or arising from any violation if occurring for the first time after the Closing Date are recoverable under clause (ii) of this Section 8.2(b).

(c) Certain Limitations. (i) Notwithstanding anything to the contrary contained in this Agreement, (x) for any claim for indemnity made pursuant to Section 8.2(b) (an "Environmental Standalone Claim"), or a claim based on a failure of any representation or

warranty made by Sellers in Section 3.11 (collectively an "Environmental Representations Claim" an Environmental Standalone Claim and an Environmental Representations Claim shall hereinafter be collectively referred to as "Environmental Indemnity Claims"), Sellers shall not be liable for such claims unless and until the aggregate amount of all indemnifiable Losses relating to such claims equals or exceeds Four-Hundred Fifty Thousand Dollars ($450,000), in which case Sellers shall be liable only for the amount of the Losses in excess of such amount; (y) from and after the Closing, the maximum aggregated amount of indemnifiable Losses which may be recovered under Section 8.2(b) shall be Thirteen Million Five Hundred Thousand Dollars ($13,500,000); and (z) Sellers shall not be liable for any Environmental Standalone Claim or Environmental Representation Claim unless such claim is made hereunder prior to September 25, 2028.

(ii) With respect to any and all Environmental Indemnity Claims, Purchaser and Sellers, as the case may be, shall act only in a "Commercially Reasonable Manner" which shall mean the most cost-effective and commercially reasonable method for investigation, remediation, removal, corrective action, containment, monitoring and/or other response action permitted by applicable Environmental Laws, determined from the perspective of a reasonable business person acting (without regard to the availability of indemnification hereunder) to achieve compliance with Environmental Laws in effect as of the Closing (it being understood that Commercially Reasonable Manner shall include the use of risk-based remedies, institutional or engineering controls, or deed restrictions, based on the use of the property at Closing).

(iii) Sellers shall have no obligations for any Environmental Indemnity Claim to the extent Losses thereunder result from or are the consequence of any action (including disclosure, report or other communication from the Purchaser and its Affiliates (or their agents) to any Governmental Authority or other third party or any Phase II or other intrusive investigations or sampling, testing or monitoring of the soil, surface water or groundwater performed by Purchaser or its Affiliates (or their agents)) that is not (A) required by an Environmental Law; or (B) necessary to address a condition first discovered as a result of construction activities at, on or beneath a Leased Real property or Real Property.

(iv) Sellers shall have no obligation for any Environmental Indemnity Claim to the extent Losses result, in whole or in part, from any change in use of any Leased Real Property, any Real Property or the property subject to the Sublease Agreement from its current use to any non-industrial use after the Closing Date.

(v) From and after the Closing Date, with respect to the Business, any Leased Real Property or any Real Property, Purchaser shall, and will cause each of its Affiliates and Subsidiaries to, comply with all applicable Environmental Laws in all material respects.

(vi) The Purchaser Indemnitees shall be permitted to assign all of their rights to bring an Environmental Indemnity Claim; provided that no more than one such assignment may be made by all the Purchaser Indemnitees, taken as a whole, and; provided, further, that any such assignment, if made, shall be effective if, and only if, the assignee agrees in writing to be bound to all of the limitations applicable to Environmental Indemnity Claims set forth in this ARTICLE VIII.

(d) Environmental Procedures. (i) Sellers shall have the right, but not the obligation, to conduct and control the defense or negotiation (including any investigatory, monitoring, response or remedial actions) of any Environmental Indemnity Claim for which Purchaser Indemnitees are entitled to indemnification pursuant to Section 8.2(a) or Section 8.2(b), including its resolution, compromise or settlement, with counsel and environmental consultant selected, if any, by Sellers. No resolution, compromise or settlement in respect of such Environmental Indemnity Claim may be reached by Sellers without Purchaser's prior consent (which consent shall not be unreasonably withheld or delayed). In the event Sellers elect to control the defense or negotiation of any Environmental Indemnity Claim, Purchaser shall provide Sellers with reasonable access to its properties and employees. In the event Sellers elect not to control the defense of any Environmental Indemnity Claim, Purchaser shall control the defense of such Environmental Indemnity Claim, including its resolution, compromise or settlement, and no resolution, compromise or settlement in respect of such Environmental Indemnity Claim may be reached by Purchaser without a Seller's prior consent (which consent shall not be unreasonably withheld or delayed).

(ii) Purchaser and Sellers, at their sole cost, as the case may be, with respect to any matter managed and controlled by the other, shall have the right to (x) participate in any meetings or material negotiations with any third party (excluding counsel, consultants or other experts retained by the controlling party) with respect to any Environmental Indemnity Claim and shall be provided with reasonable advance notice of the same and (y) review in advance and provide comments on any documents proposed to be submitted to Governmental Authorities or other third parties.

(iii) Sellers and Purchaser agree that the issuance in respect of an Environmental Indemnity Claim of a "no further action" letter or the equivalent indicia of completion issued by any Governmental Authority having jurisdiction over remediation ("NFA Letter") shall constitute completion of a Seller's obligation for such Environmental Indemnity Claim; provided, however, that in the event the NFA Letter contains re-openers or other provisions that reserve the right of the issuing Governmental Authority to require additional investigation and/or remediation of Hazardous Substances or seek additional damages ("Re-Opener") and that Re-Opener is triggered before the twentieth anniversary of the Closing Date, Seller shall not invoke the receipt of the NFA Letter to avoid fulfilling its obligations with respect to such Environmental Indemnity Claim.

(iv) In the event of any inconsistency between the terms of this Section 8.2 and the other provisions in ARTICLE VIII, the provisions of this Section 8.2 shall control.

Section 8.3 Indemnification by Purchaser. Subject to the limitations set forth in this ARTICLE VIII, after the Closing, Purchaser agrees to defend and indemnify Sellers, their Affiliates and each of their respective officers, directors, employees, stockholders, partners and agents, as the case may be ("Seller Indemnitees") and save and hold each of them harmless against any Losses incurred by them to the extent arising out of, in connection with or related to: (i) any failure of any representation or warranty made by Purchaser contained in ARTICLE IV to be true and correct when made (or, with respect to those representations and warranties as of a specified date, as of such date); (ii) any breach of any covenant or agreement by Purchaser contained in this Agreement other than covenants contained in ARTICLE VII, which are

addressed in ARTICLE VII exclusively; and (iii) events occurring on or after the Closing Date to the extent such events are in connection with the operation of the Business by the Purchaser and its Affiliates or the Shares (provided that, any services provided by the Sellers or any of their Affiliates under any of the Transaction Documents other than this Agreement shall not be deemed to be "the operation of the Business by the Purchaser and its Affiliates").

Section 8.4 Limitation on Indemnification, Mitigation. (a) Notwithstanding anything to the contrary contained in this Agreement, neither Sellers nor Purchaser shall be liable for any claim for indemnification pursuant to Section 8.2(a)(i) (other than with respect to the Seller Specified Representations) or Section 8.3(i) (other than with respect to the Purchaser Specified Representations), as the case may be, (i) for any individual item where the Loss relating thereto is less than Ten Thousand Dollars ($10,000) (the "Per-Claim Deductible") and (ii) unless and until the aggregate amount of all such indemnifiable Losses which may be recovered from Sellers or Purchaser, as the case may be, equals or exceeds Four-Hundred Fifty Thousand Dollars ($450,000), in which case Sellers or Purchaser, as the case may be, shall be liable only for the amount of the Losses in excess of such amount. It is further agreed that the maximum aggregate amount of indemnifiable Losses which may be recovered for indemnification (A) pursuant to Section 8.2(a)(i) (other than with respect to the Seller Specified Representations), shall be an amount equal to Thirteen Million Five Hundred Thousand Dollars ($13,500,000) and (B) pursuant to Section 8.3(i) shall be an amount equal to Thirteen Million Five Hundred Thousand Dollars ($13,500,000). It is understood and agreed that the limitations contained in this Section 8.4 are separate and distinct from those contained in Section 8.2(c)(i).

(b) Purchaser acknowledges and agrees that Sellers shall not have any liability under any provision of this Agreement for any Loss to the extent that such Loss relates to any action taken by Purchaser (other than actions taken by Purchaser to exercise or enforce its rights under this Agreements and any actions related thereto) after the Closing Date. Purchaser shall take and shall cause its Affiliates to take all commercially reasonable steps to mitigate any Loss required to be taken in accordance with applicable Law upon becoming aware of any event which would reasonably be expected to, or does, give rise thereto, including, if so required, incurring costs only to the minimum extent necessary pursuant to applicable Law to remedy the breach which gives rise to the Loss.

(c) Sellers acknowledge and agree that Purchaser shall not have any liability under any provision of this Agreement for any Loss to the extent that such Loss relates to any action taken by a Seller (other than actions taken by any such Seller to exercise or enforce its rights under this Agreements and any actions related thereto) after the Closing Date. Each Seller shall take and shall cause its Affiliates to take all commercially reasonable steps to mitigate any Loss required to be taken in accordance with applicable Law upon becoming aware of any event which would reasonably be expected to, or does, give rise thereto, including, if so required, incurring costs only to the minimum extent necessary pursuant to applicable Law to remedy the breach which gives rise to the Loss.

(d) Notwithstanding anything in this Agreement to the contrary, except for any liability of Sellers under ARTICLE VII, Section 8.2(a)(iii) and Section 8.2(a)(iv), the aggregate liability of Sellers under this Agreement with respect to Losses to Purchaser Indemnitees for indemnification with respect to this Agreement shall not be in excess of the

Overall Cap Amount, provided, however, that the aggregate liability of Sellers pursuant to Section 8.1(a)(i) in respect of any representation and warranty contained in Section 3.6(b) (*Undisclosed Liabilities*) and Section 3.14 (*Intellectual Property*), but only clauses (a) and (c) thereof, shall be fifty percent (50%) of the Overall Cap Amount, provided, further, that the aggregate liability of Sellers pursuant to Section 8.1(a)(i) in respect of any representation and warranty contained in Section 3.14 (*Intellectual Property*), but only clauses (b) and (d) thereof, shall be Thirteen Million Five Hundred Thousand ($13,500,000). Notwithstanding anything in this Agreement to the contrary, the aggregate liability of Purchaser under this Agreement with respect to Losses to Seller Indemnitees for indemnification with respect to this Agreement shall not be in excess of the Overall Cap Amount. For purposes of this Agreement, "Overall Cap Amount" shall mean, at any time, the sum of (i) the Closing Cash Consideration; *plus* (ii) the principal amount of the Short Term Note and all interest accrued or paid thereon at or prior to such time, *plus*, (iii) the principal amount of the Secured Promissory Note and all interest accrued or paid thereon at or prior to such time, *plus* (iv) the aggregate amount of any Earn-Out Payments paid at or prior to such time (to a maximum of the Earn-Out Cap), *plus* (v) the aggregate amount of any Sellers' Profit on Sale paid or converted into a note prior to such time (as determined in accordance with the terms of the letter attached as Exhibit J hereto), provided, however, that to the extent the Losses recoverable pursuant to this Agreement by the Purchaser Indemnitees or Seller Indemnitees, as the case may be, exceeds the Overall Cap Amount at any given time, such Purchaser Indemnitees or Seller Indemnitees, as the case may be, shall have the right to recover such excess (through the Set-Off Right or otherwise) from Sellers or Purchaser, as the case may be, if the Overall Cap Amount increases at a later time (*e.g.* through the payment of additional Earn-Out Payments).

(e) Notwithstanding anything to the contrary contained in this ARTICLE VIII, nothing in this Agreement will limit any remedy or claim for Losses that an Indemnified Party may have against any other Person to the extent arising out of fraud or willful breach of this Agreement.

(f) All indemnification payments made hereunder shall be treated by all Parties as an adjustment to the Purchase Price.

Section 8.5 Losses Net of Insurance, Etc. The amount of any Loss for which indemnification is provided under Section 7.6, Section 8.2(a), Section 8.2(b) or Section 8.3 shall be net of (i) any accruals or reserves on the Balance Sheet or included in the determination of the Closing Date Working Capital with respect to the specific Loss in question, (ii) any amounts recovered by the Indemnified Party pursuant to any indemnification by, or indemnification agreement with, any third party, (iii) any insurance proceeds or other sources of reimbursement actually received or realized by an Indemnified Party as an offset against such Loss (other than pursuant to this Agreement), but after reduction for costs of collection and net of any increase in insurance premiums, in each case, to the extent related to the payment of such insurance proceeds or source of reimbursement (each Person named in clauses (ii) and (iii), a "Collateral Source"; it being understood and agreed that no party will be obligated to seek any payment, indemnification or reimbursement from any Collateral Source), and (iv) an amount equal to the net Tax benefit, if any, actually recognized and attributable to such Loss in the year in which the claim is made after taking into account any reduction in future Tax deductions. The Indemnifying Party may request an Indemnified Party to assign the rights to seek recovery from

any available Collateral Source, which may be granted or denied in the Indemnified Party's sole discretion; provided, however, that the Indemnifying Party will then be responsible for pursuing such claim at its own expense. If the amount to be netted hereunder in connection with a Collateral Source from any payment required under Section 7.6, Section 8.2(a), Section 8.2(b) or Section 8.3 is determined after payment by the Indemnifying Party of any amount otherwise required to be paid to an Indemnified Party pursuant to this ARTICLE VIII, the Indemnified Party shall repay to the Indemnifying Party, promptly after such determination, any amount that the Indemnifying Party would not have had to pay pursuant to this ARTICLE VIII had such determination been made at the time of such payment, and any excess recovery from a Collateral Source shall be applied to reduce any future payments to be made by the Indemnifying Party pursuant to Section 7.6, Section 8.2(a), Section 8.2(b) or Section 8.3. Notwithstanding anything herein to the contrary, in no event shall "Losses" be calculated based upon any multiple of lost earnings or similar methodology used to value the Business or the Conveyed Entities.

Section 8.6 Indemnification Procedure. (a) Promptly after the incurrence of any Losses by any Person entitled to indemnification pursuant to Section 5.5(c), Section 5.6(b), Section 8.2 or Section 8.3 hereof (an "Indemnified Party"), including any claim by a third party described in Section 8.7, which might give rise to indemnification hereunder, then such Indemnified Party shall deliver to the Party from which indemnification is sought (the "Indemnifying Party") a certificate (the "Claim Certificate"), which Claim Certificate shall:

(i) state that the Indemnified Party has paid or anticipates it will incur liability for Losses for which such Indemnified Party is entitled to indemnification pursuant to this Agreement; and

(ii) specify in reasonable detail (and have annexed thereto all supporting documentation, including any correspondence in connection with any Third-Party Claim and paid invoices for claimed Losses) each individual item of Loss included in the amount so stated, the date such item was paid or accrued, the basis for any anticipated liability and the nature of the misrepresentation, breach of warranty, breach of covenant or other claim to which each such item is related and the computation of the amount to which such Indemnified Party claims to be entitled hereunder. The failure of an Indemnified Party to give reasonably prompt notice of any claim or claims shall not release, waive or otherwise affect the Indemnifying Party's obligations with respect thereto except to the extent that the Indemnifying Party is materially prejudiced as a result of such failure.

(b) In the event that the Indemnifying Party shall object to the indemnification of an Indemnified Party in respect of any claim or claims specified in any Claim Certificate, the Indemnifying Party shall, within forty-five (45) days after receipt by the Indemnifying Party of such Claim Certificate, deliver to the Indemnified Party a notice of objection (an "Objection Certificate") to such effect, which Objection Certificate shall specify in reasonable detail the basis for such objection. Upon timely delivery by an Indemnifying Party of an Objection Certificate, such Indemnifying Party and the Indemnified Party shall, within the sixty (60) day period beginning on the date of receipt by the Indemnified Party of such Objection Certificate, attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims to which the Indemnifying Party shall have so objected in an Objection Certificate. If the Indemnified Party and the Indemnifying Party shall succeed in reaching

agreement on their respective rights with respect to any of such claims, the Indemnified Party and the Indemnifying Party shall promptly prepare and sign a memorandum setting forth such agreement. Should the Indemnified Party and the Indemnifying Party be unable to agree as to any particular item or items or amount or amounts specified in an Objection Certificate within such time period, then the Indemnified Party shall be permitted to submit such dispute to a court of competent jurisdiction as set forth in Section 10.9(b).

(c) Claims for Losses covered by a memorandum of agreement of the nature described in Section 8.6(b), claims for Losses the validity and amount of which have been resolved by a court of competent jurisdiction as described in Section 8.6(b), claims for Losses set forth in a Claim Certificate which were not timely objected to in an Objection Certificate pursuant to Section 8.6(b) or claims for Losses which have been settled with the consent of the Indemnifying Party (not to be unreasonably withheld or delayed) as described in Section 8.7, are hereinafter referred to, collectively, as "Agreed Claims." Within ten (10) Business Days of the determination of the amount of any Agreed Claims, the Indemnifying Party shall pay to the Indemnified Party an amount equal to the Agreed Claim by wire transfer in immediately available funds to the bank account or accounts designated by the Indemnified Party in a notice to the Indemnifying Party not less than two (2) Business Days prior to such payment, provided, however, during such time as any principal amount of the Secured Promissory Note or the Short Term Note remains outstanding, Purchaser shall first seek recourse for any Agreed Claims pursuant to the Set-Off Right by way of a reduction in the principal amount of the Secured Promissory Note or the Short Term Note.

Section 8.7 Third-Party Claims. (a) If a claim by a third-party is made against any Indemnified Party with respect to which the Indemnified Party intends to seek indemnification hereunder for any Loss under this ARTICLE VIII, the Indemnified Party shall promptly notify the Indemnifying Party of such claim. The Indemnifying Party shall have the right, but not the obligation, to conduct and control, through counsel of its choosing, any such third party claim, action, suit or proceeding (a "Third-Party Claim"). If the Indemnifying Party elects to conduct and control any Third-Party Claim, it shall, within thirty (30) days of receipt of notice of such Third-Party Claim, notify the Indemnified Party of its intent to do so. If the Indemnifying Party elects not to conduct and control any Third Party Claim, the Indemnified Party may conduct and control any Third-Party Claim. Notwithstanding the foregoing, if any Purchaser Indemnitee is an Indemnified Party in connection with a Third-Party Claim involving any Intellectual Property, any then current employee, any then current customer or supplier, or any Taxes, in each case, of the Business, Purchaser may control the defense of such Third Party Claim through counsel of its choosing, subject to reasonable input from Sellers, and at its own expense. The Indemnifying Party shall permit the Indemnified Party to participate in, but not control, the defense of any such action or suit which the Indemnifying Party has elected to assume the defense of through counsel chosen by the Indemnifying Party; provided, however, that the fees and expenses of such counsel shall be borne by the Indemnifying Party. If the Indemnifying Party elects not to control or conduct the defense or prosecution of a Third-Party Claim, the Indemnifying Party nevertheless shall have the right to participate in the defense or prosecution of any Third-Party Claim and, at its own expense, to employ counsel of its own choosing for such purpose. Notwithstanding anything in this Section 8.7(a) to the contrary, the Indemnifying Party shall not, without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed, settle or compromise any Third-Party

Claim unless the settlement or compromise involves only the payment of monetary damages. Notwithstanding anything in this Section 8.7(a) to the contrary, the Indemnified Party shall not, without the written consent of the Indemnifying Party, settle or compromise any Third-Party Claim.

(b) The Parties shall cooperate in the defense or prosecution of any Third-Party Claim, with such cooperation to include (i) the retention and the provision of the Indemnifying Party records and information that are reasonably relevant to such Third-Party Claim and (ii) the making available of employees on a mutually convenient basis for providing additional information and explanation of any material provided hereunder.

Section 8.8 Sole Remedy/Waiver. The Parties acknowledge and agree that the remedies provided for in this Agreement shall be the Parties' sole and exclusive remedy for any misrepresentation or breach of the warranties or covenants contained in this Agreement. In furtherance of the foregoing, the Parties hereby waive, effective upon the occurrence of the Closing, to the fullest extent permitted by applicable Law, any and all other rights, claims and causes of action (including rights of contribution, if any, and claims for rescission) for breach of the warranties or covenants contained in this Agreement; provided, however, that the foregoing shall not apply to deliberate misrepresentations by any Party or any of its Affiliates.

Section 8.9 Transaction Documents. The Parties acknowledge that any liability of any Party under any Transaction Documents (other than this Agreement) shall be governed solely by the terms of such Transaction Documents and shall not impact any Party's rights under this ARTICLE VIII (which shall be without duplication).

ARTICLE IX

[RESERVED]

ARTICLE X

MISCELLANEOUS

Section 10.1 Notices. Except as otherwise expressly provided in this Agreement, any notice or other communication required or permitted under this Agreement shall be in writing and deemed to have been duly given (i) five (5) Business Days following deposit in the mails if sent by registered or certified mail, postage prepaid, (ii) when sent, if sent by facsimile transmission and if receipt thereof is confirmed by machine generated receipt, (iii) when delivered, if delivered personally to the intended recipient and (iv) two (2) Business Days following deposit with a nationally recognized overnight courier service, in each case addressed as follows:

To Sellers:

Cobham Defense Electronic Systems Corporation
58 Main Street, Route 117
Bolton, Massachusetts 01740
Attn: President
Facsimile: (978) 779-2906

and

Lockman Electronic Holdings Limited
Brook Road
Wimborne
Dorset BH21 2BJ
ENGLAND
Attn: Chief Legal Officer
Facsimile: +44 1202 840523

with a copy (which shall not constitute notice) to:

Cobham plc
Brook Road
Wimborne
Dorset BH21 2BJ
ENGLAND
Attn: Chief Legal Officer
Facsimile: +44 1202 840523

and

Jaeckle Fleischmann & Mugel, LLP
12 Fountain Plaza
Suite 800
Buffalo, New York 14202
Attn: Joseph P. Kubarek, Esq.
Kristen M. Birmingham, Esq.
Facsimile: (716) 856-0432

To Purchaser:

Kiwi Stone Acquisition Corp.
c/o GaAs Labs, LLC
28013 Arastradero Road
Los Altos Hills, California, 94022
Attn: John Ocampo
Facsimile: (831) 324-9410

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation
650 Page Mill Road
Palo Alto, California 94304
Attn: Steven V. Bernard, Esq.
Lawrence M. Chu, Esq.
Selwyn B. Goldberg, Esq.
Facsimile: (650) 493-6811

Section 10.2 Amendment; Waiver. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Purchaser and Sellers or, in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.3 Assignment. No Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party, except that Purchaser may assign its rights and delegate its obligations hereunder to its Affiliates, provided, that Purchaser remains ultimately liable for all of Purchaser's obligations hereunder.

Section 10.4 Entire Agreement. This Agreement (including all Schedules and Exhibits), together with the other Transaction Documents, constitutes the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters except for any written agreement of the Parties that expressly provides that it is not superseded by this Agreement.

Section 10.5 Parties in Interest. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than Purchaser, Sellers or their successors or permitted assigns any rights or remedies under or by reason of this Agreement.

Section 10.6 Public Disclosure. Notwithstanding anything herein to the contrary, each of Purchaser and Sellers agrees that, except as may be required to comply with the requirements of any applicable Laws and the rules and regulations of each stock exchange upon which the securities of such Party is listed, if any, no press release or similar public announcement or communication shall be made concerning the execution or performance of this Agreement unless the Parties shall have consulted in advance with respect thereto.

Section 10.7 Return of Information. If for any reason whatsoever the transactions contemplated by this Agreement are not consummated, Purchaser shall promptly

return to Sellers all books and records furnished by Sellers, any Conveyed Entity or any of their respective Affiliates, agents, employees, or representatives (including all copies, summaries and abstracts, if any, thereof) in accordance with the terms of the Confidentiality Agreement.

Section 10.8 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the Party incurring such expenses.

Section 10.9 Governing Law; Jurisdiction; Waiver of Jury Trial. (a) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the conflicts of law principles of such state.

(b) With respect to any suit, action or proceeding relating to this Agreement (each, a "Proceeding"), each Party irrevocably (i) agrees and consents to be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in New York City and (ii) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum and further waives the right to object, with respect to such Proceeding, that such court does not have any jurisdiction over such Party. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective Parties to this Agreement. Each of Sellers and Purchaser irrevocably agrees that service of any process, summons, notice or document by United States registered mail to such Party's address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 10.9(b).

(c) EACH OF PURCHASER AND SELLERS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION AS BETWEEN THE PARTIES DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR DISPUTES RELATING HERETO. EACH OF PURCHASER AND SELLERS (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.9(c).

(d) The Parties agree that the prevailing party or parties, as the case may be, in any suit, action or proceeding relating to this Agreement shall be entitled to reimbursement of all costs of litigation, including reasonable attorneys' fees, from the non-prevailing party. For purposes of this Section 10.9(d), each of the "prevailing party" and the "non-prevailing party" in any suit, action or proceeding shall be the party designated as such by the court or other appropriate official presiding over such suit, action or proceeding, such determination to be made as a part of the judgment rendered thereby.

Section 10.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

Section 10.11 Headings. The heading references herein and the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 10.12 No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

Section 10.13 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any term or other provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid, illegal or unenforceable, (a) a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity, illegality or unenforceability, nor shall such invalidity, illegality or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 10.14 Specific Performance. The Parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in the United States District Court for the Southern District of New York or any New York State court sitting in New York City, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.15 Set-Off. In addition to any other remedies Purchaser may have hereunder, Purchaser shall have the right (exercisable in its sole discretion) to set off against any amount required to be paid to Purchaser hereunder (including any Losses to which any Purchaser Indemnitee is entitled to payment from the Sellers under ARTICLE VIII) against amount required to be paid by Purchaser (including any Earn-Out Payment or by seeking recourse by way of a reduction in the principal amount of the Secured Promissory Note or the Short Term Note, or against any Sellers' Profit on Sale, whether payable in cash or in a the form of a note) (such right, the "Set-Off Right"); provided, however, that the Set-Off Right may not be exercised by Purchaser for amounts due to Purchaser unless (a) all Parties agree with respect to

the amount to which Purchaser is entitled under this Agreement in accordance with the procedures set forth in this Agreement, or for amounts due under ARTICLE VIII, such amounts are Agreed Claims, or (b) a court of competent jurisdiction issues a judgment establishing Purchaser's rights (provided that, if such judgment is subsequently overturned by a proper court of appeal, Purchaser shall promptly pay such amounts that have been set off under the Set-Off Right back to Sellers).

* * * * *

IN WITNESS WHEREOF, the Parties have executed or caused this Agreement to be executed as of the date first written above.

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION

By: /s/ David L. Fuller
Name: David L. Fuller
Title: Clerk and Treasurer

LOCKMAN ELECTRONIC HOLDINGS LIMITED

By: /s/ Charles P. Stuff
Name: Charles P. Stuff
Title: Director

KIWI STONE ACQUISITION CORP.

By: /s/ John Ocampo
Name: John Ocampo
Title: President

EXHIBIT A

Specified Accounting Principles & Policies

"Closing Date Working Capital," for purposes of the Purchase Agreement (the "Agreement") by and among Cobham Defense Electronic Systems Corporation, Inc., Lockman Electronic Holdings Limited and Kiwi Stone Acquisition Corp., will be calculated using the specific accounting principles and significant accounting policies set out below. Unless otherwise defined herein, capitalized terms used but not defined shall have the meaning ascribed to them in the Agreement.

Closing Date Working Capital will be prepared in a manner consistent (including the use of a consistent level of judgment) with the policies, practices, classifications (*e.g.*, short-term and long-term) and methods used in the preparation of the Balance Sheets of the conveyed entities, including those as at September 26, 2008 and December 26, 2008. The business units' product line management and finance organization are collectively involved in the preparation and review of the Closing Date Working Capital calculations.

For the avoidance of doubt, Closing Date Working Capital shall exclude the impact of any restructuring initiatives, strategic plan changes (*e.g.*, discontinuance of a product for strategic reasons) or purchase accounting adjustments as a result of Purchaser initiatives or the transactions contemplated by the Purchase Agreement.

Specific accounting principles

For the purposes of the preparation of the statement of the Closing Date Working Capital the following specific principles shall apply:

1. All accruals and prepayments in respect of payments and receipts of a periodic nature shall be apportioned on a basis of time as at the Closing Date.
2. The following items, without limitation, do not form part of the Closing Date Working Capital and accordingly no adjustment will be made in respect of them:
   (a) Tangible and intangible fixed assets;
   (b) Environmental liabilities;
   (c) provisions (including warranty provisions) other than as specified below;
   (d) deferred taxation;
   (e) pension provisions or deficit or accrual for any pensions payments, costs or contributions other than pursuant to accruals (payroll) below;
   (f) any accruals or other liabilities (including interest) relating to the Siemens AG Matter (as described in Schedule 3.8 of the Seller Disclosure Letter;
   (g) all intercompany balances owing to or owed by the Conveyed Entities to any Seller or any of their Affiliates or Subsidiaries in each case, other than such intercompany balances that are due or incurred on a current basis (*i.e.* as a current asset or current liability of the Business), in the ordinary course of business consistent with past practice and necessary for the day-to-day operations of the Business, and that are agreed by the parties to be included in the Closing Date Working Capital;

(h) Any liabilities associated with the first quarter employee bonus payment, retention bonuses or reduction in force severance packages; or

(i) any other long term assets or liabilities.

3. No account shall be taken of liabilities (or potential or contingent liabilities) which are not transferred to Purchaser or the Conveyed Entities under the Purchase Agreement or which are indemnified by Sellers under the Purchase Agreement. Conversely, there shall be no right of indemnification by either Purchaser or Sellers for any amounts as adjusted pursuant to the working capital adjustment in Section 2.4 of the Purchase Agreement.

4. Individual items may only be included once in the Closing Date Working Capital.

Significant accounting policies

1. Closing Cash

Closing Date Working Capital will exclude Conveyed Entities Closing Cash Balances, with the exception of any Cash Balances retained within Laser Diode Inc. and M/ACOM Technology Solutions (Cork) Limited which will be included in Closing Date Working Capital. For the avoidance of doubt, no retrospective adjustment to the working capital peg shall be made in respect of this item.

2. Accounts Receivable and Allowance for Doubtful Accounts

a. Accounts Receivable (including intercompany trading accounts receivable)

Revenue from the sale of products is recognized at the time title, risks and rewards of ownership pass. This is generally when the products reach the free-on-board shipping point, the sales price is fixed and determinable, and collection is reasonably assured. For those items where title has not yet transferred, the Business defers the recognition of revenue.

Accounts receivables include trade accounts receivable, intercompany accounts receivable (in respect of shipments of products), unbilled accounts receivable that have not been billed at the time of shipment but have been shipped in accordance with the paragraph above and other accounts receivable required to be recognized in accordance with GAAP.

b. Allowance for Doubtful Accounts, Pricing Disputes and Business Unit Specific Reserves

Accounts receivables are recorded net of allowances for (i) doubtful accounts, (ii) pricing disputes and (iii) business unit specific reserves. Allowances against accounts receivable for doubtful accounts, pricing disputes and business unit specific reserves are calculated as set out below. No additional types of accounts receivable reserves other than the types of accounts receivable reserves included in the Balance Sheet shall be included in the Closing Date Working Capital.

A general reserve for doubtful trade accounts receivable is determined by applying certain percentages to the older aging categories. As outlined in Annex 5, the general reserve for receivables is calculated as follows: 5% of receivables 61 to 90 days past due, 10% of receivables 91 to 120 days past due, 15% of receivables 121 to 210 days past due, and 50% of receivables 211 to 300 days past due. For receivables over 301 days past due the reserve is calculated at 100%. Customers known to be in bankruptcy (or similar protection from creditors) or that have announced an intention to file for bankruptcy (or similar protection from creditors) are written off 100% in the month of bankruptcy declaration or announcement regardless of the days outstanding. The aging category totals are reduced by the business unit specific reserve and pricing dispute reserve balances, which are calculated as detailed below.

Specified Accounting Principles

A business unit specific reserve is calculated as referenced in Annex 5. For the purposes of calculating Closing Date Working Capital, no change will be made to the business unit specific reserve.

A reserve for pricing disputes is calculated as referenced in Annex 5. The reserve is calculated by (i) quantifying the total price adjustments for previous six month period, (ii) calculating the six month price adjustments as a percentage of revenue for the previous six months and (iii) multiplying the calculated percentage by the accounts receivable balance to calculate the amount reserved. The calculation is performed separately for Inventory returned by direct customers and distributors.

3. Inventory

a. Gross Inventory

Inventory includes costs that are incurred, either directly or indirectly, to purchase or manufacture Inventory as well as to bring Inventory to a condition and location for sale calculated according to a standard costing system. No adjustment will be made to standard costs for the purposes of calculating the Closing Date Working Capital.

Inventory is adjusted for the capitalization of manufacturing variances (which include volume, spending, efficiency, tooling, depreciation, material burden, other labor and overhead and material usage variance) and purchase price variances based upon the number of months of gross Inventory on hand. Inventory includes all Inventory items irrespective of whether they are expected to be consumed within the next twelve months.

b. Inventory Reserves

The Business recognizes Inventory reserves for excess and obsolete Inventory, aged WIP and other Inventory reserves.

Reserve for excess and obsolete Inventory - The reserve for excess and obsolete Inventory is based on historical Inventory usage and not future forecasted usage, except for the locations that have historically used Materials Resource Planning ("MRP") quantities to calculate Inventory reserves. As an example of the reserve calculations performed, the Inventory excess and obsolete Inventory reserve methodology for the Diodes, GaAs Sige, Components, PHO and Laser Diodes product lines have been described below and outlined in Annexes 1 to 4.

The reserve for excess and obsolete Inventory for the Diodes and GaAs Sige product lines of M/A-COM Technology Solutions Inc. ("MTS") are calculated by (i) determining the period of last activity for a part number followed by (ii) calculating the last twelve months usage for the part number followed by (iii) calculating the current Inventory in stock for the part number followed by (iv) subtracting the last twelve months usage from the current Inventory in stock for the part number and then multiplying by the percentage provision which is listed in the table below.

Period of Last Activity	How Applied to Inventory	Percentage Provision
0 to 6 Months	Inventory held in Excess of Last 12 Months Usage	25%

Specified Accounting Principles

7 to 12 Months	Inventory held in Excess of Last 12 Months Usage	100%
13 to 18 Months	All Inventory	100%
19 Months and Over	All Inventory	100%

The Components product line includes an excess and obsolete reserve for standard parts and custom parts as outlined in Annex 4.

The reserve for excess and obsolete Inventory for standard parts in the Components product line is calculated by (i) determining the last three month usage of a part number (multiplied by four) followed by (ii) calculating the annualized Inventory usage based on the last three month usage of a part number followed by (iii) calculating the current Inventory in stock for the part number followed by (iv) calculating the surplus quantity by subtracting the annualized Inventory usage from the current Inventory in stock for the part number and multiplying by a 100% provision. The excess and obsolete Inventory for custom parts in Components is calculated by (i) determining the current Inventory in stock for the custom part number followed by (ii) determining the total required Inventory quantity for the custom part number based on the MRP requirement followed by (iii) calculating the surplus quantity by subtracting the MRP requirement from the current Inventory in stock for the part number and multiplying by a 100% provision. In addition, a reserve for parts on order in Components is calculated by (i) determining the quantity of parts on order for a part number followed by (ii) determining if the parts on order combined with the current Inventory in stock for the custom part number exceeds the MRP requirement followed by (iii) calculating the surplus quantity by subtracting the MRP requirement from the combined Inventory in stock and on order and multiplying by a 100% provision.

The Laser Diodes product line recognizes a reserve for excess and obsolete Inventory for raw material component Inventory, work in process and finished goods Inventory. The reserve for excess and obsolete Inventory is calculated by (i) calculating the last eighteen months Inventory usage (calculated by taking the twelve months of prior fiscal years usage, dividing by twelve and multiplying by eighteen), (ii) calculating the excess of Inventory on hand, if any, over the calculated eighteen month usage and (iii) multiplying the excess calculated by the product standard cost. Where the calculation is performed during a fiscal year, the year to date usage is divided by the number of months year to date (*e.g.*, March would be month 6 of 12) and then multiplied by eighteen to calculate the eighteen-month Inventory usage.

4. Prepaid Items and other Current Assets

The Balance Sheet includes prepaid assets for items such as rent and operational overheads and includes other debtors for items such as loans to employees. These assets and liabilities are allocated to the business unit to which they specifically relate. Any shared assets and liabilities, which are listed below, are allocated using appropriate assumptions.

	December 26, 2008 $	Shared element $	Basis of allocation
1206180 Ppd Other	1,634,724	900,600	Ratio of specific prepaid assets
1305001 Loans to Employees	81,938	81,938	Headcount

Specified Accounting Principles

At closing, all prepaid items and other current assets will be calculated in a manner consistent, including a consistent level of judgment, with the previously prepared Balance Sheets.

Where these assets are specific to the Conveyed Entities, they will be allocated accordingly. Where these assets are shared assets, they will allocated on a consistent basis with the Balance Sheet**.**

5. Accounts Payable

The Balance Sheet includes liabilities for trade accounts payable to suppliers for goods or material received, goods that have been received but not yet invoiced (based upon the purchase order price), outstanding checks and consignment payables. For all locations, these are recorded at the value of the underlying transaction. For accounts payable, outstanding checks and consignment payables, this is the value of the underlying invoice. For goods received but not invoiced, a liability is recognized at the value of the purchased Inventory.

Any shared accounts payable balances, have been allocated in the balance sheets based upon the underlying ratio of accounts payable. For the December balance sheet, these were:

	December 26, 2008
2030000 Accounts Payable Trade	(1,400,781)
2030020 A/P - Trade – Unvouched	(794,066)
2030130 Goods Received - Not Invoiced	(46,046)

Trade accounts payable, unvouchered trade accounts payable, goods received but not invoiced, consignment payables and outstanding checks amounts in the Closing Date Working Capital will be recognized on a consistent basis with the above.

Where these liabilities are shared liabilities they will be allocated on a consistent basis with the Balance Sheet. Where the invoice in relation to these liabilities is to be received by Cobham Defense Electronic Systems-M/A-COM Inc. (“CDESM”), the liability allocated to the Conveyed Entities in respect of this invoice will therefore be payable to CDESM.

6. Accrued Liabilities and Accrued Payroll Liabilities

The Balance Sheet includes an accrual for direct and indirect payroll earned but not paid at month end, accrued vacations and holidays, bonuses, commissions, un-invoiced transportation expenses, utilities, supplier’s liabilities and other liabilities.

The liabilities for accrued payroll for MTS up until December 26, 2008 were allocated to the Business using an allocation methodology based on the ratio of the MTS headcount to the total of the MTS and CDESM headcount. Subsequent to December 26, 2008, a separate payroll has been set up for MTS and the liabilities in the Closing Date Working Capital relating to post December payroll runs will be specific to the business.

The balance sheets of MTS also include a payable to Tyco in respect of payroll and associated liabilities that were settled directly by Tyco Electronics. These liabilities will be excluded from the calculation of Closing Date Working Capital and allocated in their entirety to CDESM. For the avoidance of doubt, no retrospective adjustment to the working capital peg shall be made in respect of this item

The remaining Conveyed Entities all carry payroll liabilities relevant to that business unit.

Specified Accounting Principles

The following liabilities, relating to shared costs between MTS and CDESM have been split equally between the two businesses.

	December 26, 2008 $
2312021 Accrued Insurance	(60,000)
Total Accrued Sales and Use Tax	(68,277)
2312000 Other Accrued Liabilities	(72,001)

Where these liabilities are shared liabilities they will be allocated on a consistent basis with the Balance Sheet. Where the invoice in relation to these liabilities is to be received by CDESM, the liability allocated to the Conveyed Entities in respect of this invoice, will therefore be payable to CDESM. will be payable to CDESM.

7. All Other Current Assets and Current Liabilities

For any current assets or current liabilities not specifically included above, the calculation in the Closing Date Working Capital will be on a consistent basis with the methodology used to calculate the balance included in the Balance Sheets as at September 26, 2008 and December 26, 2008, and otherwise in accordance with GAAP.

Specified Accounting Principles & Policies

Annex 1

Reserve for Excess and Obsolete Inventory
Diodes
as at September 28, 2007
USD in 000' Quantities in 000's

Standard Products

Period of Last Activity / Usage	How Applied to Inventory	% Provision
0 to 6 months	Inventory held in excess of last 12 months usage	25%
7 to 12 months	Inventory held in excess of last 12 months usage	100%
13 Months and over	All Inventory	100%

Period of last Inventory activity / usage	(A) Total on Hand Quantity	(B) 6 month Usage Quantity	(C) 12 Month Usage Quantity	(D = A-C) Excess Inventory Quantity	(E) Weighted average excess unit cost	(F) Reserve Percentage	(D x E x F) Reserve
Usage in last 6 months	17,229	3,688	5,358	11,871	$ 0.08	25%	$ 233
Usage in last 6 months (no Reserve)*	17,101	61,855	146,941	—	—	25%	$ —
Usage in last 12 months	5,459	—	841	4,618	$ 0.08	100%	$ 388
Usage in last 12 months (no reserve)*	533	—	2,993	—		100%	$ —
Remaining Inventory (over 12 months)	6,718	—	—	6,718	$ 0.15	100%	$ 1,022
Inventory Total	47,040	65,543	156,133	23,207			$ 1,643

* 12 Month usage exceeds inventory on hand; as such no reserve is required

Less:	
New Parts less than 6 months	0
Precious Metals'	(28)
Total Standard Reserve	$ 1,615

Custom Products

Type of Inventory	How Applied to Inventory	% Provision
Custom Products	All Inventory in excess of MRP	100%

Inventory Activity		(1) Total on Hand Quantity	(2) MRP Quantity	(3 = 1-2) Excess Inventory Quantity	(4) Weighted average excess unit cost	(5) Reserve Percentage	(3 x 4 x 5) Reserve
Custom Products without reserve	(X)	8,551	34,844	0	$ —	100%	$ —
Custom Products with reserve		918	351	567	$ 0.06	100%	$ 35
Custom Products without MRP	(Y)	901		901	$ 0.14	100%	$ 124
Inventory Total		10,370	35,195	1,468			$ 159

(X) - MRP requirements exceed total inventory quantity on hand; as such no reserve is required.

(Y) - There is no MRP requirement for these part numbers so all inventory is reserved at 100%

Total Custom Reserve	$ 159
Additional Reserves:	
Specific Reserve 1	441
Specific Reserve 2	231
Total Diodes E&O Reserve	$ 2,446
Total per General Ledger	2446
Variance	$ (0)

Note: The excess and obsolete inventory report is a system generated report which calculates the reserve for each individual part number. This summary Schedule (i) aggregates the inventory reserve data as of September 28, 2007 into the respective categories and (ii) illustrates the calculation methodology Both quantities and USD amounts have been disclosed in thousands. Weighted average unit costs have been shown for illustrative purposes - actual calculations are at the individual part number level. The excess and obsolete inventory report is also referred to as the provision for obsolete ("PFO") report

Specified Accounting Principles

Annex 2

Reserve for Excess and Obsolete Inventory
GaAs Sige
as at September 28, 2007
USD in 000' Quantities in 000's

Standard Products

Period of Last Activity / Usage	How Applied to Inventory	% Provision
0 to 6 months	Inventory held in excess of last 12 months usage	25%
7 to 12 months	Inventory held in excess of last 12 months usage	100%
13 Months and over	All Inventory	100%

Period of last Inventory activity / usage	(A) Total on Hand Quantity	(B) 6 month Usage Quantity	(C) 12 Month Usage Quantity	(D = A-C) Excess Inventory Quantity	(E) Weighted average excess unit cost	(F) Reserve Percentage	(D x E x F) Reserve
Usage in last 6 months	13,269	2,185	3,056	10,213	$ 0.06	25%	$ 147
Usage in last 6 months (no Reserve)*	25,936	106,496	224,359	—	—	25%	$ —
Usage in last 12 months	660	—	147	513	$ 0.27	100%	$ 138
Usage in last 12 months (no reserve)*	541	—	4,173	—	$ —	100%	$ —
Remaining Inventory (over 12 months)	4,439	—	—	4,439	$ 0.36	100%	$ 1,579
Inventory Total	44,845	108,681	231,735	15,165			$ 1,864

* 12 Month usage exceeds inventory on hand; as such no reserve is required

Less:	
New Parts less than 6 months	(32)
Precious Metals'	(26)
Total Standard Reserve	$ 1,806

Custom Products

Type of Inventory	How Applied to Inventory	% Provision
Custom Products	All Inventory in excess of MRP	100%

Inventory Activity		(1) Total on Hand Quantity	(2) MRP Quantity	(3 = 1-2) Excess Inventory Quantity	(4) Weighted average excess unit cost	(5) Reserve Percentage	(3 x 4 x 5) Reserve
Custom Products without reserve	(X)	21	725	0	$ —	100%	$ —
Custom Products with reserve		389	28	361	$ 0.74	100%	$ 266
Custom Products without MRP	(Y)	369		369	$ 0.47	100%	$ 172
Inventory Total		779	753	730			$ 438

(X) - MRP requirements exceed total inventory quantity on hand; as such no reserve is required.

(Y) - There is no MRP requirement for these part numbers so all inventory is reserved at 100%

Total Custom Reserve	$ 438
Additional Reserves:	
Specific Reserve	352
Reserve Adjustment	(110)
Total GaAs Sige E&O Reserve	2,486
Total per General Ledger	2,486
Variance	$ 0

Note: The excess and obsolete inventory report is a system generated report which calculates the reserve for each individual part number. This summary Schedule (i) aggregates the inventory reserve data as of September 28, 2007 into the respective categories and (ii) illustrates the calculation methodology Both quantities and USD amounts have been disclosed in thousands. Weighted average unit costs have been shown for illustrative purposes - actual calculations are at the individual part number level. The excess and obsolete inventory report is also referred to as the provision for obsolete ("PFO") report

EXHIBIT A

Specified Accounting Principles

Annex 3

Reserve for Excess and Obsolete Inventory
Components
as at September 28, 2007
USD in 000' Quantities in 000's

Standard Products

Period of Last Activity / Usage	How Applied to Inventory	% Provision
0 to 6 months	Inventory held in excess of last 12 months usage	25%
7 to 12 months	Inventory held in excess of last 12 months usage	100%
13 Months and over	All Inventory	100%

Period of last Inventory activity / usage	(A) Total on Hand Quantity	(B) 6 month Usage Quantity	(C) 12 Month Usage Quantity	(D = A-C) Excess Inventory Quantity	(E) Weighted average excess unit cost	(F) Reserve Percentage	(D x E x F) Reserve
Usage in last 6 months	1,416	220	518	898	$ 0.57	25%	$ 128
Usage in last 6 months (no Reserve)*	2,188	2,718	6,704	—		25%	$ —
Usage in last 12 months	249	—	47	202	$ 0.60	100%	$ 122
Usage in last 12 months (no reserve)*	388	—	1,807	—		100%	$ —
Remaining Inventory (over 12 months)	709	—	—	709	$ 1.09	100%	$ 776
Inventory Total	4,950	2,938	9,076	1,809			$ 1,026

* 12 Month usage exceeds inventory on hand; as such no reserve is required

Less:	
New Parts less than 6 months	(7)
Precious Metals'	(9)
Total Standard Reserve	$ 1,010

Custom Products

Type of Inventory	How Applied to Inventory	% Provision
Custom Products	All Inventory in excess of MRP	100%

Inventory Activity		(1) Total on Hand Quantity	(2) MRP Quantity	(3 = 1-2) Excess Inventory Quantity	(4) Weighted average excess unit cost	(5) Reserve Percentage	(3 x 4 x 5) Reserve
Custom Products without reserve	(X)	36	96	—	$ —	100%	$ —
Custom Products with reserve		442	43	399	$ 0.47	100%	$ 186
Custom Products without MRP	(Y)	424	—	424	$ 2.18	100%	$ 926
Inventory Total		902	139	823			$ 1,112

(X) - MRP requirements exceed total inventory quantity on hand; as such no reserve is required.

(Y) - There is no MRP requirement for these part numbers so all inventory is reserved at 100%

Total Custom Reserve	$ 1,112
Additional Reserves:	
Specific Reserve 1	49
Specific Reserve 2	52
Std Cost Adjustments	99
Reserve Adjustment	(6)
Total GaAs Sige E&O Reserve	$ 2,315
Total per General Ledger	2315
Variance	(0)

Note: The excess and obsolete inventory report is a system generated report which calculates the reserve for each individual part number. This summary Schedule (i) aggregates the inventory reserve data as of September 28, 2007 into the respective categories and (ii) illustrates the calculation methodology Both quantities and USD amounts have been disclosed in thousands. Weighted average unit costs have been shown for illustrative purposes - actual calculations are at the individual part number level. The excess and obsolete inventory report is also referred to as the provision for obsolete ("PFO") report

EXHIBIT A

Specified Accounting Principles

Annex 4

Reserve for Excess and Obsolete Inventory
PHO
as at September 28, 2007
USD in 000' Quantities in 000's

Standard Products

Period of Last Activity /Usage	How Applied to Inventory	% Provision
0 to 6 months	Inventory held in excess of last 12 months usage	25%
7 to 12 months	Inventory held in excess of last 12 months usage	100%
13 Months and over	All Inventory	100%

Period of last Inventory activity / usage	(A) Total on Hand Quantity	(B) 6 month Usage Quantity	(C) 12 Month Usage Quantity	(D = A-C) Excess Inventory Quantity	(E) Weighted average excess unit cost	(F) Reserve Percentage	(D x E x F) Reserve
Usage in last 6 months	886	125	227	659	$ 2.00	25%	$ 329
Usage in last 6 months (no Reserve)*	1,499	5,096	10,488	—		25%	$ —
Usage in last 12 months	183		20	163	$ 2.41	100%	$ 393
Usage in last 12 months (no reserve)*	45		126	—		100%	$ —
Remaining Inventory (over 12 months)	572			572	$ 2.37	100%	$ 1,357
Inventory Total	3,184	5,221	10,860	1,393			$ 2,079

* 12 Month usage exceeds inventory on hand; as such no reserve is required

Additional Reserve Recommindation:	
Internal Wafer & Die	$ 81
Motorola & EPI Material	69
External Procurement	249
Ceram Stock	227
Total Standard Reserve	$ 626

Scrap Recommendation	
Internal Wafer & Die	$ 3
External Procurement	83
Intternal Wafer & Die	49
Motorola & EPI Material	11
Esternal Procurement	73
MRO Items	218
	$ 437

Total PHO E&O Reserve	$ 3,142
Total per General Ledger	3,072
Variance	$ 70

Note: The excess and obsolete inventory report is a system generated report which calculates the reserve for each individual part number. This summary Schedule (i) aggregates the inventory reserve data as of September 28, 2007 into the respective categories and (ii) illustrates the calculation methodology Both quantities and USD amounts have been disclosed in thousands. Weighted average unit costs have been shown for illustrative purposes - actual calculations are at the individual part number level. The excess and obsolete inventory report is also referred to as the provision for obsolete ("PFO") report

Specified Accounting Principles

Annex 5

Reserve for Accounts Receivable
as at September 28, 2007
In USD thousands

ACCOUNTS RECEIVABLE AGED ANALYSIS:	Ref	Calculation		Total *	Current	1 - 30	31 -60	61 -90	91 -120	121 - 210	211 - 300	301 - 390	291 - 480	Over 480
Total Accounts Receivable Aged Analysis as at September 28, 2007	(A)			36,837	23,905	8,059	3,092	934	80	361	284	138	-33	17
Less: Auto Sensors Accounts Receivable	(B)			-2,963	-1,314	-780	-580	-66	-15	48	-47	-190	-25	6
TOTAL CPS ACCOUNTS RECEIVABLE AGED ANALYSES AS AT SEPTEMBER 28, 2007	(C)	(A) + (B)		33,874	22,591	7,279	2,512	868	65	409	237	-52	-58	23
LESS SPECIFIC RESERVES:														
Business Unit Specific Items	(D)			-1,360	-1,360	0	0	0	0	0	0	0	0	0
LESS: Auto Sensors Business Unit Specific Items	(E)			470	470	0	0	0	0	0	0	0	0	0
Pricing Disputes (0.7%)	(F)	(A) + (D) * -.7%	%	-248	-158	-56	-22	-7	-1	-3	-2	-1	0	-0
Less: Auto Sensors Pricing Disputes (0.7%)	(G)	(B) + (E) * -.7%	%	17	6	5	4	0	0	-0	0	1	0	-0
TOTAL SPECIFIC RESERVES	(H)	(D) + (E) + (F) + (G) (G)		-1,121	-1,042	-51	-18	-6	-0	-3	-2	0	0	-0
UNRESERVED IPBU ACCOUNTS RECEIVABLE TRADE	(I)	(C) + (H)		32,752	21,548	7,228	2,494	862	65	406	235	-52	-58	23
Accounts Receivable Reserve Percentage								5%	10%	15%	50%	100%	100%	100%
								(Q)	(R)	(S)	(T)	(U)	(V)	(W)
General Reserve Calculation		(T)		-251				43	6	61	118	0	0	23
Total Specific Reserve		(H)		-1,121			(T) =	(J) * (Q)	(K) * (R)	(L) * (S)	(M) * (T)	(N) * (U)	(O) * (V)	(P) * (W)
TOTAL CPS REQUIRED RESERVE				-1,372										

Exhibit B

IP CROSS LICENSE AGREEMENT

This IP CROSS LICENSE AGREEMENT (this "Agreement"), dated as of March 30, 2009 (the "**Effective Date**"), is entered into by and between Cobham Defense Electronic Systems Corporation, a Massachusetts corporation ("**CDES**"), Kiwi Stone Acquisition Corp., a Delaware corporation ("**Kiwi Stone**"), Cobham Defense Electronic Systems – M/A-COM Inc., a Delaware corporation ("**CDES M/A-COM**") and M/A-COM Technology Solutions Inc., a Delaware corporation ("**MTS**") (each a "**Party**" and collectively, the "**Parties**").

Terms that are not defined in this Agreement shall have the meaning set forth in the Purchase Agreement (as defined below).

W I T N E S S E T H :

WHEREAS, CDES, Lockman Electronic Holdings Limited and Kiwi Stone entered into a Purchase Agreement dated of even date herewith (the "Purchase Agreement"), whereby Kiwi Stone purchased all of the outstanding Shares of MTS and M/ACOM (Cork) Technology Solutions Limited.

WHEREAS, CDES and CDES M/A-COM have retained ownership of certain Patents, Intellectual Property and Technology used by the MTS Group as of the Closing;

WHEREAS, Kiwi Stone and MTS have obtained ownership of certain Patents, Intellectual Property and Technology used by CDES and its Subsidiaries and Affiliates as of the Closing;

WHEREAS, the Purchase Agreement contemplates that each Party shall enter into this Agreement at Closing for the purpose of granting licenses as further described herein; and

WHEREAS, each Party is willing to grant the licenses contemplated by the Purchase Agreement and this Agreement upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained herein, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions*. Certain terms are defined in context throughout this Agreement. In addition, the following terms, as used herein, have the following meanings:

"CDES Group" means CDES, Cobham Defense Electronic Systems – M/A-COM Inc., Cobham Defense Electronic Systems–M/A-COM SIGINT Products Inc., and Cobham MAL Limited.

"**CDES Patents**" means (A) each Patent listed on Exhibit A hereto, (B) any other Patent purchased by or transferred to CDES or its Affiliates under the Tyco Agreement or which is owned or licensable by the CDES Group, and which is or was practiced by the Business as of or prior to the Effective Date, (C) any other Patent that should have been transferred to CDES in connection with the transactions contemplated by the Tyco Agreement which is or was practiced by the Business as of or prior to the Effective Date, to the extent that such a Patent is transferred or licensed to CDES by Tyco after the date hereof, and (D) any patents referenced in the last sentence of Section 2.01; and (E) any Patent that directly or indirectly claims priority to any such of such Patent or to which any such Patents directly or indirectly claim priority, including all reissues, divisions, renewals, extensions, continuations, and continuations-in-part of any of the foregoing.

"**CDES Product**" means any (A) products manufactured, distributed, sold or developed by or for the CDES Group, or any of their Subsidiaries as of the Effective Date, or (B) services provided by or on behalf of the CDES Group, or any of their Subsidiaries as of the Effective Date or thereafter.

"**Confidential Information**" means all Technology belonging to the CDES Group and all Technology belonging to the MTS Group (and all other trade secrets of the CDES Group and the MTS Group and their respective Affiliates and Subsidiaries that the Receiving Party (defined in Section 4.01 hereof) has in its possession as of the Effective Date that are not licensed hereunder) without the need for any further notice or marking, together with any confidential or proprietary information exchanged between the Parties after the Effective Date (it being understood that if any such confidential or proprietary information exchanged after the Effective Date is disclosed pursuant to a non-disclosure agreement other than this Agreement, then the terms of such non-disclosure agreement and not the terms of this Agreement shall govern the disclosure of such information), excluding any information that: (i) the Receiving Party independently develops without reference to the disclosed information; (ii) the Receiving Party independently receives on a non-confidential basis; (iii) becomes public knowledge through no fault of the Receiving Party or any of its Affiliates; or (iv) is in the public domain at the time the Receiving Party receives the disclosed information.

"Intellectual Property of CDES" means Intellectual Property (as defined in the Purchase Agreement) owned or licensable by the CDES Group relating to the Business (as defined in the Purchase Agreement) as of the Effective Date.

"Intellectual Property of MTS" means Intellectual Property (as defined in the Purchase Agreement) owned or licensable by the MTS Group as of the Effective Date.

"**Licensing Party**" means the Party granting the other Party the applicable license set forth in Article 2.

"**MTS Group**" means Kiwi Stone Acquisition Corp., M/A-COM Technology Solutions Inc., M/A-COM Auto Solutions Inc., Laser Diode Incorporated and M/ACOM Technology Solutions (Cork) Limited.

"**MTS Patents**" means (A) each Patent listed on Exhibit B hereto, (B) any patents referenced in the last sentence of Section 2.02; and (C) any Patent that directly or indirectly claims priority to any such Patent or to which any such Patents directly or indirectly claim priority, including all reissues, divisions, renewals, extensions, continuations, and continuations-in-part of the foregoing.

"**MTS Product**" means any (A) products manufactured, distributed, sold or developed by or for the MTS Group, as of the Effective Date or (B) services provided by or on behalf of the MTS Group as of the Effective Date or thereafter.

"**Patent**" means a United States or foreign patent or application therefor.

"Purchaser Group" means M/A-COM Technology Solutions Inc., M/A-COM Auto Solutions Inc., Laser Diode Incorporated and M/ACOM Technology Solutions (Cork) Limited.

"Seller Group" means Cobham Defense Electronic Systems – M/A-COM Inc., Cobham Defense Electronic Systems–M/A-COM SIGINT Products Inc., and Cobham MAL Limited.

"**Technology**" shall mean rights in and all instantiations and disclosures in any form and embodied in any media, and all documentation related to any of the following: trade secrets and proprietary information including unpatented inventions, mask works, tooling, special test equipment, jigs, technology, drawings, specifications, processes, invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, computer software programs, databases, data collections and other proprietary information or material of any type.

"**Technology of CDES**" shall mean Technology owned by a member of the CDES Group used in the Business (as defined in the Purchase Agreement) as of the Effective Date, including but not limited to the items set forth on Exhibit C-1.

"**Technology of MTS**" shall mean Technology owned by a member of the MTS Group as of the Effective Date, including but not limited to the items set forth on Exhibit C-2.

Section 1.02 *Other Definitional And Interpretative Provisions*. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, and Exhibits are to Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit, but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words

(including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law" or "laws" shall be deemed to include any and all Law.

ARTICLE 2
GRANT OF RIGHTS

Section 2.01 *From CDES and CDES M/A-COM to MTS*. (a) Subject to the terms and conditions of this Agreement, CDES and CDES M/A-COM, as applicable, hereby grant to the MTS Group a perpetual, irrevocable, worldwide, nonexclusive, sub-licensable (subject only to the restrictions set forth below), transferable (subject only to the restrictions set forth below), royalty-free, fully paid-up license under the CDES Patents, the mask works included in the Technology of CDES and the Intellectual Property of CDES, to make, have made, use, sell, offer for sale and import, any MTS Product or any other products of the MTS Group and their Affiliates in the future and to otherwise conduct their business (the "**CDES License**"). For the avoidance of doubt, the Parties acknowledge that any patentable invention included in the Technology of CDES as of the Effective Date (but not thereafter), which becomes the subject of a Patent applied for by a member of the CDES Group after the Effective Date, shall be included in the CDES License as if such Patent constitutes a CDES Patent.

Section 2.02 *From Kiwi Stone and MTS to CDES*. Subject to the terms and conditions of this Agreement, Kiwi Stone and MTS, as applicable, hereby grant to the CDES Group a perpetual, irrevocable, worldwide, nonexclusive, sublicensable (subject only to the restrictions set forth below), transferable (subject only to the restrictions set forth below), royalty-free, fully paid-up license under the MTS Patents, the mask works included in the Technology of MTS and the Intellectual Property of MTS, to make, have made, use, sell, offer for sale and import, reproduce, perform, display or distribute any CDES Product or any other products of the CDES Group and their Affiliates in the future and to otherwise conduct their business (the "**MTS License**"). For the avoidance of doubt, the Parties acknowledge that any patentable invention included in the Technology of MTS as of the Effective Date (but not thereafter), which becomes the subject of a Patent applied for by a member of the MTS Group after the Effective Date, shall be included in the MTS License as if such Patent constitutes an MTS Patent.

Section 2.03 *Sublicense Rights.* Each of, Kiwi Stone, MTS, CDES and CDES M/A-COM (in such capacity a "Sub-Licensor"), may grant sublicenses under the CDES License and the MTS License, respectively, subject solely to the following restrictions:

(a) A sublicense may be granted solely together with and on the same terms as a license under material other Intellectual Property owned by Sub-Licensor; and

(b) Upon written notice by CDES or Kiwi Stone to the other that it, as owner of a patent licensed to Sub-Licensor that it is asserting such patent against a third party, the Sub-Licensor shall not, following the receipt of such notice, sublicense such patent to such third party until such time as the claim is resolved.

Section 2.04 *Use of Certain Intellectual Property*. The Intellectual Property of CDES and the Intellectual Property of MTS contain proprietary designs, manufacturing and engineering drawings, manufacturing and assembly instructions, process control and similar documents (collectively the "Manufacturing Instructions") that are used by the other Party hereto in connection with CDES Products and MTS Products, as the case may be. Each Party shall continue to have access to the other Party's Manufacturing Instructions to the extent such Party used the Manufacturing Instructions at the time of the Closing; provided, however, that within eighteen (18) months of Closing each Party shall create its own Manufacturing Instructions with respect to products or parts used or produced by it and give the products or parts manufactured using such Manufacturing Instructions a new part number. At all times, each Party will have full ability to make any revisions to the Manufacturing Instructions owned by it.

Section 2.05 *Disclaimers; Limitation of Liability*. FOR THE PURPOSES OF THIS AGREEMENT AND WITHOUT LIMITING ANY REPRESENTATIONS OR WARRANTIES MADE UNDER THE PURCHASE AGREEMENT, THE LICENSES GRANTED HEREIN ARE MADE ON AN "AS IS" BASIS, AND THE CDES GROUP AND THE MTS GROUP HEREBY DISCLAIM ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, THOSE REGARDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF NON-INFRINGEMENT. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 2.04 SHALL MODIFY, ALTER, OR LIMIT IN ANY MANNER THE REPRESENTATIONS, WARRANTIES, COVENANTS AND REMEDIES UNDER THE PURCHASE AGREEMENT. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF ANY OTHER PARTY HERETO, ITS SUCCESSORS, ASSIGNS OR ITS RESPECTIVE AFFILIATES, TO THE EXTENT AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

Section 2.06 *No Other Licenses*. Except as expressly provided in this Agreement, no other licenses are granted to either Party under this Agreement. Without limiting the Party's obligations under any other agreement between them, including the Purchase Agreement, and nothing set forth in this Agreement requires one party to transfer to the other any Technology.

Section 2.07 *Retained Rights*. Each party retains the right, including during the Term, to practice and license its respective Intellectual Property and Technology for any uses without restrictions, other than those restrictions set forth in Section 5.19 of the Purchase Agreement and Schedule 5.19 of the Seller Disclosure Letter (including the attachments thereto).

ARTICLE 3
TERM TERMINATION

Section 3.01 *Term*. The license granted under each Patent under this Agreement shall remain in full force and effect until the expiration of the statutory term (including all extensions and renewals) of such Patent. Licenses of Technology shall remain in full force and effect for so long as such know-how and trade secrets remain non-public.

Section 3.02 *Termination*. Any Party (the "Non-Defaulting Party") may terminate this Agreement by providing notice in writing to any other Party (the "Defaulting Party") if the Defaulting Party is in material breach of a material term of this Agreement, and fails to remedy the same within 60 days after receipt of a written notice giving particulars of the material breach to be remedied.

Section 3.03 *Effect of Termination; Survival*. Notwithstanding anything in this Agreement to the contrary, all licenses granted under this Agreement (including under Sections 2.01 and 2.02) and Sections 2.03, 2.05, 3.03 and Article 4 shall survive any expiration or termination of this Agreement.

ARTICLE 4
GENERAL PROVISIONS

Section 4.01 *Confidentiality*. Each Party that receives Confidential Information ("Receiving Party") from the other Party ("Disclosing Party") may use and disclose such Confidential Information of the Disclosing Party in the exercise of the licenses granted to it hereunder or as otherwise permitted in this Agreement. The Receiving Party shall treat and protect the Confidential Information of the Disclosing Party in the same manner as the Receiving Party treats its own like information but with no less than reasonable care. The Receiving Party shall give prompt notice of any legal requirement that it disclose information that it knows to be material Confidential Information of the Disclosing Party, and shall disclose such Disclosing Party's Confidential information only to the extent required by Law. If a Receiving Party knows that material Confidential Information of the Disclosing Party has been misappropriated from the Receiving Party, the Receiving Party will provide the Disclosing Party with prompt notice thereof. The obligations of the parties under this Section 4.01 shall expire on the fifth anniversary of the Effective Date.

Section 4.02 *Cooperation*. In any suit or proceeding by a Party (the "Initiating Party" involving the enforcement or defense of the Patents and Technology of the Initiating Party, , other than a suit or proceeding between the Parties hereunder, the other Party hereto (the "Assisting Party") agrees, at the request and expense of the Initiating Party , to reasonably cooperate and to make available relevant records, papers, information, samples, specimens, and personnel as requested, provided that the Initiating Party reimburses the Assisting Party for any reasonable costs and expenses incurred in providing such assistance.

Section 4.03 *Abandonment of a Patent*. CDES shall give Kiwi Stone forty (40) days' written notice in the event that CDES makes a determination to abandon a CDES Patent which is a part of the CDES License. Kiwi Stone shall give CDES forty (40) days' written notice in the event that Kiwi Stone makes a determination to abandon an MTS Patent which is a part of the MTS License. During the forty (40) day period after notice, the Party which owns the Patent shall continue to take the actions necessary to keep the Patent in effect. In each instance the Party giving notice of such abandonment is the "Abandoning Party." Upon notice from the Abandoning Party that it plans to abandon a Patent which is subject to a license granted hereunder, the other Party (the "Assignee") shall, within thirty (30) days, determine whether it wants such Patent to be assigned to it from the Abandoning Party and shall give the Abandoning Party written notice to this effect. If the Assignee gives written notice to the Abandoning Party to assign the abandoned Patent to the Assignee, then the Abandoning Party shall execute all documents necessary to assign such Patent at the expense of Assignee. If the Assignee does not give written notice within such thirty (30) days to the Abandoning Party to assign the abandoned Patent to the Assignee, then the Abandoning Party shall be entitled to abandon the Patent in question with no liability to the Assignee. Upon assignment of the Abandoned Patent to the Assignee: (i) such Patent shall automatically be included in the Assignee's license to the Abandoning Party pursuant to this Agreement and shall be automatically removed from the Abandoning Party's license to the Assignee hereunder; and (ii) the Attachments to this Agreement shall be updated, as necessary.

Section 4.04 *Prosecution And Maintenance*. Each Party shall, at its own expense, control and be solely responsible for the prosecution and maintenance of its Patents or any of its other Technology licensed hereunder. Nothing in this Agreement implies an obligation on either Party to apply for, prosecute or maintain any Patent or any other Technology.

Section 4.05 *Actions Against Third Parties*. Neither Party shall have any obligation hereunder to institute any action or suit against third parties for infringement of any Patent or any other Technology or to defend any action or suit brought by a third party which challenges or concerns the validity or enforceability of such Patents or Technology. Each Party shall have and retain the exclusive right to institute and prosecute any claim, action or suit against third parties for the infringement of any Patent or any other Technology that such Party owns.

Section 4.06 *Notices*. Except as otherwise expressly provided in this Agreement, any notice or other communication required or permitted under this Agreement shall be in writing and deemed to have been duly given (i) five (5) Business Days following deposit in the mails if sent by registered or certified mail, postage prepaid, (ii) when sent, if sent by facsimile transmission and if receipt thereof is confirmed by machine generated receipt, (iii) when delivered, if delivered personally to the intended recipient and (iv) two (2) Business Days following deposit with a nationally recognized overnight courier service, in each case addressed as follows:

To CDES or CDES M/A-COM:

Cobham Defense Electronic Systems Corporation
58 Main Street, Route 117
Bolton, Massachusetts 01740
Attn:
Facsimile: (978) 779-6963

with a copy to:

Cobham plc
Brook Road
Wimborne
Dorset BH21 2BJ
ENGLAND
Attn: Chief Legal Officer
Facsimile: 011 44 1202 840523

with a copy (which shall not constitute notice) to:

Jaeckle Fleischmann & Mugel, LLP
12 Fountain Plaza
Suite 800 Buffalo, New York 14052
Attn: Joseph P. Kubarek, Esq.
Kristen M. Birmingham, Esq.
Facsimile: (716) 856-0432

To Kiwi Stone or MTS:

Kiwi Stone Acquisition Corp.

c/o M/A-COM Technology Solutions Inc.
100 Chelmsford Street
Lowell, Massachusetts 01854
Attn: Joe Thomas
Facsimile: (978) 442-4431

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304
Facsimile: 650 493-6811
Attn: Selwyn B. Goldberg

or such other address or facsimile number as such Party may hereafter specify for the purpose by notice to the other Parties. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 4.07 *Assignment*. (i) Neither Party may assign this Agreement without the prior written consent of the other Party, which shall not be unreasonably withheld; provided, however, that (a) CDES and/or CDES M/A-COM may assign their rights, in whole or part, to an Affiliate or a Subsidiary without the consent of Kiwi Stone and/or MTS provided, however, that any Affiliate of CDES and/or CDES M/A-COM that is granted such an assignment or who uses the MTS License pursuant to Section 2.02 shall be bound by the non-competition provisions of Section 5.19 of the Purchase Agreement and Schedule 5.19 of the Seller Disclosure Letter (including the attachments thereto), but only so as to limit for the remaining Noncompete Term, if any, such Affiliate's sale of the products of the Seller Group in existence as of the Closing, and expressly not so as to apply to such Affiliate's own pre-existing or later developed or acquired business lines or product lines; (b) Kiwi Stone and/or MTS may assign their rights, in whole or part, to an Affiliate or a Subsidiary without the consent of CDES and/or CDES M/A-COM, provided, however, that any Affiliate of Kiwi Stone and/or MTS that is granted such an assignment or who uses the CDES License pursuant to Section 2.01 shall be bound by the non-competition provisions set forth in Section 5.19 of the Purchase Agreement and Schedule 5.19 of the Seller Disclosure Letter (including the attachments thereto), but only so as to limit for the remaining Noncompete Term, if any, such Affiliate's sale of the products of the Purchaser Group in existence as of the Closing, and expressly not so as to apply to such Affiliate's own pre-existing or later developed or acquired business lines or product lines; (c) Kiwi Stone and/or MTS may assign their rights, in whole or part, to a third party without the consent of CDES and/or CDES M/A-COM in the event that such third party acquires, whether by a stock sale, an asset sale, or a merger or consolidation, Kiwi Stone (or its successor), MTS or a business unit or product line included in the business of the MTS Group (an "MTS Divested Business"); (d) CDES and/or CDES M/A-COM may assign their rights, in whole or part, to a third party without the consent of Kiwi Stone and/or MTS in the event that such third party acquires, whether by a stock sale, an asset sale, or a merger or consolidation, CDES (or a successor), CDES M/A-COM or a business unit or product line included in the business of the CDES Group or its Subsidiaries and Affiliates (a "CDES Divested Business"); and provided, further, that such third party agrees to be bound by the terms and conditions of this Agreement. Notwithstanding the foregoing, neither Party shall be entitled to assign to such third party rights which are broader in scope than those granted to such Party under this Agreement and in each case, the CDES License and the MTS License (as applicable) shall be limited solely to the extent necessary for such third party to conduct the MTS Divested Business or the CDES Divested Business, as applicable. Each Party shall promptly notify the other Party of any assignment made pursuant to this Section 4.07.

(ii) In the event that Kiwi Stone or any member of the MTS Group assigns its rights under this Agreement to an Affiliate pursuant to Section 4.07(b), revenue generated by such Affiliate from products that use the CDES Patents, the Technology of CDES or Intellectual Property of CDES shall

be deemed Business Revenue (as defined in the Purchase Agreement) to the extent earned during the Earnout Period (defined in the Purchase Agreement). All calculations of Business Revenue resulting from products which use CDES Patents, the Technology of CDES or Intellectual Property of CDES shall be in accordance with the provisions set forth in Section 2.3 of the Purchase Agreement.

Section 4.08 *Amendments And Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) Except as otherwise expressly provided for herein, no failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

Section 4.09 *Successors And Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

Section 4.10 *Bankruptcy*. All licenses granted under the Agreement will be deemed licenses of rights to intellectual property for purposes of Section 365(n) of the U.S. Bankruptcy Code and a licensee under the Agreement will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code.

Section 4.11 *Governing Law*. (a) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the conflicts of law principles of such state.

(b) With respect to any suit, action or proceeding relating to this Agreement (each, a "Proceeding"), each party irrevocably (i) agrees and consents to be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in New York City and (ii) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum and further waives the right to object, with respect to such Proceeding, that such court does not have any jurisdiction over such party. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any person other than the respective parties to this Agreement. Each party irrevocably agrees that service of any process, summons, notice or document by United States registered mail to such party's address set forth in Section 4.06 shall be effective service of process for any action, suit or proceeding in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 4.11(b).

(c) EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY

JURY IN RESPECT OF ANY LITIGATION AS BETWEEN THE PARTIES DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR DISPUTES RELATING HERETO. EACH OF THE PARTIES (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.11.

(d) The Parties agree that the prevailing party or parties, as the case may be, in any suit, action or proceeding relating to this Agreement shall be entitled to reimbursement of all costs of litigation, including reasonable attorneys' fees, from the non-prevailing party. For purposes of this Section 4.11(d), each of the "prevailing party" and the "non-prevailing party" in any suit, action or proceeding shall be the party designated as such by the court or other appropriate official presiding over such suit, action or proceeding, such determination to be made as a part of the judgment rendered thereby.

Section 4.12 *Counterparts; Effectiveness; No Third Party Beneficiaries*. This Agreement may be signed by facsimile and in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Party. Until and unless each Party has received a counterpart hereof signed by the other Party, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the Parties and their respective successors and assigns.

Section 4.13 *Entire Agreement*. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof.

Section 4.14 *Severability*. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any term or other provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid, illegal or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity, illegality or unenforceability, nor shall such invalidity, illegality or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 4.15 *Waiver*. No waiver of any provision of this Agreement (or any right or default hereunder shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced, and then shall be effective only for the instance given.

881426.10

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first written above.

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION

By: _____
Name:
Title:

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION – M/A-COM INC.

By: _____
Name:
Title:

KIWI STONE ACQUISITION CORP.

By: _____
Name:
Title:

M/A-COM TECHNOLOGY SOLUTIONS INC.

By: _____
Name:
Title:

Signature Page to IP Cross License Agreement

Exhibit C

SUB-SUBLEASE

THIS SUB-SUBLEASE (the "Sub-Sublease"), dated the 30th day of March, 2009, is made by and between **COBHAM DEFENSE ELECTRONIC SYSTEMS-M/A-COM INC.,** a Delaware corporation ("Sub-Sublandlord"), and **M/A-COM TECHNOLOGY SOLUTIONS INC.**, a Delaware corporation ("Sub-Subtenant").

RECITALS:

A. 1001 Pawtucket L.L.C., as landlord, and M/A-COM, Inc., as tenant, entered into that certain Master Lease dated as of February 1, 1997 with respect to that certain building, land and improvements located at 1001 Pawtucket Boulevard, Lowell, Massachusetts ("Master Lease" and the premises described therein the "Overlease Premises"). A copy of the Master Lease is attached hereto as Exhibit A-1.

B. By Sublease dated September 26, 2008 (the "Prime Sublease"), Sub-Sublandlord, as tenant, Subleased from M/A-COM, Inc. ("Prime Sublandlord," which term shall include the named Prime Sublandlord's successors and assigns as holders from time to time of the estate held by Prime Sublandlord on the date of the Prime Sublease), as landlord, certain premises known as a portion of land known as 1001 Pawtucket Boulevard, Lowell, Massachusetts. A copy of the Prime Sublease is attached hereto as Exhibit A-2.

C. Sub-Subtenant now desires to sublease from Sub-Sublandlord certain square footage which shall be deemed as of the Commencement Date (as defined below) to be 185,000 square feet regardless of any measurement to the contrary, the parties hereto acknowledging that the Sub-Subtenant shall occupy an initial space that is commingled with the premises shown on Exhibit B attached hereto which are the subject of the Prime Sublease (the "Premises") and that following any relocation undertaken pursuant to Section 4, shall be in one or more separately demised spaces in the Premises, excluding certain common areas (the portion of the Premises occupied by Sub-Subtenant prior to the separate demise during such period of occupancy by Sub-Subtenant, and then the portion occupied by Sub-Subtenant following the separate demise during such period of occupancy by Sub-Subtenant collectively referred to herein as the "Sub-Subleased Premises") and Sub-Sublandlord desires to sublet the Sub-Subleased Premises to Sub-Subtenant on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, the parties hereby agree as follows:

1. Demise.

a. Sub-Sublandlord hereby demises and sublets the Sub-Subleased Premises to Sub-Subtenant for the Term (as defined below).

b. Sublandlord shall deliver the Sub-Subleased Premises to Subtenant on the Commencement Date in "AS IS" condition, with the exception of the Demising Work to be completed pursuant to Section 1(c) below.

c. Within sixty (60) days of the Commencement Date, Sub-Sublandlord shall, in accordance with the provisions of the Overlease, the Prime Sublease and all Applicable Laws, use its commercially reasonable best efforts to complete the Phase I Demising Work as hereinafter defined. Each party agrees to use its reasonable best efforts to take, or cause to be taken, all actions necessary, including entering into access agreements, and assisting and cooperating with the other party in separating their respective employees and meeting Department of Defense security control requirements in connection with the completion of the Phase I Demising Work. The cost of the Phase I Demising Work shall be borne by Sub-Sublandlord and Sub-Subtenant equally. Sub-Subtenant shall pay Sub-Sublandlord its share of the cost of the Phase I Demising Work within ten (10) Business Days following Sub-Subtenant's receipt of Sub-Sublandlord's reasonably detailed bill. In addition, Sub-Subtenant shall pay, at its sole cost and expense, for the relocation of Sub-Subtenant's operations to the separately demised portion of the Sub-Subleased Premises affected by the Phase I Demising Work. The Phase I Demising Work shall be based on a plan developed by Sub-Sublandlord in consultation with Sub-Subtenant and agreed to by Sub-Subtenant, such approval not to be unreasonably withheld or delayed. The Phase I Demising Work shall consist of the demising of the chemical dispensing room, stock room and receiving areas located in Level G Area 8 through means of floor to ceiling cage type fencing with appropriate doorways for ingress and egress to common areas.

d. If applicable, Sub-Sublandlord shall, in accordance with the provisions of the Master Lease, the Prime Sublease and all Applicable Laws, use its commercially reasonably best efforts to complete any Phase II Demising Work (as defined in Section 4 below) undertaken and paid for pursuant to Section 4 below. Each party agrees to use its reasonable best efforts to take, or cause to be taken, all actions necessary, including entering into access agreements, and assist and cooperate with the other party in separating their respective employees and meeting Department of Defense security control requirements. In addition, Sub-Subtenant shall pay, at its sole cost and expense, for relocation of Sub-Subtenant's operations to the separately Substituted Sub-Subleased Premises.

2. Incorporation By Reference.

To the extent not inconsistent with the provisions of this Sub-Sublease, the terms, provisions, covenants and conditions of the Prime Sublease are hereby incorporated by reference on the following basis: Sub-Subtenant hereby assumes all of the obligations of Sub-Sublandlord as subtenant under the Prime Sublease with respect to the Premises, accruing or payable during the term, with the following exceptions and modifications:

a. The term "Sublandlord" in the Prime Sublease shall refer to Sub-Sublandlord hereunder, its successors and assigns; and the term "Subtenant" therein shall refer to Sub-Subtenant hereunder, its successors and assigns.

b. The following terms defined in section 1.01 of the Sublease are modified to have the following meanings:

(i) Demising Work: Described on attached Exhibit C.

(ii) Fixed Rent: $4.50 per square foot per annum during the Term which shall be $69,375 per month commencing on the Commencement Date, subject to (y) reduction or increase in accordance with any square footage reduction or increase of the Sub-Subleased Premises pursuant to Section 4 below and (z) any increase in the Fixed Rent per square foot rate in accordance with Section 4 below if the Phase II Demising Work is completed.

(iii) Sublease Premises: The Sub-Subleased Premises hereunder together with non-exclusive easements for ingress and egress to the Sub-Subleased Premises, the use of utility, telephone and data lines running through the Overlease Premises to provide service to the Sub-Subleased Premises and the non-exclusive right to use common area improvements on the Overlease Premises together with a non-exclusive easement for ingress and egress to the Sub-Subleased Premises over the remainder of the Premises as defined in the Prime Sublease which are not included within the Sub-Subleased Premises described on Exhibit B.

(iv) Sub-Subleased Premises: 185,000 rentable square feet subject to reduction or increase as provided in Section 4 below. This area is agreed upon by Sub-Sublandlord and Sub-Subtenant and shall be used for purposes of this Sublease regardless of the actual area of the Sub-Subleased Premises. Sub-Sublandlord shall not be deemed to have represented the accuracy of the Sub-Subleased Premises rentable area.

(v) Where the Prime Sublease refers to the “Subtenant’s Proportionate Share”, as incorporated herein such percentage shall be deemed to be 22.26% with reference to matters relating to the Overlease Premises as a whole and 41.31% with reference to matters relating to its share of the Premises and shall be referred to herein as “Sub-Subtenant’s Proportionate Share”, subject to proportionate reduction consistent with any reduction in the square footage in the Sub-Subleased Premises as provided in Section 4 below.

(vi) Sub-Subtenant shall be entitled to Sub-Subtenant’s Proportionate Share of Sub-Sublandlord’s parking rights.

c. In connection with section 2.02:

(i) Section 2.02(a) is modified to provide that the term of this Sublease will commence on the date hereof (the “Commencement Date”) and expire on September 29, 2009, unless this Sub-Sublease is sooner terminated in accordance with the terms hereof or the Prime Sublease is sooner terminated in accordance with its terms, and subject to extension as provided in Section 2.c(ii) below.

(ii) Section 2.02(b) is modified to provide that, unless this Sub-Sublease is sooner terminated in accordance with the terms hereof or the Prime Sublease is sooner terminated in accordance with its terms, the Sub-Subtenant shall have the right to extend this Sub-Sublease two (2) times for an additional year by notifying the Sub-Sublandlord of its intent to renew four (4) months prior to the expiration of the then current term.

Sub-Sublandlord shall endeavor to negotiate an extension of the term of its rights to occupy the Premises by either a direct lease with the Overlandlord or an amendment of the Prime Sublease with the Prime Sublandlord upon terms and conditions acceptable in the sole discretion of the Sub-Sublandlord (the "Prime Lease Extension"). In the event that the Sub-Sublandlord is successful in obtaining the Prime Lease Extension, the Sub-Subtenant shall have the right to extend this Sub-Sublease two (2) additional times for an additional year each by notifying the Sub-Sublandlord of its intent to renew four (4) months prior to the expiration of the then current term (jointly and severally a "Further Extension") provided that the Rent rate for each year on a per square foot basis shall be equal to the Rent rate per square foot charged to Sub-Sublandlord under the applicable terms of the Prime Lease Extension.

d. Section 3.03 is modified to provide that Sub-Subtenant shall pay to Sub-Sublandlord Sub-Subtenant's Proportionate Share of Expenses charged by Overlandlord to Sub-Sublandlord and Sub-Subtenant's Proportionate Share of any Expenses incurred separate from the Overlandlord by Sub-Sublandlord for the Sub-Subleased Premises, provided, however, that (i) in no event shall Sub-Subtenant be required to pay any such Expenses that relate to a period of time before or after the Term of this Sublease, (ii) in no event shall Sub-Subtenant pay for any such Expenses to the extent covered by the Transition Services Agreement entered into on the date hereof by Sub-Sublandlord and Sub-Subtenant, and (iii) notwithstanding the provisions of the Sublease and the foregoing provisions of this paragraph, with regard to the portion of the Expenses which relate to charges for gas, electric and other energy costs ("Energy Expenses"), such Energy Expenses shall (y) to the extent that such Energy Expenses are separately metered for the Sub-Subleased Premises, be paid directly by Sub-Subtenant and (z) to the extent that such Energy Expenses are not separately metered be borne by Sub-Sublandlord and Sub-Subtenant equally. Sub-Subtenant shall pay Sub-Sublandlord its share of such non-separately metered Energy Expenses within ten (10) Business Days following Sub-Subtenant's receipt of Sub-Sublandlord's reasonably detailed bill.

e. The first sentence of Section 7.10 of the Sublease is modified to add the phrase "or the Transition Services Agreement between Sub-Sublandlord and Sub-Subtenant".

f. In addition to the provisions of Section 8.01 of the Sublease, Sub-Subtenant acknowledges and agrees that Sub-Subtenant shall have the sole obligation to repair and maintain certain nitrogen, ammonia and helium chemical tanks that are located at the Premises and are used solely for Sub-Subtenant's operations.

g. Notwithstanding the provisions of section 2(a) of this Sub-Sublease, in connection with section 8.02(a) of the Sublease, all references therein to Sublandlord shall mean the Prime Sublandlord. Sub-Sublandlord shall have no liability to Subtenant under said section 8.02 other than to notify Prime Sublandlord of any repairs and maintenance which Subtenant requests to be performed.

h. Section 16.01 is modified to provide in subparagraph (a) that any notice to Sub-Sublandlord shall be delivered to:

David Fuller
Finance Director
Cobham Defense Electronic Systems Division
58 Main Street
Route 117
Bolton, Massachusetts 01740

With a copy to:

Jaeckle Fleischmann & Mugel, LLP
12 Twelve Fountain Plaza
Suite 800
Buffalo, New York 14202
Attention: Joseph P. Kubarek, Esq.
Kristen M. Birmingham, Esq.

i. Section 16.01 is modified to provide in subparagraph (b) that any notice to Sub-Subtenant shall be delivered to:

Kiwi Stone Acquisition Corp.
c/o GaAs Labs, LLC
28013 Arastradero Road
Los Altos Hills, California 94022
Attention: John Ocampo

With a copy to:

Wilson Sonsini Goodrich & Rosati,
Professional Corporation
630 Page Mill Road
Palo Alto, California 94304
Attn.: Steven V. Bernard, Esq.
Lawrence M. Chu, Esq.
Marc E. Gottschalk, Esq.

j. At the expiration or earlier termination of this Sub-Sublease, Sub-Subtenant shall return the Sub-Subleased Premises to Sub-Sublandlord in the same condition as received (either at the Commencement Date with respect to the initial configuration of the Sub-Subleased Premises, or upon the date of relocation pursuant to Section 4 for the portions of the Sub-Subleased Premises that are relocated within the Premises during the Term), subject to the removal of Sub-Subtenant's trade fixtures, equipment and personal property which shall be solely governed by the next succeeding sentence. At the end of the Term, Sub-Subtenant shall remove all trade fixtures, equipment and personal property from slab to roof line and any alterations, additions or improvements made to the Sub-Subleased Premises (excluding in all cases the Phase I Demising Work or Phase II Demising Work) that are required to be removed by Sub-Sublandlord, clean the floor area, disconnect and cap off all utility lines and process piping and seal off any roof penetrations relating to any ducting or piping to prevent leakage.

k. Sub-Subtenant shall not take any action, or fail to take any action, in connection with the Premises, as a result of which Sub-Sublandlord would be in violation of any of the provisions of the Prime Sublease.

l. Notwithstanding the foregoing, or anything to the contrary contained herein, the following provisions of the Prime Sublease shall not be incorporated by reference: Section 1.01(c), (d), (h), (i), (j), Sections 2.01, 5.02, 7.02, the second sentence of Section 7.07(b), the provisions of Section 7.08 other than the first sentence, Section 17.01(a), Exhibit A and Exhibit B.

3. Security Deposit. [Intentionally Omitted]

4. Relocation of Premises.

The Overlease Premises is in the process of being converted from a single user facility to a multi-tenant/multi-use facility. In connection with the transition, it is the Sub-Sublandlord's intention, in conjunction with the Overlandlord and/or Prime Sublandlord, to reconfigure the Building, including the Premises from time to time in order to improve the efficient use and redevelopment of the Building and to separately demise the Sub-Subleased Premises from the Premises. In this regard, Sub-Sublandlord, in its sole discretion, shall have the right from time to time to change the location of the Sub-Subleased Premises, with the exception of the portion of the Sub-Subleased Premises in which the Tech Ceram/Diode Areas, as defined below, is located to other space (the "Substituted Sub-Subleased Premises") in the Building, subject to the terms and conditions set forth below:

(i) Sub-Sublandlord and Sub-Subtenant agree and acknowledge that no relocation and Phase II Demising Work, as hereinafter defined, shall occur for a period of two (2) months following the Commencement Date, other than Phase I Demising Work (the "Planning Stage") but that the parties hereto shall consult on an ongoing basis in good faith with respect to all Phase I Demising Work or Phase II Demising Work and the planned relocation. At the end of the Planning Stage and if Sub-Subtenant has made a Ratification Election, as hereinafter defined, the amount of square footage required by Sub-Subtenant post completion of the Phase II Demising Work and relocation, taking into account operations Sub-Subtenant may relocate to other locations or otherwise remove (the "Removal"), shall be determined by Sub-Subtenant and may result in a reduction to the square footage of the Sub-Subleased Premises for the purposes of this Sub-Sublease upon completion by Sub-Subtenant of such Removal, provided that the size of the Sub-Subleased Premises shall not be less than 100,000 square feet.

(ii) Within sixty (60) days of the Commencement Date, Sub-Subtenant shall notify Sub-Sublandlord in writing of its intention to either (a) terminate this Sub-Sublease effective within six (6) months of the date of delivery of the notice of election to terminate (a "Termination Election" and the end of such six month period the "Election Termination Date") or (b) ratify the Sub-Sublease and continue to be bound by its terms (a "Ratification Election"). In the event of a Termination Election by Sub-Subtenant, Sub-

Subtenant shall vacate all of the Sub-Subleased Premises with the exception of (i) the Tech Ceram manufacturing line area consisting of approximately 37,800 square feet of space located in Level 2 Area 8 of the building and the Diode manufacturing line consisting of about 37,800 square feet of space located on Level G Area 7 of the Building (collectively the "Tech Ceram/Diode Areas). Sub-Subtenant may continue to lease the Tech Ceram/Diode Areas for the remainder of the Term of this Sub-Sublease and otherwise upon the same terms as contained in this Sub-Sublease except that the rate of Fixed Rate for the Tech Ceram/Diode Areas shall be calculated at the rate of $6.50 per square foot commencing on the Election Termination Date. Sub-Sublandlord shall be permitted to demise the Tech Ceram/Diode Areas by constructing demising walls to separate the Tech Ceram/Diode Areas from adjacent common areas and with appropriate means of ingress and egress. The cost of such demising shall be shared equally by the Sub-Sublandlord and Sub-Subtenant.

(iii) If Sub-Subtenant makes a Ratification Election then, in such event the demising work mutually agreed upon by the parties for the relocation of their respective office, administrative and manufacturing facilities within the Premises (the "Phase II Demising Work") shall be completed as follows:

(a) The Sub-Subleased Premises shall be relocated by Sub-Sublandlord to the Substituted Sub-Subleased Premises. The cost of the Phase II Demising Work applicable to the Substituted Sub-Subleased Premises shall be paid by Sub-Subtenant within ten (10) Business Days following Sub-Subtenant's receipt of Sub-Sublandlord's reasonably detailed bill; provided, however, that (a) the cost of any demising walls between the Substituted Sub-Subleased Premises and the Sub-Sublandlord's operational areas (excluding walls that adjoin common areas) shall be paid equally by each party and (b) if Sub-Sublandlord obtains an allowance for the Phase II Demising Work under the terms of the Prime Lease Extension, which allowance is reflected in the Rent, the cost of the Phase II Demising Work for the Substituted Sub-Subleased Premises shall be reduced by the amount of the applicable allowance which shall then be amortized over a term of four (4) years, provided further, that if Sub-Subtenant does not exercise either of the Further Extension options or the Sub-Sublease is otherwise terminated, Sub-Subtenant shall pay the unamortized and unpaid portion of the Phase II Demising Work applicable to the Substituted Subleased Premises in a lump sum on the date of termination of this Sub-Sublease. In addition, Sub-Subtenant shall pay at its sole cost and expense for relocation of Sub-Subtenant's Office Space operations to the Substituted Subleased Premises.

(iv) The floor plan for the Substituted Sub-Subleased Premises shall to be laid out in a reasonably efficient manner and shall be of materially equivalent operational functionality as the Sub-Subleased Premises as existing on the Commencement Date. For the purposes of payment of any Rent hereunder, in no event shall the square footage of the Sub-Subleased Premises be increased beyond 185,000 square feet, provided that in the event such square footage is decreased below 185,000 square feet, Sub-Sublandlord shall agree to proportional reductions in Rent and other related material matters or Expenses, other than Energy Expenses, under this Sub-Sublease.

(v) With the exception of the Phase I Demising Work, Sub-Sublandlord shall give Sub-Subtenant not less than thirty (30) days prior notice of Sub-Sublandlord's decision to relocate Sub-Subtenant and Sub-Subtenant agrees that within (y) such thirty (30) day period or (z) such other time period as mutually agreed by the parties, Sub-Subtenant shall relocate to the Substituted Sub-Subleased Premises.

(vi) Sub-Subtenant shall bear and pay the cost and expense of any relocation (including without limitation, moving expenses, cost of space planning and design, costs associated with installation of telephone system, computers and other equipment, and Sub-Subtenant's personnel costs associated with the relocation), provided further that Sub-Subtenant shall not be entitled to any compensation for damages for any interference with or interruption of its business during or resulting from such relocation, provided that Sub-Sublandlord has made reasonable efforts to minimize such interference. Sub-Subtenant shall cooperate with Sub-Sublandlord to facilitate the prompt completion by Sub-Sublandlord and Sub-Subtenant of their respective obligations under this section. Without limiting the generality of the foregoing, Sub-Subtenant agrees to provide promptly to Sub-Sublandlord such approvals, instructions, plans, specifications and other information as may be reasonably requested by Sub-Sublandlord. In connection with any relocation, Sub-Subtenant shall at its cost and expense furnish and install in (or if practicable, relocate to) the Substituted Sub-Subleased Premises all wall partitions, floor coverings, if any, trade fixtures, equipment, furniture, furnishings and other personal property belonging to Sub-Subtenant or its invitees.

(vii) Any payments of new Fixed Rent and additional rent amounts resulting from the difference in the size of the Substituted Sub-Subleased Premises shall commence ten (10) days after Sub-Subtenant has completed its physical relocation to the Substituted Sub-Subleased Premises, taking into account any adjustment in Rent resulting from the Prime Lease Extension.

(viii) Sub-Sublandlord and Sub-Subtenant shall promptly execute an amendment to this Sub-Sublease reciting the relocation of the Sub-Subleased Premises and any changes to the Fixed Rent or Sub-Subtenant's Proportionate Share resulting therefrom.

(ix) Sub-Subtenant shall not negotiate for nor enter into any agreement for use of additional space in the Building directly with Overlandlord and/or Prime Sublandlord without the prior written consent of Sub-Sublandlord. In addition, Sub-Sublandlord will cooperate with Sub-Subtenant in good faith in connection with negotiations (y) with the Overlandlord or Prime Landlord to amend the terms of the Overlease and/or Prime Lease or enter into a direct lease with the Overlandlord for space in the Building which may not be subject to the Overlease or Prime Sublease, and (z) amend this Sub-Sublease to incorporate any corresponding change in the rate of Rent or additional rent resulting from such amendment or direct lease to the extent applicable to the Sub-Subleased Premises.

5. Signs.

Sub-Subtenant shall have the right, at Sub-Subtenant's sole cost, to place such neat, professionally prepared signs at the main entrance to the Premises and/or in the parking

area of the Premises as shall adequately advertise Sub-Subtenant's occupancy of the Sub-Subleased Premises, provided, however, that (a) any such signs shall comply with any and all laws and ordinances applicable thereto, and any applicable provisions of the Master Lease and Prime Sublease and (b) the specifications and location of any sign shall be subject to the prior written consent of Sub-Sublandlord, which consent shall not be unreasonable withheld or delayed.

6. Broker.

a. Sub-Subtenant and Sub-Sublandlord each hereby represents and warrants to the other that it dealt with no broker in connection with this Sub-Sublease, and each hereby agrees to defend, indemnify and hold the other harmless from any liability or loss, including reasonable attorneys' fees, to any broker or salesman claiming a commission as a result of having interested Sub-Subtenant in the Sub-Subleased Premises. This Section shall survive and extend beyond the termination of this Sub-Sublease.

7. Rights of Lessor; No Sublet or Assignment.

a. Sub-Subtenant acknowledges any rights specifically reserved by Overlandlord under the Overlease or Prime Sublandlord under the Prime Sublease, and Sub-Subtenant further acknowledges that its possession and use of the Premises shall at all times be subject to such rights.

b. Sub-Subtenant will have no right to sublet all or any part of the Premises or to assign this Sub-Sublease without the prior consent of Sub-Sublandlord and Prime Sublandlord, which consent may be withheld as provided in the Prime Sublease. In the event of an unauthorized assignment or sublet, Sub-Sublandlord may terminate this Sub-Sublease and obtain all remedies, including reasonable attorneys fees.

8. Remedies.

A violation or breach by Sub-Subtenant of any of its covenants under this Sub-Sublease or the taking of any action by Sub-Subtenant or the failure to act by Sub-Subtenant, which would be a default under the Prime Sublease if taken by Sub-Sublandlord, or if occurring or failing to occur in regard to Sub-Sublandlord, shall entitle Sub-Sublandlord to take all action with regard to Sub-Subtenant under this Sub-Sublease which Prime Sublandlord is permitted to take against Sub-Sublandlord under the terms of the Prime Sublease.

9. Conditions Precedent.

This Sub-Sublease is expressly conditioned upon receipt by the Sub-Sublandlord of the consent of the Prime Sublandlord in writing.

10. Miscellaneous.

a. Each provision of this Sub-Sublease shall extend to and shall bind and inure to the benefit of Sub-Sublandlord and Sub-Subtenant and their respective heirs, or permitted successors and assigns.

b. In the event that any provision of this Sub-Sublease is deemed to be invalid or unenforceable for any reason, this Sub-Sublease shall be construed as not containing such provision, and the invalidity or unenforceability thereof shall not render any other provision of this Sub-Sublease invalid or unenforceable.

c. Sub-Sublandlord agrees to use commercially reasonable efforts to keep the Prime Sublease in full force and effect until the end of the term of such Prime Sublease, including any extensions provided for in Section 2.02(b) thereof.

d. In the event of any conflict between the terms, conditions, obligations and indemnities of this Sub-Sublease and that certain Purchase Agreement by and among Cobham Defense Electronic Systems Corporation, Lockman Electronic Holdings Limited and Kiwi Stone Acquisition Corp. dated as of March 30, 2009 ("Purchase Agreement"), the terms of the Purchase Agreement shall prevail.

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IN WITNESS WHEREOF, the parties have executed this Sub-Sublease as of the date first above written.

Sub-Sublandlord: **COBHAM DEFENSE ELECTRONIC SYSTEMS – M/A-COM INC.**

By: _____

Name: _____

Title: _____

Sub-Subtenant: **M/A-COM TECHNOLOGY SOLUTIONS INC.**

By: _____

Name: _____

Title: _____

PRIME LANDLORD CONSENT

Prime Sublandlord hereby consents to this Sub-Sublease:

Prime Sublandlord: M/A-COM, INC.

By: _____

Name: _____

Title: _____

Exhibit D

MUTUAL FOUNDRY, SUPPLY, PURCHASING AND SERVICES AGREEMENT

THIS MUTUAL FOUNDRY, SUPPLY, PURCHASING AND SERVICES AGREEMENT (this "Agreement") is made and entered into as of March 30, 2009 ("Effective Date") by and between Cobham Defense Electronic Systems-M/A-COM Inc., a Delaware corporation, with an address at 1001 Pawtucket Boulevard, Lowell, MA 01854 ("CDES"), and M/A-COM Technology Solutions Inc., a Delaware corporation, with an address at 100 Chelmsford Street, Lowell, MA 01851 ("MTS"). For purposes of this Agreement, CDES and MTS are hereinafter known as either "Seller" or "Purchaser" dependent on whether CDES or MTS is the purchaser of a Product(s) or Services (as defined in Section 7.1 hereof) under the terms of this Agreement or is the seller of a Product(s) or Services under the terms of this Agreement. Terms that are not defined in this Agreement shall have the meaning set forth in the Purchase Agreement (as defined below).

BACKGROUND

A. Cobham Defense Electronic Systems Corporation, Lockman Electronic Holdings Limited and Kiwi Stone Acquisition Corp. ("Kiwi Stone") entered into a Purchase Agreement dated of even date herewith (the "Purchase Agreement"), whereby Kiwi Stone purchased all of the outstanding Shares of (i) MTS and (ii) M/ACOM Technology Solutions (Cork) Limited.

B. The Purchase Agreement contemplates that CDES and MTS shall enter into this Agreement at Closing.

For and in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1.0 TERM AND SCOPE

1.1 Term. Unless otherwise terminated in accordance with provisions herein, this Agreement will become effective as of the date set forth above and remain in effect for three (3) years (the "Term"). The parties may extend the Term of this Agreement by mutual written agreement only.

1.2 Scope. This Agreement shall govern (i) each sale of the products and/or services listed on Attachment A-1 (CDES Foundry Products), Attachment A-2 (CDES Non-Foundry Products) and Attachment A-3 (CDES Services), as amended by mutual written agreement of the parties from time to time ("CDES Product(s)") by CDES to MTS during the Term and (ii) each sale of the products and services listed on attached Attachment B-1 (MTS Foundry Products), Attachment B-2 (MTS Non-Foundry Products) and Attachment B-3 (MTS Services), as amended by mutual written agreement of the parties from time to time ("MTS Product(s)") by MTS to CDES during the Term. CDES Products and MTS Products shall be referred to as "Products" throughout this Agreement, and shall imply CDES Products and/or MTS Products, as the context requires. In

the event that a party hereto discovers that a product or service, which has been historically provided by Seller to Purchaser prior to the Closing, has been omitted from Attachment A-1, A-2, A-3, B-l, B-2 or B-3, such product or service shall be added to the applicable Attachment hereto and shall be deemed a "Product" to be sold at a price derived from the formula set forth on the relevant Attachment hereto. Each of the CDES subsidiaries and affiliates listed on Attachment C hereto and their successors and assigns ("CDES Subsidiaries") and each of the MTS subsidiaries and affiliates listed on Attachment C hereto and their successors and assigns ("MTS Subsidiaries"), shall be entitled to purchase Products from CDES or MTS, as applicable, for their own account on the same terms and conditions as are applicable to CDES or MTS, as applicable.

2.0 PURCHASE AND SALE OF PRODUCTS; INSPECTION AND ACCEPTANCE

2.1 Forecasts and Ordering Procedure. Purchaser will provide Seller with a rolling twenty-six (26) week forecasted estimate of its order requirements for Products ("Forecast") on a monthly basis. A Forecast will not create any binding obligation on Purchaser. Seller shall take the Forecast into account for its capacity planning. Seller shall not be obligated to accept any order in excess of Forecast requirements as adjusted pursuant to the following chart (the "Permitted Forecast Change").

Forecast change by comparison to the previous Forecast	Requested delivery in excess of Standard Lead Time:
Up to 25 % increase	More than 3 weeks but less than 6 weeks
Up to 50 % increase	More than 6 weeks but less than 8 weeks
Up to 75 % increase	More than 8 weeks but less than 14 weeks
Up to 100 % increase	More than 14 weeks

Binding purchase orders will be placed separately by Purchaser ("Order" or "Orders"). Seller's Standard Lead Times as defined in Attachment A-1 for CDES and Attachment B-1 for MTS, as applicable, shall apply in determining the minimum time required between placement of an Order and the delivery dates requested in the Order, if not expressly agreed otherwise between the parties in a particular case. Seller shall accept any Order which: (i) is in compliance with the projected requirement for Products as set out in the latest Forecast, together with the Permitted Forecast Change; (ii) is placed in compliance with the minimum required Standard Lead Time for deliveries; and (iii) is otherwise in compliance with this Agreement.

Seller shall acknowledge Orders within five (5) working days of their receipt. If after ten (10) working days no formal acknowledgement has been received from Seller, then the Order will be deemed to be accepted by Seller unless Seller has otherwise provided written reasons for rejection of such Order. If the acknowledgement differs from the Order for reasons other than non-compliance with the terms of this Agreement, it shall only be binding on Purchaser upon Purchaser's written consent thereto. An Order may be rejected by Seller only if such Order does not comply with the terms and conditions of this Agreement or proposes new, different, or additional terms that are not acceptable to Seller.

2.2 No Exclusivity. This Agreement is neither a requirements nor an output contract. Except as set forth in Section 10.2 and Section 15 below, this Agreement shall not impose any obligation or exclusivity on either party hereto, and each party shall be free to purchase and sell goods and services similar or identical to the Products and Services from and to third parties, at its sole discretion. The parties hereto acknowledge that they are subject to the non-compete provisions of the Stock Purchase Agreement set forth in the Purchase Agreement, a copy of which provisions are attached hereto as Attachment F.

2.3 Orders in Excess of Forecast. The issuance of any Order by Purchaser for a quantity of Products which places the total of Products ordered in excess of a Forecast as adjusted by the Permitted Forecast Change, will be deemed a request for additional quantities subject to Seller's approval. In the event that Seller is unable to reasonably support Purchaser's request for such additional quantities, the parties will discuss alternative solutions that will enable Purchaser to satisfy its customer's requirements.

2.4 Orders. Purchaser shall purchase only those Products set forth on Orders duly issued by an authorized representative of Purchaser. Each Order shall, at a minimum, specify the following information for each Product listed thereon: (i) the applicable part number and Product name; (ii) the quantity ordered; (iii) the total Purchase Price, as defined in Section 3.1 below; (iv) shipping instructions; (v) delivery destination (the "Delivery Destination"); and (vi) the required delivery date for the Product at the Delivery Destination (the "Delivery Date"). Orders shall be submitted to Seller in writing and may be sent electronically, by facsimile, or by mail.

2.5 Mutual Agreement to other Terms. The terms and conditions set forth in this Agreement shall be the sole terms and conditions with respect to the transactions contemplated by this Agreement and any Orders pursuant hereto. No terms and conditions on any Order or Orders, sales acknowledgement or other documents shall be binding or effective unless the parties mutually agree in writing to such terms and conditions, provided; however, that such written agreement of the parties shall not be based on the signatures of the parties on an Order or sales acknowledgement and such written agreement must be set forth on a separate document.

2.6 Change in Delivery Terms. Except as expressly provided in Section 9.0, changes to the delivery schedule shall only be upon mutual written agreement. If any such changes cause an increase or decrease in the cost or the time required for performance of an Order, Seller shall notify Purchaser in writing (stating the cost and/or delivery impact of the change) within thirty (30) days after receipt of such notice. An equitable adjustment shall be made to the price and/or delivery, and the Order shall be modified in writing accordingly. Seller is not required to ship any Product(s) that is/are the subject matter of any change until a written change order is received from Purchaser.

2.7 Order Cancellation for Convenience. Purchaser may at any time terminate any or all Orders, or any portion thereof for its convenience, upon prior written notice to Seller. Upon receipt of such notice, Seller shall immediately stop work as specified in the notice to Seller. Unless otherwise specified in this Agreement, Purchaser's liability to Seller with respect to such terminated Order or Orders for Products as defined in Attachment A-1 and A-2 or Attachment B-1

and B-2, as applicable (which are not otherwise usable in Seller's other operations or salable to Seller's other customers) shall be limited as follows:

2.7.1 For Foundry Products (Attachment A-1 and Attachment B-1)

Either:

(a) If less than 50% of the Standard Lead Time is remaining between the date of Order placement and the earliest requested delivery date, a cancellation charge of 100% of the Purchase Price of the cancelled portion of the Order shall apply, or

(b) If more than 50% of the Standard Lead Time is remaining between the date of Order placement and the earliest requested delivery date, a cancellation charge of 50% of the Purchase Price of the cancelled portion of this Order shall apply;

and in addition to (a) or (b);

(c) The direct cost of any parts and materials that the parties mutually agreed at the time an order was placed were necessary to protect delivery schedules or support the Order price or volume pricing plus a material handling charge equal to 5% of the direct cost of those parts and materials.

Purchaser shall have no liability to Seller with respect to such terminated Order or Orders for quantities scheduled to be shipped outside of the Standard Lead Time.

2.7.2 For Non-Foundry Products (Attachment A-2 and Attachment B-2)

Once 50% of the Standard Lead Time has expired from the date of the Order placement, a 15% restocking charge shall apply to the cancelled portion of the Order. No other cancellation charges shall apply to any other portion of the Order.

2.7.3 For Services (Attachment A-3 and Attachment B-3)

No cancellation charges will apply.

2.8 Inspection and Acceptance. Purchaser shall have the right to inspect the Products and to reject any or all of said Products in accordance with Section 6.0, Product Warranty. In the event Purchaser's final inspection and acceptance does not occur at the time of delivery, such final inspection and acceptance shall be conclusively presumed sixty (60) days after the date of delivery unless Purchaser has notified Seller in writing as to the reasons for rejection.

3.0 PURCHASE PRICES; TAXES AND FEES

3.1 Amount. During the Term, Seller shall sell the Products and Services to Purchaser at the Purchase Prices set forth in the appropriate section of Attachment A-1, Attachment A-2, Attachment A-3 or Attachment B-1, Attachment B-2 or Attachment B-3, as applicable (as such prices may be adjusted hereunder, "Purchase Price" or "Purchase Price(s)"). All

Purchase Prices set forth in the above referenced Attachments are firm and fixed for the term of this Agreement; provided, however, that with respect to Foundry Products where the Purchase Price is a "per-wafer" price, the parties may, upon mutual agreement, adjust such prices to be the equivalent "per-good die" price.

3.2 All-Inclusive. The Purchase Price for each Product shall be all-inclusive and represents the sole and exclusive consideration to Seller hereunder for the Products or otherwise, except for (i) any freight and insurance costs for which Purchaser is responsible under Section 5.2 (collectively, "Freight Charges"), and (ii) certain taxes assessed on the Purchase Prices for which Purchaser is responsible under Section 3.3 and Section 3.6.

3.3 Taxes and Duties. Any tax, duty, custom, or other fee of any nature imposed upon Orders by any federal, state or local government authority shall be paid by Purchaser, in addition to the price quoted or invoiced. In the event that Seller is required to prepay any such tax, duty, custom or other fee, Purchaser will reimburse Seller therefore upon receipt of evidence of payment therefor by Seller.

3.4 Payment in U.S. Dollars. Unless specifically otherwise agreed in writing by Purchaser and Seller, all payments are to be made in United States Dollars (USD$). If made by check, the check must be drawn on a U.S. bank. All banking charges, if any, are to be pre-paid by Purchaser.

3.5 Resale Exemption Certificates. Purchaser agrees to furnish Seller with an exempt purchase or resale certificate or, in the absence of same, assume all liabilities for all foreign, Federal, state and local taxes and duties, other than taxes based upon Seller's net income.

3.6 Foreign Taxes and Fees. Except as expressly agreed to in writing by Seller, any and all customs, duties, taxes or other fees in any form which may be charged or assessed with respect to the importation into any foreign country of any Product, documentation or information furnished or sold shall be for the account of and paid for by Purchaser. In the event that Seller is required to prepay any such custom, duty, tax or other such fees, Purchaser will reimburse Seller therefore upon receipt of evidence of payment by Seller.

3.7 Qualification Tests. Unless specifically noted on Attachment A-1, Attachment A-2, Attachment B-1 or Attachment B-2, as applicable, and expressly agreed in writing by the parties, qualification tests and any test data are not included in the Purchase Price. Qualification tests may be performed by Seller and test data supplied at the specific request and expense of Purchaser at the rates specified in Attachment A-3 or Attachment B-3, as applicable.

4.0 MODIFICATION OF PRODUCTS AND MANUFACTURING PROCESSES

4.1 Product Modifications by Seller. After the Effective Date, Seller shall not modify any of the Products in a manner that affects class 1 changes in form, fit or function, without Purchaser's prior written consent. If Purchaser does consent to a modification of a Product after the Effective Date, Seller will assure that such Product as modified ("Modified Product") is "compatible" (as defined below) in such modified form with all hardware and software utilized by

Purchaser in conjunction with such Modified Product (including monitoring software) prior to the modification thereof (collectively, ("Existing Systems"). For the purposes of this Agreement, a Product shall be "compatible" if it will continue to perform all significant functions when used in conjunction with Existing Systems, without any modification to such Existing Systems.

4.2 Product Modifications Initiated by Purchaser. With respect to any Product at any time, Purchaser may request a change in the specifications for such Product. If Purchaser does request a change in specifications, Seller shall as promptly as practicable evaluate such change and provide Purchaser with a good faith estimate of the incremental increase or decrease to the Purchase Price of the Product that would result from such change. At the same time, Seller shall also provide a good faith estimate of any material non-recurring engineering costs that would be incurred by Seller in connection with such change. Upon receipt of Seller's good faith estimates, Purchaser may elect to have Seller incorporate such specification change into the applicable Product.

4.3 Manufacturing Process Modifications. After the Effective Date, Seller shall not modify any manufacturing process used to manufacture a Product without Purchaser's prior written consent, which shall not be unreasonably withheld or delayed.

5.0 SHIPMENT AND DELIVERY

5.1 Packing. All Products shall be prepared, marked (bar coded), and packed for shipment in accordance with standard commercial packing, unless otherwise specified by Purchaser, on a case by case basis on a specific order and agreed to by Seller in writing.

5.2 Shipping Terms; Freight Charges. Seller shall ship all Products to Purchaser in new and unused condition. Seller shall fill each Order in accordance with its terms and the provisions hereof. The carrier and mode of shipment for each Product will be included in the shipping instructions on the applicable Order. All Products shall be shipped to Purchaser F.O.B. Origin, Seller's factory, with all freight and insurance costs ("Freight Charges") paid by Purchaser; provided, however that all Freight Charges shall be billed to Purchaser at Seller's actual cost, without mark-up, and shall be separately itemized on each invoice. Seller agrees to use commercially reasonable efforts to minimize Freight Charges.

5.3 Delivery. Delivery of a Product shall occur upon Purchaser's physical receipt of such Product at the Delivery Destination. Seller shall cause all Products to be delivered to the Delivery Destination on their Delivery Date and shall also comply with any special shipping instructions provided by Purchaser.

5.4 Title. Title to and risk of loss with respect to the Products shall pass to Purchaser at the time of shipment, F.O.B. Origin, Seller's factory. Seller may perfect a security interest in such Products until all applicable payments for such Products have been made in full. If requested, Purchaser shall assist Seller in perfecting such security interest at Seller's expense.

5.5 Shipping Delays. Seller will immediately notify Purchaser in writing of any event or condition that could delay delivery of the Products beyond the Delivery Date; *provided*, however, that such notification shall not require Purchaser to accept any late shipment or waive any of its rights or remedies with respect thereto.

5.6 Excess, Early and Late Deliveries. Purchaser shall not be obligated to accept or pay for and may, in its sole discretion and at Seller's sole cost, reject and return to Seller: (i) any Products in excess of the quantity specified on the Order, (ii) any Products arriving more than five (5) days in advance of the Delivery Date specified on the Order or (iii) any Products not received at the Delivery Location by the Delivery Date specified on the Order. In the event that the Products described above are not returned to Seller then Purchaser shall pay for such Products in accordance with the provisions of Section 2.0 hereof provided, however, that if Purchaser does not return any of the Products described in this Section 5.6 than Purchaser must pay Seller for such Products in accordance with the terms of this Agreement.

6.0 PRODUCT WARRANTY

6.1 For the products covered by Attachments A-1, A-2, B-1, or B-2, Seller warrants for a period of twelve (12) months from the date of original shipment that the Products will be free from defects in design, material and workmanship and will be in conformity with applicable specifications and drawings (the "Specifications"), provided, however, that this warranty shall not apply to any defect in design or defects in the manufacturing process, if such manufacturing process is the same as that used prior to the Effective Date. The forgoing warranty shall not apply to any Product which shall have been abused, misused or altered by Purchaser physically or electrically, or on which the trademark shall have been defaced or obliterated. Purchaser shall request written return material authorization within the warranty period prior to the return of any nonconforming Products.

6.2 If a Product is found not in conformance with this warranty, it will be covered by this warranty only if written authorization is requested within a period of twelve (12) months from the date of original shipment by Seller. Authorization for return must be secured from Seller and will not commit Seller to the making of any repair or replacement hereunder. Requests for return authorization should list types and quantities of Products involved, the reason for the request, information concerning operating conditions involved, and the period of use. In addition, the Order number and, where possible, the original invoice number covering the original purchase of the Products involved must be shown. Returned Products must be shipped, transportation prepaid, by the most practical method of shipment. Shipping costs will be credited to the Purchaser for all Products found to be subject to warranty adjustment. Excessive transportation costs will not be allowed. Seller will not accept charges for packing, inspection, labor charges or other incidental costs in connection with any Products returned.

6.3 Unless otherwise requested by Purchaser, returned Products found not subject to this warranty will be sent back to Purchaser, transportation collect. In all cases, Seller's determination will be final. With respect to Products found not in conformity with this warranty, the remedy will take the form, at Seller's option, of a replacement or repair of the defective or nonconforming Product. In the event that it is not economical to replace or repair warranted Products, Seller may, at its sole option, remit the dollar equivalent based upon the original Product sales price and said remittance will be calculated by applying the pro rata percentage of the unexpired warranty to the original Product sales price.

6.4 WITHOUT LIMITING ANY WARRANTY SET FORTH IN THE PURCHASE AGREEMENT, THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THE FOREGOING CONSTITUTES PURCHASER'S SOLE REMEDY AND SELLER'S SOLE LIABILITY FOR BREACH OF WARRANTY.

6.5 In the event of replacement pursuant to the foregoing warranty, a new twelve (12) month warranty, in accordance with the provisions above shall apply to the replaced Product. In the event of repair pursuant to the foregoing warranty, the validity of the foregoing warranty will be twelve (12) months from the date of shipment of the repaired Product less the period of time between the date of original shipment and the date on which Seller received return of the Product for repair.

6.6 This warranty does not include repair of damage resulting from failure to provide a suitable installation environment, accident, disaster, neglect, abuse, misuse, transportation, alterations, attachments, accessories, supplies, repairs or activities not performed by Seller. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF PURCHASER, ITS SUCCESSORS, ASSIGNS OR ITS RESPECTIVE AFFILIATES, AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

7.0 PURCHASE OF TESTING SERVICES & TECHNICAL ASSISTANCE

7.1 Testing Services. During the Term, upon receipt of an Order, Seller shall provide the Testing Services set forth on Attachment A-3 or Attachment B-3, as applicable ("Testing Services") to Purchaser and its subsidiaries and affiliates set forth on Attachment C hereto at the rates set forth on such Attachments. Testing Services and the Technical Assistance described in Section 7.2, at prices to be calculated using the formula set forth therein, shall be collectively referred to herein as the "Services".

7.2 Technical Assistance. Purchaser may request that Seller provide it with technical assistance and support in the integration of the Product(s) into Purchaser's products ("Technical Assistance") and Seller shall provide the Technical Assistance in accordance with this Section 7.2. The Technical Assistance shall be provided at the facilities of CDES or MTS, as applicable, and shall be provided by the categories of personnel set forth on Attachment D at the rates set forth therein. Each Party shall use personnel possessing the skill and capability required to perform the Technical Assistance.

7.3 Damages in Performance of Services. In the event the Seller shall cause damage during provision of Services, Purchaser's sole remedy shall be to have such Services reperformed by Seller at no charge.

7.4 Costs. Purchaser does not undertake and shall have no obligation to hire any of Seller's employees. CDES and MTS agree to make available personnel within the categories set forth on Attachment D for the Term of this Agreement. Purchaser agrees to reimburse Seller at the applicable billing rate by labor category as set forth in Attachment D plus any costs of all actual and reasonable travel expenses to and from Purchaser's designated facilities by the Technical Personnel and for all actual and reasonable subsistence costs of the Technical Personnel while at Purchaser's designated facilities during the term of this Agreement, including coach class airfare, if applicable, rental cars for commuting purposes and actual and reasonable lodging and meal costs incurred by the Technical Personnel in connection with pre-approved travel. All such expenses shall be reimbursed by Purchaser within seven (7) days of Seller's invoice therefore. Purchaser shall not be entitled to setoff, offset, reduce or otherwise withhold any payment due to Seller pursuant to this Section 7.4 on account of any other claim under this Agreement or otherwise. CDES' Technical Personnel are not and shall in no way, be considered employees of MTS and MTS' Technical Personnel are not and shall in no way be considered employees of CDES.

7.5 Performance and Service Limitations. Seller shall perform the Services using a level of care and diligence that is commercially reasonable. Seller shall maintain the process, equipment and tooling in good order and repair. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SERVICE PROVIDED HEREUNDER. In providing the Services, neither Seller nor any of its affiliates nor any third parties shall be obligated to: (a) hire any additional employees; (b) maintain the employment of any specific employee; or (c) purchase, lease or license any additional equipment, hardware, intellectual property or software (other than such equipment, hardware or software that is necessary to replace damaged or broken equipment or hardware or software necessary to perform the Services, in which case Purchaser shall bear the cost of, and shall own, any such replacement equipment, hardware or software). Without limitation of the provisions of Section 17.8 hereof, Seller shall not be required to provide any Service to the extent and for so long as the performance of such Service becomes impracticable as a result of a cause or causes outside the reasonable control of Seller, including unfeasible technological requirements, or to the extent the performance of such Services would require Seller or the provider of the Service to violate any applicable law.

8.0 BILLING AND PAYMENT

8.1 Billing; Invoices. Seller shall invoice Purchaser for all Products at the time of shipment. Seller shall issue a separate invoice for each Order containing the following information ("Invoice(s)"): (i) the description and quantity of Products ordered; (ii) the quantity of Products shipped; (iii) the Delivery Destination: (iv) the Order number, (v) the Purchase Price for each Product; (vi) the total Purchase Price for the Order; and (vii) any applicable taxes, Freight Charges, and discounts. All Invoices, bills of lading, and freight bills for the Products shall be delivered to Purchaser at the "Bill To" address shown on the face of Purchaser's Order.

8.2 Payment. Subject to the terms and conditions contained herein, Purchaser will remit payment of the Purchase Price due hereunder for each conforming Product within forty-five (45) days of the later to occur of (i) Purchaser's receipt of the Invoice therefore and (ii) Purchaser's receipt of such conforming Product. Any payment not made in accordance with the time limits in the previous sentence will be considered delinquent and a late payment charge of the lesser of two percent (2%) of the delinquent balance due and the maximum amount permissible by law will be assessed per month on the amounts that remain delinquent.

9.0 RESCHEDULING ORDERS

Purchaser may, free of charge, reschedule the Delivery Date for any Product one time prior to Seller's shipment thereof by providing Seller with notice thereof (the "Rescheduling Notice") electronically, by facsimile, or by mail. The new Delivery Date specified in such Rescheduling Notice shall then become the new Delivery Date for the Order, which shall in all other respects remain in full force and effect. Such new Delivery Date shall in no event (a) be greater than forty five (45) days after the original delivery dates or be accelerated without the Seller's consent, or (b) result in an inconsistency with the Forecast provisions set forth in Section 2.1.

10.0 ADDITIONAL WARRANTIES AND COVENANTS

10.1 Additional Warranties. In addition to the warranty provided in Section 6, the parties hereby represent and warrant that:

(a) Seller has and will convey to Purchaser good title to the Products, free and clear of all liens and other security interests;

(b) All information provided by Seller to Purchaser with respect to the Products is complete and accurate in all material respects;

(c) All Products shall conform in all material respect to the Quality Assurance Requirements as set forth on attached Attachment E, to the extent such Products have historically conformed to such Quality Assurance Requirements;

(d) Seller and Purchaser are duly organized and validly existing under the laws of each of their jurisdiction of incorporation;

(e) Seller and Purchaser have the legal power and authority to execute and deliver this Agreement and to fully perform their obligations hereunder;

(f) The execution, delivery and performance of this Agreement by Seller and Purchaser has been duly authorized by all necessary actions and do not violate their organizational documents, as applicable, or any other material agreements to which Seller or Purchaser, as applicable, is a party; and

(g) This Agreement constitutes a legal, valid and binding obligation of Seller and Purchaser enforceable against Seller and Purchaser in accordance with its terms, except as such enforcement may be limited by applicable law.

10.2 Delivery of Documentation to MTS. Without in any way limiting, and in addition to, CDES' obligations under the Purchase Agreement, during the term of this Agreement, when MTS needs to obtain documentation relating to the Technology of CDES in order to use the Technology of CDES in a manner consistent with the terms of this Agreement, MTS shall request a copy of such information from CDES. CDES may provide the requested information to MTS in any media format that CDES chooses. For two (2) years after the Effective Date, this information shall be provided to MTS free of charge and for the remainder of the term of this Agreement, MTS shall reimburse CDES for the reasonable expenses incurred by CDES, including but not limited to personnel time, in providing such information. Unless otherwise expressly permitted by this Agreement, MTS agrees not to access or use any Technology belonging to CDES which is included on the media that CDES provides to MTS or which is included in any CDES system, software and/or database to which MTS otherwise has access pursuant to this Agreement or the IP Agreement dated of even date herewith by and between Cobham Defense Electronic Systems Inc. and MTS (the "IP Agreement"). In the event of inadvertent access to or receipt of Technology belonging to CDES or Cobham Defense Electronic Systems Inc., which MTS is not permitted to use pursuant to this Agreement or the IP Agreement, MTS shall promptly report such access or receipt to CDES and shall safeguard such Technology in accordance with this Agreement.

10.3 Delivery of Documentation to CDES. During the term of this Agreement, when CDES needs to obtain documentation relating to the Technology of MTS in order to use the Technology of MTS in a manner consistent with the terms of this Agreement, CDES shall request a copy of such information from MTS. MTS may provide the requested information to CDES in any media format that MTS chooses. For two (2)years after the Effective Date, this information shall be provided to CDES free of charge and for the remainder of the term of this Agreement, CDES shall reimburse MTS for the reasonable expenses incurred by MTS, including but not limited to personnel time, in providing such information. Unless otherwise expressly permitted by this Agreement, CDES agrees not to access or use any Technology belonging to MTS which is included on the media that MTS provides to CDES or which is included in any MTS system, software and/or database to which CDES or Cobham Defense Electronic Systems Inc. otherwise has access pursuant to this Agreement or the IP Agreement. In the event of inadvertent access to or receipt of Technology belonging to MTS which CDES or Cobham Defense Electronic Systems Inc. is not permitted to use pursuant to this Agreement or the IP Agreement, CDES shall promptly report such access or receipt to MTS and shall safeguard such Technology in accordance with this Agreement.

10.4 Definitions Used in Section 10.3 and Section 10.4. For purposes of Section 10.3 and Section 10.4, the following terms shall have the following meanings.

"**Technology**" shall mean any of the following: trade secrets and proprietary information including unpatented inventions, mask works, tooling, special test equipment, jigs, technology, drawings, specifications, processes, invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, computer software programs, databases, data collections and other proprietary information or material of any type.

"**Technology of CDES**" shall mean Technology owned by CDES as of the Effective Date, including but not limited to the items set forth on Exhibit A-4.

"**Technology of Cobham Defense Electronic Systems Inc.**" shall mean Technology owned by Cobham Defense Electronic Systems Inc. as of the Effective Date.

"**Technology of MTS**" shall mean Technology owned by MTS as of the Effective Date, including but not limited to the items set forth on Exhibit B-4.

11.0 INDEMNIFICATION

11.1 The parties agree that they will be responsible for their own acts and the results thereof and shall not be responsible for the acts of the other party and the results thereof. Each party therefore agrees that it will assume all risk and liability to itself, its agents, or employees for any injury to persons or property resulting in any manner from conduct of its own operations and the operations of its agents or employees under this Agreement, and for any loss, cost, damage, or expense due to any act or acts, negligence, or the failure to exercise proper precautions, of or by itself or its own agents or its own employees.

11.2 Intellectual Property Indemnity.

11.2.1 CDES AS SELLER AGREES TO INDEMNIFY AND HOLD MTS AS PURCHASER HARMLESS AGAINST ALL CLAIMS THAT THE PRODUCTS PROVIDED TO MTS AS PURCHASER UNDER THIS AGREEMENT INFRINGE ANY U.S., EU, KOREAN OR JAPANESE PATENT, COPYRIGHT, MASK WORK RIGHT, OR OTHER INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, EXCEPT TO THE EXTENT THAT THE PRODUCTS USE INTELLECTUAL PROPERTY PROVIDED BY MTS AS PURCHASER TO CDES AS SELLER OR LICENSED BY MTS AS PURCHASER TO CDES AS SELLER WHICH INTELLECTUAL PROPERTY WAS NOT ACQUIRED BY MTS FROM CDES OR LICENSED TO MTS BY CDES IN CONNECTION WITH THE PURCHASE AGREEMENT, IN WHICH CASE SELLER SHALL HAVE NO LIABILITY TO PURCHASER. CDES AS SELLER SHALL ASSUME THE DEFENSE OF ANY SUIT, ACTION, PROCEEDING OR OBJECTION BASED ON ANY SUCH CLAIM OF INFRINGEMENT BROUGHT AGAINST MTS AS PURCHASER RELATING TO THE PRODUCTS, BY QUALIFIED COUNSEL RETAINED AT SELLER'S OWN EXPENSE, AND SHALL PAY ANY DAMAGES ASSESSED AGAINST OR OTHERWISE PAYABLE BY MTS AS PURCHASER IN ANY SUCH SUIT AS A RESULT OF THE FINAL DISPOSITION OF ANY SUCH CLAIM, SUIT, ACTION, PROCEEDING OR OBJECTION, UPON MTS AS PURCHASER NOTIFYING CDES AS SELLER OF SUCH CLAIM OR OF THE COMMENCEMENT OF ANY SUCH SUIT, ACTION, PROCEEDING OR OBJECTION, OR THREATS THEREOF. CDES AS SELLER SHALL BE AFFORDED THE OPPORTUNITY, IN ITS SOLE AND ABSOLUTE DISCRETION, TO DETERMINE THE MANNER IN WHICH SUCH CLAIM, SUIT, ACTION, PROCEEDING OR OBJECTION SHALL BE HANDLED OR OTHERWISE DISPOSED OF. PURCHASER SHALL GIVE SELLER THE COOPERATION SELLER REQUIRES, AT SELLER'S SOLE COST AND EXPENSE FOR ALL COSTS AND EXPENSES INCURRED BY PURCHASER, EXCEPT FOR SALARIES OF THE EMPLOYEES OF PURCHASER AND FEES AND EXPENSES OF ANY COUNSEL RETAINED BY PURCHASER IN THE DEFENSE OF ANY SUCH CLAIM, SUIT, ACTION, PROCEEDING OR OBJECTION. NOTWITHSTANDING THE FOREGOING, PURCHASER MAY BE REPRESENTED IN ANY SUCH SUIT BY ITS OWN COUNSEL AT ITS OWN COST AND

EXPENSE. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF PURCHASER, ITS SUCCESSORS, ASSIGNS OR ITS RESPECTIVE AFFILIATES, AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

11.2.2 PURCHASER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS AGAINST ALL CLAIMS THAT THE SERVICES AND RESULTING MODIFICATIONS MADE BY PURCHASER TO THE PRODUCTS PROVIDED BY SELLER UNDER THIS AGREEMENT INFRINGE ANY U.S., EU, KOREAN OR JAPANESE PATENT, COPYRIGHT, MASK WORK RIGHT, OR OTHER INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES UNLESS SUCH SERVICES AND MODIFICATIONS WERE MADE PURSUANT TO SELLER'S DESIGN OR SPECIFICATION OR WERE MADE USING INTELLECTUAL PROPERTY LICENSED OR PROVIDED BY SELLER TO PURCHASER. PURCHASER SHALL ASSUME THE DEFENSE OF ANY SUIT, ACTION, PROCEEDING OR OBJECTION BASED ON ANY SUCH CLAIM OF INFRINGEMENT BROUGHT AGAINST CUSTOMER RELATING TO THE SERVICES, BY QUALIFIED COUNSEL RETAINED AT PURCHASER'S OWN EXPENSE, AND SHALL PAY ANY DAMAGES ASSESSED AGAINST OR OTHERWISE PAYABLE BY SELLER IN ANY SUCH SUIT AS A RESULT OF THE FINAL DISPOSITION OF ANY SUCH CLAIM, SUIT, ACTION, PROCEEDING OR OBJECTION, UPON SELLER NOTIFYING PURCHASER OF SUCH CLAIM OR OF THE COMMENCEMENT OF ANY SUCH SUIT, ACTION, PROCEEDING OR OBJECTION, OR THREATS THEREOF. PURCHASER SHALL BE AFFORDED THE OPPORTUNITY, IN ITS SOLE AND ABSOLUTE DISCRETION, TO DETERMINE THE MANNER IN WHICH SUCH CLAIM, SUIT, ACTION, PROCEEDING OR OBJECTION SHALL BE HANDLED OR OTHERWISE DISPOSED OF. SELLER SHALL GIVE PURCHASER THE COOPERATION PURCHASER REQUIRES, AT PURCHASER'S SOLE COST AND EXPENSE FOR ALL COSTS AND EXPENSES INCURRED BY SELLER, EXCEPT FOR SALARIES OF THE EMPLOYEES OF SELLER AND FEES AND EXPENSES OF ANY COUNSEL RETAINED BY SELLER IN THE DEFENSE OF ANY SUCH CLAIM, SUIT, ACTION, PROCEEDING OR OBJECTION. NOTWITHSTANDING THE FOREGOING, SELLER MAY BE REPRESENTED IN ANY SUCH SUIT BY ITS OWN COUNSEL AT ITS OWN COST AND EXPENSE. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL PURCHASER BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF SELLER, ITS SUCCESSORS, ASSIGNS OR ITS RESPECTIVE AFFILIATES, AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

11.2.3 Entire Liability. THIS SECTION 11.2 AND SECTION 18.0 CONTAIN (A) EACH PARTY'S ENTIRE LIABILITY AND ALL OBLIGATIONS RELATED TO

INTELLECTUAL PROPERTY INFRINGEMENT OR MISAPPROPRIATION, AND (B) EACH PARTY'S EXCLUSIVE REMEDIES AGAINST THE OTHER PARTY FOR INTELLECTUAL PROPERTY INFRINGEMENT OR MISAPPROPRIATION. THESE REMEDIES ARE PROVIDED IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE WARRANTY AGAINST INFRINGEMENT SPECIFIED IN THE UNIFORM COMMERCIAL CODE. FOR THE ABSENCE OF DOUBT, IT IS UNDERSTOOD AND AGREED THAT MTS SHALL HAVE NO LIABILITY OR INDEMNIFICATION OBLIGATION UNDER THIS SECTION 11.2 ARISING FROM THE SUPPLY OF PRODUCTS OR SERVICES TO CDES AFTER THE EFFECTIVE DATE WHERE SUCH PRODUCTS ARE THE SAME AS THE PRODUCTS OR SERVICES BEING SUPPLIED BY MTS TO CDES PRIOR TO THE EFFECTIVE DATE.

12.0 CONFIDENTIALITY

In connection with the performance of this Agreement, Seller and Purchaser may disclose certain information to one another. All such disclosures of information shall be deemed non- confidential by the receiving party unless such information pertains to the disclosing party or its business and satisfies all of the following requirements ("Confidential Information"): (i) such information is disclosed in written or graphic form or, if disclosed in oral form, is reduced to written or graphic form within thirty (30) days of such oral disclosure, (ii) such information is clearly labeled "confidential" or "proprietary" when furnished by the disclosing party, (iii) such information is owned or controlled by the disclosing party, and (iv) such information was not previously published or disclosed to others without restrictions. Seller and Purchaser each agree not to use, other than for purposes related to this Agreement, or disclose to third parties (except on a "need to know" basis) any Confidential Information, in each case, during the Term and for a period of five (5) years thereafter. Notwithstanding anything in the foregoing to the contrary, the following information shall not constitute "Confidential Information" hereunder, and neither party shall have any obligation under this Section 12 with respect thereto: (i) information already in the possession of the receiving party at the time of disclosure hereunder; (ii) information that is independently developed by the receiving party without the use of disclosing party's information; (iii) information that becomes lawfully known or available to the receiving party from another source without breach of this Agreement; or (iv) information that becomes publicly available without a breach of this Agreement by the receiving party. The standard of care for protecting Confidential Information shall be that standard of care used by the receiving party to prevent the disclosure, publication or dissemination of its own information of a similar character, or at least reasonable care. Notwithstanding anything contained herein to the contrary, neither party may issue, make, or release any written, oral, electronic, or other press release, advertisement, promotional material announcement or other statement in any medium disclosing or relating to this Agreement, the terms of this Agreement, or any of the transactions consummated or to be contemplated hereunder, without the other party's prior written consent, which consent may be given or withheld by such other party in its sole discretion.

13.0 PRIVATE LABELING

Upon Purchaser's request, Seller agrees to private label the Products and Product Documentation with Purchaser's trademarks and trade names (collectively, "Purchaser

Trademarks"), all at no additional charge to Purchaser ("Private Labeling"). All use of Purchaser Trademarks by Seller in connection with any Private Labeling hereunder shall be subject to a limited, personal, non-exclusive, non-transferable, non-assignable license or sublicense (in each case, without right of sublicense) granted by Purchaser to Seller to use the Purchaser Trademarks during the Term solely and exclusively from Seller's performance of Private Labeling as described herein and for such other purposes as Purchaser may expressly authorize in advance in writing (the "Limited Trademark License") All Private Labeling shall be submitted to Purchaser for review in advance, and no Purchaser Trademark shall be utilized in any Private Labeling without Purchaser's specific prior written consent to such use. Each item of documentation or other tangible material (with each copy thereof constituting a separate item) on which any Purchaser Trademark appears shall contain a prominent legend stating that the Purchaser Trademarks are registered trademarks of Purchaser or Purchaser's Affiliates. The registered symbol ® appearing each time as part of the Purchaser Trademark will constitute a sufficient legend. Seller acknowledges that Purchaser is, and shall at all times remain, the sole and exclusive owner of the Purchaser Trademarks and all goodwill contained therein, and that neither the Limited Trademark License, nor any Private Labeling shall convey any right, title or interest in or to any of the Purchaser Trademarks or such goodwill to Seller. All goodwill arising from Seller's use of the Purchaser Trademarks shall inure solely to the benefit of Purchaser, and Seller shall not assert any claim to any right, title or interest in or to the Purchaser Trademarks or the goodwill associated therewith, nor shall Seller at any time take any action that could be detrimental to the goodwill associated with any Purchaser Trademark, either during the Term or after the termination or expiration of this Agreement. Purchaser may revoke the Limited Trademark License as to any Product or Product Documentation not then in production upon written notice to Seller at any time with or without cause. Upon any such revocation, or upon any termination or expiration of this Agreement for any reason whatsoever, including any termination resulting from the material breach of either party hereto, the Limited Trademark License shall automatically terminate, and Seller shall immediately cease all further use of the Purchaser Trademarks.

14.0 TERMINATION FOR DEFAULT

If either party is in default of any material provision of this Agreement and such default is not corrected by the defaulting party within thirty (30) days of receipt of written notice given by the non-defaulting party, this Agreement and all outstanding Orders may be terminated by the party not in default. In the event of a dispute regarding payment hereunder, it shall not be considered a breach of this Agreement, if the amount reasonably in dispute is paid into escrow pending the resolution of such dispute.

15.0 DISCONTINUATION OF PRODUCT LINE

15.1.1 Except as set forth in Section 15.1.2 below with respect to Roanoke foundry products, in the event Seller is unable or unwilling to supply Purchaser with any Product hereunder, Seller, to the extent it can reasonably do so, shall provide Purchaser with twelve (12) months' advance notification of such intent and (a) permit Purchaser an opportunity to purchase an end-of-life Product buy-out for delivery up to six (6) months thereafter, unless otherwise agreed to by the parties; or (b) at Seller's option, enter into negotiations to license to Purchaser or a third party acting on behalf of Purchaser, manufacturing and technical data rights to produce and sell said discontinued Product.

15.1.2 Notwithstanding the notice requirements set forth in Section 15.1.1 above, MTS acknowledges that CDES has given notice that its landlord at 7625 Plantation Road, Roanoke, Virginia will re-claim the leased premises, in February 2010 and that, therefore, the Roanoke facility will likely need to be closed or moved and therefore the following last time buy provisions shall apply to Roanoke foundry products:

15.1.2.1 MTS shall place orders with CDES for wafers manufactured at the Roanoke facility (the "Applicable Wafers") as follows:

(a) 500 minimum Applicable Wafers no later than April 15, 2009;

(b) 500 minimum Applicable Wafers no later than May 15, 2009;

(c) the remainder of the Applicable Wafers, up to a total of 2,250 (including those set forth in (a) and (b) above), no later than July 15, 2009;

provided, however, that MTS may order more than 2,250 wafers by July 15, 2009 (such excess over 2,250 wafers, the "Excess Applicable Wafers"), and CDES will use commercially reasonable efforts to fill the orders for Excess Applicable Wafers but only to the extent production capacity at the Roanoke facility is available.

15.1.2.2 CDES shall deliver the Applicable Wafers ordered pursuant to Section 15.1.2.1 in a time frame reasonably determined by CDES, taking into account the timing reasonably requested by MTS based on its current demand projections. Upon the receipt of an Applicable Wafer, MTS shall perform its customary testing procedures. If MTS does not, within 30 days of receipt of each Applicable Wafer, reject such Applicable Wafer, it shall be deemed to be conforming. With respect to Applicable Wafers that are not conforming, (i) if MTS gives notice that an Applicable Wafer is non-conforming on or prior to October 31, 2009, CDES will replace the non-conforming Applicable Wafer with a conforming Applicable Wafer, and (ii) if MTS gives notice that an Applicable Wafer is non-conforming on or after November 1, 2009, and the Applicable Wafer is found to be not in conformity with the warranty set forth in Section 6.1 hereof, then the sole remedy of MTS under such warranty shall be, at CDES' option, a refund of the purchase price, if paid or replacement of the non-conforming Applicable Wafers with conforming Applicable Wafers. For the avoidance of doubt, notwithstanding anything to the contrary contained in this Agreement, each warranty provided by CDES as Seller hereunder for Product sales generally also applies to any Applicable Wafer delivered hereunder, and the delivery of a "conforming" Applicable Wafer hereunder does not, by itself, vitiate any otherwise warrantable claim arising within the applicable warranty period for such Applicable Wafer; provided, however, that with respect to any claim made on or after November 1, 2009 under the warranty provided in Section 6.1 hereof with respect to an Applicable Wafer, and the Applicable Wafer is found to be not in conformity with the warranty set forth in Section 6.1 hereof, the sole remedy of MTS under such warranty shall be, at CDES' option, a refund of the purchase price, if paid or replacement of the non-conforming Applicable Wafers with conforming Applicable Wafers.

15.1.2.3 Until MTS pays for an Applicable Wafer in accordance with Section 15.1.2.4, the Applicable Wafers shall be the property of CDES. MTS shall maintain the Applicable Wafers at its facility at 100 Chelmsford Street, Lowell, Massachusetts; and shall not keep the Applicable Wafers at any other location.

MTS shall be responsible for the custody and care of the Applicable Wafers. MTS shall be responsible for all losses to the Applicable Wafers, whether by damage, casualty, theft or otherwise (whether or not such loss was a result of negligence), and shall notify CDES immediately of any such loss. MTS shall insure the Applicable Wafers. MTS shall bear all costs and expenses in connection with the storage of the Applicable Wafers. MTS shall keep and store the Applicable Wafers clearly separate from its other inventory, under such conditions customary in the microwave integrated circuit business.

15.1.2.4 MTS shall keep accurate records with respect to the Applicable Wafers. A physical inventory of the Applicable Wafers may be requested by CDES from time to time and CDES shall be entitled to inspect the inventory of Applicable Wafers from time to time upon reasonable notice to MTS and during normal business hours. Within five (5) days after the fifteenth of each month, MTS shall provide CDES with a detailed report of the number of Applicable Wafers that MTS used in its business during the month ended on such date, and no later than the 30th day of such month, MTS shall pay CDES the price of the Applicable Wafers used during such month at the per wafer price listed therefor on Attachment A-1 hereto. In the event MTS has not used all of the conforming Applicable Wafers delivered to it in accordance with this Section 15 in its business by February 28, 2012, it shall pay CDES for all such remaining Applicable Wafers and they will become the property of MTS.

16.0 EXPORT CONTROL

All Orders are subject to any applicable export approval as may be required by the U.S. Government or any Foreign Government.

17.0 GENERAL PROVISIONS

17.1 Entire Agreement; Amendment. The Attachments hereto as provided herein are all hereby incorporated as part of this Agreement (collectively, the “Attachments”). This Agreement, together with the Attachments and any other documents specifically incorporated by reference herein set forth the complete and final agreement and understanding of the parties relating to the subject matter hereof, and supersede and merge all prior and contemporaneous agreements, negotiations, and understandings between the parties, both oral and written. The terms of this Agreement shall supersede any terms and conditions in any acknowledgment form, invoice or other document of Seller. Neither party has relied upon any agreement, understanding, representation, warranty or covenant not expressly set forth in writing herein. This Agreement may be amended only by a written instrument duly executed by both parties and may not be amended orally or in the course of performance.

17.2 Compliance with Law. Each Party shall perform its obligations hereunder in material compliance with all applicable laws, regulations and other legal requirements.

17.3 Cumulative Rights and Remedies. Each party's rights and remedies hereunder shall be cumulative with, and may be exercised without prejudice to, such party's other rights and remedies under this Agreement, at law, or in equity.

17.4 Survival. The Terms of Section 3.3, 3.6, 6.0, 8.0, 10.0, 11.0, 12.0, 15.0, 16.0, 17.0 and 18.0 shall survive any termination of this Agreement for any reason whatsoever.

17.5 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder (collectively, "Notices") shall be (i) in writing, (ii) sent to the other party at its address listed on the first page of this Agreement, or to such different address as such party may designate in writing on thirty (30) days prior written notice to the other party, and (iii) transmitted to the other party via hand-delivery, nationally recognized commercial overnight courier, or United States registered or certified mail, postage prepaid, return receipt requested. Notices shall be deemed given when actually delivered to the recipient party or when such recipient party refuses delivery thereof as shown on the delivery receipt.

17.6 Relationship of Parties. Each party shall be an independent contractor of the other party. Nothing in this Agreement shall create, or be construed as creating, a joint venture, partnership, agency, or employment relationship between the parties hereto. Neither party shall have any right or authority to assume or create any obligations of any kind or to make any agreements, representations, or warranties on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever.

17.7 Binding Effect; No Third Party Beneficiaries. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Agreement is for the sole and exclusive benefit of the parties to this Agreement and all of their respective successors and permitted assigns. Nothing contained herein shall be construed to give any person not a party to this Agreement any legal or equitable right, remedy, interest or claim under or with respect to this Agreement.

17.8 Force Majeure. Neither party shall be in default or liable for any delay or failure of compliance with this Agreement due to an act of terrorism, nature, public enemy, freight embargo, capacity constraints including component availability, strikes or other cause if such act of terrorism, nature, public enemy, freight embargo, capacity constraints, strike or other cause is beyond the control of the defaulting party. A defaulting party shall cure the default as soon as practical. In the event such default is not cured within six (6) months after its first occurrence. either party may terminate this Agreement or affected Order or Orders without further obligations to the other party save those provisions which otherwise survive its termination and provided, however that the defaulting party shall be required to pay the non-defaulting party for the costs incurred by the non-defaulting party in connection with the outstanding Order or Orders, in each case not to exceed the value of such Order or Orders.

17.9 Assignment. The parties' rights and obligations under this Agreement shall not be assigned by either party without the prior written consent of the other, which consent shall not be unreasonably withheld, except in the event that a third party acquires the stock of a party hereto (whether by stock sale, merger or consolidation) or all or substantially all of the assets related to the

business of a party relevant to this Agreement, in which case this Agreement will automatically be transferred to such purchasing party and no consent of either party hereunder shall be required. In addition, notwithstanding the foregoing sentence, a party as Purchaser hereunder may assign its right to purchase Products hereunder to a third party that acquires a business or assets from such party in which such Products are used, in which case such rights will automatically be transferred to such purchasing party and no consent of either party hereunder shall be required. Any purported assignment without such consent, where required, shall be void and of no effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Upon any assignment permitted by this Section 17.9 without consent, the assigning party shall provide the other party with notice of such assignment within fifteen (15) days.

17.10 Legal Costs and Expenses. If any suit or legal proceeding is brought by either party to enforce any of the terms of this Agreement or any of its rights hereunder, the prevailing party in such action or proceeding shall be entitled to recover all of its reasonable costs and expenses incurred in such suit or legal proceeding, including reasonable attorneys' fees.

17.11 Severability. In the event that any provision of the Agreement is determined by a court of competent jurisdiction to be illegal, invalid or otherwise unenforceable, under applicable law, such provision shall be deemed severed from this Agreement, and all remaining provisions shall remain binding, enforceable, and in full force and effect.

17.12 Waiver. No waiver of any provision of this Agreement (or any right or default hereunder shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced, and then shall be effective only for the instance given.

17.13 Counterparts and Facsimile. This Agreement may be executed by facsimile and in multiple counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

17.14 Construction. Terms defined herein in the singular shall have a comparable meaning when used in the plural, and vice versa. As used herein, the words, "include, includes, including" and all variations thereof shall be deemed to mean "including, but not limited to". As used herein, the word "or" shall be deemed to include the meaning "and/or". The terms "herein", "hereof", "hereunder", "hereto", "herewith" and other similar terms shall be deemed to refer to this Agreement. All references to Sections in this Agreement shall refer to the corresponding Section in this Agreement and all subsections contained therein. All captions contained in this Agreement are for convenience only and shall not be deemed to be part of this Agreement. Each party has substantially participated in the drafting and negotiation of this Agreement, and no provision hereof shall be construed against either party by virtue of the fact that such provision was drafted by such party.

17.15 Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the conflicts of law principles of such state. With respect to any suit, action or proceeding relating to this Agreement (each, a "Proceeding"), each party irrevocably (i) agrees and consents to be subject to the

exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in New York City and (ii) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding has been brought in an inconvenient forum and further waives the right to object, with respect to such Proceeding, that such court does not have any jurisdiction over such party. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any person other than the respective parties to this Agreement. Each party irrevocably agrees that service of any process, summons, notice or document by United States registered mail to such party's address set forth on the first page of this Agreement shall be effective service of process for any action, suit or proceeding in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 17.15.

17.16 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION AS BETWEEN THE PARTIES DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR DISPUTES RELATING HERETO. EACH OF THE PARTIES (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN SECTION 17.15 AND THIS SECTION 17.16.

18.0 LIMITATION OF LIABILITY

Without limiting any obligations of CDES under the Purchase Agreement, the aggregate cumulative total liability for which Seller is obligated to pay Purchaser for any specific Order, Orders, Service request or Service requests issued hereunder which gave rise to such liability, whether for breach of warranty or contract, indemnification (including Intellectual Property indemnification), tort (including negligence), or otherwise, is limited to Purchaser's actual proven damages not to exceed the payments for Products or Services purchased by Purchaser in connection with such Order, Orders, Service request or Service requests over the immediate preceding twelve (12) months from the time such liability first became known to Purchaser. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF PURCHASER, ITS SUCCESSORS, ASSIGNS OR ITS AFFILIATES, AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

(Signature page follows)

IN WITNESS WHEREOF, the parties have caused this Mutual Foundry, Supply, Purchasing and Services Agreement to be duly executed by each of their duly authorized representatives as of the Effective Date.

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION - M/A-COM

By: _____

Name: _____

Title: _____

M/A-COM TECHNOLOGY SOLUTIONS INC.INC.

By: _____

Name: _____

Title: _____

TRANSITION SERVICES AGREEMENT

by and between

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION

and

KIWI STONE ACQUISITION CORP.

DATED MARCH 30, 2009

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TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (together with the Services and Pricing Schedules attached hereto, this "***Agreement***"), dated March 30, 2009 (the "***Effective Date***"), is by and between Cobham Defense Electronic Systems Corporation, a Massachusetts corporation ("***Seller***") and Kiwi Stone Acquisition Corp., a Delaware corporation ("***Purchaser"***).

R E C I T A L S

WHEREAS, the parties hereto and Lockman Electronic Holdings Limited have entered into a Purchase Agreement dated March 30, 2009 (the "***Purchase Agreement***");

WHEREAS, capitalized terms used herein but not defined shall have the meanings ascribed to them in the Purchase Agreement;

WHEREAS, the parties hereto are entering into this Agreement contemporaneously with, and as a condition to, the Closing of the transactions contemplated by the Purchase Agreement;

WHEREAS, Purchaser will require Seller's assistance with respect to certain operations of the Business during periods specified herein following the Closing Date; and

WHEREAS, subject to the terms and conditions of this Agreement, Seller has agreed to provide, by itself or through its Affiliates or other third parties, and Purchaser desires to contract for the use of, the Services (as hereinafter defined).

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree, intending to be legally bound, as follows:

Section 1. Services to be Performed; Term; Performance and Cooperation

(a) **Services**. In accordance with the terms and provisions of this Agreement, Seller shall perform or cause its Affiliates or other third parties that have been identified by Seller to Purchaser prior to the Effective Date or that are reasonably approved by Purchaser after the Effective Date with which Seller has contractual relationships ("***Third Parties***") to perform for Purchaser the services described in the Services and Pricing Schedules (the "***Services and Pricing Schedules***") (including Additional Services) (collectively, the "***Services***"). The service(s) described in a particular row of the table in the Services and Pricing Schedules will be referred to in this Agreement as a "***Service***." Seller shall remain responsible, in accordance with the terms of this Agreement, for performance of any Services it causes to be so provided by its Affiliates or Third Parties. For each Service, the parties shall set

forth in the Services and Pricing Schedule, among other things, the time period during which the Service will be made available, a description of the Service, and the estimated charge, if any, for the Service and any other terms applicable thereto. To the extent any service is described in more than one row in the Services and Pricing Schedule, Purchaser will only be charged for the service once, regardless of the overlapping entries.

(b) **Real Estate**. For any Services that constitute access to real property owned or leased by Seller (the "***Premises***") or any of its Affiliates or Third Parties, the real estate provisions set forth on the Services and Pricing Schedules shall apply to use of the Premises.

(c) **Term**.

(i) Unless earlier terminated in accordance with Section 1(c)(ii) below, the term of this Agreement shall commence immediately after the Closing and shall terminate on the latest date that a Service is to be provided as set forth in the Services and Pricing Schedules (the "***Expiration Date***").

(ii) The parties agree that if Purchaser chooses to discontinue any Service (in part or in its entirety) prior to the Expiration Date, then Purchaser shall have the right to do so and shall give Seller prior written notice within the notice period specified in the Services and Pricing Schedules, or if no such notice period is specified, at least thirty (30) days prior to the proposed date of termination of that particular Service or portion thereof, which termination shall be effective on the proposed date of termination set forth in Purchaser's notice; provided, however, that at the time Purchaser elects to terminate any particular Service or portion thereof, it may also elect to terminate any related Services that are expressly described as such in the Services and Pricing Schedules. Purchaser shall pay Seller the fees and costs as set forth in the Services and Pricing Schedules related to any terminated Service up until the effective date of termination of such Service, provided that in the event that Purchaser chooses to discontinue a portion of a Service, the parties hereto shall, during the aforementioned notice period, negotiate in good faith the amount of the reduction in the applicable fees and costs that results from such discontinuation. As to any particular Service or portion thereof, notice of early termination shall be provided to Seller in accordance with Section 7(j).

(d) **Termination**. Notwithstanding anything to the contrary contained herein, but subject to Purchaser's rights set forth in Section 1(c)(ii), this Agreement may be terminated, in whole or in part, at any time:

(i) by the mutual written consent of Purchaser, on the one hand, and Seller, on the other hand;

(ii) by Purchaser in the event of any material breach or default by Seller of any of Seller's obligations or representations under this Agreement and the failure of Seller to cure such breach or default within thirty (30) days after receipt of written notice from Purchaser requesting such breach or default be cured; or

(iii) by Seller if Seller has not received any undisputed payment from Purchaser pursuant to Section 2 by the applicable payment date set forth therein and Purchaser fails to make such payment within thirty (30) days after receipt of notice from Seller indicating that such payment is past due and requesting that such payment be made, Seller may immediately terminate this Agreement.

Seller acknowledges that its termination of any Service for any reason may cause Purchaser irreparable harm. Accordingly, Seller's sole remedy for a breach by Purchaser of this Agreement, except as expressly set forth in Section 1(d)(iii) above, shall be a claim for monetary damages.

(e) **Performance**. Seller shall maintain sufficient resources to perform its obligations under this Agreement. Seller shall use commercially reasonable efforts to provide the Service in accordance with the metrics, policies, procedures and practices in effect before the Closing Date. Except as set forth in this Agreement or the Services and Pricing Schedules, Seller shall perform the Services using substantially the same level of care and diligence it uses in performing similar tasks in its own businesses, but in no event with less than reasonable care and diligence. Purchaser shall use commercially reasonable efforts to maintain industry standard protections against viruses and other forms of malignant or disabling code and content on the data systems, servers and networks of Purchaser that are used to input and provide data and content to the data systems, servers and networks of Seller in connection with the Services. In connection with such input and provision of data, Purchaser shall abide by all terms and conditions of Seller's user and access policies for their data systems, servers and networks.

(f) **Service Limitations**.

(i) Except as otherwise agreed by the parties in writing, in providing the Services, except for maintaining those resources and personnel as may be necessary to perform the Services,neither Seller nor any of its Affiliates or Third Parties shall be obligated to: (A) hire any additional employees; (B) maintain the employment of any specific employee; (C) purchase, lease or license any additional equipment, hardware, Intellectual Property or software (other than such equipment, hardware or software that is necessary to replace damaged or broken equipment or hardware or software necessary to perform the Services, in which case Seller shall bear the cost of any such replacement equipment, hardware or software); or (D) pay any costs related to the transfer or conversion of Purchaser's data to Purchaser or any alternate supplier of Services (except with respect to expenses that are included in the Services set forth in the Services and Pricing Schedules). Except as provided in a Services and Pricing Schedules, in providing the Services, at no time shall any data network of Purchaser (other than as acquired from Seller) be connected to any data network of Seller without the prior written consent of Seller, and Seller shall have sole control of any connection mechanism between such data networks.

(ii) Without limitation of the provisions of Section 7(e) hereof, Seller shall not be required to provide any Service to the extent and for so long as the performance of such Service would require Seller or the provider of the Service to violate any material applicable Law.

(iii) Seller's obligation to provide the Services described in the Services and Pricing Schedule under "Continued Coverage under US Benefit Plans" and "COBRA(US)"shall be contingent upon Purchaser's compliance with the terms of the Seller Benefit Plans (as defined in the Services and Pricing Schedule) to the extent applicable to Purchaser, Purchaser's cooperation with Seller with respect to the administration of the Seller Benefit Plans as they apply to Purchaser's employees, and Purchaser's provision of responses which are complete and accurate in all material respects to requests by Seller for information in connection with its administration of the Seller Benefit Plans.

(iv) With respect to the Services described in the Services and Pricing Schedules under "EH&S Management & Day to Day Support of Operations" and "Trade Compliance Management & Full Staff Support" (the "***Specified Services***"), Seller's obligations shall only be to process information supplied to it by Purchaser. It will be the obligation of Purchaser to supply Seller with complete and accurate information necessary to perform the Specified Services, and Seller will not audit, otherwise verify or have any obligation for such information.

(v) Seller shall take any and all actions necessary to permit the Transferred Employees and any new employees hired between the Closing and the termination date of any 401k-related Service (the "***Purchasers' Employees***") to participate in the Cobham Defense Electronic Systems - MA-COM Inc. 401(k) Plan during the period commencing on the Closing and ending on the four (4) month anniversary of the Closing. During this period, the portion of the 401(k) Plan related to the Purchasers' Employees shall be considered Purchaser's 401(k) Plan for purposes of applying the remaining provisions of this Agreement. At the end of the 4-month transition service period applicable to the 401(k) Plan, the assets and liabilities attributable to the Purchasers' Employees shall be assumed by Purchaser.

(vi) With respect to the Services described in the Services and Pricing Schedules under Item 9, "IT/MIS," Cdes tsa services" (the "***CDES IT/MIS Services***"), to the extent Seller's license to certain software expires and Seller elects not to renew its license (each, an "***Expired License***"), Seller may discontinue the functionality relating to the Expired License from the CDES IT/MIS Services as long as it provides Purchaser at least sixty (60) days written notice prior to the date the functionality is discontinued. The notice must identify the software license that is being discontinued and the reason for the discontinuance, the cost to Purchaser for acquiring a replacement license, and the effect the discontinuance will have on the CDES IT/MIS Services. If Seller discontinues the functionality relating to an Expired License from the CDES IT/MIS Services as set forth in this Section 1(f)(vi), the monthly price for the CDES IT/MIS Services will be reduced based on good faith negotiation of the parties, but in any event by no less than the monthly maintenance price set forth in Exhibit A to the Services and Pricing Schedules for the applicable Expired License. As to any portion of the CDES IT/MIS Services discontinued, Seller shall provide notice of the discontinuance to Purchaser in accordance with Section 7(j).

(g) **Title to Equipment; Management and Control**.

(i) All procedures, methods, systems, strategies, tools, equipment, facilities and other resources used and owned by Seller and any of its Affiliates or Third Parties in connection with the provision of Services hereunder shall remain the property of Seller and such Affiliates or Third Parties and, except as otherwise provided herein (including in the Services and Pricing Schedules attached hereto), shall at all times be under the sole direction and control of Seller and its Affiliates.

(ii) Except as otherwise provided herein (including in the Services and Pricing Schedules attached hereto), management of, and control over, the provision of the Services (including the determination or designation at any time of the equipment, employees and other resources of Seller and its Affiliates and Third Parties to be used in connection with the provision of the Services) shall reside solely with Seller.

(h) **Cooperation**. The parties hereto shall use their respective commercially reasonable efforts to cooperate with each other in all matters relating to the provision and receipt of Services. Purchaser and Seller shall cooperate in obtaining all consents, licenses, sublicenses or approvals necessary or desirable to permit Seller to provide the Services. Except as otherwise set forth in the Services and Pricing Schedules attached hereto, to the extent not included in Seller's charge for a particular Service, if provision of such Service by Seller requires payment of any consent, license, sublicense or approval fee, Seller shall be responsible for such payment.

(i) **Alternative to Support Data System Function**. If Seller reasonably believes it is unable, in the case of data systems, to support the function to which the data system relates because of a failure to obtain necessary consents, licenses, sublicenses or approvals, the parties hereto shall cooperate in good faith to determine the best alternative approach. To the extent a mutually agreed upon written alternative approach requires payment that is materially greater than that which is included in Seller's charge for the Service in question, Purchaser shall be responsible for such payment in an amount of Seller's direct costs incurred as a result of such alternative approach; provided that such costs are set forth in a mutually agreed upon written agreement detailing the alternative approach. Purchaser shall not modify its business processes or data systems in any way that would cause Seller to have to alter or modify Seller's data systems or business processes. For the avoidance of doubt, the term "***data systems***," as used in this Agreement, shall refer to all computer application and software systems, hardware, networks, servers, voicemail systems and other similar items that are capable of storing or manipulating data of any kind, including but not limited to the enterprise resource planning and other financial systems, information technology, human resources, and related systems.

(j) **Modification of Services**. The parties hereto will consult and negotiate with each other in good faith, as required, with respect to amending or modifying the Services, the furnishing of and payment for special or additional services, extraordinary items and the like, which shall be added to the Services and Pricing Schedules attached hereto (collectively, "***Additional Services***"), and will establish pre-approval routines to the extent reasonably feasible; provided that no party shall incur or be obligated to pay for any additional fees or expenses that have not been pre-approved by the other party in writing and which relate to the amendment or modification of the Services.

Section 2. Payments.

(a) In consideration for the Services to be provided by Seller hereunder, Purchaser shall pay to Seller such fees and costs as are set forth in the Services and Pricing Schedules. Notwithstanding the foregoing and any other provision in this Agreement, Seller shall be solely responsible for all other costs associated with the personnel and representatives who perform Services (including but not limited to payment of wages, payment for travel time, benefits and severance costs) during the term of this Agreement and all cost of equipment, licenses and other expenses incurred in providing the Services. All employees and representatives of Seller and its Affiliates and Third Parties shall be deemed for purposes of all employment, compensation and employee benefits matters to be employees of Seller and its Affiliates and Third Parties and not employees of Purchaser. The fees for the Services shall be invoiced monthly to Purchaser. Seller or its Affiliates or Third Parties shall forward to Purchaser separate invoices for the Services, listing the Services provided hereunder and listing the fees for such Services. Invoices shall be payable within sixty (60) days after receipt by Purchaser of the invoice. Each invoice will be accompanied by reasonable documentation or other reasonable explanation supporting such charges. Any fees or other compensation owed to Seller under this Agreement which are not paid within sixty (60) days of their due date will be considered delinquent and a late payment charge of the lesser of two percent (2%) of the delinquent balance due and the maximum amount permissible by Law will be assessed per month on the amounts that remain delinquent.

(b) For any payroll payment Service or 401(k) contribution Service that requires Seller to make a payment in excess of $25,000 on behalf of Purchaser, Seller shall be under no obligation to provide such Service unless Purchaser shall have funded Seller with payment for such Service at least forty-eight (48) hours prior to the date on which such Service is to be provided.

(c) Notwithstanding anything to the contrary contained in this Agreement, Purchaser will not be charged under this Agreement for any obligations that are specifically required to be performed by Seller under the Purchase Agreement or the other Transaction Documents (as defined in the Purchase Agreement) and any such obligations shall be performed and charged for (if applicable) in accordance with the terms of the Purchase Agreement and such other Transaction Documents, as applicable.

(d) Seller shall permit Purchaser and its employees and agents access, during regular business hours upon reasonable prior written notice, to books and records of Seller to the extent relating to the provision of Services under this Agreement as Purchaser may reasonably request for the purposes of confirming the fees set forth on invoices provided by Seller for the Services under this Agreement.

(e) Should Purchaser dispute any portion of any invoice, Purchaser shall promptly notify the Seller in writing of the nature and basis of such dispute. Purchaser may withhold payment of any fees that Purchaser reasonably disputes in good faith by providing notice to Seller with a description of the particular fees in dispute and an explanation of the reason why Purchaser disputes such fees. If Seller shall request in writing that such withheld amounts be deposited into a third-party escrow account, (i) Purchaser shall, within thirty (30) days following Purchaser's receipt of such request, deposit such withheld amounts into a third-party escrow account, and (ii) the parties shall each use their best efforts to meet and negotiate in good faith in an attempt to resolve the disputes relating to the withheld amounts within forty-five (45) days following Purchaser's receipt of Seller's request. If any dispute is resolved in favor of Seller and Purchaser has withheld payment, Purchaser shall, or shall direct the escrow agent to, pay such amounts as soon as reasonably practicable. If a dispute is resolved in favor of Purchaser and Purchaser has previously made payment to Seller or deposited such amount in escrow, Seller shall, (x) for amounts previously paid to Seller, credit such amounts on the next invoice cycle after resolution of such dispute, and (y) with respect to amounts deposited in escrow, direct the escrow agent to release such amounts to Purchaser as soon as reasonably practicable. The escrow agreement shall require that all disputed fees that are withheld by Purchaser and deposited into escrow pursuant to this Section shall remain in escrow until the dispute relating to each such amount is resolved.

(f) Each party agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this Agreement. Neither the failure to dispute any fees or amounts prior to payment nor the failure to withhold any amount will constitute, operate, or be construed as a waiver of any right Purchaser may otherwise have to dispute any fee or amount or recover any amount previously paid.

Section 3. Relationship of Parties.

(a) **Seller's Employees and Representatives**. Seller or its Affiliates, or Third Parties as the case may be, shall have the sole right to exercise all authority with respect to the employment (including termination of employment), assignment and compensation of their employees and representatives who perform Services.

(b) **Parties are Independent Contractors**. Except as specifically provided herein, (i) none of the parties shall act or represent or hold itself out as having authority to act as an agent or partner of the other party or its Affiliates or (ii) in any way bind or commit or purport to bind or commit the other party or its Affiliates to any obligations or agreement. The parties hereto are independent contractors, and none of the parties or their respective employees, representatives or agents will be deemed to be employees, representatives or agents of the any other party for any purpose or under any circumstances. No partnership, joint venture, alliance, fiduciary or any relationship other than that of independent contractors is created hereby, expressly or by implication. The parties' respective rights and obligations hereunder shall be limited to the contractual rights and obligations expressly set forth herein on the terms and conditions set forth herein.

(c) **Seller's Employees**. Seller shall be responsible for the Services-related performance of all personnel and representatives assigned to provide Services under this Agreement and shall have the sole and exclusive right to direct and control the management of such personnel and representatives. With respect to all personnel and representatives assigned by Seller to provide Services under this Agreement, Seller shall be solely and exclusively responsible for: (a) determining and paying all applicable wages and salaries, including applicable overtime and other premium pay; (b) providing welfare and retirement benefits, as it deems necessary or desirable; (c) complying with applicable Tax Laws, including income Tax and employment Tax withholding Laws; (d) complying with all applicable Laws governing the employment relationship between Seller and its employees and representatives, including, but not limited to, Laws, as applicable, relating to accommodation of disabilities, equal pay, provision of leave (e.g., FMLA, jury duty, etc.), unlawful discrimination, as well as wage and hour requirements; (e) complying with all workers' compensation insurance coverage Laws; (f) filing all applicable reports with federal, state and local agencies and authorities as required by applicable Law; (g) maintaining all required employment records, including I-9s, personnel and medical files consistent with applicable Law and customary business practices; and (h) complying with all applicable equal employment opportunity Laws. Seller shall indemnify and hold harmless Purchaser and its respective officers, directors and employees from any claims, demands, proceedings, liabilities obligations and expenses, including attorneys' fees, arising from any failure by Seller to comply with their obligations relating to or regarding Seller's employees, personnel, representatives, and agents performing Services under this Agreement, and the provision of this Section shall survive the termination or expiration of this Agreement. Purchaser shall not take any action that it intends to cause Seller to breach its obligations under this Agreement.

Section 4. Use of Information, Confidentiality.

(a) **Confidential Information**. As used in this Agreement, the term "***Confidential Information***" means any and all information, data, materials, products, Intellectual Property and processes disclosed by a party, or its agents, to the

other party, or its agents, or obtained by a party, or its agents, from the other party, during the term of this Agreement, to the extent the same (i) is not and does not become generally available to the public other than as a result of a breach of this Agreement, (ii) was not already known by the recipient without any obligation of confidentiality when received or obtained from the party and (iii) was not independently acquired or developed by the recipient without violating the terms of this Agreement or any other obligation of confidentiality.

(b) **Use of Confidential Information**. Purchaser and Seller shall, and shall cause their respective Affiliates and, in Seller's case, Third Parties to, hold all Confidential Information relating to the other party confidential, and not use such Confidential Information for any purpose other than to perform its obligations under this Agreement, unless legally compelled or required to disclose such information, in which event the party legally compelled or required to disclose shall provide the other party with written notice of such legal compulsion to disclose and shall use commercially reasonable efforts to afford the other party a reasonable period of time to contest such disclosure.

(c) **Data Systems**. Data systems used by Seller to perform the Services provided hereunder (and not owned or leased by Purchaser) are confidential and proprietary to Seller or third parties. Purchaser shall treat these data systems and all related procedures and documentation as Confidential Information and proprietary to Seller or its respective third party vendors, subject to the exceptions of Sections 4(a)(i) – (iii).

(d) **Return of Information**. Upon expiration or termination of the Services or the termination or expiration of this Agreement, each of the parties hereto shall promptly return or destroy all proprietary information or other Confidential Information of the other party relating to such terminated or expired Service(s); provided that all information related to the Business (as such term is defined in the Purchase Agreement) shall be deemed the Confidential Information of Purchaser. Upon expiration or termination of this Agreement, Seller shall promptly return, or cause to be returned, to Purchaser all of Purchaser's data which is in the possession of Seller or third parties performing Services on behalf of Seller on the date of expiration or termination of this Agreement.

(e) **Intellectual Property**.

(i) This Agreement and the performance of this Agreement will not affect the ownership of any Intellectual Property allocated in the Purchase Agreement or the other Transaction Documents.

(ii) Neither party will gain, by virtue of this Agreement, any rights of ownership of copyrights, patents, trade secrets, trademarks or any other intellectual property rights owned by the other party.

Section 4A. Transition Plan Services. (a) Due to the limitations of the information technology systems of Cobham Defense Electronic Systems – M/A-COM Inc. ("CDES M/A-COM") that are currently used in connection with the Business, the parties agree to undertake the actions set forth in Sections 4A(b), 4A(c) and 4A(d) below after the Closing ("Transition Plan Services") to enable M/A-COM Technology Solutions Inc. ("MTS") to continue operating the Business until such time as information technology services are available such that the Transition Plan Services are no longer needed by MTS or Purchaser, provided, however, that in no event shall the Transition Plan Services be provided by CDES M/A-COM to MTS or Purchaser for more than sixty (60) days after MTS launches its own general ledger within an SAP or similar software application from which to issue MTS-specific orders, invoices and similar documents. In taking the actions set forth below CDES M/A-COM shall act in the ordinary course of business consistent with practices in place immediately prior to the Closing Date.

(b) **Transition Plan Services Relating to Sales of Products.** When MTS receives a request for quote from a customer, to avail itself of the Transition Plan Services, it shall prepare and provide the quote to the customer on behalf of CDES M/A-COM. At the point the quote is placed with the customer by MTS, a quote is deemed to have been placed by MTS to CDES M/A-COM. MTS will negotiate with the customer in order to secure the customer's order (including payment terms and other terms and conditions of sale), obtain necessary end user documentation (i.e., the documentation required from customers prior to the Effective Date), and MTS will cause the customer to place the order with CDES M/A-COM (each such post-Closing Date customer order, a "Customer Order"). Upon CDES M/A-COM's receipt of the Customer Order and a confirmation from MTS, with the necessary end user documentation, that MTS wishes to perform such Customer Order, CDES M/A-COM will book the order. At the same time, an order with identical terms and conditions will be deemed to have been placed by CDES M/A-COM to MTS (the "Internal Order"). MTS will be responsible for producing the goods subject to the order and preparing the order for delivery to the customer, including any testing and/or packaging requirements. MTS will be obligated to deliver all sales documentation to CDES M/A-COM. At the point the inventory is drawn to a delivery note by MTS, title will transfer from MTS to CDES M/A-COM under the Internal Order, a sale from MTS to CDES M/A-COM will have been made, and the goods will be moved by MTS to the physical CDES M/A-COM finished goods location within CDES M/A-COM's facility in Lowell, Massachusetts. On CDES M/A-COM's shipment of the goods to the MTS customer, CDES M/A-COM will issue shipping documentation and prepare an invoice for issue to the customer. CDES M/A-COM will also provide MTS with a copy of the invoice. Within a reasonable time after the end of each business day, the sales documentation will be prepared by MTS for the sales made that day to CDES MA/-COM. MTS will, if requested by CDES, use commercially reasonable efforts to assist CDES M/A-COM to collect any amount relating to a Customer Order. The sale from MTS to CDES M/A-COM and from CDES M/A-COM to the customer will be made under the terms set forth in the Customer Order. Subject to the right of set off described in Section 4A(c), CDES M/A-COM shall match customer receipts against invoices and pay the matched payments on to MTS within five (5) business days after receipt of the customer's payment.

(c) **Transition Plan Services Relating to Materials Procurement.** MTS and CDES M/A-COM will continue to capture material requirements through the material resource planning

function of the information technology system. When MTS desires to place an order for materials, a purchase order approved by MTS in writing will be placed with the supplier on behalf of CDES M/A-COM ("Supplier Order"). CDES M/A-COM will not add or remove any terms from a Supplier Order without MTS' prior written consent. At the point an MTS approved purchase order is placed by CDES M/A-COM, a purchase order is deemed to have been placed by MTS to CDES M/A-COM. MTS will be bound by all of the terms and conditions in the Supplier Order, including price. MTS will supply all necessary documentation (i.e., all documentation supplied by MTS for similar purchases prior to the Effective Date) to CDES M/A-COM for import purposes. When CDES M/A-COM receives the materials pursuant to the Supplier Order it will deliver the materials to MTS in accordance with customary delivery times, but at least within three (3) business days, and will process a goods receipt transaction in the information system. At the point the goods receipt transaction takes place, title will be deemed to have transferred from CDES M/A-COM to MTS and MTS will pay CDES M/A-COM for the price of those goods as specified in the Supplier Order. At the end of each day, CDES M/A-COM will provide a summary to MTS of all inventory ordered by MTS and received by CDES M/A-COM. MTS will pay CDES M/A-COM for goods purchased under a Supplier Order within the time period that CDES M/A-COM must remit payment under the Supplier Order. CDES M/A-COM may elect to set off amounts owed to MTS pursuant to Section 4A(b) in order to make payments on Supplier Orders, provided that CDES M/A-COM provides MTS at least three business days prior written notice of any such set off.

(d) **Shared Inventory Practices.** CDES M/A-COM and MTS will keep accurate records of the purchases and uses of materials and goods in inventory in a manner consistent with practices in place immediately prior to the Closing Date. Use of shared inventory shall be reconciled and invoiced on at least a monthly basis so that the costs and expenses are allocated in a manner consistent with each party's use. Prior to using inventory ordered by another party, permission must first be granted by the party that owns the inventory. In the event of the obsolescence of inventory ordered by a party, the costs of such obsolescence shall be borne by the party that ordered the inventory. The parties will use their reasonable efforts to physically demise their respective inventory and develop an electronic record keeping system for inventory as soon as practical after Closing.

(e) **Miscellaneous**. The Transition Plan Services are to be provided on a purely pass through basis. As between CDES M/A-COM and Purchaser and MTS, MTS shall be solely responsible for all product warranties, fulfillment obligations and other obligations and liabilities arising from the Customer Orders and MTS and Purchaser will indemnify and hold harmless CDES M/A-COM from any claim, obligation or liability (including damages awarded to customers based on customer claims for lost profits, lost revenues, lost opportunities, amounts based on a multiple of lost earnings or any incidental, indirect, special, exemplary, punitive or consequential damages) arising from a Customer Order other than claims, obligations or liabilities arising from a breach of this Agreement by CDES M/A-COM or the negligence of CDES M/A-COM. As between CDES M/A-COM and MTS, MTS is solely responsible for all payment obligations arising from authorized post-Closing Date purchase orders submitted by CDES M/A-COM on MTS' behalf, and MTS and Purchaser will indemnify and hold harmless CDES M/A-COM from any claim by a supplier for non-payment under such a purchase order other than claims arising from a breach of this Agreement by CDES M/A-COM or the negligence of CDES M/A-COM. Purchaser and MTS will have full and

complete control over the defense and settlement of any claim, obligation or liability for which Purchaser and MTS have an obligation to indemnify CDES M/A-COM under this Section 4(A)(e). CDES M/A-COM will provide assistance in connection with the defense and settlement of such claims as Purchaser or MTS may reasonably request.

Section 5. Compliance with Laws. Each of the parties hereto shall, with respect to its obligations and performance hereunder, comply with all applicable requirements of Law, including, without limitation, import and export control, environmental and occupational safety requirements. Purchaser shall be responsible for (a) compliance with all Laws affecting its business and (b) any use Purchaser may make of the Services to assist it in complying with such Laws.

Section 6. Damages.

(a) **Maximum Amount of Damages of Purchaser**. Notwithstanding anything to the contrary contained herein, in no event shall either party have any liability for monetary damages hereunder or otherwise in respect of the Services in excess of the greater of (i) $4,227,450 and (ii) the aggregate amount invoiced by Seller to Purchaser and actually received by Seller in payment for the performance of the Services hereunder; provided, however, that in no event shall such amount exceed $8,454,900. The limitations set forth in this Section 6(a) shall not apply to MTS and Purchaser's indemnity obligations under Section 4A(e).

(b) **Limitation of Liability**. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT FOR BREACHES OF THE CONFIDENTIALITY OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF THE OTHER PARTY, ITS SUCCESSORS, ASSIGNS OR THEIR RESPECTIVE AFFILIATES, TO THE EXTENT AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

(c) **Disclaimer**. EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, THE SERVICES ARE PROVIDED "AS IS" AND SELLER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF

MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICES AND MAKE NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE.

(d) **Third Party Provider**. With respect to any Services provided by a Third Party that is not an Affiliate of Seller, Seller shall have no liability in respect of any action or omission of such Third Party in the provision of such Services; provided, however, that (i) if such Third Party fails to perform such Services to the same extent as Seller is obligated to perform such Services under this Agreement, Seller shall perform such Services or cause its Affiliate or an alternative Third Party to perform such Services, and (ii) upon the written request of Purchaser, Seller shall diligently pursue, and use all commercially reasonable efforts to obtain, on behalf and for the benefit of Purchaser and at Purchaser's expense, such monetary and equitable remedies as may be available to Seller and/or Purchaser. For the avoidance of doubt, Seller shall be liable for any action or omission of its Affiliates.

Section 7. Miscellaneous.

(a) **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of New York, without regard to the conflicts of Law principles of such State. The parties hereto consent and submit to the exclusive jurisdiction of the courts (State and Federal) located in the State of New York in connection with any controversy arising under this Agreement or its subject matter. The parties hereby waive any objection they may have in any such action based on lack of personal jurisdiction, improper venue or inconvenient forum. The parties further agree that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth above or in the Purchase Agreement shall be effective legal service for any litigation brought in such courts.

(b) **WAIVER OF JURY TRIAL**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(c) **Specific Performance**. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall agree to injunctive relief to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof in the United States District Court for the Southern District of New York or any New York State court sitting in New York City, in addition to any other remedy to which they are entitled at law or in equity.

(d) **Taxes**. Purchaser shall bear all sales, use, transfer, value-added goods and services and other similar taxes imposed on the Services under this Agreement. Except as set forth in the preceding sentence, each party shall bear all taxes, duties, levies, imposts, assessments and other similar charges (including any related interest, penalties and other liabilities related thereto), imposed on it as a result of the Services under this Agreement (collectively, "***Taxes***"). Purchaser may withhold or deduct any and all Taxes it is required to withhold or deduct by Law or by the interpretation or administration thereof.

(e) **Force Majeure**. Except for Purchaser's obligation to make timely payments for Services performed in accordance with the terms hereof, no party hereto will have any liability for any Losses or delay due to fire, explosion, lightning, pest damage, power failure or surges, strikes or labor disputes, water or flood, acts of God, the elements, war, civil disturbances, changes in the Law that make provision of the Services illegal, acts of civil or military authorities or the public enemy, acts or omissions of communications or other carriers, or any other cause beyond such party's reasonable control, whether or not similar to the foregoing that prevent such party from materially performing its obligations hereunder. If any party claims a condition of force majeure as an excuse for non-performance of any provision of Services, the party asserting the claim must notify the other parties hereto as soon as practicable of the force majeure condition, describing the condition in reasonable detail and, to the extent known, the probable extent and duration of the condition. For so long as a condition of force majeure continues, the party invoking the condition as an excuse for non-performance hereunder will use commercially reasonable efforts to cure or remove the condition as promptly as possible so as to resume performance of its obligations hereunder.

(f) **Assignment**. This Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other party hereto, and any such unauthorized assignment or transfer will be void ab initio; provided, however, that (i) Seller shall be entitled to assign its rights and obligations hereunder to any Affiliate of Seller without the consent of Purchaser or to any other Third Party performing any Services hereunder if and so long as Seller remains fully liable for the fulfillment of all such obligations, (ii) Purchaser may assign this Agreement to a successor in the event of a change of control of Purchaser or the sale of substantially all of the assets of Purchaser if and so long as Purchaser remains fully liable for the fulfillment of all such obligations, and (iii) in the event that Purchaser sells or transfers part of the business acquired from Seller pursuant to the Purchase Agreement and the other Transaction Documents, Purchaser may assign its right to receive Services under this Agreement to the acquirer of such business to the extent such Services relate to such business.

(g) **Entire Agreement; Modification; Waivers**. This Agreement and the Services and Pricing Schedules attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiation, commitments and writings (other than the Purchase Agreement) with respect to Services. This Agreement and the Service and Pricing Schedules attached hereto may not be altered, modified or amended except by a written instrument signed by all affected parties. The failure of any party to require the performance or satisfaction of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

(h) **No Duty of Verification**. Seller shall not have any responsibility for verifying the correctness of any information given to it by or on behalf of Purchaser for the purpose of providing the Services.

(i) **Severability**. The provisions of this Agreement are severable, and in the event that any one or more provisions are deemed illegal or unenforceable the remaining provisions shall remain in full force and effect, unless the deletion of such provision shall cause this Agreement to become materially adverse to Seller, on the one hand, or Purchaser, on the other hand, in which event the parties shall use their respective commercially reasonable efforts to arrive at an accommodation that best preserves for the parties the benefits and obligations of the offending provision.

(j) **Notices**. All notices and other communications hereunder will be in writing and deemed to have been duly given if given in accordance with the provisions of the Purchase Agreement.

(k) **Survival of Obligations**. The obligations of the parties under Sections 2, 3, 4, 6 and 7 shall survive the expiration of this Agreement.

(l) **Inconsistency**. In the event of any inconsistency between the terms of this Agreement and any of the Services and Pricing Schedules hereto, the terms of this Agreement, other than charges for the Services, shall control. In the event of any inconsistency between the terms of this Agreement and the Purchase Agreement, the terms of the Purchase Agreement shall control.

(m) **Title and Headings**. Titles and headings to sections herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed on its behalf by its duly authorized officer as of the date first written above.

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION

By: _____
Name:
Title:

KIWI STONE ACQUISITION CORP.

By: _____
Name:
Title:

(Signature page to Transition Services Agreement)

Exhibit F

$m	MTS - January Working Capital						
	23 Jan 2009 Balance Sheet (1)	Interco Funding (2)	Warranty Reserves (3)	Payroll normalisation (4)	Corporation tax (5)		Final working capital
Working capital							
Net accounts receivable	40.2	—	—	—	—		40.2
Intercompany receivables	1.1	—	—	—	—		1.1
Inventory	44.0	—	—	—	—		44.0
Prepaid items	0.6	—	—	—	—		0.6
Other current assets	0.3	—	—	—	—		0.3
Trade accounts payable	(13.3)	—	—	—	—		(13.3)
Intercompany payable	(8.2)	7.5	—	—	—		(0.6)
Accrued liabilities	(8.2)	—	2.5	—	0.2		(5.5)
Accrued payroll liabilities	(8.1)	—	—	3.8	—		(4.3)
Net working capital	**48.3**	**7.5**	**2.5**	**3.8**	**0.2**		**62.3**

(1) Represents SAP trial balance accounts containing working capital
(2) Represents exclusion from working capital of intercompany funding balances
(3) Represents exclusion from working capital of all warranty provisions
(4) Represents normalisation of payroll from the higher than average payroll liabilities as at 23 January 2008 to the average level of payroll liabilties - as per documentation in the data room
(5) Represents exclusion of Ireland Corporation tax from working capital

$m	26 Dec 2008 Balance Sheet (1)	MTS - December Working Capital Interco Funding (2)	Accrued management fee (3)	Warranty Reserves (4)	Payroll normalisation (5)	Corporation tax (6)	Final working capital
Working capital							
Net accounts receivable	44.5	—	—	—	—	—	44.5
Intercompany receivables	1.7	—	—	—	—	—	1.7
Inventory	42.4	—	—	—	—	—	42.4
Prepaid items	0.7	—	—	—	—	—	0.7
Other current assets	0.3	—	—	—	—	—	0.3
Trade accounts payable	(11.8)	—	—	—	—	—	(11.8)
Intercompany payable	(10.8)	9.2	1.1	—	—	—	(0.6)
Accrued liabilities	(7.7)	—	—	2.5	—	0.2	(5.0)
Accrued payroll liabilities	(8.4)	—	—	—	4.1	—	(4.3)
Net working capital	**50.9**	**9.2**	**1.1**	**2.5**	**4.1**	**0.2**	**67.9**

(1) Represents SAP trial balance accounts containing working capital
(2) Represents exclusion from working capital of intercompany funding balances
(3) Represents exclusion from working capital of liability in respect of management fee levied by Cobham Holdings Inc
(4) Represents exclusion from working capital of all warranty provisions
(5) Represents normalisation of payroll from the higher than average payroll liabilities as at 23 January 2008 to the average level of payroll liabilties - as per documentation in the data room
(6) Represents exclusion of Ireland Corporation tax from working capital

MTS - September Working Capital

$m	26 Sept 2008 Balance Sheet (1)			Warranty Reserves (2)	Payroll normalisation (3)	Corporation tax (4)	Final working capital
Working capital							
Net accounts receivable	51.8			—	—	—	51.8
Intercompany receivables	0.7			—	—	—	0.7
Inventory	41.2			—	—	—	41.2
Prepaid items	0.5			—	—	—	0.5
Other current assets	0.0			—	—	—	0.0
Trade accounts payable	(15.7)			—	—	—	(15.7)
Intercompany payable	(0.1)			—	—	—	(0.1)
Accrued liabilities	(7.2)			2.5	—	0.2	(4.5)
Accrued payroll liabilities	(2.8)			—	(1.5)	—	(4.3)
Net working capital	**68.5**	**—**	**—**	**2.5**	**(1.5)**	**0.2**	**69.7**

(1) Represents SAP trial balance accounts containing working capital

(2) Represents exclusion from working capital of all warranty provisions

(3) Represents normalisation of payroll from the lower than average payroll liabilities as at 26 September 2008 to the average level of payroll liabilties - as per documentation in the data room

(4) Represents exclusion of Ireland Corporation tax from working capital

MTS - Working Capital PEG

$m	Forecast peg basis assumptions	Dec 2008 Balance Sheet	March forecast peg
Working capital			
Net accounts receivable	Based upon December metrics and March forecasts (1)	44.5	40.0
Intercompany receivables	Based upon December metrics and March forecasts (1)	1.7	1.5
Inventory	Based upon December metrics and March forecasts (1)	42.4	43.7
Prepaid items	Assume normalised December as average	0.7	0.7
Other current assets	Assume normalised December as average	0.3	0.3
Trade accounts payable	Based upon December metrics and March forecasts (1)	(11.8)	(12.4)
Intercompany payable	Based upon December metrics and March forecasts (1)	(0.6)	(0.6)
Accrued liabilities	Assume normalised December as average	(5.0)	(5.0)
Accrued payroll liabilities	Assume normalised December as average	(4.3)	(4.3)
Net working capital		**67.9**	**64.0**

(1) Calculations supporting the December Metrics and the forecast March peg are in the data room

Exhibit G

SHORT TERM PROMISSORY NOTE

$5,000,000.00 March 30, 2009

FOR VALUE RECEIVED, KIWI STONE ACQUISITION CORP, a Delaware corporation having a mailing address at 28013 Arastradero Road, Los Altos Hills, California 94022 ("Debtor"), promises to pay to the order of COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION, a Massachusetts corporation having an address at 58 Main Street, Route 117, Bolton, Massachusetts 07140 ("Creditor"), the sum of FIVE MILLION and 00/100 Dollars ($5,000,000.00), together with interest on the unpaid principal balance at the times and in the amounts hereinafter specified.

Article 1
Certain Definitions

1.1 Defined Terms. In addition to capitalized terms defined in context, the following terms shall have the following meanings:

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Capital Event" shall mean any sale of assets or equity securities of any Loan Party (other than Debtor) that results in Net Proceeds in excess of $1,000,000 paid or payable to any Loan Party or the holder(s) of equity securities of Debtor from such transaction.

"Default Rate" shall mean four percentage points per annum above the otherwise applicable per annum rate of interest.

"Interest Payment Date" shall mean April 30, 2009, July 31, 2009 and September 30, 2009.

"Loan Party" shall mean any of Debtor and its Subsidiaries.

"Net Proceeds" shall mean any cash proceeds actually received by a Loan Party, (including any cash payments received by way of deferred payment or contingent payment, but only as and when received) with respect to a Capital Event less (a) the reasonable fees and expenses of the Capital Event, and (b) the taxes paid or payable with respect to the Capital Event as reasonably estimated as at the time of the closing of the Capital Event.

"Note" shall mean this Short Term Promissory Note.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party, or government (whether national, federal, state, provincial, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Purchase Agreement" shall mean that certain Purchase Agreement dated the date hereof among Creditor, Lockman Electronic Holdings Limited and Debtor.

"Subsidiary" shall mean, as to a Person, any corporation, partnership, limited liability company or other entity in which equity interests having ordinary voting power (other than equity interests having said power only by reason of the happening of a contingency) to elect a majority of the board of directors, the managers or other governing body of such entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by a Person.

Article 2
Interest

2.1 Rate. Interest shall accrue on the unpaid principal balance hereof from time to time at the rate of 9.5% per annum; provided, however, if the maturity date of this Note is extended until November 30, 2009 pursuant to Section 3.1 below, interest shall accrue on the unpaid principal balance hereof at 13.0% per annum from October 1, 2009 until this Note is paid in full. Following the occurrence and during the continuance of an Event of Default, the rate of interest rate hereunder shall immediately be automatically increased to the Default Rate, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at the Default Rate; provided, however, that following the cure of any such Event of Default or the waiver of any such Event of Default by Creditor, the Default Rate shall no longer apply and the applicable interest as set forth in this Section 2.1 shall be applicable.

2.2 Maximum Interest. If at any time the rate of interest would exceed the maximum interest rate allowed by law to be charged, the interest payable shall be limited to the maximum amount permitted by law. Any interest received by Creditor in excess of the maximum amount permitted by law shall be applied to the outstanding principal balance or, if required by law, returned to Debtor.

Article 3
Payments

3.1 Payment of Principal. Debtor shall pay the entire unpaid principal balance of this Note to Creditor on September 30, 2009; provided, however, if Debtor elects, by sending written notice thereof to Creditor no later than August 31, 2009, to extend the maturity date of this Note, and Creditor consents to such extension, Debtor shall pay the entire unpaid principal balance of this Note to Creditor on November 30, 2009.

3.2 Payment of Interest. Accrued interest shall be due and payable to Creditor on each Interest Payment Date and upon maturity of this Note, whether by acceleration or otherwise.

3.3 Other Amounts Payable. If at any time the entire unpaid principal balance hereof is due and payable or is paid, all accrued interest, late payment charges and other amounts owing hereunder shall be immediately due and payable.

3.4 Late Payment Charge. If any payment of any amount due under this Note is overdue for a period in excess of five days, Debtor shall immediately pay to Creditor a late payment charge equal to 1% of the amount of the overdue payment.

3.5 Payments from Capital Event Net Proceeds. Within one business day following the receipt of Net Proceeds from a Capital Event, Debtor shall pay to Creditor as a principal payment the lesser of (a) the Net Proceeds so received and (b) the aggregate outstanding principal balance under this Note.

3.6 Prepayment. This Note may be prepaid at any time in full or in part, without penalty.

Article 4
Default

4.1 Events of Default. The occurrence of any of the following specified events shall be an "Event of Default" as set forth herein:

(a) Failure of Debtor to make any payment required hereunder when due; or

(b) The occurrence of any Event of Default as such term is defined in the Secured Promissory Note dated as of the date hereof in the original principal amount of $30,000,000 issued by Debtor to Secured Party as it may be amended, supplemented or otherwise modified from time to time; or

(c) The occurrence of any Event of Default as such term is defined in the Revolving Credit Agreement dated as of the date hereof among Creditor, Debtor, M/A-COM Technology Solutions Inc., M/A-COM Auto Solutions Inc. and Laser Diode Incorporated; or

(d) The making of a general assignment by any Loan Party for the benefit of creditors, or the institution by any Loan Party of any type of bankruptcy, reorganization or insolvency proceeding under any state or federal law or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of any Loan Party; or

(e) The appointment of a receiver or trustee for any Loan Party or for any assets of any Loan Party or the institution against any Loan Party of any type of bankruptcy, reorganization or insolvency proceeding for the liquidation or winding up of the affairs of any Loan Party and the failure to have such appointment vacated, or such proceeding dismissed within sixty days; or

(f) The occurrence of any event of default under the terms of any security agreement or other agreement securing indebtedness of Debtor to Creditor pursuant to this Note.

4.2 Acceleration. Upon the occurrence and during the continuance of an Event of Default, the entire unpaid balance of principal of and interest on this Note and all other amounts owing hereunder shall become immediately due and payable at the option of Creditor.

4.3 Certain Events of Default. Upon the occurrence of any Event of Default described in Section 4.1(d) or Section 4.1(e), the entire unpaid balance of principal of and interest on this Note and all other amounts owing hereunder shall immediately become due and payable, without notice or demand.

Article 5
General Provisions

5.1 Identification. This Note is the Short Term Promissory Note referred to in the Purchase Agreement.

5.2 Security. This Note and the obligations of Debtor hereunder are intended to be secured by substantially all of the assets of Debtor and its Subsidiaries, whether now or hereafter existing or acquired. Debtor agrees to take all action, and to cause each other Loan Party to take all action, reasonably requested by Creditor from time to time to create and perfect any such security interest.

5.3 Manner of Payment. All payments hereunder shall be made in lawful money of the United States by wire transfer of immediately available funds to one or more accounts specified from time to time by the holder hereof.

5.4 Application of Prepayments. Any prepayments hereunder shall be applied first to accrued but unpaid interest and then to the principal payment under Section 3.1.

5.5 Limitation on Right of Set Off. Debtor acknowledges that any set off under this Note is permitted only in the circumstances specifically allowed under the Purchase Agreement. Any amounts so set off by Debtor shall, absent mutual agreement as to application, be applied as set forth in Section 5.4.

5.6 Expenses. Debtor promises to pay all costs and expenses incurred by the Creditor in collecting this Note or in enforcing its rights hereunder, including reasonable attorneys' fees and disbursements.

5.7 No Waiver by Creditor. No omission or delay by Creditor or other holder hereof in exercising any right or power under this Note will impair such right or power or be construed to be a waiver of or acquiescence in any default hereunder, and no waiver by Creditor or other holder hereof of any breach or default hereunder shall be deemed to be a waiver of any right or power upon the later occurrence or recurrence of any such breach or default.

5.8 Presentment. Debtor waives presentment of this Note.

5.9 Governing Law; Venue. This Note and the rights of Creditor and the obligations of Debtor hereunder shall be construed and interpreted in accordance with the laws of the State of New York, without regard to the principles of conflicts of law. Debtor consents to jurisdiction in the State of New York and agrees that any action to enforce this Note may be commenced against Debtor in federal or state courts in Erie County, New York.

5.10 Assignment. The rights and obligations under this Note may not be assigned or transferred by Debtor or Creditor without the other party's prior written consent; provided, however, Creditor may assign this Note to an Affiliate of Creditor formed under the laws of any state of the United States.

5.11 Waiver of Jury Trial. DEBTOR HEREBY EXPRESSLY WAIVES ALL RIGHTS TO TRIAL BY JURY ON ANY CAUSE OF ACTION DIRECTLY OR INDIRECTLY INVOLVING THE TERMS OR CONDITIONS OF THIS NOTE, OR ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS NOTE OR ANY DOCUMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS NOTE.

[Remainder of page intentionally left blank. Signature Page to follow]

KIWI STONE ACQUISITION CORP.

By: _____

Name: _____

Title: _____

[Signature Page to Short Term Promissory Note]

Exhibit H

SECURED PROMISSORY NOTE

$30,000,000.00 March 30, 2009

FOR VALUE RECEIVED, Kiwi Stone Acquisition Corp., a Delaware corporation having a mailing address at 28013 Arastradero Road, Los Altos Hills, California 94022 ("Debtor"), promises to pay to the order of Cobham Defense Electronic Systems Corporation, a Massachusetts corporation having an address at 58 Main Street, Route 117, Bolton, Massachusetts 01740 ("Creditor"), the sum of THIRTY MILLION and 00/100 Dollars ($30,000,000.00) together with interest on the unpaid principal balance at the times and in the amounts hereinafter specified.

Article 1
Certain Definitions

1.1 Defined Terms. In addition to capitalized terms defined in context, the following terms shall have the following meanings:

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Business Revenue" shall have the meaning given to such term in the Stock Purchase Agreement.

"Capital Event" shall mean any sale of assets or equity securities of any Loan Party (other than Debtor) that results in Net Proceeds in excess of $1,000,000 paid or payable to any Loan Party or the holder(s) of equity securities of Debtor from such transaction.

"Change in Control" shall mean: (a) any merger, consolidation, reorganization, recapitalization, transfer of securities or other similar transaction as a result of which: (i) Debtor or an Affiliate of Debtor ceases to be record or direct or indirect beneficial owner of more than 50% of the outstanding equity securities of the Loan Parties (other than Debtor) which at the time of the transaction own assets that generated more than 80% of the consolidated Business Revenue of the Loan Parties taken as a whole for the twelve month period ending as of Debtor's then most recently completed fiscal quarter or (ii) the present equity holders of Debtor cease to be the direct or indirect holders of more than 50% of the equity interests, however classified, of Debtor; or (b) the sale, transfer or other disposition of assets of the Loan Parties taken as a whole that generated more than 80% of the consolidated Business Revenue of the Loan Parties taken as a whole for the twelve month period ending as of Debtor's then most recently completed fiscal quarter.

"Default Rate" shall mean four percentage points per annum above the otherwise applicable per annum rate of interest.

"EBITDA" shall mean, for any period, the net income (or loss) for the applicable period of measurement of Debtor and its Subsidiaries calculated on a consolidated basis determined in accordance with GAAP, excluding: (a) the income (or loss) of any Person which is not a Subsidiary of Debtor, except to the extent of the amount of dividends or other distributions actually paid to Debtor or any of its Subsidiaries in cash by such Person during such period; (b) gains or losses from the sale, exchange, transfer or other disposition of property or assets not in the ordinary course of business of Debtor and its Subsidiaries, and related tax effects in accordance with GAAP; and (c) any other extraordinary or non-recurring gains or losses of Debtor or its Subsidiaries, and related tax effects in accordance with GAAP; plus (i) all amounts deducted in calculating net income (or loss) for depreciation or amortization for such period; (ii) interest expense (less interest income) deducted in calculating net income (or loss) for such period; (iii) all accrued taxes on or measured by income to the extent deducted in calculating net income (or loss) for such period; (iv) all management fees or other similar payments to the extent deducted in calculating net income (or loss) for such period.

"EBITDA Reference Period" shall mean the calendar quarter ending immediately prior to each Interest Payment Date.

"Equity Payment" shall mean any dividend, redemption or other distribution of property or rights, direct or indirect, on account of any equity security (whether denominated as membership interests, units, shares or otherwise) of Debtor or any Subsidiary (to the extent not paid to Debtor or a Subsidiary), other than those made exclusively in equity securities of that entity.

"GAAP" shall mean generally accepted accounting principles as in effect in the United States from time to time, consistently applied in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financing Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), which are applicable to the circumstances as of the date of determination.

"Indebtedness" of any Person shall mean, without duplication: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business); (c) the face amount of all letters of credit issued for the account of such Person and without duplication, all drafts drawn thereunder and all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments issued by such Person; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by

the Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property) provided that operating leases shall not be considered to be such agreements; (f) all monetary obligations under any capital lease (as required to be so treated under GAAP); (g) the principal balance outstanding under any synthetic lease, off-balance sheet loan or similar off balance sheet financing product; (h) all indebtedness referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and (i) in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (h) above, all contingent obligations with respect thereto, including any guarantee, if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

"Interest Payment Date" shall mean the thirtieth day of each January, April, July and October.

"Laser Diode Sale" shall mean a sale of all the stock or substantially all the assets of Laser Diode Incorporated.

"Lien" shall mean any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether arising by agreement or operation of law, including, but not limited to, any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security.

"Loan Party" shall mean any of Debtor and its Subsidiaries.

"Net Proceeds" shall mean any cash proceeds actually received by a Loan Party, (including any cash payments received by way of deferred payment or contingent payment, but only as and when received) with respect to a Capital Event less (a) the reasonable fees and expenses of the Capital Event, and (b) the taxes paid or payable with respect to the Capital Event as reasonably estimated as at the time of the closing of the Capital Event.

"Note" shall mean this Secured Promissory Note.

"Permitted Encumbrances" shall mean (a) Liens securing the payment of taxes (other than payroll taxes), assessments, customs duties and other governmental charges either not yet due or the validity of which is being contested in good faith by appropriate proceedings, and as to which the Person shall, if appropriate under GAAP, have set aside on its books and records adequate reserves; (b) deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than the repayment of borrowed money) or to secure statutory obligations or surety or appeal bonds or to secure indemnity

performance or other similar bonds, all only to the extent incurred in the ordinary course of business; (c) Liens in favor of Creditor; (d) zoning restrictions, easements, licenses, covenants and other restrictions which do not substantially affect the value or use of the Person's real property, (e) mechanics', landlords' and other like Liens arising in the ordinary course of business securing obligations which are not overdue or which are being contested by the Person in good faith and by appropriate proceedings; (f) the rights of collecting banks or other financial institutions having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Person on deposit with or in the possession of such bank or other financial institution; (g) attachments remaining unstayed, unbonded or undischarged for no longer than thirty (30) days after written or actual notice thereof has been received by the Person or attachments in connection with litigation which is being defended by the Person in good faith and by appropriate proceedings, provided that the aggregate amount sought to be secured by such attachments that are unstayed, unbonded or undischarged does not exceed $250,000 at any one time outstanding; (h) Liens in respect of judgments or awards relative to claims which have been in force for less than the applicable appeal period, provided execution is not levied thereunder, with respect to which an appeal or similar proceeding for review is being prosecuted in good faith by the Person and a stay of execution has been obtained pending such appeal or review; (i) leases or subleases and licenses or sublicenses granted in the ordinary course of business; (j) the interests of lessors under capital leases to the extent that (i) such capital lease is permitted under the terms of this Note; (ii) such Lien attaches only to the asset acquired and the proceeds thereof, and (iii) such Lien only secures that capital lease and any capital lease in replacement thereof; (k) Liens securing Working Capital Indebtedness or guaranties of such Working Capital Indebtedness to the extent permitted by Section 4.3 hereof; (l) Liens existing immediately prior to the consummation of the transactions contemplated by the Stock Purchase Agreement on assets of Subsidiaries; and (m) cash collateral to secure standby letters of credit permitted under the terms of this Note; provided, however, that, in the case of Permitted Encumbrances described under the foregoing clauses (a), (e), (g) or (h) of this definition of Permitted Encumbrances, to the extent the same is permitted as a result of a contest, appeal, defense or similar action undertaken by the Person in good faith and the face amount or amount secured by such Permitted Encumbrances exceeds $500,000 in the aggregate, the Creditor may in its sole discretion, effective upon 30 days notice to Person, determine the same to not constitute a Permitted Encumbrance if it reasonably determines that, as a result thereof, the priority or realizable value of its Lien on any collateral securing this Note is adversely affected.

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party, or government (whether national, federal, state, provincial, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"PIK Principal" shall mean unpaid accrued interest that is added to the principal balance of this Note pursuant to Section 2.2 hereof.

"Short Term Note" shall mean that certain Short Term Promissory Note in the original principal amount of $5,000,000 dated the date hereof from Debtor to Creditor.

"Stock Purchase Agreement" shall mean that certain Purchase Agreement dated the date hereof, by and among Creditor, Lockman Electronic Holdings Limited and Debtor.

"Subsidiary" shall mean, as to a Person, any corporation, partnership, limited liability company or other entity in which equity interests having ordinary voting power (other than equity interests having said power only by reason of the happening of a contingency) to elect a majority of the board of directors, the managers or other governing body of such entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by a Person. "U.S. Subsidiary" shall mean a Subsidiary formed under the laws of any state of the United States of America. A "non-U.S. Subsidiary" shall mean a subsidiary formed under any other law.

"Subordinated Indebtedness" shall mean Indebtedness subordinated in right of payment and lien priority to Creditor on commercially reasonable terms and conditions satisfactory to Creditor and the holder of such Subordinated Indebtedness, provided that such terms will include, without limitation, (a) the right of the holder of such Subordinated Indebtedness to receive regularly scheduled payments of principal and interest so long as there is no Event of Default and (b) a final maturity date with respect to such Subordinated Indebtedness that is not earlier than ninety (90) days following the maturity date of this Note.

"Working Capital Indebtedness" shall mean Indebtedness, other than Indebtedness to Creditor, secured as permitted by Section 4.3 in the maximum principal amount equal to (a) $15,000,000 less (b) Indebtedness described in Section 4.1(b)(6) outstanding from time to time.

Article 2
Interest

2.1 Rate. Interest shall accrue on the unpaid principal balance hereof from time to time at the following rates:

(a) For the period commencing the date hereof, through December 31, 2010, 7.5% per annum;

(b) For the period commencing January 1, 2011, through December 31, 2011, 8.5% per annum;

(c) For the period commencing January 1, 2012 and thereafter, 9.5 % per annum.

(d) Following the occurrence and during the continuance of an Event of Default, the rate of interest rate hereunder shall immediately be automatically increased to the Default Rate, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at the Default Rate, provided, however, that following the cure of any such Event of Default or the waiver of any Event of Default by Creditor, the Default Rate shall no longer apply and the applicable rate of interest as set forth in Sections 2.1(a) through 2.1(c) shall be applicable.

2.2 Payment of Interest; PIK. Accrued interest shall be due and payable on each Interest Payment Date and at maturity, whether by acceleration or otherwise. Notwithstanding

the foregoing, if on an Interest Payment Date Debtor's EBITDA for the relevant EBITDA Reference Period is less than the accrued interest otherwise due and payable, the amount of the accrued interest otherwise due and payable in excess of Debtor's EBITDA for the relevant EBITDA Reference Period (but not more than the accrued interest otherwise due and payable) shall not be payable in cash and shall be added to the outstanding principal balance hereof as PIK Principal. PIK Principal shall accrue interest from and after the relevant Interest Payment Date in the same manner as the original principal balance hereof and shall be principal of this Note for all purposes hereof.

2.3 Maximum Interest. If at any time the rate of interest would exceed the maximum interest rate allowed by law to be charged, the interest payable shall be limited to the maximum amount permitted by law. Any interest received by Creditor in excess of the maximum amount permitted by law shall be applied to the outstanding principal balance or, if required by law, returned to Debtor.

Article 3
Principal and Payments

3.1 Regular Payments. Debtor shall pay to Creditor:

(a) on December 31, 2011, a principal payment of $15,000,000.00 minus one-half the aggregate amount of any mandatory prepayments of principal made pursuant to Section 3.3 hereof; and

(b) on December 31, 2012, the entire unpaid principal balance hereof.

3.2 Mandatory PIK Principal Payments. If on an Interest Payment Date Debtor's EBITDA for the relevant EBITDA Reference Period is greater than the accrued interest then due and payable, Debtor shall make an additional principal payment equal to the lesser of (a) 50% of the amount of the Debtor's EBITDA for the relevant EBITDA Reference Period in excess of accrued interest then due and payable and (b) (i) the aggregate of all PIK Principal that was added to the principal of this Note pursuant to Section 2.2 less (ii) all mandatory PIK principal payments previously made by Debtor under this Section 3.2.

3.3 Payments from Capital Event Net Proceeds. Within one business day following the receipt of Net Proceeds from a Capital Event, Debtor shall pay to Creditor as a principal payment the lesser of (a) the Net Proceeds so received and (b) the sum of the aggregate outstanding principal balance under this Note and under the Short Term Note, provided, that in all cases, such Net Proceeds shall be applied (i) first to any outstanding principal balance under the Short Term Note and (ii) second to any outstanding principal balance under this Note

3.4 Other Amounts Payable. If at any time the entire unpaid principal balance hereof is due and payable or is paid, all accrued interest, late payment charges and other amounts owing hereunder shall be immediately due and payable.

3.5 Late Payment Charge. If any payment of any amount due under this Note is overdue for a period in excess of five days, Debtor shall immediately pay to Creditor a late payment charge equal to 1% of the amount of the overdue payment.

3.6 Prepayment. This Note may be prepaid at any time in full or in part, without penalty.

Article 4
Covenants

4.1 Negative Covenants. Debtor agrees that so long as any amounts hereunder remain unpaid, it will comply with and cause the other Loan Parties to comply with the covenants set forth in this Section 4.1:

(a) No Loan Party shall, at any time, create, incur, assume or suffer to exist any Lien on any of its assets except, in each case, for Permitted Encumbrances.

(b) No Loan Party shall, at any time, create, incur, assume or suffer to exist any Indebtedness, except

(1) from and after the payment in full of all amounts owing under the Short Term Note, the Working Capital Indebtedness or Subordinated Indebtedness,

(2) Indebtedness owing to Creditor,

(3) Indebtedness owing by a Loan Party to another Loan Party,

(4) endorsement of negotiable instruments in the ordinary course of business,

(5) Indebtedness arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices, but not for speculative purposes,

(6) the following types of Indebtedness incurred in the ordinary course of business provided that the aggregate of these obligations which are at any one time outstanding is less than $2,000,000: (A) capital leases, (B) performance, surety, statutory and appeal bonds, (C) reimbursement obligations in connection with letters of credit, (D) amounts secured or claimed in connection with clauses (a), (e), (g) and (h) in the definition of Permitted Encumbrances and (E) other indebtedness not to exceed $250,000 in the aggregate outstanding at any time,

(7) Guaranties of any Indebtedness that is otherwise permitted by this Section 4.1(b),

(8) Indebtedness of Subsidiaries existing immediately prior to the consummation of the transactions contemplated by the Stock Purchase Agreement (except that such Indebtedness that consists of capital lease obligations shall be deemed outstanding under Section 4.1(b)(6)), and

(9) Indebtedness consisting of indemnification, purchase price adjustments and similar obligations in connection with the acquisition or disposition of assets.

(c) No Loan Party shall, at any time prior to the payment in full of the Short Term Note, sell or agree to sell or otherwise divest (other than to a Loan Party) any line of business (whether in a stock or asset transaction) that represents a material portion of the worldwide business of all Loan Parties, taken as a whole, except for a Laser Diode Sale.

(d) Other than transactions by and between Loan Parties, no Loan Party shall, at any time, enter into any transaction with any member, manager, director, officer, employee, shareholder, or Affiliate of any Loan Party except transactions upon terms which are fair and reasonable and which shall be at least as favorable as would result in a comparable arm's-length transaction with a Person not a member, manager, director, officer, employee, shareholder or Affiliate of the Loan Party. Without limitation, if the holder of the Working Capital Indebtedness is a member, manager, director, officer, employee, shareholder or Affiliate of any Loan Party, the interest charged on the Working Capital Indebtedness shall not exceed the interest charged under this Note.

(e) The Loan Parties shall not pay to John Ocampo compensation for services, management fees or otherwise except that the Loan Parties individually or in the aggregate are permitted to pay up to $300,000 per year to John Ocampo for bona fide executive services.

(f) Debtor shall not, at any time, make any Equity Payment except Debtor may make Equity Payments (i) to each owner of Debtor in amounts not greater than the income taxes on Debtor's income allocable to such owner if Debtor has made the election referred to in Section 4.1(i)(i) hereof, and (ii) not to exceed $250,000 in any calendar year for the following purposes: (A) the purchase of fractional shares of its equity interests arising out of the conversion of convertible securities or the exercise of options or warrants, and (B) the repurchase of equity interests from former employees, consultants or directors in connection with or pursuant to any of its option plans (or other employee incentive plans or compensation arrangements) other than for payments to John Ocampo.

(g) No Loan Party shall create, acquire or suffer to exist any new U.S. Subsidiary without giving prior written notice to Creditor and causing the execution and delivery by such Subsidiary and/or such Loan Party, as the case may be, of a guarantee of the amounts hereunder, a security agreement with respect to such Subsidiary's assets, a pledge of all of the equity securities in such Subsidiary, such other documents, certificates and/or instruments and satisfactory results of due diligence with respect to liens, title and environmental matters relating to such entity and its assets and equity securities.

(h) No Loan Party that is not a non-U.S. Subsidiary shall transfer any assets to any non-U.S. Subsidiary, except for: (i) investments in an amount necessary to cover the operating expenses of such non-U.S. Subsidiaries in the ordinary course of business, (ii) licenses of property in the ordinary course of business and (iii) sales of inventory in the ordinary course of business.

(i) No Loan Party shall change its name, corporate, limited partnership or limited liability company form, as the case may be, or jurisdiction of incorporation, formation or organization without the prior written consent of Creditor, which consent will not be withheld except and unless the attachment, perfection or priority of any security interest intended to be created or existing securing the obligations hereunder would be adversely affected. Notwithstanding the foregoing, Debtor shall be permitted to make any election that is effective solely for income tax purposes, including (i) an election to be treated as an S corporation within the meaning of Section 1361 of the Internal Revenue Code of 1986, as amended (the "Code"), and any similar provisions of applicable law, (ii) elections to treat any of its U.S. Subsidiaries as a qualified Subchapter S subsidiary within the meaning of Section 1361 of the Code and any similar provisions of applicable law, or otherwise as a disregarded entity for income tax purposes and (iii) elections to treat any of its non-U.S. Subsidiaries as a disregarded entity income tax purposes.

(j) No Loan Party shall, without the prior written consent of Creditor, guarantee, endorse or otherwise in any way become or be responsible for any obligations of any other Person, other than another Loan Party, whether directly or indirectly, by agreement to purchase the indebtedness of any other Person or through the purchase of goods, supplies or services, or maintenance of working capital or other balance sheet covenants or conditions, or by way of equity purchase, capital contribution, advance or loan for the purpose of paying or discharging any indebtedness or obligation of such other Person or otherwise, except endorsements of negotiable instruments for collection in the ordinary course of business.

(k) No Loan Party shall lend to, invest in, or otherwise advance funds to any Person, except for:

(1) investments in, or advances or loans to, Subsidiaries,

(2) advances or loans to, Debtor,

(3) travel advances to employees,

(4) non-cash loans to employees, officers, and directors of a Loan Party for the purpose of purchasing equity interests in Debtor so long as the proceeds of such loans are used in their entirety to purchase such equity interests,

(5) prepaid rent made on commercially reasonable terms in the ordinary course of business,

(6) security deposits and similar advances made on commercially reasonable terms in the ordinary course of business,

(7) advances made in connection with the purchases of goods or services made on commercially reasonable terms in the ordinary course of business,

(8) investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business,

(9) securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,

(10) investments consisting of the deferred purchase price of property or other similar investments or advances in connection with any asset sale by Loan Parties that is otherwise not prohibited pursuant to the terms of this Note, including, without limitation, Section 4.1(c),

(11) other investments in the ordinary course of business at arm's length in an amount not exceeding $250,000 at any one time outstanding, and

(12) deposit accounts maintained in the ordinary course of business.

(l) Debtor will not adopt any material change in accounting principles other than as required by GAAP.

(m) No Loan Party shall engage in any Capital Event except where the consideration (other than assumption of debt and obligations related to the assets or Person sold) consists solely of cash or deferred payments of cash.

(n) No Loan Party shall fail to promptly pay all of its taxes, assessments and other governmental charges prior to the date on which penalties are attached thereto, establish adequate reserves for the payment of taxes and assessments or make all required withholding and other tax deposits, except as to any liabilities being contested in good faith and taxes less than $250,000 in the aggregate at any one time collectively for all Loan Parties.

4.2 Affirmative Covenants. Debtor agrees that so long as any amounts hereunder remain unpaid, it will comply with and cause the other Loan Parties to comply with the covenants set forth in this Section 4.2:

(a) As soon as practicable, and in any event within one hundred twenty (120) days after the close of each fiscal year of Debtor, Debtor shall deliver to Creditor reviewed consolidated statements of income, cash flows and changes in stockholder equity of Debtor and its consolidated Subsidiaries for such fiscal year, a consolidated balance sheet of Debtor as of the close of such fiscal year, and notes thereto, all in reasonable detail, setting forth in comparative form the corresponding figures for the preceding fiscal year (except that comparative figures shall not be required for Debtor's first fiscal year) and the annual statutory financial statements of M/ACOM Technology Solutions (Cork) Limited. Such financial statements shall be accompanied by a standard form statement of review by independent certified public accountants of recognized national or regional standing selected by Debtor. Such statement shall be free of exceptions or qualifications other than exceptions for accounting changes.

(b) As soon as practicable, and in any event within twenty (20) days after the close of each fiscal quarter of each fiscal year of Debtor, Debtor shall deliver to Creditor unaudited consolidated statements of income and cash flows for such fiscal quarter and for the period from the beginning of such fiscal year to the end of such fiscal quarter and unaudited consolidated balance sheets of Debtor as of the close of such fiscal quarter, all in reasonable detail, setting forth in comparative form the corresponding figures for the same periods or as of the same date during the preceding fiscal year (except for the balance sheets, which shall set forth in comparative form the corresponding balance sheets as of the prior fiscal year end) and including a calculation of EBITDA for that fiscal quarter (except that comparative figures shall not be required for Debtor's first fiscal year). Such financial statements shall be certified by the chief financial officer of Debtor as presenting fairly in all material respects the financial position of Debtor as of the end of such fiscal quarter and the results of operations and cash flows for such fiscal year, in conformity with GAAP, subject to normal and recurring year-end audit adjustments and the absence of footnotes. With respect to those financial statements which are required to be certified by the chief financial officer of Debtor, such certification shall be in his corporate capacity only and shall state that such financial statements were prepared in accordance with GAAP (except for year end adjustments and the absence of footnotes) and fairly present the financial condition at the respective dates indicated therein and the results of operations for the respective periods indicated therein of Debtor (and its Subsidiaries).

(c) Within 45 days after the end of each fiscal year of Debtor, Debtor shall submit to Creditor an annual budget for Debtor for the next fiscal year in detail reasonably satisfactory to Creditor.

(d) Upon reasonable prior notice to Debtor, each Loan Party shall permit Creditor and/or its accountants, attorneys or other agents to visit and inspect the Loan Party's property, to examine its books and records and take copies and extracts therefrom and to discuss its affairs with each Loan Party (and the officers and managers thereof) and its independent accountants at such times as Creditor may reasonably request. Each Loan Party hereby authorizes such officers and managers and independent accountants to discuss with Creditor the affairs of such Loan Party. Creditor shall have the right to examine and verify accounts, equipment, inventory and other properties and liabilities of each Loan Party from time to time, and Debtor shall cooperate with Creditor in such verification.

(e) Each Loan Party shall keep adequate records and books of account, in which complete records will be made in accordance with GAAP consistently applied, reflecting all financial transactions of such Loan Party.

(f) Promptly upon becoming aware of any of the following, Debtor shall give Creditor notice thereof, together with a written statement of the chief financial officer of Debtor setting forth the details thereof and any action with respect thereto taken or proposed to be taken by Debtor:

(1) Any Event of Default or any event which with the lapse of time or notice (or both) would become an Event of Default;

(2) Any pending or threatened in writing action, suit, proceeding or investigation against or affecting any Loan Party seeking an uninsured recovery in excess of $1,000,000.

4.3 Collateral for Working Capital Indebtedness. Debtor agrees that the collateral with respect to the Working Capital Indebtedness shall comply with the provisions of this Section 4.3. The Working Capital Indebtedness is permitted to be secured by (a) a first priority security interest in the accounts receivable, cash and bank accounts of the Loan Parties and (b) a security interest, subordinated to Creditor on commercially reasonable conditions satisfactory to Creditor, in all other assets of the Loan Parties. The first priority security interest described in the preceding clause (a) and the terms of the Working Capital Indebtedness shall allow Creditor to have a security interest in the Loan Parties' accounts receivable, cash and bank accounts subordinated in lien priority to the holder of the Working Capital Indebtedness on commercially reasonable terms and conditions satisfactory to Creditor and the holder of the Working Capital Indebtedness. The foregoing priorities and subordinations shall be evidenced by written subordination and intercreditor agreements on commercially reasonable terms and conditions satisfactory to Creditor and the holder of the Working Capital Indebtedness.

Article 5
Default

5.1 Events of Default. The occurrence of any of the following specified events shall be an "Event of Default" as set forth herein:

(a) Failure of Debtor to make any payment required hereunder when due which failure remains uncured for a period of five days; or

(b) Failure of Debtor to comply with any of the terms and conditions of this Note, other than payment, which failure continues for 30 days following notice from the holder of this Note; or

(c) The occurrence of any Event of Default as such term is defined in the Revolving Credit Agreement dated as of the date hereof among Creditor, Debtor, M/A-COM Technology Solutions Inc., M/A-COM Auto Solutions Inc. and Laser Diode Incorporated; or

(d) The occurrence of a Change in Control; or

(e) The liquidation of Debtor or the discontinuance of the normal operations of Debtor; or

(f) The making of a general assignment by any Loan Party for the benefit of creditors, or the institution by any Loan Party of any type of bankruptcy, reorganization or insolvency proceeding under any state or federal law or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of any Loan Party; or

(g) The appointment of a receiver or trustee for any Loan Party or for any assets of any Loan Party or the institution against any Loan Party of any type of bankruptcy, reorganization or insolvency proceeding for the liquidation or winding up of the affairs of any Loan Party and the failure to have such appointment vacated, or such proceeding dismissed within 60 days; or

(h) Entry of a judgment or cumulative judgments against any Loan Party in excess of $500,000 in the aggregate (other than any judgment for which the Loan Party is fully insured), which is not stayed, discharged or dismissed within 45 days after the date thereof; or

(i) Default (after giving effect to all applicable cure periods) in the performance of any covenant, term or condition related to the Working Capital Indebtedness if the effect of such default is to cause or permit the holder of the Working Capital Indebtedness to cause such obligation to become due prior to its stated maturity or to permit realization on any collateral securing the Working Capital Indebtedness, provided, however, that if any such default under the Working Capital Indebtedness is cured or waived by the holder of such Working Capital Indebtedness, then any breach of this Section 5.1(i) shall be deemed cured; or

(j) The failure of the Debtor to pay any Earn-Out Payments as set forth and defined in the Stock Purchase Agreement when due which failure remains uncured for 30 days from the date of final determination of the amount of such Earn-Out Payment in accordance with the terms of the Stock Purchase Agreement (including any final determination made pursuant to the terms of the dispute mechanism process set forth in such Stock Purchase Agreement); provided, however, that if Debtor issues additional promissory notes in lieu of making payments with respect to any Earn-Out Payments pursuant to the terms of the Stock Purchase Agreement or any other documents entered into in connection thereto, then the issuance of such promissory notes in lieu of payment shall not be deemed an Event of Default hereunder; or

(k) Any amounts of Working Capital Indebtedness remain outstanding following the second anniversary of the date of this Note; or

(l) The occurrence of any event of default (other than any Event of Default arising from a failure to pay any Earn-Out Payments as described in Section 5.1(j)), after applicable cure periods, under (i) the Short Term Note, (ii) any mortgage, security agreement or other agreement securing this Note or the Short Term Note or (iii) any other agreement amending, replacing or refinancing either of the foregoing which creates in Creditor a right to require immediate payment in full of any Indebtedness so evidenced or secured.

5.2 Acceleration. Upon the occurrence and during the continuance of an Event of Default, the entire unpaid balance of principal of and interest on this Note and all other amounts owing hereunder shall become immediately due and payable at the option of Creditor.

5.3 Certain Events of Default. Upon the occurrence of any Event of Default described in Section 5.1(f) or Section 5.1(g), the entire unpaid balance of principal of and interest on this Note and all other amounts owing hereunder shall immediately become due and payable, without notice or demand.

Article 6
General Provisions

6.1 Identification. This Note is the Secured Promissory Note referred to in the Stock Purchase Agreement.

6.2 Security. This Note and the obligations of Debtor hereunder are intended to be secured by substantially all of the assets of Debtor and its Subsidiaries (except assets of controlled foreign corporation Subsidiaries and only 66% of the equity securities of controlled foreign corporation Subsidiaries), whether now or hereafter existing or acquired. Debtor agrees to take all action, and to cause each other Loan Party to take all action, reasonably requested by Creditor from time to time to create and perfect any such security.

6.3 Manner of Payment. All payments hereunder shall be made in lawful money of the United States by wire transfer of immediately available funds to one or more accounts specified from time to time by the holder hereof.

6.4 Application of Prepayments. Any prepayments hereunder shall be applied first to accrued but unpaid interest for the current period and then ratably to principal payments under Section 3.1.

6.5 Limitation on Right of Set Off. Debtor acknowledges that any set off under his Note is permitted only in the circumstances specifically allowed under the Stock Purchase Agreement. Any amounts so set off by Debtor shall, absent mutual agreement as to application, be applied as set forth in Section 6.4.

6.6 Expenses. Debtor promises to pay all costs and expenses incurred by the Creditor in collecting this Note or in enforcing its rights hereunder, including reasonable attorneys' fees and disbursements.

6.7 No Waiver by Creditor. No omission or delay by Creditor or other holder hereof in exercising any right or power under this Note will impair such right or power or be construed to be a waiver of or acquiescence in any default hereunder, and no waiver by Creditor or other holder hereof of any breach or default hereunder shall be deemed to be a waiver of any right or power upon the later occurrence or recurrence of any such breach or default.

6.8 Presentment. Debtor waives presentment of this Note.

6.9 Governing Law; Venue. This Note and the rights of Creditor and the obligations of Debtor hereunder shall be construed and interpreted in accordance with the laws of the State of New York, without regard to the principles of conflicts of law. Debtor consents to jurisdiction in the State of New York and agrees that any action to enforce this Note may be commenced against Debtor in federal or state courts in Erie County, New York.

6.10 Assignment. The rights and obligations under this Note may not be assigned or transferred by Debtor or Creditor without the other party's prior written consent; provided, however, Creditor may assign this Note to an Affiliate of Creditor formed under the laws of any state of the United States.

6.11 Waiver of Jury Trial. DEBTOR HEREBY EXPRESSLY WAIVES ALL RIGHTS TO TRIAL BY JURY ON ANY CAUSE OF ACTION DIRECTLY OR INDIRECTLY INVOLVING THE TERMS OR CONDITIONS OF THIS NOTE, OR ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS NOTE OR ANY DOCUMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS NOTE.

[Remainder of page intentionally blank – Signature page to follow.]

KIWI STONE ACQUISITION CORP.

By: _____

Name: _____

Title: _____

[Signature Page to Secured Promissory Note]

Exhibit I

FINANCE SERVICES AGREEMENT

by and between

M/A-COM TECHNOLOGY SOLUTIONS INC.

and

COBHAM DEFENSE ELECTRONIC SYSTEMS - M/A-COM INC.

DATED MARCH , 2009

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FINANCE SERVICES AGREEMENT

THIS FINANCE SERVICES AGREEMENT (together with the Services and Pricing Schedules attached hereto, this "***Agreement***"), dated March , 2009 (the "***Effective Date***"), is by and between M/A-COM TECHNOLOGY SOLUTIONS INC., a Delaware corporation ("***MTS***") and COBHAM DEFENSE ELECTRONIC SYSTEMS - M/A-COM INC., a Delaware corporation ("***CDES M/A-COM"***).

R E C I T A L S

WHEREAS, Cobham Defense Electronic Systems Corporation ("Seller"), Kiwi Stone Acquisition Corp. ("Purchaser") and Lockman Electronic Holdings Limited have entered into a Purchase Agreement dated March , 2009 (the "***Purchase Agreement***");

WHEREAS, capitalized terms used herein but not defined shall have the meanings ascribed to them in the Purchase Agreement;

WHEREAS, CDES M/A-COM is an Affiliate of Seller and MTS is an Affiliate of Purchaser and the parties hereto are entering into this Agreement contemporaneously with, and as a condition to, the Closing of the transactions contemplated by the Purchase Agreement;

WHEREAS, CDES M/A-COM will require MTS's assistance with respect to certain finance functions of its business during periods specified herein following the Closing Date; and

WHEREAS, subject to the terms and conditions of this Agreement, MTS has agreed to provide, by itself or through its Affiliates or other third parties, and CDES-M/A-COM desires to contract for the use of, the Services (as hereinafter defined).

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree, intending to be legally bound, as follows:

Section 1. Services to be Performed; Term; Performance and Cooperation.

(a) **Services**. In accordance with the terms and provisions of this Agreement, MTS shall perform or cause its Affiliates or other third parties ("***Third Parties***") to perform for CDES-M/A-COM the services described in the Services and Pricing Schedules (the "***Services and Pricing Schedules***") (including Additional Services) (collectively, the "***Services").*** The service(s) described in a particular row of the table in the Services and Pricing Schedules will be referred to in this Agreement as a "***Service***." MTS shall remain responsible, in accordance with the terms of this Agreement, for performance of

any Services it causes to be so provided by its Affiliates or Third Parties. For each Service, the parties shall set forth in the Services and Pricing Schedule, among other things, the time period during which the Service will be made available, a description of the Service, and the estimated charge, if any, for the Service and any other terms applicable thereto.

(b) **Term**.

(i) Unless earlier terminated in accordance with Section 1(b)(ii) below, the term of this Agreement shall commence immediately after the Closing and shall terminate on the latest date that a Service is to be provided as set forth in the Services and Pricing Schedules (the "***Expiration Date***").

(ii) The parties agree that if CDES-M/A-COM chooses to discontinue any Service (in part or in its entirety) prior to the Expiration Date, then CDES-M/A-COM shall have the right to do so and shall give MTS prior written notice within the notice period specified in the Services and Pricing Schedules, or if no such notice period is specified, at least thirty (30) days prior to the proposed date of termination of that particular Service or portion thereof, which termination shall be effective on the proposed date of termination set forth in CDES-M/A-COM's notice; provided, however, that at the time CDES-M/A-COM elects to terminate any particular Service or portion thereof, it may also elect to terminate any related Services that are expressly described as such in the Services and Pricing Schedules. CDES-M/A-COM shall pay MTS the fees and costs as set forth in the Services and Pricing Schedules related to any terminated Service up until the effective date of termination of such Service, provided that in the event that CDES-M/A-COM chooses to discontinue a portion of a Service, the parties hereto shall, during the aforementioned notice period, negotiate in good faith the amount of the reduction in the applicable fees and costs that results from such discontinuation. As to any particular Service or portion thereof, notice of early termination shall be provided to MTS in accordance with Section 7(j).

(c) **Termination**. Notwithstanding anything to the contrary contained herein, but subject to CDES-M/A-COM's rights set forth in Section 1(b)(ii), this Agreement may be terminated, in whole or in part, at any time:

(i) by the mutual written consent of CDES-M/A-COM, on the one hand, and MTS, on the other hand;

(ii) by CDES-M/A-COM in the event of any material breach or default by MTS of any of MTS's obligations or representations under this Agreement and the failure of MTS to cure such breach or default within thirty (30) days after receipt of written notice from CDES-M/A-COM requesting such breach or default be cured; or

(iii) by MTS if MTS has not received any undisputed payment from CDES-M/A-COM pursuant to Section 2 by the applicable payment date set forth therein and CDES-M/A-COM

fails to make such payment within thirty (30) days after receipt of notice from MTS indicating that such payment is past due and requesting that such payment be made, MTS may immediately terminate this Agreement.

(d) **Performance**. MTS shall maintain sufficient resources to perform its obligations under this Agreement. MTS shall use commercially reasonable efforts to provide the Service in accordance with the metrics, policies, procedures and practices in effect before the Closing Date. Except as set forth in this Agreement or the Services and Pricing Schedules, MTS shall perform the Services using substantially the same level of care and diligence it uses in performing similar tasks in its own businesses, but in no event with less than reasonable care and diligence. CDES-M/A-COM shall use commercially reasonable efforts to maintain industry standard protections against viruses and other forms of malignant or disabling code and content on the data systems, servers and networks of CDES-M/A-COM that are used to input and provide data and content to the data systems, servers and networks of MTS in connection with the Services. In connection with such input and provision of data, CDES-M/A-COM shall abide by all terms and conditions of MTS's user and access policies for their data systems, servers and networks.

(e) **Service Limitations**.

(i) Except as otherwise agreed by the parties in writing, in providing the Services, except for maintaining those resources and personnel as may be necessary to perform the Services, neither MTS nor any of its Affiliates or Third Parties shall be obligated to: (A) hire any additional employees; (B) maintain the employment of any specific employee; (C) purchase, lease or license any additional equipment, hardware, Intellectual Property or software (other than such equipment, hardware or software that is necessary to replace damaged or broken equipment or hardware or software necessary to perform the Services, in which case MTS shall bear the cost of any such replacement equipment, hardware or software); or (D) pay any costs related to the transfer or conversion of CDES-M/A-COM's data to CDES-M/A-COM or any alternate supplier of Services (except with respect to expenses that are included in the Services set forth in the Services and Pricing Schedules). Except as provided in a Services and Pricing Schedules, in providing the Services, at no time shall any data network of CDES-M/A-COM (other than as acquired from MTS) be connected to any data network of MTS without the prior written consent of MTS, and MTS shall have sole control of any connection mechanism between such data networks.

(ii) Without limitation of the provisions of Section 7(e) hereof, MTS shall not be required to provide any Service to the extent and for so long as the performance of such Service would require MTS or the provider of the Service to violate any material applicable Law.

(f) **Title to Equipment; Management and Control**.

(i) All procedures, methods, systems, strategies, tools, equipment, facilities and other resources used and owned by MTS and any of its Affiliates or Third Parties in connection with the provision of Services hereunder shall remain the property of MTS and such Affiliates or Third Parties and, except as otherwise provided herein (including in the Services and Pricing Schedules attached hereto), shall at all times be under the sole direction and control of MTS and its Affiliates.

(ii) Except as otherwise provided herein (including in the Services and Pricing Schedules attached hereto), management of, and control over, the provision of the Services (including the determination or designation at any time of the equipment, employees and other resources of MTS and its Affiliates and Third Parties to be used in connection with the provision of the Services) shall reside solely with MTS.

(g) **Cooperation**. The parties hereto shall use their respective commercially reasonable efforts to cooperate with each other in all matters relating to the provision and receipt of Services. CDES-M/A-COM and MTS shall cooperate in obtaining all consents, licenses, sublicenses or approvals necessary or desirable to permit MTS to provide the Services. Except as otherwise set forth in the Services and Pricing Schedules attached hereto, to the extent not included in MTS's charge for a particular Service, if provision of such Service by MTS requires payment of any consent, license, sublicense or approval fee, MTS shall be responsible for such payment.

(h) **Modification of Services**. The parties hereto will consult and negotiate with each other in good faith, as required, with respect to amending or modifying the Services, the furnishing of and payment for special or additional services, extraordinary items and the like, which shall be added to the Services and Pricing Schedules attached hereto (collectively, "***Additional Services***"), and will establish pre-approval routines to the extent reasonably feasible; provided that no party shall incur or be obligated to pay for any additional fees or expenses that have not been pre-approved by the other party in writing and which relate to the amendment or modification of the Services.

Section 2. Payments.

(a) In consideration for the Services to be provided by MTS hereunder, CDES-M/A-COM shall pay to MTS such fees and costs as are set forth in the Services and Pricing Schedules. Notwithstanding the foregoing and any other provision in this Agreement, MTS shall be solely responsible for all other costs associated with the personnel and representatives who perform Services (including but not limited to payment of wages, payment for travel time, benefits and severance costs) during the term of this Agreement and all cost of equipment, licenses and other expenses incurred in providing the Services. All employees and representatives of MTS and its Affiliates and Third Parties shall be deemed for purposes of all employment, compensation and employee benefits matters to be employees of MTS and its Affiliates and Third Parties and not

employees of CDES-M/A-COM. The fees for the Services shall be invoiced monthly to CDES-M/A-COM. MTS or its Affiliates or Third Parties shall forward to CDES-M/A-COM separate invoices for the Services, listing the Services provided hereunder and listing the fees for such Services. Invoices shall be payable within sixty (60) days after receipt by CDES-M/A-COM of the invoice. Each invoice will be accompanied by reasonable documentation or other reasonable explanation supporting such charges. Any fees or other compensation owed to MTS under this Agreement which are not paid within sixty (60) days of their due date will be considered delinquent and a late payment charge of the lesser of two percent (2%) of the delinquent balance due and the maximum amount permissible by Law will be assessed per month on the amounts that remain delinquent.

(b) MTS shall permit CDES-M/A-COM and its employees and agents access, during regular business hours upon reasonable prior written notice, to books and records of MTS to the extent relating to the provision of Services under this Agreement as CDES-M/A-COM may reasonably request for the purposes of confirming the fees set forth on invoices provided by MTS for the Services under this Agreement.

(c) Should CDES-M/A-COM dispute any portion of any invoice, CDES-M/A-COM shall promptly notify the MTS in writing of the nature and basis of such dispute. CDES-M/A-COM may withhold payment of any fees that CDES-M/A-COM reasonably disputes in good faith by providing notice to MTS with a description of the particular fees in dispute and an explanation of the reason why CDES-M/A-COM disputes such fees. If MTS shall request in writing that such withheld amounts be deposited into a third-party escrow account, (i) CDES-M/A-COM shall, within thirty (30) days following CDES-M/A-COM's receipt of such request, deposit such withheld amounts into a third-party escrow account, and (ii) the parties shall each use their best efforts to meet and negotiate in good faith in an attempt to resolve the disputes relating to the withheld amounts within forty-five (45) days following CDES-M/A-COM's receipt of MTS's request. If any dispute is resolved in favor of MTS and CDES-M/A-COM has withheld payment, CDES-M/A-COM shall, or shall direct the escrow agent to, pay such amounts as soon as reasonably practicable. If a dispute is resolved in favor of CDES-M/A-COM and CDES-M/A-COM has previously made payment to MTS or deposited such amount in escrow, MTS shall, (x) for amounts previously paid to MTS, credit such amounts on the next invoice cycle after resolution of such dispute, and (y) with respect to amounts deposited in escrow, direct the escrow agent to release such amounts to CDES-M/A-COM as soon as reasonably practicable. The escrow agreement shall require that all disputed fees that are withheld by CDES-M/A-COM and deposited into escrow pursuant to this Section shall remain in escrow until the dispute relating to each such amount is resolved.

(d) Each Party agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this Agreement. Neither the failure to dispute any fees or amounts prior to payment nor the failure to withhold any amount will constitute, operate, or be construed as a waiver of any right CDES-M/A-COM may otherwise have to dispute any fee or amount or recover any amount previously paid.

Section 3. Relationship of Parties.

(a) **MTS's Employees and Representatives**. MTS or its Affiliates, or Third Parties as the case may be, shall have the sole right to exercise all authority with respect to the employment (including termination of employment), assignment and compensation of their employees and representatives who perform Services.

(b) **Parties are Independent Contractors**. Except as specifically provided herein, (i) none of the parties shall act or represent or hold itself out as having authority to act as an agent or partner of the other party or its Affiliates or (ii) in any way bind or commit or purport to bind or commit the other party or its Affiliates to any obligations or agreement. The parties hereto are independent contractors, and none of the parties or their respective employees, representatives or agents will be deemed to be employees, representatives or agents of the any other party for any purpose or under any circumstances. No partnership, joint venture, alliance, fiduciary or any relationship other than that of independent contractors is created hereby, expressly or by implication. The parties' respective rights and obligations hereunder shall be limited to the contractual rights and obligations expressly set forth herein on the terms and conditions set forth herein.

(c) **MTS's Employees**. MTS shall be responsible for the Services-related performance of all personnel and representatives assigned to provide Services under this Agreement and shall have the sole and exclusive right to direct and control the management of such personnel and representatives. With respect to all personnel and representatives assigned by MTS to provide Services under this Agreement, MTS shall be solely and exclusively responsible for: (a) determining and paying all applicable wages and salaries, including applicable overtime and other premium pay; (b) providing welfare and retirement benefits, as it deems necessary or desirable; (c) complying with applicable Tax Laws, including income Tax and employment Tax withholding Laws; (d) complying with all applicable Laws governing the employment relationship between MTS and its employees and representatives, including, but not limited to, Laws, as applicable, relating to accommodation of disabilities, equal pay, provision of leave (e.g., FMLA, jury duty, etc.), unlawful discrimination, as well as wage and hour requirements; (e) complying with all workers' compensation insurance coverage Laws; (f) filing all applicable reports with federal, state and local agencies and authorities as required by applicable Law; (g) maintaining all required employment records, including I-9s, personnel and medical files consistent with applicable Law and customary business practices; and (h) complying with all applicable equal employment opportunity Laws. MTS shall indemnify and hold harmless CDES-M/A-COM and its respective officers, directors and employees from any claims, demands, proceedings, liabilities obligations and expenses, including attorneys' fees, arising

from any failure by MTS to comply with their obligations relating to or regarding MTS's employees, personnel, representatives, and agents performing Services under this Agreement, and the provision of this Section shall survive the termination or expiration of this Agreement.

Section 4. Use of Information, Confidentiality.

(a) **Confidential Information**. As used in this Agreement, the term "***Confidential Information***" means any and all information, data, materials, products, Intellectual Property and processes disclosed by a party, or its agents, to the other party, or its agents, or obtained by a party, or its agents, from the other party, during the term of this Agreement, to the extent the same (i) is not and does not become generally available to the public other than as a result of a breach of this Agreement, (ii) was not already known by the recipient without any obligation of confidentiality when received or obtained from the party and (iii) was not independently acquired or developed by the recipient without violating the terms of this Agreement or any other obligation of confidentiality.

(b) **Use of Confidential Information**. CDES-M/A-COM and MTS shall, and shall cause their respective Affiliates and, in MTS's case, Third Parties to, hold all Confidential Information relating to the other party confidential, and not use such Confidential Information for any purpose other than to perform its obligations under this Agreement, unless legally compelled or required to disclose such information, in which event the party legally compelled or required to disclose shall provide the other party with written notice of such legal compulsion to disclose and shall use commercially reasonable efforts to afford the other party a reasonable period of time to contest such disclosure.

(c) **Data Systems**. Data systems used by MTS to perform the Services provided hereunder (and not owned or leased by CDES-M/A-COM) are confidential and proprietary to MTS or third parties. CDES-M/A-COM shall treat these data systems and all related procedures and documentation as Confidential Information and proprietary to MTS or its respective third party vendors, subject to the exceptions of Sections 4(a)(i) – (iii).

(d) **Return of Information**. Upon expiration or termination of the Services or the termination or expiration of this Agreement, each of the parties hereto shall promptly return or destroy all proprietary information or other Confidential Information of the other party relating to such terminated or expired Service(s); provided that all information related to the Business (as such term is defined in the Purchase Agreement) shall be deemed the Confidential Information of CDES-M/A-COM. Upon expiration or termination of this Agreement, MTS shall promptly return, or cause to be returned, to CDES-M/A-COM all of CDES-M/A-COM's data which is in the possession of MTS or third parties performing Services on behalf of MTS on the date of expiration or termination of this Agreement.

(e) **Intellectual Property**.

(i) This Agreement and the performance of this Agreement will not affect the ownership of any Intellectual Property allocated in the Purchase Agreement or the other Transaction Documents.

(ii) Neither party will gain, by virtue of this Agreement, any rights of ownership of copyrights, patents, trade secrets, trademarks or any other intellectual property rights owned by the other party.

Section 5. Compliance with Laws. Each of the parties hereto shall, with respect to its obligations and performance hereunder, comply with all applicable requirements of Law, including, without limitation, import and export control, environmental and occupational safety requirements. CDES-M/A-COM shall be responsible for (a) compliance with all Laws affecting its business and (b) any use CDES-M/A-COM may make of the Services to assist it in complying with such Laws.

Section 6. Damages.

(a) **Maximum Amount of Damages**. Notwithstanding anything to the contrary contained herein, in no event shall either party have any liability for monetary damages hereunder or otherwise in respect of the Services in excess of the greater of (i) $35,700 and (ii) the aggregate amount invoiced by MTS to CDES-M/A-COM and actually received by MTS in payment for the performance of the Services hereunder; provided, however, that in no event shall such amount exceed $71,400.

(b) **Limitation of Liability**. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, EXCEPT FOR BREACHES OF THE CONFIDENTIALITY OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, LOST OPPORTUNITIES, AMOUNTS BASED ON MULTIPLES OF LOST EARNINGS, OR FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR LOST REVENUES) OF THE OTHER PARTY, ITS SUCCESSORS, ASSIGNS OR THEIR

RESPECTIVE AFFILIATES, TO THE EXTENT AS A RESULT OF OR ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN TORT, CONTRACT, BREACH OF WARRANTY OR OTHERWISE.

(c) **Disclaimer**. EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, THE SERVICES ARE PROVIDED "AS IS" AND MTS DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICES AND MAKE NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE.

(d) **Third Party Provider**. With respect to any Services provided by a Third Party that is not an Affiliate of MTS, MTS shall have no liability in respect of any action or omission of such Third Party in the provision of such Services; provided, however, that (i) if such Third Party fails to perform such Services to the same extent as MTS is obligated to perform such Services under this Agreement, MTS shall perform such Services or cause its Affiliate or an alternative Third Party to perform such Services, and (ii) upon the written request of CDES-M/A-COM, MTS shall diligently pursue, and use all commercially reasonable efforts to obtain, on behalf and for the benefit of CDES-M/A-COM, such monetary and equitable remedies as may be available to MTS and/or CDES-M/A-COM. For the avoidance of doubt, MTS shall be liable for any action or omission of its Affiliates.

Section 7. Miscellaneous.

(a) **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of New York, without regard to the conflicts of Law principles of such State. The parties hereto consent and submit to the exclusive jurisdiction of the courts (State and Federal) located in the State of New York in connection with any controversy arising under this Agreement or its subject matter. The parties hereby waive any objection they may have in any such action based on lack of personal jurisdiction, improper venue or inconvenient forum. The parties further agree that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth above or in the Purchase Agreement shall be effective legal service for any litigation brought in such courts.

(b) **WAIVER OF JURY TRIAL**. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(c) **Specific Performance**. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall agree to injunctive relief to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions hereof in the United States District Court for the Southern District of New York or any New York State court sitting in New York City, in addition to any other remedy to which they are entitled at law or in equity.

(d) **Taxes**. CDES-M/A-COM shall bear all sales, use, transfer, value-added goods and services and other similar taxes imposed on the Services under this Agreement. Except as set forth in the preceding sentence, each party shall bear all taxes, duties, levies, imposts, assessments and other similar charges (including any related interest, penalties and other liabilities related thereto), imposed on it as a result of the Services under this Agreement (collectively, "***Taxes***"). CDES-M/A-COM may withhold or deduct any and all Taxes it is required to withhold or deduct by Law or by the interpretation or administration thereof.

(e) **Force Majeure**. Except for CDES-M/A-COM's obligation to make timely payments for Services performed in accordance with the terms hereof, no party hereto will have any liability for any Losses or delay due to fire, explosion, lightning, pest damage, power failure or surges, strikes or labor disputes, water or flood, acts of God, the elements, war, civil disturbances, changes in the Law that make provision of the Services illegal, acts of civil or military authorities or the public enemy, acts or omissions of communications or other carriers, or any other cause beyond such party's reasonable control, whether or not similar to the foregoing that prevent such party from materially performing its obligations hereunder. If any party claims a condition of force majeure as an excuse for non-performance of any provision of Services, the party asserting the claim must notify the other parties hereto as soon as practicable of the force majeure condition, describing the condition in reasonable detail and, to the extent known, the probable extent and duration of the condition. For so long as a condition of force majeure continues, the party invoking the condition as an excuse for non-performance hereunder will use commercially reasonable efforts to cure or remove the condition as promptly as possible so as to resume performance of its obligations hereunder.

(f) **Assignment**. This Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assignable or transferable by any party without the prior written consent of the other party hereto, and any such unauthorized assignment or transfer will be void ab initio; provided, however, that (i) MTS shall be entitled to assign its rights and obligations hereunder to any Affiliate of MTS without the consent of CDES-M/A-COM or to

any other Third Party performing any Services hereunder if and so long as MTS remains fully liable for the fulfillment of all such obligations, (ii) CDES-M/A-COM may assign this Agreement to a successor in the event of a change of control of CDES-M/A-COM or the sale of substantially all of the assets of CDES-M/A-COM if and so long as CDES-M/A-COM remains fully liable for the fulfillment of all such obligations, and (iii) in the event that CDES-M/A-COM sells or transfers part of the business acquired from MTS pursuant to the Purchase Agreement and the other Transaction Documents, CDES-M/A-COM may assign its right to receive Services under this Agreement to the acquirer of such business to the extent such Services relate to such business.

(g) **Entire Agreement; Modification; Waivers**. This Agreement and the Services and Pricing Schedules attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiation, commitments and writings (other than the Purchase Agreement) with respect to Services. This Agreement and the Service and Pricing Schedules attached hereto may not be altered, modified or amended except by a written instrument signed by all affected parties. The failure of any party to require the performance or satisfaction of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

(h) **No Duty of Verification**. MTS shall not have any responsibility for verifying the correctness of any information given to it by or on behalf of CDES-M/A-COM for the purpose of providing the Services.

(i) **Severability**. The provisions of this Agreement are severable, and in the event that any one or more provisions are deemed illegal or unenforceable the remaining provisions shall remain in full force and effect, unless the deletion of such provision shall cause this Agreement to become materially adverse to MTS, on the one hand, or CDES-M/A-COM, on the other hand, in which event the parties shall use their respective commercially reasonable efforts to arrive at an accommodation that best preserves for the parties the benefits and obligations of the offending provision.

(j) **Notices**. All notices and other communications hereunder will be in writing and deemed to have been duly given if given in accordance with the provisions of the Purchase Agreement.

(k) **Survival of Obligations**. The obligations of the parties under Sections 2, 3, 4, 6 and 7 shall survive the expiration of this Agreement.

(l) **Inconsistency**. In the event of any inconsistency between the terms of this Agreement and any of the Services and Pricing Schedules hereto, the terms of this Agreement, other than charges for the Services, shall control. In the event of any inconsistency between the terms of this Agreement and the Purchase Agreement, the terms of the Purchase Agreement shall control.

(m) **Title and Headings**. Titles and headings to sections herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed on its behalf by its duly authorized officer as of the date first written above.

M/A-COM TECHNOLOGY SOLUTIONS INC.

By: _____
Name:
Title:

COBHAM DEFENSE ELECTRONIC SYSTEMS - M/A-COM INC.

By: _____
Name:
Title:

SERVICES AND PRICING SCHEDULES

FUNCTION	SERVICE LINE ITEM	DESCRIPTION OF SERVICES TO BE PROVIDED	PRICE	PRICE BASIS	MAXIMUM SERVICE	NO. DAYS TO NOTICE TO TERMINATE	EXTENSION PERIOD ALLOWED
FINANCE	GENERAL ACCOUNTING SUPPORT FOR DAY TO DAY ACTIVITIES AND MONTHLY CLOSING	MTS will make available 50% of Christine Olsen, 25% of the time of Ana Santos, and 50% of the time of Sue Dunbury (or if not still employed by MTS, persons with similar skill sets), to handle G/L activities for monthly closing and training, Commissions, Bank reconciliations, Roanoke facility accounting, wire transfers and other general accounting activities	$11,700 per month	Applicable percentage of estimated salary and fringe for individuals identified	6 months	30 days	up to 3 additional months*
Shared fixed assets	Shared fixed assets	Reasonable use of shared fixed assets listed in Exhibit A to this Schedule. Routine maintenance costs will be shared between the parties. Repair or maintenance necessitated by negligent damage to the shared fixed assets will be paid for by the party who caused the damage.	No charge for the use of shared fixed assets. If MTS personnel are required to operate the shared assets then CDES will be charged for their time at the employees' hourly rate.	No charge for the use of shared fixed assets. If MTS personnel are required to operate the shared assets then CDES will be charged for their time at the employees' hourly rate.	12 months	30 days	No

* All items extended will be at a cost of 50% incremental to the base cost.

Exhibit J

Cobham plc
Brook Road, Wimborne,
Dorset, BH21 2BJ England
T: +44 (0)1202 882020
F: +44 (0)1202 840523

Direct Telephone: (01202) 857464

CHIEF FINANCIAL OFFICER

Kiwi Stone Acquisition Corp.
c/o Mr J L Ocampo
GaaS Labs
28013 Arastradero Road
Los Altos Hills
CA 94022

30 March 2009

Dear John

Further to Section 2.3(n) of the Purchase Agreement (the "Agreement") dated as of March 30, 2009 by and among Cobham Defense Electronic Systems Corporation ("CDES"), Lockman Electronic Holdings Limited ("Lockman"; and, together with CDES, the "Sellers") and Kiwi Stone Acquisition Corp. ("Purchaser"), this letter documents the methodology that will be applied to calculate any acceleration of Earn-Out Payments (as defined in the Agreement) and any changes to the earnout thresholds contained in such Section in the event of a Major Disposition (as defined in the Agreement). By signing the Agreement, we record herein that the methodology will be along the following lines:

- The Earn-Out will be accelerated to the extent that there is a profit on sale, which will be calculated as the proceeds from any Major Disposition *less* (i) any fees, expenses, disbursements or other costs (including those of legal, financial and other advisors) to the extent related to or incurred in connection with such Major Disposition, and *less* (ii) "book cost" of those assets (as described below) sold in such Major Disposition (such net profit on sale amount, the "Proceeds of Sale"). The Proceeds of Sale will be allocated 50/50 between the Sellers, on the one hand, and Purchaser, on the other hand (Sellers' 50% portion of the Proceeds of Sale, the "Sellers' Profit on Sale"); it being understood that Sellers' Profit on Sale will be determined in respect of a Major Disposition without duplication of the Proceeds of Sale of any transaction previously taken into account in determining whether a Major Disposition has occurred and any prior calculation of Sellers' Profit on Sale);
- Book cost of the assets is defined based on allocation of a base cost of $66.3 million between the product lines as follows: PHO: $17.8m; Diodes: $19.6m; GaAs ICs: $3.4m; Broadband/CATV: $3.3m; Components: $7.6m; Infrastructure: $10.3m; Laser Diode: $4.0m; and Auto Solutions: $0.3m.

- Proceeds of Sale will be applied in the following order: (i) repayment of any loan note payable to Sellers by Purchaser; (ii) repayment (should Purchaser so elect, in its sole discretion) of any amounts under Purchaser's working capital facility; and (iii) payment of the Sellers' Profit on Sale, if any, to Sellers calculated as described above;
- In the event that the Proceeds of Sale are insufficient to fund all of the repayments in the bullet point immediately above, Sellers' Profit on Sale would be rolled into a new Seller note entered into at the time of the completion of the Major Disposition in question under the same terms and conditions, including security, interest rates and maturity dates, as the Secured Promissory Note (as defined in the Agreement);
- The parties will agree to adjust the remaining Business Revenue (as defined in the Agreement) targets on the basis of historical and forecast revenue information available at the time;
- Notwithstanding anything in the Agreement, or this letter, that may be deemed to be to the contrary, the total amount available under the Earn-Out will be reduced by the amount of any Sellers' Profit on Sale calculated in accordance with this letter – *i.e.* the total of all Earn-Out Payments *plus* all payments of the Sellers' Profit on Sale will never exceed the Earn-Out Cap (as defined in the Agreement); or, put differently, once the sum of all Earn-Out Payments *plus* the sum of all Sellers' Profit on Sale payments reaches the Earn-Out Cap, no additional Earn-Out Payments or Sellers' Profit on Sale will be paid or allocated;
- The attached spreadsheet illustrates how Sellers Profit on Sale would be calculated and proceeds applied in the situation where a series of Minor Dispositions accumulates to become a Major Disposition.
- Parties can mutually agree changes in writing as they see fit; and
- This letter agreement shall incorporate, *mutatis mutandis*, the provisions of Article X of the Agreement.

With kind regards.

Yours sincerely

Warren Tucker

Warren Tucker
Chief Financial Officer

Attachment to Exhibit J to Purchase Agreement (the "**PA**")
Worked example on Minor/Major Dispositions:

Sales for the purposes of this example:

MTS sales	FY09	FY10	FY11	FY12	FY09	FY10	FY11	FY12
Diodes	48,695	52,590	56,798	61,341	23%	23%	22%	22%
GaAs ICs	33,480	35,489	37,618	39,875	16%	15%	15%	14%
Components	17,586	18,817	20,134	21,543	8%	8%	8%	8%
Broadband	15,353	16,427	17,577	18,808	7%	7%	7%	7%
PHO	45,276	48,898	52,810	57,034	21%	21%	21%	20%
Infrastructure	35,668	41,019	47,171	54,247	17%	18%	18%	19%
Laser Diode	5,023	5,173	5,329	5,489	2%	2%	2%	2%
Auto solutions	9,618	14,427	18,034	20,739	5%	6%	7%	7%
Total	210,698	232,840	255,470	279,076	100%	100%	100%	100%

Sale of any individual product line would be a Minor Disposition: each product line represents less than 40% of sales.

Cumulative divestitures: *e.g.* LDI sold at end of FY09 for net proceeds of $8 million; PHO sold at end of FY10 for net proceeds of $50 million and Infrastructure sold at end of FY11 for net proceeds of $30 million:

MTS sales	FY09	FY10	FY11	FY12	FY09	FY10	FY11	FY12
Diodes	48,695	52,590	56,798	61,341	23%	23%	29%	38%
GaAs ICs	33,480	35,489	37,618	39,875	16%	16%	19%	25%
Components	17,586	18,817	20,134	21,543	8%	8%	10%	13%
Broadband	15,353	16,427	17,577	18,808	7%	7%	9%	12%
PHO	45,276	48,898	—	—	21%	21%	0%	0%
Infrastructure	35,668	41,019	47,171	—	17%	18%	24%	0%
Laser Diode	5,023	—	—	—	2%	0%	0%	0%
Auto solutions	9,618	14,427	18,034	20,739	5%	6%	9%	13%
Total	210,698	227,667	197,332	162,306	100%	100%	100%	100%

In FY09, sale of LDI would be 2% of sales and therefore a Minor Disposition. Net proceeds of $8 million would be used to pay down debt and no acceleration of earn-out occurs. In accordance with the PA, earn-out targets would be reduced by $8 million.

In FY10, sale of PHO would be a Minor Disposition in its own right (21% of sales). Major Disposition test would be calculated:

$$\frac{5,023}{210,698} + \frac{48,898}{227,667} = 23.9\%$$, so still a minor disposition. Net proceeds of $50 million for PHO would be applied as follows: $22 million against outstanding debt and $28 million of Net Proceeds would be left in the company. For the regular FY 2010 earn-out, the adjusted Tier I and Tier II thresholds would be $222 million and $242 million, respectively (after reduction by $8 million as specified above), so the Earn-Out Payment would be calculated according to Section 2.3(a)(i)(B) of the PA: "if the First Earn-Out Revenue is greater than the First Earn-Out Tier I Target but less than Two-Hundred Forty Two Million Dollars ($42,000,000) (the "First Earn-Out Tier II Target"), then the First Earn-Out Payment shall equal the sum of (i) Five Million Dollars ($5,000,000), plus (ii) the product of (X) Five-Million Dollars ($5,000,000), multiplied by (Y) the quotient obtained by dividing (1) the difference of (a) the First Earn-Out Revenue, minus, (b) the First Earn-Out Tier I Target, by (2) Twenty Million (20,000,000);":

$$5,000 + 5,000 \quad * \quad \frac{(227,667 - 222,000)}{20,000} = 6,147$$, so $6.1 million would be payable.

We would mutually agree revisions to the earn-out targets for FYs 2011 and 2012 – let's say we agreed to bring them down by $48,898,000, the annual revenue generated by PHO in FY10.

In FY11, sale of Infrastructure would be a minor disposition in its own right (23% of sales). The Major Disposition Test would be calculated: $\frac{5,023}{210,698} + \frac{48,898}{227,667} + \frac{47,171}{197,332} = 47.8\%$, so we now have a Major Disposition. The Proceeds of Sale would be calculated as the sum of the Proceeds of Sale (as defined in Exhibit J to the PA) for each of the three dispositions:

LDI: $8,000-$4,000 = $4,000
PHO: $50,000 – $17,800 = $32,200
Infrastructure: $30,000 – $10,300 = $19,700
Total Proceeds of Sale: $55.9 million

Sellers' Profit on Sale would be 50% of the Proceeds of Sale, or $27.95 million, and the total net proceeds[1] of the three dispositions would be $88.0 million.

The amount payable under the earn-out by reason of the Major Disposition would be the lesser of (i) the $30 million maximum Earn-Out less amounts already paid under the earn-out through the date of the Major Disposition of $6.4 million = $23.6 million, or (ii) Sellers' Profit on Sale of $27.95 million – so, the amount payable will be $23.6 million.

[1] **NOTE:** Net proceeds (summed to arrive at total Proceeds of sale) takes into account deductions for fees, expenses, disbursements and costs incurred in connection with each transaction comprising a Major Disposition, as per Exhibit J.

Apportionment of cash would be as follows: total $88 million *less* $36.4 million already paid = $52.9 million, which would be used $23.6 million to pay off the earn-out in full, and the balance of $29.3 million would be available for general corporate purposes thereafter since the earn-out has been fully satisfied and no Seller debt remains outstanding.

There would be no need to calculate the earn-out based on revenue in either FY11 or FY12, as the full maximum possible earn-out would have been paid already based on the Major Dispositions.

Exhibit K

REVOLVING CREDIT
AGREEMENT

This Revolving Credit Agreement is made as of the 30th day of March 2009 by and among COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION, a Massachusetts corporation (the "Lender"), and KIWI STONE ACQUISITION CORP., a Delaware corporation ("KSAC"), M/A-COM TECHNOLOGY SOLUTIONS INC., a Delaware corporation ("MTS"), M/A-COM AUTO SOLUTIONS INC., a Delaware corporation ("MAS"), and LASER DIODE INCORPORATED, a Nevada corporation ("LDI,", and each of KSAC, MTS, MAS and LDI a "Borrower" and collectively, the "Borrowers").

W I T N E S S E T H:

WHEREAS, the parties hereto desire to arrange for a revolving credit of up to $12,000,000 to the Borrowers, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, it is agreed as follows:

ARTICLE I.
DEFINED TERMS

Section 1.1 Definitions. The following terms have the following meanings in this Agreement:

"Affiliate" means with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Revolving Credit Agreement as originally executed and as the same may from time to time be amended or supplemented.

"Borrower" and "Borrowers" have the meanings set forth in the first paragraph of this Agreement.

"Borrowing Capacity" means an amount equal to the lesser of (a) the Revolving Credit Commitment or (b) seventy percent of Eligible Receivables.

"Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks in Bolton, Massachusetts and the United Kingdom are authorized or required to close under the laws of the Commonwealth of Massachusetts or the United Kingdom, as applicable.

"Business Revenue" has the meaning given to such term in the Stock Purchase Agreement.

"Capital Event" means any sales of assets or equity securities of any Loan Party (other than KSAC) that results in Net Proceeds in excess of $1,000,000 paid or payable to any Loan Party or the holder(s) of equity securities of KSAC from such transaction.

"Capital Expenditures" means expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto which have a useful life of more than one year, including the total principal portion of capitalized lease obligations, which in accordance with GAAP, would be classified as capital expenditures.

"Change in Control" means: (a) any merger, consolidation, reorganization, recapitalization, transfer of securities or other similar transaction as a result of which: (i) KSAC or an Affiliate of KSAC ceases to be record or direct or indirect beneficial owner of more than 50% of the outstanding equity securities of the Loan Parties (other than KSAC) which at the time of the transaction own assets that generated more than 80% of the consolidated Business Revenue of the Loan Parties taken as a whole for the twelve month period ending as of KSAC's then most recently completed fiscal quarter or (ii) the present equity holders of KSAC cease to be the direct or indirect holders of more than 50% of the equity interests, however classified, of KSAC; or (b) the sale, transfer or other disposition of assets of the Loan Parties taken as a whole that generated more than 80% of the consolidated Business Revenue of the Loan Parties taken as a whole for the twelve month period ending as of KSAC's then most recently completed fiscal quarter.

"Default Rate" means four percentage points per annum above the otherwise applicable per annum rate of interest.

"EBITDA" means for any period, the net income (or loss) for the applicable period of measurement of KSAC and its Subsidiaries calculated on a consolidated basis determined in accordance with GAAP, excluding: (a) the income (or loss) of any Person which is not a Subsidiary of KSAC, except to the extent of the amount of dividends or other distributions actually paid to KSAC or any of its Subsidiaries in cash by such Person during such period; (b) gains or losses from the sale, exchange, transfer or other disposition of property or assets not in the ordinary course of business of KSAC and its Subsidiaries, and related tax effects in accordance with GAAP; and (c) any other extraordinary or non-recurring gains or losses of KSAC or its Subsidiaries, and related tax effects in accordance with GAAP; plus (i) all amounts deducted in calculating net income (or loss) for depreciation or amortization for such period; (ii) interest expense (less interest income) deducted in calculating net income (or loss) for such period; (iii) all accrued taxes on or measured by income to the extent deducted in calculating net income (or loss) for such period; (iv) all management fees or other similar payments to the extent deducted in calculating net income (or loss) for such period.

"Eligible Receivables" means all unpaid accounts receivable of the Borrowers arising from the sale or lease of goods or the performance of services, net of any credits, but excluding any such accounts receivable having any of the following characteristics:

(a) That portion of accounts receivable unpaid more than 90 days past the stated due date;

(b) That portion of accounts receivable that is (i) disputed or (ii) subject to a claim of offset or a contra account, but only to the extent of such dispute, offset or contra account;

(c) That portion of accounts receivable for which an invoice has not been sent to the applicable account debtor;

(d) Accounts receivable owed by any unit of government, whether foreign or domestic (provided, however, that there shall be included in Eligible Receivable that portion of accounts receivable owed by such units of government for which the Borrowers have provided evidence satisfactory to the Agent that (i) the Agent has a first priority perfected security interest and (ii) such accounts receivable may be enforced by the Agent directly against such unit of government under all applicable laws);

(e) Accounts receivable owed by an account debtor not located in the United States or Canada;

(f) Accounts receivable owed by an account debtor that is insolvent, the subject of bankruptcy proceedings or has gone out of business;

(g) Accounts receivable owed by a Subsidiary, Affiliate, member, manager, officer or employee of any of the Borrowers;

(h) Accounts receivable not subject to a duly perfected first priority security interest in the Lender's favor or which are subject to any Lien in favor of any Person other than the Lender;

(i) That portion of accounts receivable that has been restructured, extended, amended or modified;

(j) Accounts receivable owed by an account debtor, regardless of whether otherwise eligible, if 50% or more of the total amount due under accounts from such debtor is ineligible under clauses (a), (b) or (i) above; and

(k) Accounts receivable, or portions thereof, otherwise deemed ineligible by the Lender (due to its good faith belief that such accounts receivable, or portion thereof, is unlikely to be paid by such debtor) in its sole discretion reasonably exercised.

"Equity Payment" means any dividend, redemption or other distribution of property or rights, direct or indirect, on account of any equity security (whether denominated as membership interests, units, shares or otherwise) of KSAC or any Subsidiary (to the extent not paid to KSAC or a Subsidiary), other than those made exclusively in equity securities of that entity.

"Event of Default" has the meaning set forth in Section 8.1.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time, consistently applied in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financing Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), which are applicable to the circumstances as of the date of determination.

"Guaranty Agreements" means the guaranty agreements dated the date hereof given by MTS, MAS, LDI, John Ocampo, and the settlors, trustees and beneficiaries of the Ocampo Family Trust - 2001 to the Lender with respect to certain indebtedness of KSAC to the Lender.

"Indebtedness" of any Person means, without duplication: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business); (c) the face amount of all letters of credit issued for the account of such Person and without duplication, all drafts drawn thereunder and all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments issued by such Person; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property) provided that operating leases shall not be considered to be such agreements; (f) all monetary obligations under any capital lease (as required to be so treated under GAAP); (g) the principal balance outstanding under any synthetic lease, off-balance sheet loan or similar off balance sheet financing product; (h) all indebtedness referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and (i) in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (h) above, all contingent obligations with respect thereto, including any guarantee, if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

"Laser Diode Sale" means a sale of all of the stock or substantially all of the assets of LDI.

"Lien" means any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether arising by agreement or operation of law, including, but not limited to, any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security.

"Loan Documents" means this Agreement, the Revolving Credit Note, the Security Agreements, the Pledge Security Agreements, the Patent Security Agreement, the Trademark Security Agreement, the Short Term Note, the Secured Promissory Note, the Guaranty Agreements and all other agreements, instruments and documents (and with respect to the foregoing any amendments or supplements thereof) executed or delivered to the Lender by any of the Loan Parties pursuant to the terms of this Agreement or in connection with the execution and delivery of the Short Term Note and the Secured Promissory Note; provided, however, the term "Loan Documents" shall not include the Stock Purchase Agreement and the other agreements executed in connection therewith, other than the agreements specifically referenced above in this definition of "Loan Documents."

"Loan Parties" means the Borrowers and their Subsidiaries

"Loan Party" means any one of the Loan Parties.

"M/ACOM Cork" means M/ACOM Technology Solutions (Cork) Limited.

"Net Proceeds" means any cash proceeds actually received by a Loan Party, (including any cash payments received by way of deferred payment or contingent payment, but only as and when received) with respect to a Capital Event less (a) the reasonable fees and expenses of the Capital Event, and (b) the taxes paid or payable with respect to the Capital Event as reasonably estimated as at the time of the closing of the Capital Event.

"Notice of Borrowing" has the meaning set forth in Section 2.2.

"Obligations" means, with respect to a Person, all of such Person's obligations, liabilities and indebtedness to the Lender pursuant to this Agreement and the Revolving Credit Note of any and every kind and nature, whether heretofore, now or hereafter owing, arising, due or payable and howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, indirect, contingent, fixed or otherwise and whether arising or existing under written agreement, oral agreement or operation of law.

"Permitted Encumbrances" means (a) Liens securing the payment of taxes (other than payroll taxes), assessments, customs duties and other governmental charges either not yet due or the validity of which is being contested in good faith by appropriate proceedings, and as to which the Person shall, if appropriate under GAAP, have set aside on its books and records adequate reserves; (b) deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than the repayment of borrowed money) or to secure statutory obligations or surety or appeal bonds or to secure indemnity

performance or other similar bonds, all only to the extent incurred in the ordinary course of business; (c) Liens in favor of the Lender; (d) zoning restrictions, easements, licenses, covenants and other restrictions which do not substantially affect the value or use of the Person's real property, (e) mechanics', landlords' and other like Liens arising in the ordinary course of business securing obligations which are not overdue or which are being contested by the Person in good faith and by appropriate proceedings; (f) the rights of collecting banks or other financial institutions having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Person on deposit with or in the possession of such bank or other financial institution; (g) attachments remaining unstayed, unbonded or undischarged for no longer than thirty days after written or actual notice thereof has been received by the Person or attachments in connection with litigation which is being defended by the Person in good faith and by appropriate proceedings, provided that the aggregate amount sought to be secured by such attachments that are unstayed, unbonded or undischarged does not exceed $250,000 at any one time outstanding; (h) Liens in respect of judgments or awards relative to claims which have been in force for less than the applicable appeal period, provided execution is not levied thereunder, with respect to which an appeal or similar proceeding for review is being prosecuted in good faith by the Person and a stay of execution has been obtained pending such appeal or review; (i) leases or subleases and licenses or sublicenses granted in the ordinary course of business; (j) the interests of lessors under capital leases to the extent that (i) such capital lease is permitted under the terms of this Agreement; (ii) such Lien attaches only to the asset acquired and the proceeds thereof, and (iii) such Lien only secures that capital lease and any capital lease in replacement thereof; (k) Liens existing immediately prior to the consummation of the transactions contemplated by the Stock Purchase Agreement on assets of Subsidiaries; and (l) cash collateral to secure standby letters of credit permitted under the terms of this Agreement; provided, however, that, in the case of Permitted Encumbrances described under the foregoing clauses (a), (e), (g) or (h) of this definition of Permitted Encumbrances, to the extent the same is permitted as a result of a contest, appeal, defense or similar action undertaken by the Person in good faith and the face amount or amount secured by such Permitted Encumbrances exceeds $500,000 in the aggregate, the Lender may in its sole discretion, effective upon thirty days notice to the Person, determine the same to not constitute a Permitted Encumbrance if it reasonably determines that, as a result thereof, the priority or realizable value of its Lien on any collateral securing Obligations is adversely affected.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party, or government (whether national, federal, state, provincial, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Pledge Security Agreement" and "Pledge Security Agreements" have the meanings set forth in Section 4.1(b).

"Purchase Price" has the meaning set forth in the Stock Purchase Agreement.

"Purchase Price Adjustment" means any adjustment in the Purchase Price pursuant to Section 2.4 of the Stock Purchase Agreement.

"Revolving Credit Commitment" means (a) at all times prior to payment in full of the Short Term Note, $10,000,000 less an amount equal to the Purchase Price Adjustment actually received by KSAC, if any, and (b) at all times after payment in full of the Short Term Note, $12,000,000 less an amount equal to the Purchase Price Adjustment actually received by KSAC, if any.

"Revolving Credit Note" has the meaning set forth in Section 2.1.

"Revolving Credit Maturity Date" means the first anniversary of the date of this Agreement.

"Revolving Loan" and "Revolving Loans" have the meanings set forth in Section 2.1.

"Secured Promissory Note" means the Secured Promissory Note in the original principal amount of $30,000,000 dated the date hereof from KSAC to the Lender, as it may be amended, supplemented or otherwise modified from time to time

"Security Agreement" and "Security Agreements" have the meanings set forth in Section 4.1(b).

"Short Term Note" means the Short Term Promissory Note in the original principal amount of $5,000,000 dated the date hereof from KSAC to the Lender, as it may be amended, supplemented or otherwise modified from time to time.

"Stock Purchase Agreement" means the Purchase Agreement dated the date hereof among the Lender, Lockman Electronic Holdings Limited and KSAC, as it may be amended, supplemented or otherwise modified from time to time

"Subsidiary" means, as to a Person, any corporation, partnership, limited liability company or other entity in which equity interests having ordinary voting power (other than equity interests having said power only by reason of the happening of a contingency) to elect a majority of the board of directors, the managers or other governing body of such entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by a Person.

"U.S. Subsidiary" means a Subsidiary formed under the laws of any state of the United states of America. A "non-U.S. Subsidiary" means a Subsidiary formed under any other law.

Section 1.2 Other Definitional Provisions.

(a) All accounting terms used but not specifically defined in this Agreement shall be construed in accordance with GAAP.

(b) Defined terms used herein in the singular shall import the plural and vice versa.

Section 1.3 Joint and Several Obligations.

(a) Each of the Borrowers is accepting joint and several liability under this Agreement and the Revolving Credit Note in consideration of the financial accommodations to be provided by the Lender under this Agreement, for the mutual benefit, directly and indirectly, of each of the Borrowers and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each of the Borrowers, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this Section 1.3), it being the intention of the parties hereto that all of the Obligations shall be the joint and several obligations of each of the Borrowers without preferences or distinction among them.

(c) If and to the extent that any of the Borrowers shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation.

(d) The obligations of each of the Borrowers under the provisions of this Section 1.3 constitute full recourse obligations of each of the Borrowers enforceable against each such Person to the full extent of its properties and assets, irrespective of the validity or enforceability of this Agreement or any other circumstance whatsoever.

(e) Except as otherwise expressly provided in this Agreement, each of the Borrowers hereby waives notice of acceptance of its joint and several liability, notice of any Revolving Loans made under this Agreement, notice of any action at any time taken or omitted by the Lender under or in respect of any of the Obligations, and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement. Each of the Borrowers hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Lender at any time or times in respect of any default by any of the Borrowers in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any amendment of this Agreement or any other Loan Document, any and all other indulgences whatsoever by the Lender in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of either of the Borrowers. Without limiting the generality of the foregoing, each of the Borrowers assents to any other action or delay in acting or failure to act on the part of the Lender with respect to the failure by any of the Borrowers to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 1.3, afford grounds for terminating, discharging or relieving any of the Borrowers, in whole or in part, from any of its obligations under this Section 1.3, it being the intention of each of the Borrowers that, so long as

any of the Obligations hereunder remain unsatisfied, the obligations of such Borrowers under this Section 1.3 shall not be discharged except by performance and then only to the extent of such performance. The obligations of each of the Borrowers under this Section 1.3 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, re-construction or similar proceeding with respect to any of the Borrowers or the Lender. The joint and several liability of the Borrowers hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of any of the Borrowers or the Lender.

(f) The provisions of this Section 1.3 are made for the benefit of the Lender and its successors and assigns, and may be enforced in good faith by them from time to time against any or all of the Borrowers as often as the occasion therefor may arise and without requirement on the part of the Lender first to marshal any of its claims or to exercise any of its rights against any of the other Borrowers or to exhaust any remedies available to it against any of the other Borrowers or to resort to any other source or means of obtaining payment of any of the Obligations or to elect any other remedy. The provisions of this Section 1.3 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy or reorganization of any of the Borrowers, or otherwise, the provisions of this Section 1.3 will forthwith be reinstated in effect, as though such payment had not been made.

Section 1.4 Binding Effect. Any notice, request, waiver, consent or other action made, given or taken to or by any of the Borrowers shall bind all of the Borrowers.

ARTICLE II.
AMOUNT AND TERM OF CREDIT

Section 2.1 Revolving Credit Commitment. Subject to all of the terms and conditions of this Agreement, the Lender agrees to lend to the Borrowers, and the Borrowers or any of them may borrow from the Lender, once during each calendar month, prior to the Revolving Credit Maturity Date, such sum or sums of money (individually, a “Revolving Loan”, and collectively, the “Revolving Loans”) as the Borrowers or any of them may request up to an aggregate principal amount at any time outstanding not to exceed the Borrowing Capacity at such time. Within the foregoing limits and subject to all other terms and conditions hereof, the Borrowers may borrow, repay and reborrow hereunder. The obligations of the Borrowers to repay the Revolving Loans shall be evidenced by a single Revolving Credit Note (the “Revolving Credit Note”) substantially in the form set forth in Exhibits A hereto.

Section 2.2 Notice and Manner of Borrowing. A Borrower shall give the Lender notice (a “Notice of Borrowing”) at least five (5) Business Days prior to the date that it desires the Lender to make any Revolving Loan specifying: (a) the date of such Revolving Loan, (b) the amount of such Revolving Loan, (c) that the Borrowers have sought to find another lender to provide a working capital credit facility to the Borrowers and have been unable to obtain such a facility and (d) the amount of Eligible Receivables and the calculation of such amount. Upon fulfillment of all applicable conditions set forth herein, the Lender shall pay or deliver all funds

so received to the order of the appropriate Borrower at the office of the Lender. All Notices of Borrowing shall be given not later than 11:00 a.m. on the day which is not less than the number of Business Days specified above for such notice.

Section 2.3 Interest.

(a) The Borrowers shall pay interest to the Lender on the outstanding unpaid principal balance of the Revolving Loans at a rate of (i) 7.5 percent per annum for the period from the date hereof through September 30, 2009 and (b) 13 percent per annum thereafter.

(b) Interest on the Revolving Loans shall be calculated on the basis of a year of 365 days for the actual number of days elapsed.

(c) Interest on the Revolving Loans shall be paid to the Lender on the first Business Day of each month beginning May 1, 2009 and on the Revolving Credit Maturity Date.

(d) Upon the occurrence and during the continued existence of an Event of Default, the unpaid principal balance of all Revolving Loans immediately be automatically increased to the Default Rate, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at the Default Rate; provided, however, that following the cure of any such Event of Default or the waiver of any Event of Default by the Lender, the Default Rate shall no longer apply and the applicable rate of interest as set forth in Section 2.3(a) shall apply.

Section 2.4 Mandatory Prepayments. Within one Business Day following the receipt by KSAC of funds constituting a Purchase Price Adjustment, the Borrowers shall prepay outstanding Revolving Loans in an aggregate amount equal to such Purchase Price Adjustment.

Section 2.5 Voluntary Prepayments. The Borrowers shall have the right to prepay all or any portion of the Revolving Loans at any time; provided, however, each partial prepayment shall be in an amount equal to the lesser of (a) at least $100,000, and in increments of $50,000 to the extent in excess of $100,000, or (b) the aggregate outstanding principal balance of all Revolving Loans.

Section 2.6 All Prepayments. Any prepayment of the Revolving Loans shall be made with interest accrued (to the date of prepayment) on the principal amount prepaid, but without premium or penalty.

Section 2.7 Method of Payment. The Borrowers shall make each payment under this Agreement and the Revolving Credit Note not later than 11 a.m. on the date when due in lawful money of the United States to the Lender at 58 Main Street, Route 117, Bolton, Massachusetts 01740 or such other place as the Lender may specify in writing to the Borrowers, in immediately available funds. Whenever any payment to be made under this Agreement or the Revolving Credit Note shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest.

Section 2.8 Application of Payments. All payments by the Borrowers under this

Agreement and the Revolving Credit Note shall be applied first to the payment of all fees, if any, expenses and other amounts due to the Lender (excluding principal and interest), then to accrued interest, and the balance on account of outstanding principal; provided, however, that if an Event of Default has occurred and is continuing, the Lender shall apply such payments as it determines in its sole discretion.

ARTICLE III.
USE OF LOANS

The Borrowers shall use the proceeds of the Revolving Loans for working capital purposes.

ARTICLE IV.
CONDITIONS OF LENDING

Section 4.1 First Revolving Loan. The Lender shall have no obligation to make the first Revolving Loan pursuant to this Agreement except upon fulfillment of all of the conditions set forth in Section 4.2 below and each of the following conditions:

(a) Revolving Credit Note. The Borrowers shall have executed and delivered the Revolving Credit Note to the Lender.

(b) Collateral. As collateral for payment of the Revolving Credit Note and the performance of all other Obligations of the Borrowers, (i) each of the Borrowers shall have executed and delivered to the Lender a general security agreement (a "Security Agreement" and collectively, the "Security Agreements"), granting to the Lender a first security interest in all of the personal property and fixtures of such Borrower now owned and hereafter acquired and wherever located, (ii) KSAC shall have executed and delivered to Lender a patent security agreement (the "Patent Security Agreement") and a trademark security agreement (the "Trademark Security Agreement"), granting to the Lender a first security interest in all of KSAC's patents and trademarks, (iii) each of KSAC and MTS shall have executed and delivered to the Lender a pledge security agreement (a "Pledge Security Agreement" and collectively, the "Pledge Security Agreements"), granting to the Lender a first security interest in one hundred percent of the equity interests of each of its domestic subsidiaries and sixty six percent of the equity interests in each of its foreign Subsidiaries, and delivered to the Lender certificates evidencing such equity interests, together with stock powers executed in blank.

(c) Authorization. The Borrowers shall have taken appropriate corporate action to authorize, and the respective directors and, if required, shareholders of the Borrowers, shall have adopted resolutions authorizing the execution and delivery of this Agreement, the Revolving Credit Note and the other Loan Documents to be executed by each such Borrower and the taking of all action called for by this Agreement, the Revolving Credit Note and the other Loan Documents to be executed by each such Borrower and the Borrowers shall have furnished to the Lender certified copies of such corporate action and resolutions and such other corporate documents as the Lender may request.

(d) Certain Corporate Documents. Each of the Borrowers shall have furnished to the Lender (i) a copy of its certificate of incorporation certified by an officer of such

Borrower, (ii) a copy of its by-laws certified by an officer of such Borrower, (iii) a subsistence or good standing certificate from the Secretary of State of the state in which it was organized, and (iv) a franchise tax status report from each jurisdiction for which a subsistence certificate is provided pursuant to the preceding clause of this section. Notwithstanding the foregoing, a franchise tax status report shall not be required for LDI.

(e) Legal Opinion. Legal counsel for each of the Borrowers shall have furnished to the Lender a favorable opinion in form and content satisfactory to the Lender dated the date of this Agreement.

(f) Insurance Certificates. The Borrowers shall have furnished to the Lender insurance certificates evidencing the insurance required by the terms of the Security Agreements.

Section 4.2 All Revolving Loans. The Lender shall have no obligation to make the first Revolving Loan or any subsequent Revolving Loan pursuant to this Agreement except, with respect to the first Revolving Loan, upon the fulfillment of the conditions set forth in Section 4.1 and each of the following conditions and, with respect to each subsequent Revolving Loan, upon the fulfillment of each of the following conditions:

(a) Notice of Borrowing and Projections. The Borrowers shall have delivered a Notice of Borrowing to the Lender in accordance with Section 2.2 and projections, in form and content reasonably satisfactory to the Lender, of the cash requirements of the Loan Parties for the then current fiscal quarter and the two following fiscal quarters, which projections shall provide reasonably satisfactory support (in the Lender's reasonable discretion) for the amount of the Revolving Loan requested in the Notice of Borrowing. In the case of the initial Revolving Loan hereunder for $8,000,000, to be funded as of the Business Day following the date hereof, Lender agrees and acknowledges that (i) a Notice of Borrowing shall not be required for such initial Revolving Loan and (ii) that the projections required by this Section 4.2(a) have been provided to Lender and are satisfactory to Lender.

(b) Documents. All instruments, certificates and agreements to be furnished to the Lender hereunder shall be of such form and content as the Lender shall reasonably require, and the Borrowers shall furnish such consents, authorizations and other instruments and agreements as the Lender shall deem reasonably necessary to effectuate the intent of this Agreement.

(c) No Default. No Event of Default and no event which with notice or lapse of time or both would become an Event of Default shall have occurred and be continuing.

(d) Representations and Warranties. The representations and warranties of the Borrowers set forth in Article V of this Agreement shall be true on and as of the date of the making of each Revolving Loan with the same force and effect as if made on and as of such date; provided, however, that the representations and warranties contained in Sections 5.4 and 5.10 shall be deemed to have been made with respect to the financial statements most recently delivered pursuant to Section 6.2.

(e) No Material Adverse Change. There shall have been no material adverse change in the Borrowers' projected ability to achieve the most recent annual projections delivered to the Lender, or in the business, operations or condition (financial or otherwise) of any Loan Party.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES

The Borrowers make the following representations and warranties to the Lender:

Section 5.1 Existence.

(a) Each of the Loan Parties is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated. Each Loan Party is qualified to do business and is in good standing under the laws of all jurisdictions in which failure to qualify or maintain good standing would have a material adverse effect on its operations or financial condition.

(b) KSAC owns, directly or indirectly, all of the equity interests of the other Borrowers.

Section 5.2 Authority. The Borrowers have full power, authority and legal right to enter into this Agreement, the Revolving Credit Note and the other Loan Documents to which each is a party. The execution, delivery and performance by the Borrowers of this Agreement, the Revolving Credit Note and the other Loan Documents to which each is a party (a) have been duly authorized by all necessary corporate action; (b) are not in contravention of the terms of the Borrowers' organizational and governing documents or of any indenture, agreement or undertaking to which any of the Borrowers is a party or by which any of the Borrowers or any of the property of any of the Borrowers is bound; (c) do not and will not require any governmental consent, registration or approval; (d) do not and will not contravene any contractual or governmental restriction to which any of the Borrowers or any of the property of any of the Borrowers may be subject; and (e) do not and will not, except as contemplated herein, result in the imposition of any lien, charge, security interest or encumbrance upon any property of any of the Borrowers under any existing indenture, mortgage, deed of trust, loan or credit agreement or other material agreement or instrument to which any of the Borrowers is a party or by which any of the Borrowers or any of the property of any of the Borrowers may be bound or affected. The Borrowers have the full corporate authority to own or lease and operate their property and to conduct the business in which they are currently engaged and in which they propose to engage.

Section 5.3 Binding Effect. This Agreement constitutes, and the Revolving Credit Note and the other Loan Documents, when executed and delivered by the Borrowers that are parties thereto pursuant hereto, will constitute, the legal, valid and binding obligations of the Borrowers that are parties thereto enforceable in accordance with their respective terms, except to the extent that enforcement of any such obligations of the Borrowers may be limited by bankruptcy, insolvency, reorganization or similar laws of general application affecting the rights and remedies of creditors generally.

Section 5.4 Liens and Encumbrances. Except for Permitted Encumbrances, all assets of the Loan Parties are and will continue to be owned or leased free and clear of all security interests, liens, claims, and encumbrances.

Section 5.5 Full Disclosure. This Agreement, the financial statements delivered in connection herewith, the representations and warranties of the Borrowers herein and in any other document delivered or to be delivered by or on behalf of the Loan Parties, do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein, in light of the circumstances under which they were made, not misleading (it being recognized by the Lender that the projections and forecasts provided by the Borrowers in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

Section 5.6 Survival of Warranties. All representations and warranties contained in this Agreement and the other Loan Documents shall survive the execution and delivery of this Agreement.

ARTICLE VI.
AFFIRMATIVE COVENANTS

During the term of this Agreement and so long as the Revolving Credit Note or any other Obligations of any of the Loan Parties remain outstanding:

Section 6.1 Payments. The Borrowers shall duly and punctually make payments of principal and interest on all indebtedness incurred by them pursuant to this Agreement in the manner set forth in this Agreement and the Revolving Credit Note.

Section 6.2 Financial Statements.

(a) The Borrowers shall furnish to the Lender as soon as practicable, and in any event within one hundred twenty (120) days after the close of each fiscal year of KSAC, reviewed consolidated statements of income, cash flows and changes in stockholder equity of KSAC and its consolidated Subsidiaries for such fiscal year, a consolidated balance sheet of KSAC as of the close of such fiscal year, and notes thereto, all in reasonable detail, setting forth in comparative form the corresponding figures for the preceding fiscal year (except that comparative figures shall not be required for KSAC's first fiscal year) and, the annual statutory financial statements of M/ACOM Cork. Such financial statements shall be accompanied by a standard form statement of review by independent certified public accountants of recognized national or regional standing selected by Debtor. Such statement shall be free of exceptions or qualifications other than exceptions for accounting changes.

(b) The Borrowers shall furnish to the Lender, as soon as practicable, and in any event within twenty (20) days after the close of each fiscal quarter of each fiscal year of KSAC, unaudited consolidated statements of income and cash flows for such fiscal quarter and for the period from the beginning of such fiscal year to the end of such fiscal quarter and unaudited consolidated balance sheets of KSAC as of the close of such fiscal quarter, all in reasonable detail, setting forth in comparative form the corresponding figures for the same periods or as of the same date during the preceding fiscal year (except for the balance sheets, which shall set forth in comparative form the corresponding balance sheets as of the prior fiscal

year end) and including a calculation of EBITDA for that fiscal quarter (except that comparative figures shall not be required for KSAC's first fiscal year). Such financial statements shall be certified by the chief financial officer of KSAC as presenting fairly in all material respects the financial position of KSAC as of the end of such fiscal quarter and the results of operations and cash flows for such fiscal year, in conformity with GAAP, subject to normal and recurring year-end audit adjustments and the absence of footnotes. With respect to those financial statements which are required to be certified by the chief financial officer of KSAC, such certification shall be in his corporate capacity only and shall state that such financial statements were prepared in accordance with GAAP (except for year end adjustments and the absence of footnotes) and fairly present the financial condition at the respective dates indicated therein and the results of operations for the respective periods indicated therein of KSAC (and its Subsidiaries).

(c) Within 45 days after the end of each fiscal year of KSAC, the Borrowers shall submit to the Lender an annual budget for KSAC for the next fiscal year in detail reasonably satisfactory to the Lender.

Section 6.3 Inspections. Upon reasonable prior notice to the Borrowers, the Borrowers shall, and shall cause any other Loan Parties to permit the Lender and/or its accountants, attorneys or other agents to visit and inspect the property of all Loan Parties, to examine their books and records and to take copies and extracts therefrom and to discuss the affairs of each Loan Party with such Loan Party (and the officers and managers of such Loan Party) and the independent accountants or such Loan Party, all at such times as the Lender may reasonably request. Each of the Borrowers hereby authorizes, and agrees to cause any other Loan Party to authorize, such officers and managers and independent accountants to discuss with the Lender the affairs of such Loan Party. The Lender shall have the right to examine and verify accounts, equipment, inventory and other properties and liabilities of each Loan Party from time to time, and the Borrowers shall cooperate with the Lender in such verification.

Section 6.4 Records. Each of the Borrowers shall keep, and shall cause each other Loan Party to keep, adequate records and books of account, in which complete records will be made in accordance with GAAP consistently applied, reflecting all financial transactions of such Loan Party.

Section 6.5 Insurance. The Borrowers shall, and shall cause each of the other Loan Parties to maintain insurance coverage as required pursuant to the terms of the Security Agreements.

Section 6.6 Notices of Events of Default and Litigation. Promptly upon becoming aware of any of the following, the Borrowers shall give the Lender notice thereof, together with a written statement of the chief financial officer of KSAC setting forth the details thereof and any action with respect thereto taken or proposed to be taken by the Borrowers: (a) the occurrence of any Event of Default or any event which with the lapse of time or notice (or both) would become an Event of Default or (b) any pending or threatened (in writing) action, suit, proceeding or investigation against or affecting any Loan Party seeking an uninsured recovery in excess of $1,000,000.

Section 6.7 Projected Sales. The Borrowers shall have projected sales as of the last day of each fiscal quarter for the following twelve months of not less than $40,000,000.

ARTICLE VII.
NEGATIVE COVENANTS

During the term of this Agreement and so long as the Revolving Credit Note or any other Obligations of any of the Loan Parties remain outstanding:

Section 7.1 Liens. The Borrowers shall not, and shall cause the other Loan Parties not to, create, incur, assume or suffer to exist, at any time, any Lien on any of its assets except, in each case, for Permitted Encumbrances.

Section 7.2 Indebtedness and Liabilities. The Borrowers shall not, and shall cause the other Loan Parties not to, create, incur, assume or suffer to exist any Indebtedness, except for (a) Indebtedness owing to the Lender, (b) Indebtedness owing by a Loan Party to another Loan Party; (c) endorsement of negotiable instruments in the ordinary course of business; (d) Indebtedness arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices, but not for speculative purpose, (e) the following types of Indebtedness incurred in the ordinary course of business provided that the aggregate of these obligations which are at any one time outstanding is less than $2,000,000: (i) capital leases, (ii) performance, surety, statutory and appeal bonds, (iii) reimbursement obligations in connection with letters of credit, (iv) amounts secured or claimed in connection with clauses (a), (e), (g) and (h) in the definition of Permitted Encumbrances and (v) other indebtedness not to exceed $250,000 in the aggregate outstanding at any time, (f) guaranties of any Indebtedness that is otherwise permitted by this Section 7.2, (g) Indebtedness of any Loan Party other than KSAC existing immediately prior to the consummation of the transactions contemplated by the Stock Purchase Agreement (except that such Indebtedness that consists of capital lease obligations shall be deemed outstanding under clause (e) of this Section 7.2, and (g) Indebtedness consisting of indemnification, purchase price adjustments and similar obligations in connection with the acquisition or disposition of assets.

Section 7.3 Sale of Business. The Borrowers shall not, and shall cause the other Loan Parties not to, at any time prior to the expiration of 180 days following the date of this Agreement, sell or agree to sell or otherwise divest (other than to a Loan Party) any line of business (whether in a stock or asset transaction) that represents a material portion of the worldwide business of all of the Loan Parties, taken as a whole, except for a Laser Diode Sale.

Section 7.4 Affiliate Transactions. The Borrowers shall not, and shall cause the other Loan Parties not to, at any time enter into any transaction with any member, manager, director, officer, employee, shareholder, or Affiliate of any Loan Party except (a) transactions upon terms which are fair and reasonable and which shall be at least as favorable as would result in a comparable arm's-length transaction with a Person not a member, manager, director, officer, employee, shareholder or Affiliate of such Loan Party and (b) transactions by and between the Loan Parties.

Section 7.5 Compensation. The Borrowers shall not, and shall cause the other Loan

Parties not to, pay to John Ocampo compensation for services, management fees or otherwise, except that the Loan Parties individually or in the aggregate are permitted to pay up to $300,000 per year to John Ocampo for bona fide executive services.

Section 7.6 Equity Payments. The Borrowers shall not, and shall cause the other Loan Parties not to, make any Equity Payment except (a) KSAC may make Equity Payments not to exceed $250,000 in any calendar year for the following purposes: (i) the purchase of fractional shares of its equity interests arising out of the conversion of convertible securities or the exercise of options or warrants, and (ii) the repurchase of equity interests from former employees, consultants or directors in connection with or pursuant to any of its option plans (or other employee incentive plans or compensation arrangements) other than for payments to John Ocampo, (b) KSAC may make aggregate Equity Payments to owners of KSAC in amounts not greater than the lesser of: (i) the amount of tax that would be payable by KSAC and its U.S. Subsidiaries on a consolidated basis had the election in Section 7.9(a) not been made or (ii) the taxes on KSAC's and its U.S. Subsidiaries' income allocable to such owners if KSAC has made the election referred to in Section 7.9(a), and (c) KSAC's Subsidiaries, provided they are wholly-owned, directly or indirectly, by KSAC, may make Equity Payments.

Section 7.7 U.S. Acquisition. The Borrowers shall not, and shall cause the other Loan Parties not to, acquire or suffer to exist any new U.S. Subsidiary without giving prior written notice to the Lender and causing the execution and delivery by such Subsidiary and/or such Loan Party, as the case may be, of a guarantee of the amounts hereunder, a security agreement with respect to such Subsidiary's assets, a pledge of all of the equity securities in such Subsidiary, such other documents, certificates and/or instruments and reasonably satisfactory results of due diligence with respect to liens, title and environmental matters relating to such entity and its assets and equity securities.

Section 7.8 Transfers of Assets Outside the U.S. The Borrowers shall not, and shall cause the other U.S. Subsidiaries not to, transfer any assets to any non-U.S. Subsidiary, except for: (a) investments in an amount necessary to cover the operating expenses of such non-U.S. Subsidiary in the ordinary course of business, (b) licenses of property in the ordinary course of business and (c) sales of inventory in the ordinary course of business.

Section 7.9 Changes. The Borrowers shall not, and shall cause the other Loan Parties not to, change any of their names, corporate, limited partnership or limited liability company forms, as the case may be, or their jurisdictions of incorporation, formation or organization without the prior written consent of the Lender, which consent will not be withheld except and unless the attachment, perfection or priority of any security interest intended to be created or existing securing the obligations hereunder would be adversely affected. Notwithstanding the foregoing, each Borrower shall be permitted to make any election that is effective solely for income tax purposes, including (a) an election to be treated as an S corporation within the meaning of Section 1361 of the Internal Revenue Code of 1986, as amended (the "Code"), and any similar provisions of applicable law, (b) elections to treat any of its U.S. Subsidiaries as a qualified Subchapter S subsidiary within the meaning of Section 1361 of the Code and any similar provisions of applicable law, or otherwise as a disregarded entity for income tax purposes and (c) elections to treat any of its non-U.S. Subsidiaries as a disregarded entity income tax purposes.

Section 7.10 Guaranties. The Borrowers shall not, and shall cause the other Loan Parties not to, without the prior written consent of the Lender, guarantee, endorse or otherwise in any way become or be responsible for any obligations of any other Person, other than another Loan Party, whether directly or indirectly, by agreement to purchase the indebtedness of any other Person or through the purchase of goods, supplies or services, or maintenance of working capital or other balance sheet covenants or conditions, or by way of equity purchase, capital contribution, advance or loan for the purpose of paying or discharging any indebtedness or obligation of such other Person or otherwise, except endorsements of negotiable instruments for collection in the ordinary course of business.

Section 7.11 Investments. The Borrowers shall not, and shall cause the other Loan Parties not to, lend to, invest in, or otherwise advance funds to any Person, except for (a) investments in, or advances or loans to, Subsidiaries, (b) advances or loans to KSAC, (c) travel advances to employees, (d) non-cash loans to employees, officers, and directors of a Loan Party for the purpose of purchasing equity interests in Debtor so long as the proceeds of such loans are used in their entirety to purchase such equity interests, (e) prepaid rent made on commercially reasonable terms in the ordinary course of business, (f) security deposits and similar advances made on commercially reasonable terms in the ordinary course of business, (g) advances made in connection with the purchases of goods or services made on commercially reasonable terms in the ordinary course of business, (h) investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business, (i) securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims, (j) investments consisting of the deferred purchase price of property or other similar investments or advances in connection with any asset sale by Loan Parties that is otherwise not prohibited pursuant to the terms of this Agreement, including, without limitation, Section 7.3, (k) other investments in the ordinary course of business at arm's length in an amount not exceeding $250,000 at any one time outstanding, and (l) deposit accounts maintained in the ordinary course of business.

Section 7.12 Accounting Changes. The Borrowers shall not adopt any material change in accounting principles other than as required by GAAP.

Section 7.13 Capital Events. The Borrowers shall not, and shall cause the other Loan Parties not to, engage in any Capital Event, except a Capital Event in which the consideration (other than assumption of debt and obligations related to the assets or Person sold) consists solely of cash or deferred payments of cash.

Section 7.14 Taxes. The Borrowers shall not, and shall cause the other Loan Parties not to, fail to promptly pay all of their respective taxes, assessments and other governmental charges prior to the date on which penalties are attached thereto, establish adequate reserves for the payment of taxes and assessments or make all required withholding and other tax deposits, except as to any liabilities being contested in good faith and taxes less than $250,000 in the aggregate at any one time collectively for all Loan Parties.

Section 7.15 Payments Outside the Ordinary Course. The Borrowers shall not, and shall cause the other Loan Parties not to make any payments in excess of $250,000 per occurrence outside the ordinary course of business.

Section 7.16 Intangible Assets. The Borrowers shall not, and shall cause the other Loan Parties not to, contract for, purchase or make any expenditure or commitment for the acquisition of intangible assets in an amount in excess of $1,000,000 per occurrence, except for payment of liabilities of Xemod Incorporated.

Section 7.17 Capital Expenditures. The Borrowers shall not, and shall cause the other Loan Parties not to, contract for, purchase or make any expenditure or commitment for Capital Expenditures in any fiscal year in an amount in excess of $1,000,000 per occurrence.

ARTICLE VIII.
EVENTS OF DEFAULT

Section 8.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) Nonpayment, within five days of any applicable due date, of any installment of principal of, or interest on, the Revolving Credit Note or any other obligations of the Loan Parties under any of the Loan Documents; or

(b) Failure of any of the Borrowers to comply with any of the terms and conditions of this Agreement or any of the other Loan Documents, other than those with respect to payment, which failure continues for thirty days following notice from the Lender; or

(c) The occurrence of a Change of Control; or

(d) Except for any transactions otherwise permitted by this Agreement, the liquidation of any of the Borrowers or the discontinuance of the normal operations of any of the Borrowers; or

(e) The making of a general assignment by a Loan Party for the benefit of creditors, or the institution by a Loan Party of any type of bankruptcy, reorganization or insolvency proceeding under any state or federal law or of any formal or informal proceeding for the dissolution or liquidation of, or winding up of affairs of a Loan Party; or

(f) The appointment of a receiver or trustee for a Loan Party or for any assets of a Loan Party or the institution against a Loan Party of any type of bankruptcy, reorganization or insolvency proceeding under any state or federal law or for any proceeding for the dissolution or liquidation of the affairs of a Loan Party and the failure to have such appointment vacated, or such proceeding dismissed, within sixty days; or

(g) Entry of a judgment or cumulative judgments in excess of $500,000 (other than any judgment for which such Loan Party is fully insured other than any applicable standard deductible) against a Loan Party which remains unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of forty five days; or

(h) The failure of KSAC to pay any Earn-Out Payments as set forth and defined in the Stock Purchase Agreement when due, which failure remains uncured for thirty days from the date of final determination of the amount of such Earn-Out Payment in accordance with the terms of the Stock Purchase Agreement (including any final determination made pursuant to the terms of the dispute mechanism process set forth in the Stock Purchase Agreement); or

(i) The occurrence of any event of default (other than any Event of Default arising from a failure to pay any Earn-Out Payments as set forth in clause (g) of this Section 8.1), after applicable cure periods, under (i) the Short Term Note, (ii) the Secured Promissory Note, (iii) any mortgage, security agreement or other agreement securing obligations under this Agreement, the Revolving Credit Note, the Short Term Note or the Secured Promissory Note or (iii) any other agreement amending, replacing or refinancing either of the foregoing which creates in the Lender a right to require immediate payment in full of any Indebtedness so evidence or secured.

Section 8.2 Rights of the Lender on Default. Upon the occurrence of any of the Events of Default enumerated in Section 8.1 hereof, all obligations of the Lender under this Agreement may be immediately terminated, and all indebtedness evidenced by the Revolving Credit Note and any other indebtedness of the Borrowers to the Lender not otherwise then due and payable or payable on demand shall immediately become due and payable, at the option of the Lender; provided, however, that if any Event of Default specified in Section 8.1(e) or Section 8.1(f) shall occur all indebtedness evidenced by the Revolving Credit Note and any other indebtedness of the Borrowers to the Lender shall thereupon become due and payable concurrently therewith, and the Lender's obligation to lend shall immediately terminate, without any further action by the Lender. The Borrowers agree that the foregoing rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender may or would otherwise have at law or by any instrument evidencing terms of deposit of any fund or by an assignment or transfer of collateral or by any other instrument signed or assented to by the Borrowers.

ARTICLE IX.
EXPENSES

The Borrowers shall reimburse the Lender within ten days of written notice thereof for all reasonable costs and expenses, including reasonable counsel fees, incurred by the Lender incident to the enforcement of any provision of this Agreement, the Revolving Credit Note and any other Loan Documents.

ARTICLE X.
MISCELLANEOUS

Section 10.1 Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof; supersedes all

prior negotiations between the parties with respect to the subject matter hereof; cannot be amended, supplemented, modified or terminated orally (or by any course of conduct or usage of trade) and may be amended only by an agreement in writing duly executed by authorized officers of the parties hereto.

Section 10.2 No Waiver; Cumulative Remedies. No course of dealing and no failure on the part of the Lender to exercise and no delay by the Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any right or power hereunder preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies herein expressed are cumulative and not exclusive of any other right or remedy which the Lender may have.

Section 10.3 Notices. Any notice or demand to be given hereunder or any notice or demand on the Revolving Credit Note or any other document delivered pursuant to this Agreement shall be duly given and be effective if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, if delivered by overnight carrier or facsimile, at the time of receipt thereof (except that if a facsimile is received on a day that is not a Business Day or after 4:00 p.m. on a Business Day, it will be deemed to have been sent on the next Business Day) and if sent by registered or certified mail, on the fifth Business Day following the mailing thereof. Notices to each of the parties shall be addressed as specified below:

To the Lender At
Cobham Defense Electronic Systems Corporation
58 Main Street
Route 117
Bolton, Massachusetts 01740
Attention: President
Telecopy Number: 978-779-2906

To the Borrowers At
Kiwi Stone Acquisition Corp.
c/o GaAs Labs, LLC
28013 Arastradero Road
Los Altos Hills, California 94022
Attention: John Ocampo
Telecopy Number: 831-324-9410

or to such other address as a party designates to the other parties in the manner herein prescribed.

Section 10.4 Governing Law. This Agreement and the acts and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of New York without regard to the principles of conflicts of laws.

Section 10.5 Other Agreements. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any agreement or document executed and delivered in connection herewith, the terms and conditions of this Agreement shall control.

Section 10.6 Successors and Assigns. This Agreement and all documents executed pursuant hereto are binding upon and for the benefit of the Borrowers, the Lender, all future holders of the Revolving Credit Note and their respective successors and assigns, except that (a) the Borrowers may not assign or transfer any of their rights or obligations under this Agreement without the prior written consent of the Lender and (b) the Lender may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Borrowers, except to an Affiliate of the Lender, formed under the laws of any state of the United States.

Section 10.7 Release of Borrower. If all of the equity interests of a Borrower (other than KSAC) are sold or otherwise transferred for fair value to a third party that is not an Affiliate of the Borrowers in a transaction that is (a) not prohibited by the terms of this Agreement, the Secured Promissory Note, or the Stock Purchase Agreement or (b) otherwise consented to by Lender, the Lender shall, upon request of such Borrower, release such Borrower from its obligations under this Agreement and the Revolving Credit Note.

Section 10.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original. Such counterparts, when taken together, shall constitute one and the same instrument and shall be binding upon each of the parties to this Agreement as fully and completely as if al had signed the same instrument.

Section 10.9 Waiver of Jury Trial. EACH BORROWER AND THE LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE REVOLVING CREDIT NOTE OR ANY OTHER DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS OR ACTIONS OF THE LENDER RELATING TO THE ADMINISTRATION OF THE REVOLVING LOANS OR ENFORCEMENT OF ANY DOCUMENTS WITH RESPECT THERETO, AND AGREE THAT NEITHER THE BORROWERS NOR THE LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, EACH BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT, THE REVOLVING CREDIT NOTE AND/OR THE REVOLVING LOANS ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH BORROWER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THIS AGREEMENT AND FOR THE LENDER TO MAKE THE REVOLVING LOANS.

[Remainder of this page intentionally left blank – Signature Page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly signed as of the date first above written.

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION

By: _____
Jeremy Wensinger
President

KIWI STONE ACQUISITION CORP.

By: _____
Name:
Title:

M/A-COM TECHNOLOGY SOLUTIONS INC.

By: _____
Name:
Title:

M/A-COM AUTO SOLUTIONS INC.

By: _____
Name:
Title:

LASER DIODE INCORPORATED

By _____
Name:
Title:

EXHIBIT A

REVOLVING CREDIT NOTE

$12,000,000.00 , 2009

For Value Received, KIWI STONE ACQUISITION CORP., a Delaware corporation, M/A-COM TECHNOLOGY SOLUTIONS INC., a Delaware corporation, M/A-COM AUTO SOLUTIONS INC., a Delaware corporation, and LASER DIODE INCORPORATED, a Nevada corporation (collectively, the "Borrowers"), jointly and severally promise to pay to the order of COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION, a Massachusetts corporation (the "Lender"), at 58 Main Street, Route 117, Bolton, Massachusetts 01740, or such other place as the Lender may specify in writing to the Borrowers, on or before the Revolving Credit Maturity Date, as such term is defined in the Revolving Credit Agreement dated the date hereof among the Lender and the Borrowers, as the same may be amended from time to time (the "Credit Agreement"), the principal sum of Twelve Million and 00/100 Dollars ($12,000,000.00), or, if less, the aggregate unpaid principal amount of all Revolving Loans, as such term is defined in the Credit Agreement, made by the Lender to the Borrowers pursuant to the terms of the Credit Agreement, plus interest thereon.

Interest on the principal amount of this Revolving Credit Note outstanding from time to time shall accrue and be payable as provided in the Credit Agreement.

If any regularly scheduled payment of any amount due under this Revolving Credit Note is overdue for a period in excess of five days, the Borrowers shall pay to the Lender a late payment charge equal to one percent of the amount of the overdue payment.

The Lender shall maintain a record of amounts of principal and interest payable by the Borrowers from time to time, and the records of the Lender maintained in the ordinary course of business shall be prima facie evidence of the existence and amounts of the Borrowers' obligations recorded therein.

This Revolving Credit Note evidences the borrowing by the Borrowers from the Lender under and subject to the Credit Agreement. Upon the occurrence of an Event of Default, as defined in the Credit Agreement, the entire principal balance of this Revolving Credit Note and all accrued interest thereon may, pursuant to the Credit Agreement, be declared to be immediately due and payable in the manner and with the effect therein provided.

This Revolving Credit Note and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of New York without regard to the principles of conflicts of laws.

THE BORROWERS AND THE LENDER (BY ACCEPTANCE OF THIS REVOLVING CREDIT NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY

AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING CREDIT NOTE OR ANY OTHER DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS OR ACTIONS OF THE LENDER RELATING TO THE ADMINISTRATION OF THE LOANS EVIDENCED BY THIS REVOLVING CREDIT NOTE OR ENFORCEMENT OF ANY DOCUMENTS WITH RESPECT THERETO, AND AGREE THAT NEITHER THE BORROWERS, NOR THE LENDER WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, THE BORROWERS HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION WITH RESPECT TO THE CREDIT AGREEMENT, THIS REVOLVING CREDIT NOTE AND/OR THE REVOLVING LOANS ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE BORROWERS CERTIFY THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE LENDER, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE LENDER TO ACCEPT THIS REVOLVING CREDIT NOTE AND FOR THE LENDER TO MAKE THE LOANS EVIDENCED HEREBY.

[Remainder of page intentionally left blank – Signature Page to follow]

KIWI STONE ACQUISITION CORP.

By: _____
Name:
Title:

M/A-COM TECHNOLOGY SOLUTIONS INC.

By: _____
Name:
Title:

M/A-COM AUTO SOLUTIONS INC.

By: _____
Name:
Title:

LASER DIODE INCORPORATED

By _____
Name:
Title:

[Signature Page to Revolving Credit Note]

Exhibit L

March 30, 2009

Cobham Defense Electronic Systems Corporation
58 Main Street
Route 117
Bolton, Massachusetts 01740

Re: **Revolving Credit Agreement, dated as of March 30, 2009 by and among Kiwi Stone Acquisition Corp. and each of its subsidiaries named therein, as borrowers, and Cobham Defense Electronic Systems Corporation, as lender; Secured Promissory Note dated as of March 30, 2009 issued by Kiwi Stone Acquisition Corp. in favor of Cobham Defense Electronic Systems Corporation; and Short Term Promissory Note dated as of March 30, 2009 issued by Kiwi Stone Acquisition Corp. in favor of Cobham Defense Electronic Systems Corporation**

Ladies and Gentlemen:

We have acted as special counsel to Kiwi Stone Acquisition Corp., a Delaware corporation ("**Borrower**"), in connection with the execution and delivery of (i) the Revolving Credit Agreement, dated as of the date hereof (the "**Credit Agreement**"), by and among the Borrower and each of its subsidiaries party thereto, as borrowers, and Cobham Defense Electronic Systems Corporation, as lender (the "**Lender**"), (ii) the Secured Promissory Note, dated as of the date hereof (the "**Note**"), issued by Borrower to Lender and (iii) the Short Term Promissory Note, dated as of the date hereof (the "**Short Term Note**"), issued by Borrower to Lender. This opinion is rendered to you pursuant to Section 4.1(e) of the Credit Agreement. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Credit Agreement.

In rendering the opinions expressed below, we have examined executed originals or copies of the following documents:

(a) the Credit Agreement;

(b) the Revolving Credit Note, dated as of the date hereof, executed by the Borrower and its subsidiaries party thereto;

(c) the Note;

(d) the Short Term Note;

(e) the Security Agreement, dated as of the date hereof, by and between Borrower and Lender;

(f) the Pledge Security Agreement, dated as of the date hereof, by and between Borrower and Lender;

(g) the Patent Security Agreement, dated as of the date hereof, by and between Borrower and Lender;

(h) the Trademark Security Agreement, dated as of the date hereof, by and between Borrower and Lender;

(i) the Agreement on Security Over Shares in M/ACOM Technology Solutions (Cork) Limited, dated as of the date hereof (the "**Irish Pledge Agreement**"), by and between Borrower and Lender;

(j) the Certificate of Incorporation of Borrower, certified by the Delaware Secretary of State, and Bylaws of Borrower, as amended to date;

(k) records of proceedings of the Board of Directors of Borrower during or by which resolutions were adopted relating to matters covered by this opinion;

(l) a certificate of the Secretary of State of the State of Delaware, dated March 26, 2009, with respect to the standing of Borrower as a corporation incorporated under the laws of the State of Delaware; and

(m) the certificates of the Secretary and certain officers of Borrower as to certain factual matters.

In addition, we have reviewed originals or copies of such corporate records of the Borrower, certificates of public officials and such other documents that we consider necessary or advisable for the purpose of rendering the opinions and statements set forth below. We have not independently established the facts stated therein. The documents referred to in clauses (a) through (i) above are sometimes referred to herein as the "**Transaction Documents**."

We have assumed the following for purposes of rendering the opinions set forth herein:

(i) The genuineness of all signatures, the authenticity and completeness of all documents submitted to us as originals and the conformity to original documents of all copies submitted to us.

(ii) That each party to any document that we have examined (other than the Borrower in connection with the Transaction Documents) has satisfied those requirements that are applicable to it to the extent necessary to make such document a valid and binding obligation of such party, enforceable against such party in accordance with its terms

(iii) That (A) the representations and warranties as to factual matters made by the parties to the Transaction Documents and pursuant thereto are correct, (B) the representations and warranties made by officers of the Borrower as to factual matters made in the certificates delivered in connection with the Transaction Documents are correct; and (C) the parties to the Transaction Documents have complied and will comply with their obligations under the Transaction Documents.

As used in the opinions or statements set forth below, the expressions "to our knowledge," "known to us" or similar language with reference to matters of fact refer to the current actual knowledge of the attorneys of this firm who have rendered legal services in connection with the representation described in the first paragraph of this opinion letter. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any fact, and no inference as to our knowledge of the existence or absence of any fact should be drawn from our representation of the Borrower or the rendering of the opinions or statements set forth below.

On the basis of the foregoing and in reliance thereon, and based upon examination of such questions of law as we have deemed appropriate, and subject to the assumptions, exceptions, qualifications, and limitations set forth herein, we advise you that in our opinion:

1. Borrower is a corporation duly incorporated and validly existing under the laws of the State of Delaware and is in good standing under such laws. Borrower has requisite corporate power to carry on its business as currently conducted.
2. Borrower has the corporate power to execute and deliver the Transaction Documents and to carry out and perform its obligations under the terms of the Transaction Documents.
3. All corporate action on the part of Borrower, its directors and stockholder necessary for the authorization, execution and delivery of the Transaction Documents by Borrower, and the performance by Borrower of its obligations under the Transaction Documents has been taken.
4. Each of the Transaction Documents (other than the Irish Pledge Agreement) has been duly and validly executed and delivered by Borrower and constitutes a valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms.

The opinions set forth above are subject to the following exceptions, qualifications, limitations, comments and additional assumptions:

A. We express no opinion as to any matter relating to laws of any jurisdiction other than the federal laws of the United States of America, the General Corporation Law of the State of Delaware and the laws of the State of New York, as such are in effect on the date hereof, and we have made no inquiry into, and we express no opinion as to, the statutes, regulations, treaties, common laws or other laws of any other nation, state or jurisdiction or whether the laws of any particular jurisdiction govern any aspect of the Transaction Documents. As you know, we are not licensed to practice law in the State of Delaware and, accordingly, our opinions as to the General Corporation Law of the State of Delaware are based solely on a review of the official statutes of the State of Delaware.

B. We express no opinion as to (i) the effect of any bankruptcy, insolvency, reorganization, arrangement, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, or (ii) the effect of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, whether considered in a proceeding in equity or at law.

C. We express no opinion as to the enforceability of any provision of the Transaction Documents (i) purporting to waive broadly or vaguely stated rights, unknown future defenses, rights to damages, or the benefits of other statutory, regulatory or constitutional rights that cannot be waived or, if they can be waived, cannot be waived prospectively; (ii) imposing penalties, forfeitures, liquidated damages, late charges, acceleration of future amounts due (other than principal) without appropriate discount to present value, prepayment charges, or increased interest rates upon default; or (iii) prescribing or varying rules of evidence, method or quantum of proof or other legal standards in a manner contrary to applicable statutes and rules of law.

D. We express no opinion as to the enforceability of any provisions in the Transaction Documents (i) giving rights or remedies, or permitting the exercise of rights or remedies, in a manner not in compliance with applicable statutes and rules of law, (ii) providing that rights or remedies are not exclusive, that every right or remedy is cumulative and may be exercised in addition to any other right or remedy, or that the election of some particular remedy does not preclude recourse to one or more other remedies, or (iii) providing for rights of set-off.

E. We express no opinion as to the enforceability of indemnification and contribution provisions to the extent they may be subject to limitations of public policy and the effect of applicable statutes and rules of law.

F. We express no opinion as to the applicability or effect of compliance or non-compliance by Lender (or its agent) with any state, federal or other laws applicable to such Lender (or its agent) or to the transactions contemplated by the Transaction Documents because of the nature of its business, including its legal or regulatory status.

G. In rendering the opinions set forth in paragraph 1 as to due incorporation, valid existence, good standing and qualification to do business, we have relied solely upon documents and certificates referenced in paragraphs (j) and (l) above.

H. We express no opinion as to the creation, attachment, validity, perfection or priority of a security interest in any item of collateral or the necessity of making any filings or taking any other action in connection therewith.

I. Our opinions are limited by the effect of statutes and rules of law protecting guarantors, including those (i) which may discharge a guarantor, if the beneficiary of the guaranty alters the obligation of a principal, fails to inform the guarantor of material information pertinent to the principal or any collateral, elects remedies that may impair the subrogation or reimbursement rights of the guarantor against the principal or the value of any collateral, fails to accord the guarantor the protections afforded a debtor under the New York Uniform Commercial Code, or otherwise takes any action which prejudices the guarantor, without obtaining consent of the guarantor, and (ii) relating to waivers or subordination by a guarantor of its rights against the principal or otherwise.

J. We express no opinion as to the enforceability or legal effect of any provision of any Transaction Document purporting to reinstate, as against any obligor or guarantor, obligations or liabilities of such obligor which have been avoided or which have arisen from transactions which have been rescinded or the payment of which has been required to be returned by any court of competent jurisdiction.

K. This opinion speaks only at and as of its date and is based solely on the facts and circumstances known to us at and as of such date. We express no opinion as to the effect on Lender’s (or its agent’s) rights under the Transaction Documents of any statute, rule, regulation or other law which is enacted or becomes effective after, or of any court decision which changes the law relevant to such rights which is rendered after, the date of this opinion or the conduct of the parties following the closing of the contemplated transaction. In addition, in rendering this opinion, we assume no obligation to revise or supplement this opinion should the present laws of the jurisdictions mentioned herein be changed by legislative action, judicial decision or otherwise.

* * *

This opinion is made with the knowledge and understanding that you (but no other person) may rely thereon in entering into the transactions contemplated by the Transaction Documents and is solely for your benefit, and this opinion may not be disclosed to or relied upon by any person other than you, except that this opinion may be disclosed to governmental authorities having jurisdiction over you requesting (or requiring) such disclosure.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

AMENDMENT NO. 1
TO
PURCHASE AGREEMENT

This Amendment No. 1 to Purchase Agreement (this "Amendment") is made and entered into as of September 30, 2011, by and among Cobham Defense Electronic Systems Corporation, a Massachusetts corporation ("CDES"), Lockman Electronic Holdings Limited, a corporation organized under the laws of England and Wales ("Lockman" and, together with CDES, "Sellers") and M/A-COM Technology Solutions Holdings, Inc. (f/k/a Kiwi Stone Acquisition Corp.), a Delaware corporation ("Purchaser"). Purchaser and Sellers are referred to in this Amendment individually as a "Party" and collectively as the "Parties." Capitalized terms used herein but not defined herein shall have the meanings set forth in the Original Agreement (as defined below).

RECITALS

A. The Parties entered into that certain Purchase Agreement dated March 30, 2009 (the "Original Agreement").

B. The Parties desire to amend the Original Agreement to revise the Second Earn-Out Tier I Target, the Second Earn-Out Tier II Target, the Second Earn-Out Tier III Target, the Final Earn-Out Tier I Target, the Final Earn-Out Tier II Target and the Final Earn-Out Tier III Target amounts to reflect the sale by M/ACOM Technology Solutions (Cork) Limited of its ferrite and passives business line and the sale of substantially all of the assets of Laser Diode Incorporated (n/k/a M/A-COM Tech (Nevada), Inc).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Earn-Out Payments. The Original Agreement is hereby amended as follows:

(a) The amount "Two-Hundred Forty-Five Million Dollars ($245,000,000)" set forth in Section 2.3(a)(ii) of the Original Agreement is hereby deleted and shall be replaced with "Two-Hundred Thirty Eight Million Five Hundred Thousand Dollars ($238,500,000)".

(b) The amount "Two-Hundred Sixty-Five Million Dollars ($265,000,000)" set forth in Section 2.3(a)(ii)(B) of the Original Agreement is hereby deleted and shall be replaced with "Two-Hundred Fifty Eight Million Five Hundred Thousand Dollars ($258,500,000)".

(c) The amount "Two-Hundred Eighty Million Dollars ($280,000,000)" set forth in Section 2.3(a)(ii)(C) of the Original Agreement is hereby deleted and shall be replaced with "Two-Hundred Seventy-Three Million Five Hundred Thousand Dollars ($273,500,000)".

(d) The amount "Two-Hundred Sixty Million Dollars ($260,000,000)" set forth in Section 2.3(a)(iii) of the Original Agreement is hereby deleted and shall be replaced with "Two-Hundred Forty-Seven Million Five Hundred Thousand Dollars ($247,500,000)".

(e) The amount "Two-Hundred Eighty Million Dollars ($280,000,000)" set forth in Section 2.3(a)(iii)(B) of the Original Agreement is hereby deleted and shall be replaced with "Two-Hundred Sixty-Seven Million Five Hundred Thousand Dollars ($267,500,000)".

(f) The amount “Two-Hundred Ninety-Five Million Dollars ($295,000,000)” set forth in Section 2.3(a)(iii)(C) of the Original Agreement is hereby deleted and shall be replaced with “Two-Hundred Eighty-Two Million Five Hundred Thousand Dollars ($282,500,000)”.

(g) Section 2.3(d) of the Original Agreement shall be amended and restated in its entirety to read as follows: “Intentionally deleted.”.

2. Reaffirmation. Except as otherwise specifically set forth herein, the terms and provisions of the Original Agreement, as amended hereby, are ratified, confirmed and approved and shall remain in full force and effect.

3. Governing Law. This Amendment shall be governed by and construed under the laws of the State of New York, without giving effect to principles of conflicts of law.

4. Counterparts. This Amendment may be executed in any number of counterparts and by facsimile or PDF signature, each of which shall be an original, but all of which together shall constitute one instrument.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Purchase Agreement as of the date first written above.

COBHAM DEFENSE ELECTRONIC SYSTEMS CORPORATION

By: /s/ David Fuller
Name: David Fuller
Title: Treasurer

LOCKMAN ELECTRONIC HOLDINGS LIMITED

By: /s/ [illegible signature]
Name:
Title:

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: /s/ Clay Simpson
Name: Clay Simpson
Title: Vice President

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of April 7, 2011, by and among M/A-COM Technology Solutions Inc., a Delaware corporation ("Parent"), Optomai, Inc., a Delaware corporation (the "Company"), Optomai Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), the Company Stockholders listed on Schedule 1-A (the "Principal Stockholders"), and Vivek Rajgarhia, as Stockholders' Agent ("Stockholders' Agent"). Parent, the Company, Merger Sub, and the Principal Stockholders are sometimes referred to in this Agreement individually as a "Party," and collectively as the "Parties." Capitalized terms used herein shall have the meanings ascribed to them in Article I, unless such terms are defined elsewhere in this Agreement.

RECITALS

WHEREAS, the Board of Directors of each of Parent and Merger Sub and the Company Board has adopted, and deems it advisable and in the best interests of its respective stockholders to consummate, the merger of Merger Sub with and into the Company, upon the terms and subject to the conditions set forth herein (the "Merger"); and

WHEREAS, the Board of Directors of each of Parent and Merger Sub and the Company Board has unanimously adopted this Agreement and approved the Merger and the Other Transactions, in accordance with the provisions of the Delaware General Corporation Law (the "DGCL"), and upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants and representations set forth herein, and for other good and valuable consideration, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 **Defined Terms**

As used herein, the terms below shall have the following meanings.

"401(k) Plan" has the meaning set forth in Section 6.10.

"Adjusted Consideration" means the difference of (a) $1,820,000, minus (b) the amount of any Transaction Expenses incurred by the Company (on its own or on behalf of the Company Stockholders or any other Person) in connection with the Merger and the Other Transactions and any financial accommodations provided by Parent or its affiliates to the Company, including an any such Transaction Expenses yet to be incurred or invoiced, minus (c) the amount required at Closing to discharge in full the Company Debt.

"Agreement" has the meaning set forth in the preamble.

"Allocation" has the meaning set forth in Section 7.5(i).

"Alternate Transaction" has the meaning set forth in Section 6.8(a).

"Annual Balance Sheets" means, collectively, the unaudited balance sheet of the Company as of December 31, 2009 and as of December 31, 2010, respectively.

"Annual Financial Statements" means the Annual Balance Sheets, together with the unaudited statements of income, shareholders' equity and cash flows of the Company for the years then ended, including the notes thereto.

"Applicable Exercise Price" means the exercise price of a Qualifying Company Option as set forth in the applicable Company Option.

"Bonus Pool" means that certain bonus pool established by the Company for purposes of funding bonus compensation to certain employees and consultants of the Company in connection with the transactions contemplated by this Agreement.

"Bonus Pool Consideration" means the product of (x) the Adjusted Consideration multiplied by (y) 0.025332.

"Bonus Pool Escrow Consideration" means the product of the (x) Bonus Pool Consideration multiplied by (y) 0.10.

"Bonus Pool Initial Consideration" means the difference of (a) the product of (x) the Bonus Pool Consideration multiplied by (y) 0.90 minus (b) the Bonus Pool's Pro Rata Portion of the Representative Fund.

"Bonus Pool Recipient" means a Person entitled to receive a Transaction Bonus.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are required or authorized by Law to be closed in Delaware.

"Certificate of Merger" has the meaning set forth in Section 2.3.

"Cash" means cash on hand in the Company's bank, lock box, petty cash fund and other accounts net of all "cut" but un-cashed checks.

"Cash Equivalents" means the amount of all marketable securities owned by the Company.

"Claim" has the meaning set forth in Section 10.2(a).

"Claim Objection Notice" has the meaning set forth in Section 10.2(b).

"Claim Objection Period" has the meaning set forth in Section 10.2(b).

"Claiming Party" has the meaning set forth in Section 10.2(a).

"Closing" has the meaning set forth in Section 2.2.

"Closing Consideration Statement" has the meaning set forth in Section 2.11.

"Closing Date" has the meaning set forth in Section 2.2.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

"Code" means the Internal Revenue Code of 1986.

"Common Consideration" means the product of (x) the aggregate number of shares of Company Capital Stock outstanding immediately prior to the Effective Time multiplied by (y) the Common Consideration Per Share.

"Common Consideration Calculation Amount" means the sum of (a) the product of (x) the Adjusted Consideration multiplied by (y) 0.974668 plus (b) an amount equal to the aggregate exercise price of all Qualifying Company Options.

"Common Consideration Per Share" means the quotient of (x) the Common Consideration Calculation Amount divided by (y) the Common Share Divisor.

"Common Escrow Consideration" means the product of (x) the Common Consideration multiplied by (y) 0.10.

"Common Escrow Consideration Per Share" means the quotient of (x) the Common Escrow Consideration divided by (y) the number of shares of Company Capital Stock outstanding immediately prior to the Effective Time, giving effect to any Company Options exercised prior to the Effective Time.

"Common Initial Consideration" means the difference of (a) the product of (x) the Common Consideration multiplied by (y) 0.90 minus (b) the Company Stockholders' Pro Rata Portion of the Representative Fund.

"Common Initial Consideration Per Share" means the quotient of (x) the Common Initial Consideration divided by (y) the number of shares of Company Capital Stock outstanding immediately prior to the Effective Time, giving effect to any Company Options exercised prior to the Effective Time.

"Common Share Divisor" means the sum of (x) the aggregate number of shares of Company Capital Stock outstanding immediately prior to the Effective Time plus (y) the aggregate number of shares of Company Capital Stock issuable upon the exercise of Qualifying Company Options.

"Company" has the meaning set forth in the preamble.

"Company Articles" means the Certificate of Incorporation of the Company as in effect on the date hereof.

"Company Authorizations" has the meaning set forth in Section 3.8(b).

"Company Board" means the Board of Directors of the Company.

"Company Board Recommendation" has the meaning set forth in Section 6.7(a).

"Company Bylaws" means the Bylaws of the Company as in effect on the date hereof.

"Company Capital Stock" means the common stock, par value $0.001 per share, of the Company.

"Company Certificate" means a certificate or certificates representing shares of Company Capital Stock.

"Company Debt" means all Indebtedness of the Company, including all of the following, regardless of whether such amounts would otherwise be Indebtedness hereunder: (a) any outstanding indebtedness to Company Stockholders or to Parent or any of its affiliates, and (b) the excess over $250,000, if any, of the aggregate amount of all of the following items: (i) purchase money indebtedness in respect of equipment financing arrangements, (ii) amounts owed in connection with equipment leases, (iii) outstanding balances on Company credit cards, (iv) without duplication of any other item listed in this clause (b), all trade payables incurred by the Company, and (v) unreimbursed employee business expenses incurred prior to Closing, whether or not submitted to the Company for reimbursement prior to Closing.

"Company Intellectual Property" means the Intellectual Property used in, held for use in or necessary for the conduct of the business of the Company as currently conducted and as currently proposed to be conducted, including Intellectual Property used in or necessary for all current Products and all Products currently in development.

"Company Options" means any option to purchase shares of Company Capital Stock or any other equity securities of the Company granted under any stock option plan, program or agreement maintained by the Company or to which the Company is a party.

"Company Owned Intellectual Property" means all Company Intellectual Property other than Intellectual Property licensed to the Company pursuant to any Inbound Intellectual Property License.

"Company Software" has the meaning set forth in Section 3.10(e).

"Company Stockholders" means the holders of the Company Capital Stock.

"Confidential Information" has the meaning set forth in Section 7.6.

"Damages" means any losses (including diminution of value, lost profits, business interruption losses, and losses determined by reference to a multiple of earnings), costs, damages, Liabilities, Taxes, expenses, obligations, actions, suits, proceedings, claims, demands, judgments and settlements (including reasonable legal fees and expenses and all amounts paid in investigation, defense or settlement of any of the foregoing), whether asserted by third parties or incurred or sustained in the absence of third-party claims, whether or not probable, and whether or not any Company Stockholder, the Company, or any officer, director, agent or employee of the Company knew or could have reasonably foreseen the possibility thereof.

"Deductible Amount" has the meaning set forth in Section 10.4(a).

"DGCL" has the meaning set forth in the recitals.

"Disclosure Schedule" means the disclosure schedule of even date herewith delivered by the Company to Parent prior to the execution and delivery of this Agreement and attached hereto.

"Dissenting Share Payments" has the meaning set forth in Section 2.7(c).

"Dissenting Shares" has the meaning set forth in Section 2.7(c).

"Dollars" or "$" means the lawful currency of the United States.

"Earnout Payment Calculation" has the meaning set forth in Section 2.18.

"Earnout Payments" has the meaning set forth in Section 2.18.

"Effective Time" has the meaning set forth in Section 2.3.

"Employee Benefit Plan" means any retirement, pension, profit sharing, deferred compensation, stock bonus, savings, bonus, incentive, cafeteria, medical, dental, vision, hospitalization, life insurance, accidental death and dismemberment, medical expense reimbursement, dependent care assistance, tuition reimbursement, disability, sick pay, holiday, vacation, severance, change of control, stock purchase, stock option, restricted stock, phantom stock, stock appreciation rights, fringe benefit or other employee benefit plan, fund, policy, program, contract, arrangement or payroll practice of any kind (including any "employee benefit plan," as defined in Section 3(3) of ERISA), or any management, employment, consulting or personal services contract or agreement, whether written or oral, qualified or nonqualified, funded or unfunded, or domestic or foreign, (a) sponsored, maintained or contributed to by any of the Company or any ERISA Affiliate to which any of the Company or any ERISA Affiliate is a party, (b) covering or benefiting any current or former officer, employee, agent, director or independent contractor of any of the Company or any ERISA Affiliate (or any dependent or beneficiary of any such individual), (c) with respect to which the Company or any ERISA Affiliate has (or could have) any Liability, or (d) sponsored, maintained or contributed to by TriNet for the benefit of or covering the Company or any current or former officer, employee, agent, director or independent contractor of the Company or any ERISA Affiliate (or any dependent or beneficiary of any such individual), including with respect to any co-employer or similar arrangement.

"Environmental Claim" has the meaning set forth in Section 3.12(f).

"Environmental Laws" has the meaning set forth in Section 3.12(f).

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any corporation, partnership, limited liability company, sole proprietorship, trade, business or other entity or organization that, together with the Company, is treated as a single employer under Code Section 414(b), (c), (m) or (o).

"Escrowed Cash" means the cash held in escrow by Parent as the Escrow Consideration.

"Escrow Consideration" means an amount equal to the product of (x) the Adjusted Consideration multiplied by (y) 0.10.

"Final Date" has the meaning set forth in Section 9.1(b).

"Financial Statements" means the Annual Financial Statements, the Interim Financial Statements and the Monthly Financial Statements.

"GAAP" means the United States generally accepted accounting principles.

"Government Contract" means, individually or collectively as the context may require, (a) written contracts, including delivery orders, task orders, purchase orders and notices-to-proceed between the Company and any Governmental Entity; and (b) written subcontracts (each, a "Government Subcontract") between the Company and a Prime Contractor who is providing goods or services to a Governmental Entity pursuant to a written contract with such Governmental Entity, *provided* that such Government Subcontract relates only to goods or services being provided to such Governmental Entity pursuant to such contract.

"Government Subcontract" has the meaning set forth in the definition of Government Contract.

"Governmental Entity" means any: (a) nation, state, county, city, district or other similar jurisdiction of any nature; (b) federal, state, local or foreign government; (c) governmental or quasi governmental authority of any nature (including any governmental agency, branch, commission, bureau, instrumentality, department, official, entity, court or tribunal); (d) multinational organization or body; or (e) body or other Person entitled by applicable Law or contract to exercise any arbitrative, administrative, executive, judicial, legislative, police, regulatory or Taxing authority or power.

"Inbound Intellectual Property Licenses" has the meaning set forth in Section 3.10(d).

"Indebtedness" means any obligation or other Liability under or for any of the following (excluding any trade payable incurred in the Ordinary Course of Business): (a) indebtedness for borrowed money (including if guaranteed or for which a Person is otherwise liable or responsible, including an obligation to assume indebtedness); (b) obligation evidenced by a note, bond, debenture or similar instrument (including a letter of credit); (c) surety bond; (d) swap or hedging contract; (e) capital lease; (f) banker acceptance; (g) purchase money mortgage, indenture, deed of trust or other purchase money Lien or conditional sale or other title retention agreement; (h) indebtedness secured by any mortgage, indenture or deed of trust upon any asset; or (i) interest, fee or other expense regarding any of the foregoing.

"Independent Accounting Firm" has the meaning set forth in Section 2.18(c).

"Information Statement" has the meaning set forth in Section 6.7(a).

"Initial Consideration" means the difference of (a) the product of (x) the Adjusted Consideration multiplied by (y) 0.90 minus (b) the Representative Fund.

"Intellectual Property" means any or all of the following throughout the world (including all rights in, arising out of, or associated with): (a) all patents, industrial rights and applications therefor and all reissues, divisionals, renewals, extensions, provisionals, continuations and continuations-in-part thereof, and all patents, applications, registrations, documents and filings claiming priority to or serving as a basis for priority thereof; (b) all inventions (whether or not patentable), invention disclosures, improvements, trade secrets, proprietary information, know how, compositions, Software, development tools, technology, techniques, procedures, methodologies, Confidential Information, technical data, customer or vendor lists, pricing or cost information, business or marketing plans or proposals, and all tangible or intangible proprietary information; (c) all works of authorship (in both published and unpublished works), copyrights, copyright registrations and applications therefor, and all other rights of authorship corresponding thereto; (d) mask rights; (e) all industrial designs and any registrations and applications therefor; (f) all trademarks (including all common law trademarks), trade names, logos, service marks, trademark and service mark registrations and applications therefor, and all goodwill for any of the foregoing; (g) all databases and data collections and all rights therein; (h) all moral and economic rights of authors and inventors, however named; (i) all rights or privacy or publicity; (j) all telephone numbers, internet addresses, websites, and domain names, provided that such telephone numbers, internet addresses, websites, and domain names are used primarily for Company business; (k) any other intellectual property right or any similar or equivalent rights to any of the foregoing anywhere in the world, including any application, registration or renewal therefore; and (l) all items, documentation and media containing, describing or relating to any of the foregoing including manuals, memoranda and records wherever created throughout the world.

"Intellectual Property Licenses" has the meaning set forth in Section 3.10(d).

"Interim Balance Sheet" means the unaudited balance sheet of the Company as of March 31, 2011, including the notes thereto.

"Interim Financial Statements" means the Interim Balance Sheet and the related statement of income of the Company for the three (3) months ended March 31, 2011, including the notes thereto.

"Inventors" has the meaning set forth in Section 3.10(g).

"IRS" means the Internal Revenue Service.

"Knowledge" means (a) with respect to the Company or the Principal Stockholders, the actual knowledge of any of the Principal Stockholders or executive officers or other management-level personnel of the Company having responsibility for the matters represented after reasonable inquiry and (b) with respect to Parent, the actual knowledge of Parent's or its subsidiaries' directors or executive officers or other management-level personnel having responsibility for the matters represented after reasonable inquiry.

"Law" means any applicable provision of any constitution, treaty, statute, law (including the common law), rule, regulation, ordinance, code or order enacted, adopted, issued or promulgated by any Governmental Entity.

"Leased Real Property" has the meaning set forth in Section 3.17(b).

"Liability" means any liability or obligation of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), including all costs and expenses related thereto.

"Lien" means any mortgage, claim, pledge, security interest, charge, lien, option or other right to purchase, restriction or reservation or any other encumbrance whatsoever.

"Make-Whole Payment" has the meaning set forth in Section 7.5(h).

"Material Adverse Effect" means, with respect to any Person, any incident, condition, change, effect or circumstance that, individually or when taken together with all such incidents, conditions, changes, effects or circumstances in the aggregate, (a) has had or would reasonably be expected to have a material adverse effect on the business, operations, condition (financial or otherwise), properties, prospects, Liabilities or results of operations of such Person and its subsidiaries, taken as a whole or any of them taken individually or (b) materially and adversely affects the ability of the Company, the Company Stockholders, or Parent to consummate the Merger or the Other Transactions.

"Material Contract" has the meaning set forth in Section 3.22.

"Materiality Qualifier" means a qualification to a representation or warranty by use of the word "material," "materially" or "materiality" or by a reference regarding the occurrence or non occurrence or possible occurrence or non occurrence of a Material Adverse Effect or a "materially adverse effect."

"Materials of Environmental Concern" has the meaning set forth in Section 3.12(f).

"Merger" has the meaning set forth in the recitals.

"Monthly Financial Statements" means the unaudited balance sheets of the Company for each fiscal month completed prior to the Closing Date, beginning with the month ended April 30, 2011, and the related statement of income for the monthly periods then ended.

"Multiemployer Plan" means any "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code.

"Non-Competition Agreements" has the meaning set forth in Section 8.3(l).

"Objection Notice" has the meaning set forth in Section 2.18(b).

"Objection Period" has the meaning set forth in Section 2.18(b).

"Open Source Materials" has the meaning set forth in Section 3.10(f).

"Option Holder Transmittal Letter" has the meaning set forth in Section 2.8(c).

"Ordinary Course of Business" means the ordinary and usual course of normal day to day operations of the Company, consistent with the Company's past practice.

"Other Transactions" means the transactions contemplated by the Transaction Documents other than the Merger.

"Outbound Intellectual Property Licenses" has the meaning set forth in Section 3.10(d).

"Parent" has the meaning set forth in the preamble.

"Parent Indemnified Person" has the meaning set forth in Section 10.1(a).

"Party" has the meaning set forth in the preamble.

"Permitted Lien" means any: (a) Lien for any Tax, assessment or other governmental charge that is not yet due and payable or that may thereafter be paid without penalty; or (b) mechanic's, materialmen's, landlord's or similar Lien arising or incurred in the Ordinary Course of Business that secures any amount that is not overdue.

"Person" means any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or any other business entity or association or any Government Entity.

"Post-Closing Straddle Period" is defined in Section 7.5(c).

"Post-Closing Tax Period" is defined in Section 7.5(c).

"Pre-Closing Straddle Period" is defined in Section 7.5(b).

"Pre-Closing Tax Period" is defined in Section 7.5(b).

"Prime Contractor" means any Person (other than the Company) which is a party to any Government Subcontract.

"Principal Stockholders" has the meaning set forth in the preamble.

"Pro Rata Portion" means (a) with respect to each Company Stockholder, Qualifying Option Holder and the Bonus Pool, the total amount of Initial Consideration paid to such Company Stockholder or Qualifying Option Holder or allocated to the Bonus Pool, as applicable, pursuant to this Agreement as of the Closing, expressed as a percentage of the total of all Initial Consideration paid or allocated, as applicable, to all Company Stockholders, Qualifying Option Holders and the Bonus Pool pursuant to this Agreement as of the Closing and (b) with respect to any Bonus Pool Recipient, such Bonus Pool Recipient's pro rata portion of the Bonus Pool's Pro Rata Portion as set forth on Schedule 1-B.

"Pro Rata Portion of the Representative Fund" means (a) $23,384.70 with respect to the Company Stockholders, (b) $982.00 with respect to the Qualifying Option Holders and (c) $633.30 with respect to the Bonus Pool.

"Products" has the meaning set forth in Section 3.11.

"Qualifying Company Options" means all options to purchase Company Capital Stock issued during 2010, to the extent such options are outstanding and remain unexercised immediately prior to the Effective Time.

"Qualifying Company Option Consideration Per Share" means, with respect to each Qualifying Company Option, the difference of (x) the Common Consideration Per Share minus (y) the Applicable Exercise Price.

"Qualifying Company Option Escrow Consideration Per Share" means the product of (x) the Qualifying Company Option Consideration Per Share multiplied by (y) 0.10.

"Qualifying Company Option Initial Consideration Per Share" means the difference of (a) the product of (x) the Qualifying Company Option Consideration Per Share multiplied by (y) 0.90 minus (b) such Qualifying Option Holder's pro rata share of the Qualifying Option Holders' Pro Rata Portion of the Representative Fund, which shall be determined based on the ratio of the number of shares of Company Capital Stock issuable upon the exercise of such Qualifying Option Holder's Qualifying Company Options to the total number of shares of Company Capital Stock issuable upon the exercise of all Qualifying Company Options, assuming that all Qualifying Company Options are fully-vested.

"Qualifying Option Holder" means each holder of a Qualifying Company Option immediately prior to the Effective Time.

"Real Property Leases" has the meaning set forth in Section 3.17(b).

"Representative Fund" has the meaning set forth in Section 2.12(c).

"Required Stockholder Vote" has the meaning set forth in Section 3.3(b).

"Responding Party" has the meaning set forth in Section 10.2(a).

"Restricted Cash" means any cash on hand held by the Company to secure or otherwise provide payment for any outstanding letters of credit or deposits and any cash on hand held by the Company in bank, lock box and other deposit accounts located in a jurisdiction outside the United States.

"Secretary of State" has the meaning set forth in Section 2.3.

"S Election" has the meaning set forth in Section 7.5(g).

"Section 338(h)(10) Election" has the meaning set forth in Section 7.5(h).

"Software" means all computer programs, operating systems, applications systems, firmware or software of any nature, whether operational, under development or inactive including all object code, source code, comment code, algorithms, models and methodologies, menu structures or arrangements, icons, operational instructions, scripts, commands, syntax, screen designs, reports, designs, concepts, technical manuals, test scripts, user manuals, databases, compilations and other documentation therefor, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature and all data bases necessary or appropriate to operate any such computer program, operating system, applications system, firmware or software.

"Special Claims" has the meaning set forth in Section 10.3(b).

"Stock Option Plan" has the meaning set forth in Section 3.2(a).

"Stockholders' Agent" has the meaning set forth in the preamble.

"Stockholder Consent" has the meaning set forth in Section 6.7(b).

"Straddle Period" means any Tax period that begins before the Closing Date and ends after the Closing Date.

"Surviving Corporation" has the meaning set forth in Section 2.1.

"Taxes" means all federal, state, local, foreign and other income, corporation, capital gains, excise, gross receipts, ad valorem, sales, goods and services, harmonized sales, use, employment, franchise, profits, gains, property, transfer, payroll, social security contributions, intangibles and other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed by any Governmental Entity with respect thereto, and the term "Tax" means any one of the foregoing Taxes.

"Tax Returns" means all returns, declarations, reports, statements and other documents filed or required to be filed in respect of Taxes, and the term "Tax Return" means any one of the foregoing Tax Returns.

"Third-Party Claim" has the meaning set forth in Section 10.2(c).

"Trade Secrets" has the meaning set forth in Section 3.10(h).

"Transaction Bonus" means a bonus awarded to an employee or consultant of the Company pursuant to a Transaction Bonus Agreement.

"Transaction Bonus Agreement" means one of the letter agreements between the Company and its employees or consultants which, among other things, awards such employee or consultant a cash bonus to be funded by the Bonus Pool based upon and representing a portion of the Bonus Pool Consideration and any Earnout Payments allocable to the Bonus Pool.

"Transaction Documents" means this Agreement and each other agreement, document and instrument entered into or executed by any Party in connection with this Agreement.

"Transaction Expenses" has the meaning set forth in Section 11.11.

"Transfer Taxes" has the meaning set forth in Section 7.5(f).

"Transmittal Letter" has the meaning set forth in Section 2.13(a).

"Treasury Regulations" means the applicable regulations promulgated by the IRS under to the Code.

"TriNet" has the meaning set forth in Section 3.14(a).

ARTICLE II

MERGER

Section 2.1 **The Merger**. At the Effective Time and subject to and upon the terms and conditions set forth in this Agreement and the applicable provisions of the DGCL, Merger Sub shall be merged with and into the Company, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation and a wholly-owned subsidiary of Parent. The Company, as the surviving corporation after the Merger, is hereinafter referred to as the "Surviving Corporation."

Section 2.2 **Closing**. Subject to any earlier termination hereof, the closing of the Merger and the Other Transactions (the "Closing") will take place at the offices of Perkins Coie LLP, 3150 Porter Drive, Palo Alto, California 94304, beginning at 10:00 a.m. California Time, on the second Business Day after the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the Merger and the Other Transactions (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) or such other date or time as the Parties may determine (the actual date on which the Closing occurs being the "Closing Date"). To the extent the Parties agree, documents may be delivered at the Closing by facsimile or other electronic means. All actions to be taken and all documents to be executed or delivered at the Closing will be deemed to have been taken, executed and delivered simultaneously, and no action will be deemed taken and no document will be deemed executed or delivered until all have been taken, delivered and executed, except in each case to the extent otherwise stated in this Agreement or any other Transaction Document.

Section 2.3 **Effective Time**. Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date, the Parties shall execute and file the certificate of merger in the form attached hereto as Exhibit A and in accordance with the requirements of the DGCL (the "Certificate of Merger") with the Secretary of State of the State of Delaware (the "Secretary of State"), whereupon Merger Sub shall be merged with and into the Company, which shall survive the Merger, pursuant to the provisions of the DGCL. The Parties shall make all other filings, recordings or publications required by the DGCL in connection with the Merger. The Merger shall become effective upon the filing of the Certificate of Merger with the Secretary of State pursuant to the DGCL or at such later time as shall be agreed upon by the Parties and specified in the Certificate of Merger (the "Effective Time").

Section 2.4 **Effect of the Merger**. From and after the Effective Time, the effect of the Merger shall be as provided in this Agreement and the applicable provisions of the DGCL.

Section 2.5 **Certificate of Incorporation; Bylaws**.

(a) Immediately after the Effective Time, the certificate of incorporation of the Surviving Corporation shall be the certificate of incorporation of Merger Sub as in effect immediately prior to the Effective Time, except that Article I of the Certificate of Incorporation of the Surviving Corporation will read in its entirety as follows until amended after the Effective Time as provided in such Certificate of Incorporation or by applicable Law: "The name of the corporation is Optomai, Inc.", and such certificate of incorporation shall be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided by Law and such certificate of incorporation.

(b) Immediately after the Effective Time, the bylaws of the Surviving Corporation shall be the bylaws of Merger Sub as in effect immediately prior to the Effective Time, and such bylaws shall be the bylaws of the Surviving Corporation until thereafter amended as provided by Law and such bylaws.

Section 2.6 **Directors; Officers**.

(a) Immediately after the Effective Time, the directors of Merger Sub immediately before the Effective Time shall be the directors of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be. In furtherance thereof, the Company shall secure, effective at the Effective Time, resignations of all of the incumbent directors of the Company Board, and the Company shall take all actions available to the Company to cause the directors of Merger Sub to be so elected or appointed at the Effective Time.

(b) Immediately after the Effective Time, the officers of Merger Sub immediately before the Effective Time shall be the officers of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly appointed, as the case may be. In furtherance thereof, the Company shall secure, effective at the Effective Time, resignations of all of the officers of the Company, and the Company shall take all actions available to the Company to cause the officers of Merger Sub to be so appointed at the Effective Time.

Section 2.7 **Effect on Capital Stock**.

(a) Conversion of Company Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of any Party or any Company Stockholder, all shares of Company Capital Stock will no longer be outstanding and will be canceled and retired automatically and will cease to exist, and each Company Stockholder will cease to have any rights with respect thereto, except the right to receive its respective portion of

the Initial Consideration, Escrow Consideration and Earnout Payments, if any, payable in accordance with and in the manner provided by this Article II, and subject to the limitations and conditions in this Article II, along with the other rights provided by this Agreement.

(b) Conversion of Capital Stock of Merger Sub. As of the Effective Time, by virtue of the Merger and without any action on the part of any Party or any holder of securities of Merger Sub, each share of common stock, par value $0.001 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation, which will be the only shares of capital stock of the Surviving Corporation issued and outstanding immediately after the Effective Time. Each stock certificate of Merger Sub evidencing ownership of any such shares of common stock shall evidence ownership of such shares of capital stock of the Surviving Corporation.

(c) Dissenters' Rights. "Dissenting Shares" means any shares of Company Capital Stock issued and outstanding immediately prior to the Effective Time and held by a Company Stockholder that has not voted in favor of the Merger or consented thereto in writing and that has demanded properly in writing appraisal for such shares of Company Capital Stock in accordance with Section 262 of the DGCL.

(i) Subject to clause (ii) of this Section 2.7(c), notwithstanding any other provision of this Agreement to the contrary, Dissenting Shares shall not be converted as provided in Section 2.7(a), but the holder thereof shall be entitled only to such rights as are granted by the DGCL.

(ii) Notwithstanding the provisions of clause (i) of this Section 2.7(c), if any Company Stockholder that demands appraisal of such Company Stockholder's shares of Company Capital Stock under the DGCL effectively withdraws or loses (through failure to perfect or otherwise) such Company Stockholder's right to appraisal, then as of the Effective Time or the occurrence of such event, whichever later occurs, such Company Stockholder's shares of Company Capital Stock shall automatically be cancelled and converted (without interest) as provided in Section 2.7(a).

(iii) The Company shall comply with the provisions of Section 262 of the DGCL which are required to be complied with prior to the Effective Time to the reasonable satisfaction of Parent. The Company shall give Parent (A) prompt notice of any written demands for appraisal or payment of the fair value of any shares of Company Capital Stock, withdrawals of such demands, and any other instruments served on the Company pursuant to the DGCL relating to the Merger, and (B) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under the DGCL. Except with the prior written consent of Parent, which will not be unreasonably withheld or delayed, the Company shall not voluntarily make any payment with respect to any demands for appraisal or compromise, settle, or offer to settle, any such demands or approve any withdrawal of any such demand.

(iv) Notwithstanding the foregoing, (A) to the extent that Parent, the Surviving Corporation or the Company makes any payment or payments in respect of any Dissenting Shares in excess of the value of the Adjusted Consideration that otherwise would have been payable in respect of such shares in accordance with this Agreement or (B) if Parent or the Surviving Corporation incur any Damages (including attorneys' and consultants' fees, costs and expenses and including any such fees, costs and expenses incurred in connection with investigating, defending against or settling any action or proceeding) in respect of any Dissenting Shares (excluding payments for such shares) (payments made or Damages incurred as described in clauses (A) and (B) are referred to herein as "Dissenting Share Payments"), Parent shall be entitled to recover under the terms of Article X hereof the amount of such Dissenting Share Payments to the extent that they exceed the value of the Adjusted Consideration and Earnout Payments that otherwise would have been payable in respect of such shares in accordance with this Agreement.

(d) Cancellation of Company Capital Stock Owned by the Company. As of the Effective Time, by virtue of the Merger and without any action on the part of any Party or any Company Stockholder, all shares of Company Capital Stock that are owned by the Company as treasury stock immediately prior to the Effective Time (if any) shall be canceled and extinguished without any conversion thereof, and no consideration will be paid or delivered in exchange therefor.

Section 2.8 **Company Options**.

(a) Prior to the Closing, the Company or the Company Board shall take such actions as are necessary to cause each outstanding Company Option to be fully-vested. Immediately prior to the Effective Time, the Company shall terminate and cancel each Company Option that is outstanding and unexercised as of the Effective Time. Neither the Surviving Corporation nor Parent shall assume any Company Option that is outstanding immediately prior to the Effective Time, whether or not then exercisable, and the Company shall take any and all action necessary or appropriate to cause the Company Options to be terminated and cancelled prior to the Effective Time. In order to receive payment for a Qualifying Company Option in accordance with this Article II, each Qualifying Option Holder must provide Parent with a duly completed and validly executed letter of transmittal in the form of Exhibit B attached hereto (an "Option Holder Transmittal Letter"). Promptly after the date hereof, the Company shall provide each Qualifying Option Holder with a copy of the Information Statement together with the form of Option Holder Transmittal Letter for completion by such Qualifying Option Holder.

(b) After the Effective Time, as soon as practicable following the receipt of each Qualifying Option Holder's Option Holder Transmittal Letter, Parent and the Surviving Corporation shall cause to be paid to each Qualifying Option Holder an amount in cash equal to the product of (x) the number of shares of Company Capital Stock for which such Qualifying Company Option was exercisable immediately prior to the Effective Time (assuming the full vesting of such Qualifying Company Option) multiplied by (y) the Qualifying Company Option Initial Consideration Per Share.

(c) Additionally, Parent shall retain and hold in escrow in accordance with the provisions of Article X, for the benefit of each such Qualifying Option Holder, an amount in cash equal to the product of (x) the number of shares of Company Capital Stock for which such Qualifying Company Option was exercisable immediately prior to the Effective Time (assuming the full vesting of such Qualifying Company Option) multiplied by (y) the Qualifying Company Option Escrow Consideration Per Share, which shall be held in escrow by Parent to compensate the Parent Indemnified Persons for Damages pursuant to and in accordance with the terms and conditions set forth in Article X, and, to the extent released to the Qualifying Option Holders pursuant to Article X, paid to the Qualifying Option Holders in accordance with Section 2.12.

Section 2.9 **Merger Consideration**. Subject to the adjustments set forth herein, the aggregate consideration payable by Parent to the Company Stockholders in connection with the Merger shall consist of:

(a) the Common Initial Consideration payable in exchange for the Company Capital Stock, which in each case shall be paid or delivered to the Company Stockholders, except with respect to Dissenting Shares, on the Closing Date subject to and in accordance with Sections 2.11 and 2.13;

(b) the Escrow Consideration payable in exchange for the Company Capital Stock, which shall be held in escrow by Parent to compensate the Parent Indemnified Persons for Damages pursuant to and in accordance with the terms and conditions set forth in Article X, and, to the extent released to the Company Stockholders pursuant to Article X, paid or delivered to the Company Stockholders subject to and in accordance with Sections 2.12 and 2.13; and

(c) the Earnout Payments, if any, payable in exchange for the Company Capital Stock in accordance with Section 2.18.

Each Company Stockholder shall be entitled to receive, subject to the limitations and conditions of this Article II, an amount equal to the product of (i) the Common Initial Consideration Per Share or the Common Escrow Consideration Per Share, as applicable, multiplied by (ii) the aggregate number of shares of Company Capital Stock held by such Company Stockholder immediately prior to the Effective Time.

Section 2.10 **Funding and Payment of Bonus Pool Consideration**.

(a) Parent shall, at Parent's election (i) pay directly to the Bonus Pool Recipients or (ii) contribute to the Surviving Corporation, the Bonus Pool Consideration and any Earnout Payments allocable to the Bonus Pool hereunder if, as and when such Bonus Pool Consideration or Earnout Payments become due and payable hereunder.

(b) Reasonably promptly following receipt of Bonus Pool Consideration or Earnout Payments from Parent or the remaining portion of the Representative Fund allocated to the Bonus Pool, if any, from the Stockholders' Agent, the Surviving Corporation or Parent, as applicable, shall cause to be paid to each Bonus Pool Recipient the amount in cash, if any, to which such Bonus Pool Recipient is entitled pursuant to such Person's

Transaction Bonus Agreement, subject to Section 2.15. Parent or the Surviving Corporation, as applicable, shall be permitted, without limiting the foregoing, to delay such any such payment until the next regularly-scheduled payroll date.

(c) Additionally, Parent shall retain and hold in escrow in accordance with the provisions of Article X, for the benefit of each such Bonus Pool Recipient, an amount in cash equal to the Bonus Pool Escrow Consideration, which shall be held in escrow by Parent to compensate the Parent Indemnified Persons for Damages pursuant to and in accordance with the terms and conditions set forth in Article X, and, to the extent released to the Bonus Pool pursuant to Article X, subsequently be paid to the Bonus Pool Recipients in accordance with Section 2.12.

(d) Payments of Transaction Bonuses are intended to comply with the provisions applicable to transaction-based compensation set forth in Treasury Regulations Section 1.409A-3(i)(5)(iv)(A), and the provisions of this Agreement applicable to such payments shall be administered and interpreted consistently with such intent.

Section 2.11 **Purchase Price Adjustments; Payment of Transaction Expenses and Company Debt.** On the Business Day prior to the Closing Date, Stockholders' Agent shall deliver to Parent a statement (the "Closing Consideration Statement"), in form and substance satisfactory to Parent, setting forth Stockholders' Agent's reasonable, good faith determination of the Adjusted Consideration, including a reasonably detailed calculation of such amount and setting forth the elements thereof, accompanied by a certificate signed by the President of the Company stating that the determination contained therein is true and correct as of the Closing, and which shall include copies of any invoices or other supporting documents referred to therein. The Closing Consideration Statement shall include Transaction Expenses incurred by the Company (on its own behalf or on behalf of the Company Stockholders or any other Person) and all Company Debt as of the Closing Date. No fewer than three (3) Business Days prior to the Closing, Stockholders' Agent shall deliver to Buyer a draft Closing Consideration Statement setting forth Seller's reasonable, good faith determination of the Adjusted Consideration as of the Closing Date. Notwithstanding the foregoing, the Adjusted Consideration shall be updated on the Closing Date to reflect Seller's Transaction Expenses related to legal fees in an amount to be determined immediately prior to the Closing upon submission of a final invoice for legal fees by Seller's counsel, White & Lee LLP, with such invoiced amount to be paid by Parent, on behalf of the Company, on the Closing Date, by check or wire transfer to the account(s) specified by Seller in Schedule 2.11. To the extent that Indebtedness owed by the Company to the Principal Stockholders is included in the determination of Company Debt and results in a reduction of the Adjusted Consideration, and provided that Parent has received evidence reasonably satisfactory to Parent and its counsel of the termination of all obligations with respect thereto, including original promissory notes representing the same marked "canceled," the Company will discharge such Company Debt as of the Closing. Parent and Stockholders' Agent will use reasonable, good faith efforts to resolve any disagreements concerning the Closing Consideration Statement. The Adjusted Consideration as determined under this Section 2.11 shall constitute the Adjusted Consideration for purposes of any payment to be made hereunder as of the Closing Date.

Section 2.12 **Escrow of Escrowed Cash; Representative Fund**.

(a) All Escrowed Cash shall be subject to forfeiture as provided in Article X. The Escrowed Cash deposited with Parent pursuant to the requirements of this Agreement shall remain in escrow until such time or times as it is to be released or forfeited as set forth herein. The Escrowed Cash shall not accrue interest.

(b) If all applicable periods during which the Escrowed Cash is subject to forfeiture hereunder have expired and there are no unresolved Claims pending, the Escrowed Cash not previously forfeited shall be released from escrow and delivered or allocated, as applicable, to the respective Company Stockholders and Qualifying Option Holders and the Bonus Pool pursuant to Article X.

(c) Immediately following the Effective Time, a portion of the Initial Consideration consisting of cash in the amount of $25,000 (the "Representative Fund") shall be delivered or caused to be delivered by Parent to the Stockholders' Agent, to be held in escrow by such Stockholders' Agent, to be used exclusively for the purposes set forth in this subsection (c). For the avoidance of doubt, the Representative Fund constitutes a reduction to the Initial Consideration to be received by the holders of Company Stock and Qualifying Company Options or allocated to the Bonus Pool pursuant to this Agreement, and shall not be funded from the Escrowed Cash. The Representative Fund shall be used by the Stockholders' Agent solely for payment of out-of-pocket expenses, in each instance incurred by the Stockholders' Agent in connection with the performance of the Stockholders' Agent duties and obligations hereunder. Notwithstanding anything to the contrary herein, in no event shall (i) any Indemnified Party have any rights in or to the Representative Fund or (ii) Parent have any obligation or incur any expense with respect to the Representative Fund. Parent shall not have any responsibility or liability for the manner in which the Stockholders' Agent uses or disburses the Representative Fund, incurs expenses or performs his duties. Upon the expiration of the three (3) month period following the date on which the Earnout Payment for the period ending on March 30, 2012 is due and payable hereunder (or, if no Earnout Payment is due and payable with respect to such period, August 31, 2012), the Stockholders' Agent shall disburse any remaining portion of the Representative Fund to the Company Stockholders and the Qualifying Option Holders and to Parent or the Surviving Corporation for the benefit of the Bonus Pool in accordance with their respective Pro Rata Portions of the Representative Fund. Neither Parent nor the Surviving Corporation shall have any obligation with respect to the distribution of any remaining amount of the Representative Fund except as expressly provided in Section 2.10(b).

Section 2.13 **Surrender of Certificates**.

(a) Exchange Procedures. In order to receive its portion of the Common Initial Consideration or the Common Escrow Consideration in accordance with this Article II, each Company Stockholder must surrender the Company Certificate(s) representing such Company Stockholder's ownership of Company Capital Stock, together with a duly completed and validly executed letter of transmittal in the form of Exhibit B attached hereto (a "Transmittal Letter"). After the Effective Time, as soon as practicable following the receipt of each Company Stockholder's Transmittal Letter and Company Certificates, Parent shall, in exchange therefor, deliver the Common Initial Consideration and retain in escrow Common

Escrow Consideration in accordance with this Article II. Until properly surrendered, each outstanding Company Certificate will be deemed from and after the Effective Time, for all corporate purposes, to evidence the right to receive a portion of the Adjusted Consideration in accordance with, subject to the other terms and conditions of, this Article II.

(b) No Liability. Notwithstanding anything to the contrary in this Section 2.13, neither the Surviving Corporation nor any Party shall be liable to any Person for any amount properly paid to a Governmental Entity pursuant to any applicable abandoned property, escheat or similar Law.

(c) Dissenting Shares. The provisions of this Section 2.13 shall also apply to Dissenting Shares that lose their status as such, except that the obligations of Parent under this Section 2.13 shall commence on the date of loss of such status and the holder of such shares shall be entitled to receive in exchange for such shares the portion of the Adjusted Consideration to which such holder is entitled pursuant to this Article II.

Section 2.14 **No Further Ownership Rights in Company Capital Stock**. At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of any shares of Company Capital Stock on the records of the Company. From and after the Effective Time, the holders of Company Certificates evidencing ownership of shares of Company Capital Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such shares, except as otherwise provided for herein or by applicable Law. If, after the Effective Time, Company Certificates are presented to Parent or the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in and subject to the terms of this Article II.

Section 2.15 **Withholding Taxes**. The Company and, on its behalf, Parent and the Surviving Corporation, shall be entitled to deduct and withhold from any consideration payable pursuant to this Agreement or any Transaction Bonus Agreement to any Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient such amounts as it may be required to deduct or withhold with respect to the making of such payment under the Code or any provision of applicable Tax Law. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes as having been paid to the Person to whom such amounts would otherwise have been paid.

Section 2.16 **Lost, Stolen or Destroyed Certificates**. In the event that any Company Certificates shall have been lost, stolen or destroyed, Parent shall cause to be paid in exchange for such lost, stolen or destroyed Company Certificates, upon the making of an affidavit of that fact by the holder thereof, such payment of the Adjusted Consideration as may be required pursuant to this Article II; *provided*, *however*, that Parent may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Company Certificates to deliver a written affidavit and indemnity agreement, in form and substance acceptable to Parent, and a bond in such sum as it may reasonably direct as indemnity against any claim that may be made against Parent or the Surviving Corporation with respect to the Company Certificates alleged to have been lost, stolen or destroyed.

Section 2.17 **Taking of Necessary Action; Further Action**. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the Company, the officers and directors of Parent, the Company and the Surviving Corporation and each of their respective subsidiaries are fully authorized in the name of their respective corporations to take, and will take, all such lawful and necessary action, so long as such action is not inconsistent with this Agreement.

Section 2.18 **Earnout**.

(a) Subject to the other terms of this Agreement, as additional consideration for the Merger, Parent shall pay to the Company Stockholders and Qualifying Option Holders and allocate to the Bonus Pool the amounts earned, if any, as set forth on Exhibit C (collectively, the "Earnout Payments"), subject to the satisfaction of the conditions set forth thereon and herein. The Earnout Payments shall be calculated by Parent in accordance with Exhibit C as of the close of business on March 30, 2012 and March 29, 2013, respectively. The Earnout Payment calculation (the "Earnout Payment Calculation") shall be provided by Parent to Stockholder's Agent on or before May 30, 2012 for the Earnout Payment set forth in Paragraph (a) of Exhibit C, and on or before May 29, 2013 for the Earnout Payment set forth in Paragraphs (b) and (c) of Exhibit C.

(b) Stockholders' Agent shall be entitled to review the Earnout Payment Calculation, together with supporting work papers and books and records, in each case, of Parent and its representatives, accountants and other advisors, to be provided upon Stockholders' Agent's reasonable request. During a period of thirty (30) days after the date Stockholders' Agent receives the Earnout Payment Calculation (the "Objection Period"), if Stockholders' Agent disagrees with the Earnout Payment Calculation, then Stockholders' Agent shall give written notice (an "Objection Notice") to Parent within such thirty (30) day period specifying in reasonable detail Stockholders' Agent's disagreement with Parent's determination of the applicable Earnout Payment as set forth in the Earnout Payment Calculation. Any Objection Notice must specify those items or amounts as to which Stockholders' Agent disagrees, and Stockholders' Agent will be deemed to have agreed with all other items and amounts contained in the Earnout Payment Calculation. If Stockholders' Agent does not deliver an Objection Notice within the Objection Period, then Stockholders' Agent will be deemed to have agreed entirely with the determination of the applicable Earnout Payment as set forth in the Earnout Payment Calculation.

(c) If an Objection Notice is duly and timely delivered in accordance with the terms of Section 2.18(b), Parent and Stockholders' Agent will, during the thirty (30) days following delivery of the Objection Notice, use commercially reasonable efforts to reach agreement on the disputed items or amounts in order to determine the Earnout Payment, which amount must be within the range of the amount thereof shown in the Earnout Payment Calculation and the amount thereof shown in the Objection Notice. If during such thirty (30) day period, Parent and Stockholders' Agent are unable to reach agreement on the Earnout Payment, they will promptly thereafter cause an independent accounting firm of recognized national or regional standing to be mutually agreed upon by Parent and Stockholders' Agent, acting

reasonably and in good faith (the "Independent Accounting Firm"), to review this Agreement and the disputed items or amounts for the purpose of calculating the Earnout Payment (it being understood that in making such determination, the Independent Accounting Firm will be functioning as an expert and not as an arbitrator). In making its calculation of the Earnout Payment, the Independent Accounting Firm may consider only those items or amounts in the Earnout Payment Calculation as to which Stockholders' Agent disagreed in the Objection Notice. The Independent Accounting Firm's determination of any disputed items or amounts and its calculation of the Earnout Payment must be within the range of the amount thereof shown in the Earnout Payment Calculation and the amount thereof shown on the Objection Notice. The Independent Accounting Firm will deliver to Parent and Stockholders' Agent, as promptly as practicable, a report setting forth, in reasonable detail, its determination of the disputed items and the resulting Earnout Payment. Such report will be final and binding upon the Parties and the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients absent manifest error. The cost of the Independent Accounting Firm's review and report will be borne by Parent, on the one hand, and the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients on the other hand, in the same proportion that the dollar amount of the disputed items or amounts that are not resolved in favor of Parent, on the one hand, and the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients, on the other hand (as applicable), bears to the total dollar amount of items or amounts in dispute resolved by the Independent Accounting Firm. Each Party, the Stockholders' Agent and each Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient will bear all of its respective other expenses incurred in connection with matters contemplated by Section 2.18 (b) and this Section 2.18(c).

(d) Subject to the terms and conditions of this Agreement, including the last sentence of this section and Section 10.11 hereof, the Earnout Payments, if any, shall be paid by Parent to the Company Stockholders and Qualifying Option Holders and allocated to the Bonus Pool in accordance with their Pro Rata Portions and shall be due and payable or allocated, as applicable, as soon as reasonably practicable, but not more than ten (10) Business Days, following the final determination of the amount of such Earnout Payments in accordance with the procedures set forth in this Section 2.18, *provided*, *however*, that the amount of the Earnout Payments that would otherwise be required to be made pursuant to this Section 2.18(d) shall be reduced by the amount that may be required to satisfy the full amount of any Claims made prior to that date in accordance with Article X, but not yet finally adjudicated or otherwise finally resolved and paid. Any Earnout Payment not made as a result of pending Claims shall be made when all Claims made in accordance with Article X have been resolved by a final, non-appealable ruling. Each Principal Stockholder (on behalf of himself and each other Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient) acknowledges and agrees that (i) the Company Stockholders', Qualifying Option Holders' and Bonus Pool Recipients' sole and exclusive right under this Section 2.18 will be to receive, subject to the other terms of this Agreement, the Earnout Payments if the conditions set forth on Exhibit C are satisfied; (ii) except for its obligation to provide (A) the applicable level of aggregate funding in respect of the development, production, sales and support of Earnout Products by Parent and its subsidiaries on a consolidated basis as specified in the budget set forth on Exhibit D hereto, only at such times and only upon the satisfaction of the conditions set forth on such Exhibit D, and (B) the other support commitments of Parent expressly enumerated on Exhibit D, Parent (1) will have the right to operate its business and that of its subsidiaries (including the Surviving Corporation) as it

chooses, in its sole discretion, and (2) Parent is not under any obligation to provide any specific level of investment or financial assistance to the Surviving Corporation or the development, production, sales and support of Earnout Products, nor is Parent required to undertake any specific actions (or to refrain from taking any specific actions) with respect to the operation of the Surviving Corporation or the development, production, sales and support of Earnout Products; (iii) Parent is not representing or warranting that any specific revenue or products sale thresholds will be achieved nor will the Company Stockholders, Qualifying Option Holders or Bonus Pool Recipients have any claims against Parent arising from any failure to meet for any reason (other than its failure to comply with the express terms of subsection (ii) above) any revenue or product sales thresholds; and (iv) all payments made under this Article II to Company Stockholders are being paid solely in exchange for the Merger, and, except as otherwise required by Law, the Parties will not take a Tax Return position inconsistent with the foregoing. Notwithstanding any provision hereof to the contrary, (A) each Company Stockholder acknowledges and agrees that he or she will immediately and irrevocably forfeit to Parent his or her rights to receive any and all of the Earnout Payments, including his or her Pro Rata Portion of the Earnout Payments, hereunder if he or she breaches or violates the terms of his or her Non-Competition Agreement, *provided* that such forfeiture will not constitute an election of remedies or limit in any manner the enforcement of any other remedy that may be available to Parent, and *provided further* that the Pro Rata Portion of the other Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients shall not be increased by operation of this provision and (B) in no event shall the aggregate of all Earnout Payments be more than $16,000,000. All parties hereto acknowledge and agree that the net effect of the operation of the preceding sentence is to reduce the total amount of any Earnout Payment that would otherwise be earned hereunder by the amount of such payment that would have been the Pro Rata Portion of any party that breaches or violates his or her Non-Competition Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY

The Company and the Principal Stockholders, jointly and severally, represent and warrant to Parent and Merger Sub as of the date hereof and as of the Closing Date as follows, subject, in each case, to the exceptions provided in the Disclosure Schedule. Any disclosure or exception in the Disclosure Schedule will be deemed to be disclosed in each of the other sections of the Disclosure Schedule as though fully set forth in such other sections if it is reasonably apparent on the face of such disclosure or exception that such disclosure or exception applies.

Section 3.1 **Organization, Standing and Power; Subsidiaries**.

(a) The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. The Company has the requisite corporate power and authority to own its properties and assets and to carry on its business as now being conducted and as currently proposed to be conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the ownership or leasing of its properties or assets or the conduct of its business requires such qualification, except where the failure to be so qualified or in good standing has not had and would not reasonably be expected to have a material impact on the Company. The Company has delivered to Parent a true, complete and

correct copy of the Company Articles and Company Bylaws, each as amended to date and as currently in effect. The Company is not in violation of any of the provisions of the Company Articles or Company Bylaws. The Company does not have any subsidiaries and does not directly or indirectly own any equity or similar interest in, or any interest convertible or exchangeable or exercisable for any equity or similar interest in, any Person.

(b) The minute books of the Company made available to Parent contain a complete and accurate summary of all meetings of directors and stockholders and all actions by written consent from the time of incorporation of the Company through the date of this Agreement and accurately reflect, in all material respects, all transactions and other corporate actions referred to in such minutes.

Section 3.2 **Capitalization; Title to the Shares**.

(a) The authorized capital stock of the Company consists of 30,000,000 shares of Company Capital Stock. As of the date hereof, (i) 10,000,000 shares of Company Capital Stock are issued and outstanding; (ii) 2,500,000 shares of Company Capital Stock are reserved for issuance under the Company's 2010 Equity Incentive Plan (the "Stock Option Plan"); and (iii) 418,750 shares of Company Capital Stock are subject to issuance pursuant to outstanding Company Options. No shares of Company Capital Stock are issued and held in the treasury of the Company. As of the Closing, no shares of Company Capital Stock shall be subject to issuance pursuant to any Company Options. All of the outstanding shares of Company Capital Stock are, and all shares of Company Capital Stock which may be issued pursuant to the exercise of outstanding Company Options will be, when issued in accordance with the respective terms thereof, duly authorized, validly issued, fully paid and non-assessable.

(b) Except as listed in Section 3.2 of the Disclosure Schedule, and other than rights of Parent or Merger Sub created hereunder, there is no: (i) pre emptive right, option, warrant, put, call, purchase right, subscription right, conversion right, convertible instrument, exchange right or other security, contract or commitment of any nature whereby any Person has, or has a right to receive, any equity interest of, or right or obligation to acquire any equity interest of, the Company; (ii) equity appreciation, phantom stock, profit participation or similar right with respect to the Company; or (iii) voting trust, proxy or other contract with respect to any equity interest of the Company.

(c) Schedule 1-A sets forth a true, complete and correct list of each holder of record of Company Capital Stock and Company Options, the number and class of such securities (including Company Options) owned by each such holder.

Section 3.3 **Authority**.

(a) The Company has the requisite corporate power and authority to enter into this Agreement and the other Transaction Documents to which the Company is a party and to consummate the Merger and the Other Transactions. The execution and delivery of the Transaction Documents and the consummation of the Merger and the Other Transactions have been duly authorized by all necessary corporate action on the part of the Company, except for the Required Stockholder Vote. The Required Stockholder Vote will be obtained prior to the

Closing. This Agreement and the other Transaction Documents to which the Company is a party have been duly executed and delivered by the Company and constitute the valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except to the extent that enforceability may be limited by the effect, if any, of any applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally or any general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. Neither the execution and delivery by the Company of any Transaction Document nor the consummation of the Merger or the Other Transactions will conflict with, or result in any breach or violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any benefit under (i) any provision of the Company Articles or the Company Bylaws, (ii) any mortgage, indenture, lease, contract, agreement, instrument or understanding to which the Company is a party or to which any of its properties or assets are bound or (iii) any Law applicable to the Company or any of its properties or assets. No notice to or filing with, and no permit, authorization, consent or approval of, any Person is necessary for the execution and delivery of the Transaction Documents by the Company or the consummation of the Merger or the Other Transactions, other than the filing of the Certificate of Merger with the Secretary of State and approval of this Agreement and the Merger by the Company Stockholders as described in Section 3.3(b).

(b) The affirmative vote or written consent of Company Stockholders holding at least a majority of the outstanding shares of the Company Capital Stock (the "Required Stockholder Vote") is the only vote or written consent of any class or series of the Company's capital stock necessary to approve this Agreement, the Merger and the Other Transactions.

(c) The Company Board has unanimously (i) adopted this Agreement, (ii) determined that the Merger and the Other Transactions are advisable and in the best interests of the stockholders of the Company and on terms that are fair to such stockholders and (iii) resolved to recommend that the stockholders of the Company adopt this Agreement and approve the Merger and the Other Transactions, and none of the aforesaid actions by the Company Board has been amended, rescinded or modified.

Section 3.4 **Financial Statements; Absence of Undisclosed Liabilities**.

(a) Attached hereto as Section 3.4 of the Disclosure Schedule are true, complete and correct copies of the Financial Statements. The Financial Statements (i) were prepared in accordance with, and are consistent with, the books and records of the Company (which books and records are correct and complete in all material respects), and (ii) fairly present, in all material respects, the assets, liabilities and financial condition of the Company at their respective dates and the results of operations of the Company for the respective periods covered thereby. The financial records of the Company, all of which the Company has made available to Parent, are true, complete and correct, accurately represent all actual, bona fide transactions related to the Company and the periods covered thereby, and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls.

(b) Except (i) as disclosed on the face of the Interim Balance Sheet (regardless of whether in any note thereto), (ii) for Liabilities incurred in the Ordinary Course of Business since the date of the Interim Balance Sheet (none of which are material individually or in the aggregate, and none of which arise out of, relate to or result from, or are in the nature of or were caused by any breach of contract, breach of warranty, tort, infringement or violation of applicable Law), and (iii) Transaction Expenses that have been paid by the Company or will be paid in accordance with the Closing Consideration Statement, the Company does not have any material Liabilities. There are no off balance sheet arrangements to which the Company is a party or otherwise involving the Company.

(c) Except for Indebtedness listed in Section 3.4 of the Disclosure Schedule, the Company does not have any Indebtedness outstanding on the date hereof. The Company is not in default or otherwise in breach with respect to any Indebtedness. The Company has provided to Parent a true, correct and complete copy of all documents (including all amendments, supplements, waivers and consents) with respect to any Indebtedness of the Company.

Section 3.5 **Absence of Certain Changes**. Except as and to the extent set forth on the face of the Financial Statements (rather than in any notes thereto), since December 31, 2010, the Company has conducted its business in the Ordinary Course of Business in all material respects. Without limiting the generality of the foregoing, since December 31, 2010, the Company has not:

(a) suffered any Material Adverse Effect;

(b) (i) issued or otherwise allowed to become outstanding or acquired or pledged or otherwise encumbered any equity interest or other security of the Company or right (including any option, warrant, put or call) to any such equity interest or other security, (ii) declared, set aside or paid any dividend on, or made any other distribution in respect of, any of its equity interests or other securities, (iii) split, combined or reclassified any of its equity interests or issued or authorized the issuance of any other security in respect of, in lieu of or in substitution for any of its equity interests or other securities or made any other change to its capital structure or (iv) purchased, redeemed or otherwise acquired any equity interest or any other security of the Company or any right, warrant or option to acquire any such equity interest or other security;

(c) paid, discharged or satisfied any claims or Liabilities other than the payment, discharge or satisfaction in the Ordinary Course of Business of liabilities reflected or reserved against in the Interim Balance Sheet or incurred any Liabilities (except for non-material items incurred in the Ordinary Course of Business or Transaction Expenses that have been paid by the Company in accordance with the Closing Consideration Statement) or increased, or experienced any change in any assumptions underlying or methods of calculating, any bad debt, contingency or other reserves;

(d) written down the value of any inventory or written off as uncollectible any notes or accounts receivable, except for immaterial write-downs and write-offs in the Ordinary Course of Business;

(e) (i) became a guarantor with respect to any obligation of any other Person, (ii) assumed or otherwise became obligated for any Liability of any other Person for borrowed money, or (iii) agreed to maintain the financial condition of any other Person;

(f) cancelled any debts or waived any claims or rights of substantial value;

(g) (i) made any loan, advance or capital contribution to, or investment in, any other Person, or (ii) made or pledged to make any charitable or other capital contribution;

(h) sold, transferred, or otherwise disposed of any of its properties or assets (real, personal or mixed, tangible or intangible), except in the Ordinary Course of Business;

(i) granted or acquired, or agreed to grant to or acquire from any Person any licenses of Intellectual Property, abandoned, disposed of or permitted to lapse any rights to the use of any Intellectual Property, or disposed of or disclosed to any Person other than representatives of Parent any trade secret, formula, process or know-how or other Intellectual Property not theretofore a matter of public knowledge;

(j) increased in any manner (including acceleration or funding provisions) the compensation or benefits of any current or former director, officer, employee or consultant of the Company (including any such increase pursuant to any Employee Benefit Plan) or increased in any manner (including acceleration or funding provisions) the compensation or benefits payable or to become payable to any current or former director, officer, employee or consultant of the Company, except, in the case of employees other than officers of the Company, for such increases in compensation or benefits made in the Ordinary Course of Business;

(k) adopted, entered into or amended any Employee Benefit Plan, other than as required pursuant to applicable Law;

(l) entered into, amended or terminated any Material Contract or waived, released or assigned any right or claim under any Material Contract;

(m) made capital expenditures or commitments or acquired any property, plant and equipment that would be treated as a capital expenditure in accordance with the Company's historical financial record keeping practices, for an aggregate material cost in excess of $5,000;

(n) made or changed an election in respect of Taxes, adopted or changed any accounting method in respect of Taxes, failed to file, on a timely basis, with the appropriate Governmental Entities, all Tax Returns required to be filed for taxable periods ending on or before the Closing Date and due on or prior to the Closing Date, which such Tax Returns shall be true, correct and complete in all material respects, or failed to pay or remit, on a timely basis, any Taxes required to be paid, amended any Tax Return, entered into any closing agreement, settled or consented to any claim or assessment in respect of Taxes, consented to any extension or waiver of the statutory period of limitations applicable to any claim or assessment in respect of Taxes, or made any other Tax payments outside of the Ordinary Course of Business;

(o) paid, loaned or advanced any amount to, or sold, transferred or leased any properties or assets (real, personal or mixed, tangible or intangible) to, or entered into any agreement or arrangement with, any of its employees, officers, directors or stockholders or any affiliate or associate of any of its employees, officers, directors or stockholders (except for directors' fees and compensation to officers at rates not inconsistent with the Company's past practice in connection with business related travel or other expenses incurred on behalf of the Company and advances to employees); or

(p) agreed, whether in writing or otherwise, to take any action described in this Section 3.5.

Section 3.6 **Litigation**. There is no private or governmental action, suit, proceeding, inquiry, claim, charge, grievance, arbitration or investigation by or pending before any Governmental Entity, or, to the Knowledge of the Company, threatened against the Company, any of its properties or any of its officers or directors (in their capacities as such), or which questions or challenges the validity of any Transaction Document, the Merger or any of the Other Transactions; and there is no valid basis for any such action, suit, proceeding, inquiry, claim, charge, grievance, arbitration or investigation. There is no judgment, decree or order against the Company or to which the Company is subject, or any of its directors or officers (in their capacities as such), that could prevent, enjoin, or materially alter or delay the Merger or any of the Other Transactions. Except as set forth in Section 3.6 of the Disclosure Schedule, the Company does not have any litigation pending against any other party.

Section 3.7 **Restrictions on Business Activities**.

(a) There is no agreement, judgment, injunction, order or decree binding upon the Company or to which the Company is subject which has or could reasonably be expected to have the effect of prohibiting or impairing any current business practice of the Company, any acquisition of property by the Company or the conduct of business by the Company as currently conducted or as currently proposed to be conducted.

(b) The Company is not a party to or bound by any agreement containing any covenant (i) limiting the right of the Company to engage or compete in any line of business or to compete with any Person, (ii) granting to any Person any exclusive rights or sublicensing rights, (iii) providing "most favored nations" clauses to any Person, or (iv) which otherwise adversely affects or would reasonably be expected to adversely affect the right of the Company to sell, distribute or manufacture any products of the Company or any Company Intellectual Property or to purchase or otherwise obtain any Software, services, components, parts or subassemblies.

Section 3.8 **Compliance With Laws; Governmental Authorization**.

(a) The Company has complied in a timely manner and in all material respects with all Laws that affect the business, employees, properties or assets of the Company, and no notice, charge, claim, action or assertion has been received by the Company or to the Company's Knowledge, has been filed, commenced or threatened against the Company alleging any violation of any of the foregoing. The Company has not at any time received any notice or

direction from any Governmental Entity challenging or questioning the legal right of the Company to design, market, offer or sell any of the Products or services of the Company or the use of its properties or assets in the present manner or style thereof.

(b) The Company has obtained each material consent, license, permit, grant, or other authorization of a Governmental Entity (i) pursuant to which the Company currently operates or holds (or currently proposes to operate or hold) any interest in any of its properties or assets or (ii) that is required for the operation of the business of the Company or the holding of any such interest ((i) and (ii) are herein collectively called "Company Authorizations"). The Company has complied in all material respects with all such Company Authorizations, and all Company Authorizations are in full force and effect.

(c) The Company has conducted its export transactions in accordance with applicable provisions of United States export control Laws, including the Export Administration Act. Without limiting the foregoing, the Company represents and warrants that: (i) the Company has obtained all export licenses and other approvals required for its exports of products, Software and technologies from the United States; (ii) the Company is in compliance with the terms of all applicable export licenses or other approvals; (iii) there are no pending or, to the Knowledge of the Company, threatened claims against the Company with respect to such export licenses or other approvals; and (iv) there are no actions, conditions or circumstances pertaining to the Company's export transactions that may give rise to any future claims.

Section 3.9 **Title to Property; Sufficiency of Assets**.

(a) The properties and assets of the Company constitute all of the properties and assets necessary to operate the business of the Company as presently conducted and as presently proposed to be conducted. To the Knowledge of the Company, there are no facts or conditions affecting any material properties or assets of the Company which would reasonably be expected, individually or in the aggregate, to interfere with the current use or operation of such properties or assets.

(b) The Company has good and valid title to, or a valid leasehold interest in or a valid license for, each property and asset used in the business, located on the Company's premises, shown on the Interim Balance Sheet or acquired after the date of the Interim Balance Sheet (except for properties, interests in properties and assets in the aggregate having an immaterial book value sold or otherwise disposed of since the date of the Interim Balance Sheet in the Ordinary Course of Business), free and clear of all Liens other than Permitted Liens.

(c) Each material asset that is personal property is free from material defects (patent and latent), has been maintained in accordance with normal applicable industry practice in all material respects, is in good operating condition and repair, subject to normal wear and tear, and is suitable and sufficient for the purposes for which it is used and presently is proposed to be used in all material respects.

Section 3.10 **Intellectual Property**.

(a) The Company owns good title in all of the Company Owned Intellectual Property, free and clear of any and all Liens, except for Permitted Liens. The Company Owned Intellectual Property and any Intellectual Property licensed to Company pursuant to any Inbound Intellectual Property License constitute all of the Intellectual Property necessary for the conduct of the Company's business as it has been conducted, is currently conducted and currently proposed to be conducted. The Company Owned Intellectual Property and the conduct of the Company's business (including the design, development, reproduction, manufacture, branding, marketing, use, distribution, import, licensing, provision and sale of any products and services by the Company) has not violated, infringed or misappropriated, does not violate, infringe or misappropriate, and, to the Knowledge of the Company, will not violate, infringe or misappropriate any Intellectual Property right of a third party, any right to privacy or publicity, or any applicable Laws regulating unfair competition or trade practices.

(b) Section 3.10(b) of the Disclosure Schedule sets forth a true, complete and correct listing of all patents and patent applications, all registered trademarks, service marks, and trade names and applications therefor, all registered Internet domain names and applications therefor, and all registered copyrights and copyright applications for any Company Owned Intellectual Property, including the patent number or other official registration number associated therewith, the legal owner thereof, the jurisdictions in which each such Intellectual Property right subsists, has been issued or registered or in which any application for such issuance and registration has been filed, and describes any action, filing, or payment that must be taken or made on or before one hundred twenty (120) days after the date of this Agreement in order to maintain any such application or registration in full force and effect. The Company is listed in the records of the appropriate Governmental Entity as the sole owner of record for each issued patent, and each registered trademark, service mark, trade name, Internet domain name and copyright, and applications therefor, listed in Section 3.10(b) of the Disclosure Schedule. The Company has not received any written notice or claim challenging the Company's ownership of any of the Company Owned Intellectual Property or suggesting that any other Person has any claim of legal beneficial ownership thereto. There are no extant forbearances to sue, consents, settlement agreements, judgments, orders or similar litigation-related, inter partes or adversarial-related, or government-imposed obligations to which the Company is a party or is otherwise bound.

(c) All issued patents, registered trademarks, registered copyrights, registered trade names, registered service marks and registered Internet domain names set forth in Section 3.10(b) of the Disclosure Schedule are valid and enforceable, have not expired or been canceled or abandoned, and, except as set forth in Section 3.10(c)(i) of the Disclosure Schedule, are not subject to any pending or, to the Company's Knowledge, threatened judicial or administrative proceeding involving the validity, enforceability or scope thereof. With regard to any patents, trademarks and patent and trademark applications set forth in Section 3.10(b) of the Disclosure Schedule, each has been prosecuted in material compliance with all applicable rules, policies and procedures of the United States Patent and Trademark Office or applicable foreign patent agencies. The Company has not received, or, at any point in time, requested, any written opinion of counsel concerning the patentability, registrability, validity, enforceability or scope of any Company Intellectual Property or the infringement or misappropriation of any Intellectual

Property of any Person by the Company. Except as set forth in Section 3.10(c)(ii) of the Disclosure Schedule, to the Knowledge of the Company, no Person is infringing, misappropriating or otherwise violating any Company Owned Intellectual Property or Intellectual Property exclusively licensed to the Company. Except as set forth in Section 3.10(c)(iii) of the Disclosure Schedule, the Company has not: (i) received any written notice of any claim of infringement or misappropriation by the Company of any Intellectual Property right of any Person; (ii) been a party in any suit, action or proceeding which involves a claim of infringement or misappropriation by the Company of any Intellectual Property right of any Person or breach of any license or agreement involving Intellectual Property; (iii) brought any action, suit or proceeding for infringement or misappropriation of Intellectual Property or breach of any license or agreement involving Intellectual Property against any Person; (iv) delegated, assigned or otherwise transferred any right to bring a claim or suit against any Person for infringement or misappropriation of Company Intellectual Property; or (v) entered into any agreement to indemnify any Person against any charge of infringement or misappropriation of any Intellectual Property in response to an actual or suspected threat of infringement or misappropriation; and, with respect to (ii) and (iii) above, to the Company's Knowledge, no such suit, action or proceeding has been threatened.

(d) Section 3.10(d) of the Disclosure Schedule sets forth a true, complete and correct list of (i) all licenses, sublicenses, covenants not to sue and other agreements as to which the Company is a party and pursuant to which the Company grants or otherwise permits any other Person to use any Company Intellectual Property ("Outbound Intellectual Property Licenses"), and (ii) all licenses, sublicenses, covenants not to sue and other agreements as to which the Company is a party and pursuant to which the Company is authorized or otherwise permitted to use any other Person's Intellectual Property ("Inbound Intellectual Property Licenses"), except Company Software. Each of the Inbound Intellectual Property Licenses and the Outbound Intellectual Property Licenses (together "Intellectual Property Licenses") is valid and binding on all parties thereto and enforceable in accordance with its terms, and there exists no event or condition that does or will result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default by any party thereunder. The Company is in compliance with, and has not breached any term of any such Intellectual Property Licenses and, to the Knowledge of the Company, all other parties to such Intellectual Property Licenses are in compliance with, and have not breached any term of, such Intellectual Property Licenses. The consummation of the Merger or the Other Transactions will not result in the breach, modification, cancellation, termination, suspension of, or acceleration of any payments with respect to such Intellectual Property Licenses. Following the Closing Date, the Company will be permitted to exercise all of the Company's rights under such Intellectual Property Licenses to the same extent the Company would have been able to had the Merger and the Other Transactions not occurred and without the payment of any additional amounts or consideration other than ongoing fees, royalties or payments which the Company would otherwise be required to pay.

(e) Section 3.10(e) of the Disclosure Schedule lists all Software that is owned, licensed, or leased by the Company or otherwise used in the business of the Company ("Company Software"), other than commercially available, off-the-shelf Software (excluding any Open Source Materials) having an acquisition cost of less than $500, and identifies which is owned, licensed, leased or otherwise used, as the case may be. The Company is in material

compliance with the license terms of each item of Company Software, including having purchased an adequate number of "seats" to support its actual usage of same. No source code for any Company Software owned by the Company has been delivered, licensed, or is subject to any source code escrow obligation by the Company to a third party. The execution of the Transaction Documents and the consummation of the Merger and the Other Transactions will not result in a release from escrow of any source code that is Company Owned Intellectual Property. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) will, or would reasonably be expected to, result in the disclosure or delivery by the Company, or any Person acting on its behalf to any Person of any source code that is Company Owned Intellectual Property.

(f) No Company Owned Intellectual Property contains any Open Source Materials, and no Open Source Materials have been used in, incorporated into, integrated or bundled with, or used in the development or compilation of, any current products or services of the Company or any products or services currently in development. The Company has used its best efforts to: (i) identify such Open Source Materials; and (ii) to avoid the release of the source code of the Company Owned Intellectual Property. There has been no deviation from such efforts and procedures of the Company with respect to Open Source Materials. "Open Source Materials" means all software that is distributed under an open source licensing model which requires as a condition of the license that the licensee (1) provide sublicensees with access to the source code of the third-party software component and any derivative works thereof, and/or (2) provide for further royalty-free distribution of the third-party software component and any derivative works thereof by sublicensees, and/or (3) grant licensor or any third party a license to use any patents owned by the licensee that may be infringed by the licensor's code and any derivative works thereof, including the GNU General Public License (GPL), GNU Library or "Lesser" General Public License (LGPL), Mozilla Public License (MPL) and Developers Open Source Public License (DOSPL).

(g) The Company has secured valid written assignments from all consultants, employees and third parties who contributed to the creation or development of Intellectual Property for the Company ("Inventors"), of the rights to such contributions that the Company does not already own by operation of law, pursuant to which the Company is the sole owner of all such contributions and consequently the sole owner of all rights therein. The Inventors have not made any filings for or, to the Knowledge of the Company, otherwise taken any steps to secure or acquire any rights to Intellectual Property inconsistent with the assignments referred to above in this Section 3.10(g).

(h) The Company has taken reasonable measures consistent with industry practice to protect and preserve the confidentiality of all trade secrets owned, used, appropriated or disclosed by the Company ("Trade Secrets"). All use, disclosure or appropriation of Trade Secrets owned by the Company by or to a third party has been pursuant to the terms of an agreement or other legal obligation between the Company and such third party pursuant to which the third party undertakes to protect and not disclose such Trade Secrets. All use, disclosure or appropriation by the Company of Trade Secrets not owned by the Company has been pursuant to the terms of a written agreement between the Company and the owner of such Trade Secrets, or is otherwise lawful. Neither the Company nor any Person under the control of the Company has materially breached any confidentiality agreements that such Person is subject to, and, to the Knowledge of the Company, no other party to any such confidentiality agreement is in material breach thereof.

(i) No former employer of any employee of the Company has a reasonable basis for bringing against the Company or any of its employees or agents, any claim, suit or action for patent infringement, copyright infringement, or trade secret misappropriation under a theory of inevitable disclosure or otherwise, or for breach of any provision of an employment contract, non-competition agreement, non-solicitation agreement, invention assignment agreement, or nondisclosure agreement. No third party, including any former employer of the Inventors, has any claim to any right, title or interest in any Company Intellectual Property developed by such Inventor that is inconsistent with the assignment to the Company by such Inventor described in Section 3.10(g). Except as set forth in Section 3.10(i) of the Disclosure Schedule, no funding, facilities, or personnel of any Governmental Entity or any public or private university, college, or other educational or research institution were used, directly or indirectly, to develop or create, in whole or in part, any Company Owned Intellectual Property.

(j) No current or former stockholder, member, partner, director, officer or employee of the Company or any of its predecessors in interest will, after the Closing, own or retain any rights in, to, or under any of the Company Intellectual Property.

(k) To the Knowledge of the Company, there have been no unauthorized intrusions or breaches of the security of the Company's information technology systems.

(l) Neither of the Company nor, to the Company's Knowledge, any of its employees has ever been a member or promoter of, or a contributor to, any industry standards body or similar organization that could require or obligate the Company to grant or offer to any third party any license or right to any Company Intellectual Property.

Section 3.11 **Products**. The products manufactured, distributed, licensed, sold, or leased by or on behalf of the Company (the "Products") and all services provided by the Company have conformed in all material respects with all applicable contractual commitments and all express and implied warranties, the Company's published product specifications and with all regulations, certification standards and other requirements of any applicable Governmental Entity or third party. All Products were and are free of any critical defects, and the Company does not have any Liability for replacement or modification of any such Products or other damages in connection therewith, other than in the Ordinary Course of Business in an aggregate amount not exceeding the warranty reserve stated on the most recent Annual Balance Sheet. There are no defects in the design or technology embodied in any Products which impair or are likely to impair the intended use of the Product. There is no pending, or, to the Knowledge of the Company, threatened, and, to the Knowledge of the Company, there is no basis for, any civil, criminal or administrative actions, suits, demands, claims, hearings, notices of violation, investigations, proceedings or demand letters relating to any alleged hazard or alleged defect in design, manufacture, materials or workmanship, including any failure to warn or alleged breach of express or implied warranty or representation, relating to any Product. The Company has not extended to any of its customers any written, non-uniform product warranties, indemnifications

or guarantees. No purchaser of any of the Products or services provided by the Company has any refund, return or credit rights with respect to such Products or services provided by the Company except as expressly provided for in the Company's standard contractual warranties provided for the benefit of purchasers of such Products and services, true, complete and correct copies of which have been provided to Parent.

Section 3.12 **Environmental Matters**.

(a) The Company is in compliance in all material respects with all Environmental Laws, which compliance includes the possession by the Company of all permits and other governmental authorizations required under all Environmental Laws, and compliance with the terms and conditions thereof. The Company has not received any communication (written or oral), whether from a Governmental Entity, citizens group, employee or otherwise, that alleges that the Company is not in such compliance, and there are no circumstances that may prevent or interfere with such compliance in the future. All permits and other governmental authorizations currently held by the Company pursuant to all Environmental Laws are identified in Section 3.12 of the Disclosure Schedule.

(b) There is no Environmental Claim pending or, to the Company's Knowledge, threatened against the Company or against any Person whose Liability for any Environmental Claim the Company has retained or assumed either contractually or by operation of law.

(c) There are no past or present actions, activities, circumstances, conditions, events or incidents, including the release, emission, discharge, presence or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against the Company or against any Person whose Liability for any Environmental Claim the Company has retained or assumed either contractually or by operation of law, or otherwise result in any costs or Liabilities under Environmental Law.

(d) Without limiting the generality of the foregoing, (i) all on-site and off-site locations where the Company has stored, disposed or arranged for the disposal of Materials of Environmental Concern, other than immaterial quantities of ordinary and common office and non-industrial cleaning supplies, are identified in Section 3.12(d)(i) of the Disclosure Schedule and (ii) all underground storage tanks, and the capacity and contents of such tanks, to the Knowledge of the Company after reasonable inquiry with the Company's landlord to be located on any property owned, leased, operated or used by the Company, are identified in Section 3.12(d)(ii) of the Disclosure Schedule. To the Company's Knowledge after reasonable inquiry with the Company's landlord, there is no asbestos contained in or forming part of any building, building component, structure or office space owned, leased, operated or used by the Company, and no polychlorinated biphenyls or polychlorinated biphenyl-containing items are used or stored at any property owned, leased, operated or used by the Company.

(e) The Company has provided to Parent all assessments, reports, data, results of investigations or audits, and other information that are in the possession of the Company (or of which it has Knowledge after reasonable inquiry of the Company's landlord or of which it otherwise has Knowledge) regarding environmental matters pertaining to or the environmental condition of the business of the Company or the compliance (or noncompliance) by the Company with any Environmental Laws.

(f) The Company is not required by virtue of the Merger or the Other Transactions, or as a condition to the effectiveness of the Merger or any of the Other Transactions, (i) to perform a site assessment for Materials of Environmental Concern, (ii) to remove or remediate Materials of Environmental Concern, (iii) to give notice to or receive approval from any Governmental Entity pursuant to any Environmental Law, or (iv) to record or deliver to any Person any disclosure document or statement pertaining to environmental matters.

For purposes of this Agreement:

(i) "Environmental Claim" means any claim, action, cause of action, suit, proceeding, investigation, order, demand or notice (written or oral) by any Person alleging potential Liability (including potential Liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (A) the presence, or release into the environment, of, or exposure to, any Material of Environmental Concern at any location, whether or not owned or operated by the Company or (B) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

(ii) "Environmental Laws" means all Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata, and natural resources), including, Laws relating to (A) emissions, discharges, releases or threatened releases of, or exposure to, Materials of Environmental Concern, (B) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern, (C) recordkeeping, notification, disclosure and reporting requirements regarding Materials of Environmental Concern, and (D) endangered or threatened species of fish, wildlife and plant and the management or use of natural resources.

(iii) "Materials of Environmental Concern" means chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum and petroleum products, asbestos or asbestos-containing materials or products, polychlorinated biphenyls, lead or lead-based paints or materials, radon, fungus, mold, mycotoxins or other substances that may have an adverse effect on human health or the environment.

Section 3.13 **Taxes**.

(a) The Company has timely filed all federal, state, local and foreign income, information and other Tax Returns that were required to be filed by it on or prior to the Closing Date. All such Tax Returns were prepared in compliance with all applicable Laws and correctly reflect the facts regarding the income, business, assets, operations, activities, status and other matters of or information regarding the Company required to be shown thereon. No issues

have been raised by or are currently pending with any Governmental Entity with respect to any such Tax. No extension of time to file any such Tax Return has been requested from or granted by any Governmental Entity.

(b) The Company has timely paid all Taxes imposed upon the Company or for which the Company is or could be liable, whether to Governmental Entities or other Persons (such as, for example, under tax allocation agreements), with respect to all taxable periods or portions of periods ending on or before the Closing Date, other than Taxes that are not yet due and payable, Taxes that are being contested in good faith by the Company and any Taxes that arise out of or relate to any Section 338(h)(10) Election. The unpaid Taxes of the Company (other than any Taxes that arise out of or relate to any Section 338(h)(10) Election) that are not yet due and payable do not exceed the reserve for Tax Liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth or included in the Interim Financial Statements, as adjusted for the passage of time through the Closing Date, in accordance with the past practices of the Company. The amount of unpaid Taxes that are being contested in good faith by the Company, the Governmental Entity with whom these Taxes are being contested and the status of these proceedings are set forth on Section 3.13(b) of the Disclosure Schedule.

(c) Except as set forth on Section 3.13(c) of the Disclosure Schedule, the Company has not been the subject of any audit or investigation by any Governmental Entity with respect to any taxable periods or portions of periods ending on or before the Closing Date. The Company does not have any Knowledge of any facts that are reasonably likely to cause or result in any material dispute with, or any audit or inspection by, any Governmental Entity with respect to the Taxes or Tax Returns of the Company. No waivers of statutes of limitation with respect to the Taxes or Tax Returns of the Company have been given by or requested from the Company. No claim has ever been made by any Governmental Entity in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction, and, except as set forth on Section 3.13(c) of the Disclosure Schedule, the Company is not subject to taxation in any jurisdiction other than the jurisdiction in which the Company has been incorporated.

(d) Section 3.13(d) of the Disclosure Schedule sets forth the taxable years of the Company as to which the applicable statute of limitations with respect to Taxes has not expired, and with respect to such taxable years, the years for which examinations have been completed, the years for which examinations are presently being conducted, the years for which examinations have not been initiated and the years for which required Tax Returns have not yet been filed. All deficiencies asserted or assessments made as a result of any examinations of Tax Returns previously filed by the Company have been fully paid, are fully reflected as a Liability in the Interim Financial Statements or are being contested and an adequate reserve therefor has been established and is fully reflected as a Liability in the Interim Financial Statements.

(e) All material elections with respect to Taxes affecting the Company s are either reflected in the Company's Tax Returns or set forth in Section 3.13(e) of the Disclosure Schedule.

(f) All Taxes required to be withheld by or on behalf of the Company in connection with amounts paid or owing to any employee, independent contractor, creditor or other Person have been properly withheld, and all such Taxes either have been duly and timely paid to the proper Governmental Entities or, in circumstances where such Taxes have not yet become due and payable, have been set aside in segregated accounts to be paid to the proper Governmental Entity, and the Company has maintained complete, correct and up-to-date records that comply with all applicable Tax Laws with respect to such withholdings.

(g) The Company is not a party to, or otherwise bound by, any agreement, contract, arrangement or plan (including, without limitation, any Employee Benefit Plan) that has resulted or would result, separately or in the aggregate, in the payment of any "excess parachute payments" within the meaning of Section 280G of the Code. The execution of this Agreement and the consummation of the transactions contemplated by this Agreement (either alone or upon the occurrence of any additional or subsequent event) will not result in any "parachute payment" (as such term is defined in Section 280G of the Code).

(h) Each Employee Benefit Plan that is a "nonqualified deferred compensation plan" (as defined in Code Section 409A(d)(1)) complies in all respects with Section 409A of the Code and all applicable IRS guidance issued with respect thereto (and has so complied for the entire period during which Section 409A of the Code has applied to such Employee Benefit Plan). No event has occurred that would be treated by Code Section 409A(b) as a transfer of property for purposes of Code Section 83. Except with respect to the stock options listed in Section 3.13(h) of the Disclosure Schedule, the exercise prices of which have been increased to equal the fair market value of the underlying stock (as determined by an independent appraisal described in Treasury Regulations Section 1.409A-1(b)(5)(iv)(B)(*2*)(*i*)) as of the date such options were granted in accordance with the provisions of IRS Notice 2008-113, no stock option or equity unit option granted under any Employee Benefit Plan has an exercise price that has been or may be less than the fair market value of the underlying stock or equity units (as the case may be) as of the date such option was granted or has any feature for the deferral of compensation other than the deferral of recognition of income until the later of exercise or disposition of such option.

(i) The Company is not a party to or bound by any tax indemnity agreement, tax sharing agreement, tax allocation agreement or any similar arrangement for the sharing of Tax Liabilities or benefits. The Company is not or could not be liable to pay, reimburse or indemnify any Person (including a Tax authority) in respect of the Tax Liability of another Person, whether or not as a consequence of such third person failing to discharge such Liability.

(j) The Company is not subject to and is not required to register for any value-added Tax.

(k) The Company has never been a member of an affiliated group of corporations within the meaning of Section 1504 of the Code.

(l) The Company has not agreed to make, nor is it required to make, any adjustment under Section 481(a) of the Code by reason of a change in accounting method or otherwise.

(m) The Company has disclosed on its Tax Returns all positions taken therein that could reasonably give rise to a substantial understatement of Tax within the meaning of Section 6662 of the Code.

(n) The Company has not been a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(o) No power of attorney with respect to any Taxes of or relating to the Company has been filed with the IRS or any other Governmental Entity.

(p) The Company has not had a permanent establishment in any foreign country, as defined in any applicable Tax treaty or convention between the United States and such foreign country.

(q) No Company Stockholder holds Common Shares that are non-transferable and subject to a substantial risk of forfeiture within the meaning of Section 83 of the Code with respect to which a valid election under Section 83(b) of the Code has not been made.

(r) Each Company Stockholder is a United States person within the meaning of Section 7701(a)(30) of the Code.

(s) For federal and applicable state and local income Tax purposes, the Company has qualified as a "small business corporation" within the meaning of Section 1361(b) of the Code from the date of its formation through the date of this Agreement, and will properly qualify as a "small business corporation" for such purposes until the Closing Date.

Section 3.14 **Employee Benefit Plans**.

(a) The Company operates in a co-employer relationship with TriNet Group Inc. ("TriNet"), a Professional Employer Organization, and each reference to an employee of the Company in this Agreement includes any Person who is co-employed with TriNet. Section 3.14(a) of the Disclosure Schedule contains a true, complete and correct list of all (i) Employee Benefit Plans and (ii) all benefits provided by the Company or TriNet to employees of the Company or to Persons whose services are utilized in the conduct of the Company's business. Neither the Company nor any ERISA Affiliate has any agreement, arrangement, commitment or obligation, whether formal or informal, whether written or unwritten and whether legally binding or not, to create, enter into or contribute to any additional Employee Benefit Plan, or to modify or amend any existing Employee Benefit Plan. There has been no amendment, interpretation or other announcement (written or oral) by the Company, any ERISA Affiliate or any other Person relating to, or change in participation or coverage under, any Employee Benefit Plan that, either alone or together with other such items or events, could materially increase the expense of maintaining such Employee Benefit Plan (or the Employee Benefit Plans taken as a whole) above the level of expense incurred with respect thereto for the most recent fiscal year

included in the Financial Statements. Each Employee Benefit Plan can be amended or terminated by the Company at any time (whether before or after the Effective Time) and for any reason without any Liability, expense or Damages to the Company or such Employee Benefit Plan (including any surrender charge, market-rate adjustment or early termination charge).

(b) The Company has delivered to Parent, with respect to each Employee Benefit Plan (to the extent applicable thereto and with respect to documents prepared, filed, administered or otherwise in the possession of TriNet to the extent available from TriNet after due inquiry), true, correct and complete copies of: (i) all documents embodying such Employee Benefit Plan (including all amendments thereto) or, if such Employee Benefit Plan is not in writing, a written description of such Employee Benefit Plan; (ii) if required to be filed with respect to such Employee Benefit Plan, the last three annual reports (Form 5500 series and all schedules and financial statements attached thereto) filed with respect to such Employee Benefit Plan; (iii) the most recent summary plan description, if any, and all summaries of material modifications related thereto, distributed with respect to such Employee Benefit Plan; (iv) all contracts (and any amendments thereto) relating to such Employee Benefit Plan, including all trust agreements, investment management agreements, annuity contracts, insurance contracts, bonds, indemnification agreements and service provider agreements; (v) the most recent determination letter, if any, issued by the IRS with respect to such Employee Benefit Plan; (vi) the most recent annual actuarial valuation prepared for such Employee Benefit Plan, if any; (vii) the most recent financial statement prepared for such Employee Benefit Plan, if any; (viii) all written communications to employees, or to any other individuals, to the extent that the provisions of such Employee Benefit Plan as described therein differ from such provisions as set forth or described in the other information or materials furnished under this subsection (b); (ix) all correspondence to or from any Governmental Entity relating to such Employee Benefit Plan; and (x) all coverage, nondiscrimination, top heavy and Code Section 415 tests performed with respect to such Employee Benefit Plan for the three (3) most recently completed plan years.

(c) With respect to each Employee Benefit Plan: (i) such Employee Benefit Plan was properly and legally established; (ii) such Employee Benefit Plan is, and at all times since inception has been, maintained, administered, operated and funded in all respects in accordance with its terms and in compliance with all applicable requirements of all applicable Laws, including ERISA and the Code; (iii) the Company, each ERISA Affiliate, TriNet and all other Persons (including all fiduciaries) have properly performed all of their duties and obligations (whether arising by operation of Law, by contract or otherwise) under or with respect to such Employee Benefit Plan, including all fiduciary, reporting, disclosure, and notification duties and obligations; (iv) all returns, reports (including all Form 5500 series annual reports, together with all schedules and audit reports required with respect thereto), notices, statements and other disclosures relating to such Employee Benefit Plan required to be filed with any Governmental Entity or distributed to any Employee Benefit Plan participant have been properly prepared and duly filed or distributed in a timely manner; (v) none of the Company, any ERISA Affiliate, TriNet or any fiduciary of such Employee Benefit Plan has engaged in any transaction or acted or failed to act in a manner that violates the fiduciary requirements of ERISA or any other applicable Law; (vi) no transaction or event has occurred or is threatened or about to occur (including any of the transactions contemplated in or by this Agreement) with respect to such Employee Benefit Plan that constitutes or could constitute a prohibited transaction under Section 406 or 407 of ERISA or under Section 4975 of the Code for which an exemption is not available;

and (vii) all contributions, premiums and other payments due or required to be paid to (or with respect to) such Employee Benefit Plan have been timely paid, or, if not yet due, have been accrued as a Liability on the Interim Financial Statements. Neither the Company nor any ERISA Affiliate has incurred, and there exists no condition or set of circumstances in connection with which the Company, any ERISA Affiliate, Parent or any of Parent's affiliates could incur, directly or indirectly, any Liability, expense or Damages (except for routine contributions and benefit payments) under ERISA, the Code or any other applicable Law, or pursuant to any indemnification or similar agreement, with respect to any Employee Benefit Plan.

(d) Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and its related trust and/or group annuity contract is exempt from taxation under Section 501(a) of the Code. Each such Employee Benefit Plan: (i) is the subject of an unrevoked favorable determination letter from the IRS with respect to such Employee Benefit Plan's qualified status under the Code, as amended by that legislation commonly referred to as "EGTRRA;" (ii) has a timely filed request for such a determination letter pending with the IRS, and has remaining a period of time under the Code or applicable Treasury Regulations or IRS pronouncements in which to adopt any amendments necessary to obtain such a letter; or (iii) is a prototype or volume submitter plan entitled, under applicable IRS guidance, to rely on the favorable opinion or advisory letter issued by the IRS to the sponsor of such prototype or volume submitter plan. Nothing has occurred, or is reasonably expected by the Company or any Principal Stockholder to occur, that could adversely affect the qualification or exemption of any such Employee Benefit Plan or its related trust or group annuity contract. No such Employee Benefit Plan is a "top-heavy plan," as defined in Section 416 of the Code.

(e) Neither the Company nor any ERISA Affiliate sponsors, maintains or contributes to or has ever sponsored, maintained or contributed to (or been obligated to sponsor, maintain or contribute to), or had any Liability with respect to, any (i) Multiemployer Plan, (ii) multiple employer plan within the meaning of Section 4063 or 4064 of ERISA or Section 413(c) of the Code, (iii) employee benefit plan that is subject to Section 302, 303, 304 or 305 of ERISA, Title IV of ERISA or Section 412, 430, 431, 432 or 436 of the Code, (iv) "multiple employer welfare arrangement," as defined in Section 3(40) of ERISA, or (v) self-insured medical plan (including any such plan pursuant to which a stop-loss policy or contract applies).

(f) Neither the Company nor any ERISA Affiliate has, nor could the Company or any ERISA Affiliate have, any obligation or Liability with respect to any "employee benefit plan" (as defined in Section 3(3) of ERISA) or any other employee benefit plan, fund, policy, program, contract, arrangement or practice solely by reason of being in a co-employer relationship with TriNet.

(g) None of the Employee Benefit Plans provides severance, life insurance, medical or other welfare benefits (within the meaning of Section 3(1) of ERISA) to any employee or former employee of the Company or any ERISA Affiliate after his or her retirement or other termination of employment, and neither the Company nor any ERISA Affiliate has ever represented, promised or contracted (whether in written or oral form) to any employee or former employee that such benefits would be provided, except to the extent required by Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

(h) There are no actions, suits or claims (other than routine claims for benefits) pending or, to the Knowledge of the Company, threatened with respect to (or against the assets of) any Employee Benefit Plan, nor is there any basis for any such action, suit or claim. No Employee Benefit Plan is currently under investigation, audit or review, directly or indirectly, by any Governmental Entity, and, to the Knowledge of the Company, no such action is contemplated or under consideration by any Governmental Entity.

(i) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement (either alone or upon the occurrence of any additional or subsequent event(s)) will: (i) entitle any individual to severance pay, unemployment compensation or any other payment from any of the Company, any ERISA Affiliate, Parent, any of Parent's affiliates or any Employee Benefit Plan; (ii) otherwise increase the amount of compensation due to any individual or forgive indebtedness owed by any individual; (iii) result in any benefit or right becoming established or increased, or accelerate the time of payment or vesting of any benefit under any Employee Benefit Plan, except as required by Section 411(d)(3) of the Code; or (iv) require the Company, any ERISA Affiliate, Parent or any of Parent's affiliates to transfer or set aside any assets to fund or otherwise provide for any benefits for any individual.

Section 3.15 **Employee Matters**.

(a) Except as set forth on Section 3.15(a) of the Disclosure Schedule, no director, officer or employee of the Company shall be entitled to any transaction bonuses, change-in-control payments, severance rights, deferred compensation payments, withdrawal liability under Multiemployer Plans and similar obligations that are triggered by the transactions contemplated in this Agreement. All employee bonus payments earned for the fiscal year ended December 31, 2010, have been paid in full to each employee of the Company.

(b) No employee of the Company is a party to, or otherwise bound by, any agreement, including any confidentiality, non-competition or proprietary rights agreement, between such employee and the Company or any other Person that materially adversely affects or will affect the performance of such employee's duties as an employee of the Company following the Closing. To the Knowledge of the Company, no officer or other key employee of the Company intends to terminate employment with the Company prior to, at or following the Closing.

(c) There is not presently any pending or, to the Knowledge of the Company, threatened: (i) strike, slowdown, picketing, work stoppage or employee grievance process affecting the Company; (ii) charge, grievance proceeding or other claim against or affecting the Company relating to the alleged violation of any Law pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission or any comparable Governmental Entity; (iii) union organizational activity or other labor or employment dispute against or affecting the Company; or (iv) application for certification of a collective bargaining agent with respect to the employees of the Company.

(d) The Company is in compliance in all material respects with the United States Immigration Reform and Control Act. The Company has in its files a Form I-9 that is validly and properly completed in accordance with Law for each employee with respect to whom such form is required by Law.

(e) To the Knowledge of the Company, no event has occurred or circumstances exist that could provide the basis for any work stoppage or other labor dispute with respect to the Company. There is no lockout of any employees of the Company, and no such action is contemplated by the Company.

(f) No current or former director, officer or employee of the Company has any claim against the Company (whether under Law, any employment agreement or otherwise) on account of or for: (i) overtime pay, other than overtime pay for the current payroll period; (ii) wages or salaries, other than wages or salaries for the current payroll period; (iii) vacations, holidays, sick leave, time off or pay in lieu of vacation, holiday, sick leave or time off, other than vacation, holiday, sick leave or time off (or pay in lieu thereof) earned in the 12-month period immediately prior to the date of this Agreement; or (iv) any other amounts (including bonuses, benefits, reimbursement of business expenses or other employment-related payments) other than amounts accrued for on the Financial Statements.

(g) To the Knowledge of the Company, and except to any extent accrued for in the Financial Statements: (i) no Liability has been incurred or is reasonably anticipated by the Company for any breach of contract of employment or for severance payments or for redundancy payments or protective awards or for compensation for unfair dismissal or for failure to comply with any order or directive of any Governmental Entity for the reinstatement or re-engagement of any employee or for sex or race or disability, discrimination or for any other Liability accruing from the termination or variation of any contract of employment or for services; and (ii) no gratuitous payment has been promised by the Company in connection with the actual or proposed termination, suspension or variation of any contract of employment of any present or former director, officer or employee or any dependant of any present or former director, officer or employee of the Company.

(h) Section 3.15(h) of the Disclosure Schedule contains a true, complete and correct list of all employees of the Company as of the date of this Agreement whose annual compensation exceeds $50,000, together with their respective base salaries, bonuses and positions. Section 3.15(h) of the Disclosure Schedule correctly states the number of employees laid off by the Company in the ninety (90) days preceding the date hereof.

(i) Except as set forth in Section 3.15(i) of the Disclosure Schedule, the employment of each of the Company's employees is terminable at will without cost to the Company except for payments required under the Employee Benefit Plans and the payment of accrued salaries or wages and vacation pay. No employee or former employee has any right to be rehired by the Company prior to their hiring a Person not previously employed by the Company.

(j) Except as reflected on the Financial Statements, there are no outstanding loans between the Company and any of its employees. No assurances or

undertakings have been given to any of the employees of the Company as to the continuation, introduction, increase or improvement of any terms and conditions, remuneration, benefits or other bonus or incentive scheme.

(k) The Company has not taken any action that was calculated to dissuade any present employees, representatives or agents of the Company from continuing their employment with the Company following the Closing.

(l) The Company has withheld all amounts required by Law or by agreement to be withheld from the wages, salaries, and other payments to employees, consultants and independent contractors; and has no Liability for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing. The Company does not have any Liability for any payment to any trust or other fund or to any Governmental Entity, with respect to unemployment compensation benefits, social security or other benefits or obligations for employees (other than routine payments to be made in the Ordinary Course of Business). There are no pending claims against the Company under any workers' compensation plan or policy or for long term disability.

(m) Except as set forth on Section 3.15(m) of the Disclosure Schedule, no Person has any agreement with the Company under which that Person acts as an independent contractor, consultant, or in a similar capacity for the Company whether on a full time or a part time or retainer basis or otherwise. All Persons performing services to the Company who are classified and treated as independent contractors qualify as independent contractors and not as employees under applicable Law.

Section 3.16 **Interested Party Transactions**. The Company is not indebted to any director, officer, employee, consultant or stockholder of the Company (except for current amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses), and, except as reflected on the Financial Statements, no such Person is indebted to the Company. Except as set forth on Section 3.16 of the Disclosure Schedule, no officer, director or stockholder of the Company owns or holds, directly or indirectly, any interest in (excepting holdings solely for passive investment purposes of securities of publicly held and traded entities constituting less than five percent (5%) of the equity of any such entity), or is an officer, director, employee or consultant of any Person that is, a competitor, lessor, lessee, licensor, licensee, customer, supplier or distributor of the Company or which conducts a business similar to any business conducted by the Company. No officer, director or stockholder of the Company (a) owns or holds, directly or indirectly, in whole or in part, any Company Intellectual Property, (b) has any claim, charge, action or cause of action against the Company, except for claims for reasonable unreimbursed travel or entertainment expenses, accrued vacation pay or accrued benefits under any Employee Benefit Plan existing on the date hereof, (c) has made, on behalf of the Company, any payment or commitment to pay any commission, fee or other amount to, or to purchase or obtain or otherwise contract to purchase or obtain any goods or services from, any other Person of which any officer, director or stockholder of the Company (or, to the Knowledge of the Company, a relative of any of the foregoing) is a partner or stockholder (except holdings solely for passive investment purposes of securities of publicly held and traded entities constituting less than five percent (5%) of the equity of any such entity) or (d) has any material interest in any property, real or personal, tangible or intangible, used in or pertaining to the business of the Company.

Section 3.17 **Real Property**.

(a) The Company does not own any real property (including any ownership interest in any buildings or structures and improvements located thereon).

(b) Section 3.17 of the of Disclosure Schedule sets forth a true, complete and correct list of all leases, subleases, licenses and other agreements (collectively, the "Real Property Leases") pursuant to which the Company uses or occupies or has the right to use or occupy, now or in the future, any real property (the land, buildings and other improvements covered by the Real Property Leases being herein called the "Leased Real Property"). The Company has provided to Parent true, complete and correct copies of each of the Real Property Leases of the Company. Each Real Property Lease (i) is a legal, valid, binding and enforceable obligation of the Company and, to the Knowledge of the Company, each other party thereto, (ii) is in full force and effect, and (iii) constitutes the entire agreement between the parties thereto and there are no other agreements, whether oral or written, between such parties. All rent and other sums and charges payable by the Company as tenant thereunder are current, no notice of default or termination under any Real Property Lease is outstanding, no termination event or condition or uncured default on the part of the Company exists under any Real Property Lease, and, to the Knowledge of the Company, no other party to any Real Property Lease is in default thereunder. To the Knowledge of the Company, no event has occurred and no condition exists which, with the giving of notice or the lapse of time or both, could reasonably be expected to constitute a default or termination event or condition under any Real Property Lease. The use and occupancy by the Company of the Leased Real Property is in compliance with all applicable Laws and insurance requirements. To the Knowledge of the Company, there is no material defect in any of the structural components of any improvement on any Leased Real Property or its electrical, plumbing, HVAC, life safety or other building systems. Except for the Real Property Leases, there are no leases, subleases or occupancy agreements in effect with respect to the Leased Real Property. There are no pending or, to the Knowledge of the Company, threatened or contemplated actions or proceedings regarding condemnation or other eminent domain actions or proceedings affecting the Leased Real Property or any part thereof or of any sale or other disposition of the Leased Real Property or any part thereof in lieu of condemnation.

Section 3.18 **Insurance**. The Company has policies of insurance and bonds of the type and in the amounts customarily carried by Persons conducting businesses or owning assets similar to those of the Company. Section 3.18 of the Disclosure Schedule contains a true, complete and correct list of the policies, contracts of insurance and bonds maintained by the Company, other than the Employee Benefits Plans listed on Section 3.14(a) of the Disclosure Schedule. All such policies and bonds are in full force and effect, all premiums due and payable to date under all such policies and bonds have been paid and the Company is otherwise in compliance with the terms of such policies and bonds. There is no claim pending under any such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. The Company has not received any notice of cancellation or non-renewal of any such policies or bonds from any of its insurance carriers or the issuers of such bonds, nor to the Company's Knowledge, is the termination of any such

policies or bonds threatened. None of such policies provides for any retrospective premium adjustment, experience-based liability or loss sharing arrangement affecting the Company. Section 3.18 of the Disclosure Schedule also contains a true, complete and correct list of all surety arrangements, self-insurance, retention, captive insurance or similar arrangements under any Law affecting the Company or the operations of the Company.

Section 3.19 **Internal Controls**. The Company (a) makes and keeps accurate books and records that fairly reflect the transactions and dispositions of properties and assets of the Company and (b) maintains internal accounting controls which provide reasonable assurance that (i) transactions are recorded as necessary to permit preparation of its financial statements in a manner consistent with the standards set forth in Section 3.4(a); (ii) receipts and expenditures are made only in accordance with general or specific authorizations of management and directors of the Company; (iii) access to its assets is permitted only in accordance with general or specific authorizations of management and directors of the Company; and (iv) the reported accounting for its assets and liabilities is compared with existing assets and liabilities at reasonable intervals.

Section 3.20 **Brokers' and Finders' Fees**. The Company has not incurred, nor will it incur, directly or indirectly, any Liability for brokerage or finders' fees or agents' commissions or investment bankers' fees or any similar charges in connection with this Agreement, the Merger or any of the Other Transactions.

Section 3.21 **Customers and Suppliers**. No material customer and no material supplier of the Company has canceled or otherwise terminated, or communicated any threat to the Company to cancel or otherwise terminate its relationship with the Company, or has decreased materially its services or supplies to the Company in the case of any such supplier, or its usage of the services or products of the Company in the case of any such customer, and to the Company's Knowledge, no such supplier or customer intends to cancel or otherwise terminate its relationship with the Company or to decrease materially its services or supplies to the Company or its usage of the services or products of the Company based on the Merger or otherwise.

Section 3.22 **Material Contracts**.

(a) Section 3.22(a) of the Disclosure Schedule contains a true, complete and correct list of the following contracts to which the Company is a party or by which any of its assets are bound (each contract so listed or required to be so listed being a "Material Contract") and, to the extent that a Material Contract is oral, Section 3.22(a) of the Disclosure Schedule contains an accurate description of the material terms thereof, and each Material Contract is listed under a heading in Section 3.22(a) of the Disclosure Schedule that corresponds with the applicable clause among the following to which such Material Contract relates:

(i) each distributor, sales, advertising, agency or manufacturer's representative contract;

(ii) each continuing contract for the purchase of materials, supplies, equipment or services involving in the case of any such contract more than $25,000 over the life of the contract;

(iii) each contract, commitment or agreement relating to the acquisition by the Company of any assets, operating business or capital stock of any other Person, the participation in a joint venture or similar arrangement with any other Person or the making of any other investment in any other Person;

(iv) each contract or commitment granting exclusive marketing or distribution or other exclusive rights;

(v) each contract, commitment, offer or proposal made by or binding upon the Company to any customer or potential customer for the sale of Products or services (other than purchase orders acknowledged by the Company in the Ordinary Course of Business which are subject to such Person's standard terms and conditions of sale as made available to Parent and are reflected in the Company's books and records);

(vi) each contract that expires or may be renewed at the option of any Person other than the Company so as to expire more than one (1) year after the date of this Agreement;

(vii) each trust indenture, mortgage, promissory note, loan agreement or other contract or instrument relating to Indebtedness, any currency exchange, commodities or other hedging arrangement or any leasing transaction of the type required to be capitalized in accordance with GAAP, consistently applied;

(viii) each contract or commitment for capital expenditures in excess of $25,000 in the aggregate;

(ix) each contract or commitment limiting the freedom of the Company or, to the Company's Knowledge, any of its employees to engage in any line of business or to compete with any other Person;

(x) each contract containing any form of most-favored provisions in favor of any supplier or customer of the Company;

(xi) each contract purporting to impose confidentiality or nondisclosure obligations on the Company or, to the Company's Knowledge, any of its employees, other than such contracts between the Company and its respective employees;

(xii) each contract for the lease of any machinery, equipment, motor vehicles, office furniture, fixtures or other personal property;

(xiii) each employment agreement or any other agreement that contains any deferred compensation, severance pay or termination pay Liabilities;

(xiv) plans, contracts or arrangements with respect to Employee Benefit Plans;

(xv) each contract with any stockholder, officer, director, affiliate or associate of the Company, or any family member thereof except the grant of Company Options;

(xvi) each collective bargaining agreement, labor contract or similar agreement governing any employee of the Company;

(xvii) each agreement of guarantee, support, indemnification, assumption or endorsement of, or any similar contract or commitment with respect to, Liabilities or Indebtedness of any other Person;

(xviii) each Government Contract and each Government Subcontract;

(xix) each Transaction Bonus Agreement; and

(xx) each other contract not entered into in the Ordinary Course of Business.

(b) The Company has delivered to Parent a true, correct and complete copy of each written Material Contract.

(c) With respect to each Material Contract (i) such Material Contract is legal, valid and binding, in full force and effect and enforceable in accordance with its terms against the Company and, to the Company's Knowledge, against each other party thereto, and such Material Contract will continue to be so legal, valid, binding, in full force and effect and enforceable on identical terms upon the consummation of the Merger and the Other Transactions; (ii) the Company is not and, to the Company's Knowledge, no other party thereto is in breach of or default under such Material Contract, and no party thereto has given to any other party thereto written notice alleging that such a breach or default occurred; (iii) no event has occurred that (with or without the passage of time or giving of notice) would constitute a material breach or default of, or permit termination, modification, acceleration or cancellation of, such Material Contract or of any material right or Liability thereunder; (iv) the Company has not waived any material right under such Material Contract; (v) no party to such Material Contract has terminated, modified, accelerated or canceled such Material Contract or any material right or Liability thereunder or communicated such party's desire or intent to do so; (vi) the Company has not received any prepayment under such Material Contract for any service that has not been fully performed or Product that has not been supplied; and (vii) if the parties to such Material Contract are performing under terms that have expired by the express terms of such Material Contract, then Section 3.22(c) of the Disclosure Schedule identifies such expiration and describes the material terms under which such parties continue to perform.

(d) Section 3.22(d) of the Disclosure Schedule lists all contracts and agreements to which the Company is a party or by which its properties or assets are bound that require a notice, novation, waiver, consent or approval, as the case may be, in connection with the consummation of the Merger or the Other Transactions.

Section 3.23 **Accounts Receivable and Payable**. Subject to any reserves set forth in the Interim Balance Sheet, all accounts receivable of the Company shown on the Interim Balance Sheet and all accounts receivable of the Company arising from and after the date of the Interim Balance Sheet and to including the Closing Date, are valid receivables subject to no setoffs or counterclaims, represent and will represent bona fide claims against debtors for sales and other charges, and are not subject to discount except for normal cash and immaterial trade discounts. The amount carried for doubtful accounts and allowances disclosed in the Interim Balance Sheet are sufficient to provide for any losses which may be sustained on realization of the receivables. The amounts carried as reserves for expenses, including all expenses for services rendered and goods purchased, and warranty claims on the Interim Balance Sheet are sufficient for the payment of (a) expenses incurred prior to the Closing Date, other than Transaction Expenses, (b) current warranty claims and (c) warranty claims which arise prior to twelve (12) months from the date of the Interim Balance Sheet. There are no unpaid invoices or bills representing amounts alleged to be owed by the Company, or other alleged obligations of the Company, which the Company has disputed or determined to dispute or refuse to pay.

Section 3.24 **Inventory**. The inventories of the Company, whether shown on the Interim Balance Sheet or thereafter acquired by the Company, consist of items of a quantity and quality usable or salable in the Ordinary Course of Business. Since the date of the Interim Balance Sheet, the Company has continued to replenish inventories in a normal and customary manner consistent with past practices. The Company has not received written or oral notice that it will experience in the foreseeable future any material difficulty in obtaining, in the desired quantity and quality and at a reasonable price and upon reasonable terms and conditions, the raw materials, supplies or component products required for the manufacture, assembly or production of its products. The values at which inventories are carried reflect the inventory valuation policy of the Company, consistently applied. Since the date of the Interim Balance Sheet, due provision was made on the books of the Company in the Ordinary Course of Business to provide for all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values and such inventory reserves are adequate to provide for such slow-moving, obsolete or unusable inventory and inventory shrinkage.

Section 3.25 **Propriety of Past Payments**.

(a) No unrecorded fund or asset of the Company has been established for any purpose;

(b) no accumulation or use of corporate funds of the Company has been made without being properly accounted for in the books and records of the Company;

(c) no payment has been made by or on behalf of the Company with the understanding that any part of such payment is to be used for any purpose other than that described in the documents supporting such payment; and

(d) none of the Company, any director, officer, employee or agent of the Company or any other Person associated with or acting for or on behalf of the Company has, directly or indirectly, made any illegal contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any Person, private or public, regardless of form, whether

in money, property or services, (i) to obtain favorable treatment for the Company or any affiliate of the Company in securing business, (ii) to pay for favorable treatment for business secured for the Company or any affiliate of the Company, (iii) to obtain special concessions, or for special concessions already obtained, for or in respect of the Company or any affiliate of the Company or (iv) otherwise for the benefit of the Company or any affiliate of the Company in violation of any Law. None of the Company or any director, officer, employee, agent, or other Person acting for or on behalf of the Company, has (x) used funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity or (y) accepted or received any unlawful contribution, payment, gift, kickback, expenditure or other item of value.

Section 3.26 **Company Information Statement**. None of the information supplied, or to be supplied, by or on behalf of the Company included in the Information Statement will, at the date mailed to the Company's stockholders or option holders and at the effectiveness of the Stockholder Consent, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading when the Information Statement (including all attachments, exhibits and amendments thereto) is read in its entirety, including any risk factors and other disclosure contained in the Information Statement and any amendments thereto.

Section 3.27 **Representations Complete**. None of the representations or warranties made by the Company herein or in the Disclosure Schedule or any certificate furnished by the Company pursuant to this Agreement, when all such documents are read together in their entirety, contains or will contain at the Closing Date any untrue statement of a material fact, or omit or will omit at the Closing Date to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which made, not misleading. The Company has not failed to disclose to Parent herein or in the Disclosure Schedule any facts material to the business, results of operations, assets, Liabilities, financial condition or prospects of the Company.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES CONCERNING THE PRINCIPAL STOCKHOLDERS

Each Principal Stockholder, severally and not jointly, represents and warrants to Parent and Merger Sub as of the date hereof and as of the Closing Date as follows:

Section 4.1 **Capacity; Authority**. Each Principal Stockholder has the capacity and authority to enter into this Agreement and the other Transaction Documents to which such Principal Stockholder is a party and to make and perform the representations, warranties, covenants and agreements contained herein and therein. This Agreement and the other Transaction Documents to which such Principal Stockholder is a party have been duly executed and delivered by such Principal Stockholder and constitute the valid and binding obligations of such Principal Stockholder enforceable against such Principal Stockholder in accordance with its terms, except to the extent that enforceability may be limited by the effect, if any, of any applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the

enforcement of creditors' rights generally or any general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. Neither the execution and delivery by such Principal Stockholder of this Agreement nor the consummation of the Merger or the Other Transactions will conflict with, or result in any breach or violation of, or default under (with or without notice or lapse of time, or both) or give rise to a right of termination, cancellation or obligation or loss of any benefit under (a) any mortgage, indenture, lease, contract, agreement, instrument or understanding to which such Principal Stockholder is a party or to which any of such Principal Stockholder's properties or assets is bound or (b) any Law applicable to such Principal Stockholder or any of such Principal Stockholder's properties or assets. No notice to, filing with, and no permit, authorization, consent or approval of, any Person is necessary for the execution and delivery of this Agreement by such Principal Stockholder or the consummation of the Merger or the Other Transactions, other than the filing of the Certificate of Merger with the Secretary of State and approval of this Agreement and the Merger by the Company Stockholders as described in Section 3.3(b).

Section 4.2 **Title to Shares**. Such Principal Stockholder has good and valid title to the shares of Company Capital Stock set forth next to such Principal Stockholder's name on Schedule 1-A, free and clear of any Lien, other than restrictions imposed by securities Laws applicable to securities generally.

Section 4.3 **Brokers' and Finders' Fees**. Such Principal Stockholder has not incurred, nor will incur, directly or indirectly, any Liability for brokerage or finders' fees or agents' commissions or investment bankers' fees or any similar charges in connection with this Agreement, the Merger or the Other Transactions for which Parent, Merger Sub, the Company or the Surviving Corporation is or may become liable.

ARTICLE V

REPRESENTATIONS AND WARRANTIES CONCERNING PARENT AND MERGER SUB

Parent and Merger Sub, jointly and severally, represent and warrant to the Company and the Principal Stockholders as of the date hereof and as of the Closing Date as follows:

Section 5.1 **Organization, Standing and Power**. Parent is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, and Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each of Parent and Merger Sub has the requisite corporate power and authority to own its respective properties and to carry on its respective business as now being conducted and as currently proposed to be conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the ownership or leasing of its respective properties or assets or the conduct of its respective business requires such qualification, except where the failure to be so qualified or in good standing has not had and would not reasonably be expected to have a Material Adverse Effect on Parent and its subsidiaries, taken as a whole.

Section 5.2 **Authority**. Each of Parent and Merger Sub has the requisite corporate power and authority to enter into this Agreement and to consummate the Merger and the Other Transactions. The execution and delivery of this Agreement and the consummation of the Merger and the Other Transactions have been duly authorized by all necessary corporate action on the part of each of Parent and Merger Sub. This Agreement has been duly executed and delivered by each of Parent and Merger Sub and constitutes the valid and binding obligations of Parent or Merger Sub, as applicable, enforceable against Parent or Merger Sub, as applicable, in accordance with its terms, except to the extent that enforceability may be limited by the effect, if any, of any applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally or any general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity. Neither the execution and delivery by Parent or Merger Sub of this Agreement nor the consummation of the Merger or the Other Transactions will conflict with, or result in any breach or violation of, or default under (with or without notice or lapse of time, or both) or give rise to a right of termination, cancellation or obligation or loss of any benefit under (a) any provision of the Certificate of Incorporation or Bylaws, or other equivalent charter documents, as applicable, of Parent or Merger Sub, (b) any mortgage, indenture, lease, contract, agreement, instrument or understanding to which Parent or Merger Sub is a party or to by which any of Parent's or Merger Sub's properties or assets is bound or (c) any Law applicable to Parent or Merger Sub or any of their respective properties or assets, except, in the case of clauses (b) and (c) above, any such conflicts, breaches, violations, defaults, rights or losses, which would not, individually or in the aggregate, prevent or materially and adversely delay the consummation by Parent or Merger Sub of the Merger or the Other Transactions or result in a Material Adverse Effect with respect to Parent and its subsidiaries, taken as a whole. Except for the consent of RBS Business Capital, a division of RBS Asset Finance, Inc., no notice to, filing with, and no permit, authorization, consent or approval of, any Person is necessary for the execution and delivery of this Agreement by Parent and Merger Sub or the consummation of the Merger and the Other Transactions, other than the filing of the Certificate of Merger with the Secretary of State and approval of this Agreement and the Merger by Parent as the sole stockholder of Merger Sub.

Section 5.3 **Litigation**. There is no private or governmental action, suit, proceeding, inquiry, claim, charge, grievance, arbitration or investigation by or pending before any Governmental Entity, or, to the Knowledge of Parent, threatened against Parent or any of its subsidiaries, any of their respective properties or any of their respective officers or directors (in their capacities as such), which questions or challenges the validity of any Transaction Document, the Merger or any of the Other Transactions; and there is no valid basis for any such action, suit, proceeding, inquiry, claim, charge, grievance, arbitration or investigation which could reasonably be expected to have a Material Adverse Effect on Parent and its subsidiaries, taken as a whole. There is no judgment, decree or order against Parent or any of its subsidiaries or to which Parent or any of its subsidiaries is subject, or to which any of its directors or officers (in their capacities as such) is subject, that could prevent, enjoin, or materially alter or delay the Merger or any of the Other Transactions.

Section 5.4 **Brokers' and Finders' Fees**. Neither Parent nor Merger Sub has incurred, or will incur, directly or indirectly, any Liability for brokerage or finders' fees or agents' commissions or investment bankers' fees or any similar charges in connection with this Agreement, the Merger or the Other Transactions for which the Company Stockholders are or may become liable.

ARTICLE VI

PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the date hereof and the Closing:

Section 6.1 **General**. Prior to the Closing, upon the terms and subject to the conditions of this Agreement, the Parties agree to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable (subject to any applicable Laws) to consummate the Merger and the Other Transactions as promptly as practicable (including satisfaction, but not waiver, of the Closing conditions set forth in Article VIII); *provided*, *however*, that nothing in this Agreement requires, or will be construed to require, any of the Parties to take, or to refrain from taking, any action (including agreeing to any concession or arrangement with any Governmental Entity or other Person that would impose any material obligation on such Party) that would result in any restriction or divestiture with respect to any properties, assets, business or operations of such Party or its affiliates, or to cause its affiliates to do or agree to do any of the foregoing, whether prior to or following the Closing. Without limiting any other provision of this Agreement, the Principal Stockholders shall cause the Company to perform and comply with all covenants and agreements to be performed or complied with by the Company on or before the Closing.

Section 6.2 **Notices and Consents**. The Company and the Principal Stockholders shall give all notices to third parties and use reasonable best efforts to obtain all consents necessary in connection with the Merger and the Other Transactions as expeditiously as possible. No such consent shall include any condition or qualification that would result in or constitute an adverse change in the terms of any Material Contract, unless otherwise agreed to by Parent. Any instrument evidencing any consent to be obtained or notice to be given prior to the Closing shall be in form reasonably satisfactory to Parent. The Company and the Principal Stockholders will provide to Parent complete copies of all letters, applications or other documents prior to their submission to or promptly after receipt from any Governmental Entity or other third party with respect to each consent and notice, and will afford Parent the opportunity to comment on any letter, application and other document to be submitted. The Company and the Principal Stockholders will promptly and regularly advise Parent concerning the status of each such consent and notice, including any difficulties or delays experienced in obtaining any consent and of any conditions required for any consent.

Section 6.3 **Operation of Business**. Without the prior written consent of Parent, the Company shall not engage in any practice, take any action or enter into any agreement or transaction outside the Ordinary Course of Business, except for any action expressly contemplated under this Agreement. Without limiting the generality of the foregoing, without the prior written consent of Parent, and unless otherwise expressly provided in this Agreement, the Company shall not (a) issue, or agree to issue, any capital stock, stock option or other securities of the Company or repurchase or cancel any of its capital stock, (b) incur any

Indebtedness or otherwise encumber any of its assets, (c) declare, set aside, or pay any dividend or make any distribution with respect to its capital stock or enter into any agreement with the Company's stockholders, (d) dispose of any properties or assets other than sales of inventory to customers in the Ordinary Course of Business, (e) increase the compensation of the Company's employees or establish any new compensation plan, (f) make or authorize any amendments to the Company Articles or Company Bylaws, (g) increase its stock of raw material, work in progress and finished goods inventory by more than $25,000 in the aggregate, (h) enter into any contracts or commitments or incur any expense (including the issuance of purchase orders) with a value or requiring payments in excess of $1,000 individually or $25,000 in the aggregate, or which vary from the Company's normal pricing and standard terms, (i) hire any employee or consultant or terminate the employment of any such person, or (j) otherwise engage in any practice, take or fail to take any action or enter into any agreement or transaction that would cause the representations and warranties of the Company contained herein to be untrue at any time between the date hereof and the Closing or that would be likely to result in a Material Adverse Effect.

Section 6.4 **Preservation of Business**. The Company will keep its business, assets and properties substantially intact, including its present operations, physical facilities, working conditions and relationships with licensors, suppliers, customers and employees, and operate such business in a manner consistent with its past practices, including all accounting policies and capital expenditures.

Section 6.5 **Full Access and Cooperation**. The Company will permit Parent and its representatives to have full access at all reasonable times, and in a manner so as not to unreasonably interfere with the normal business operations of the Company, to all premises, properties, personnel, books, records (including Tax records and patent application files), contracts and documents of or pertaining to the Company and permit Parent and its representatives to make such copies and inspections thereof as may reasonably be requested.

Section 6.6 **Notice of Developments**. The Company and the Principal Stockholders will give prompt written notice to Parent of (a) any material breach or inaccuracy of any representation or warranty of the Company or the Principal Stockholders (including those in Article III and Article IV hereof) or any material breach or nonperformance of any covenant or agreement of the Company or the Principal Stockholders (including those in this Article VI), (b) the occurrence of any material damage to or loss or destruction of any properties or assets owned or leased by the Company (whether or not insured), or (c) the occurrence or threatened occurrence of any event or condition which resulted in, or could reasonably be likely to result in, a Material Adverse Effect. No disclosure by the Company or the Principal Stockholders pursuant to this Section 6.6 shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach or inaccuracy of warranty or breach or nonperformance of covenant or agreement. As soon as such information becomes available, and in any event not more than thirty (30) days after the end of each fiscal month, the Company shall provide to Parent the Monthly Financial Statements for such month together with a list of the ages and amounts of all accounts and notes due and uncollected as of the end of such month.

Section 6.7 **Information Statement; Stockholder Approval**.

(a) As soon as possible, but in any event, within three (3) Business Days after the execution of this Agreement by the Company, the Company shall prepare an information statement (the "Information Statement") for use in connection with the solicitation of appropriate consents from the Company Stockholders. The Information Statement shall include a statement to the effect that the Company Board unanimously recommends that the Company Stockholders vote to adopt this Agreement and the Merger (the "Company Board Recommendation"). Parent shall have the right to review and comment on the Information Statement (including amendments and supplements) prior to dissemination, and the Company shall not unreasonably refuse to incorporate Parent's comments thereto.

(b) As soon as reasonably practicable after the execution of this Agreement and after the completion of the Information Statement, the Company shall (i) deliver such Information Statement, together with a copy of this Agreement and a Notice of Appraisal Rights pursuant to Section 262 of the DGCL, to each Company Stockholder and use commercially reasonable efforts to cause each such Company Stockholder to execute and deliver a Stockholder Transmittal Letter and (ii) take all action necessary under applicable Law to obtain the requisite consents of the Company Stockholders to this Agreement and the Merger (the "Stockholder Consent"), in each case in accordance with the DGCL. The Company will, through the Company Board, recommend to the Company Stockholders the approval and adoption of this Agreement, the Merger and the Other Transactions and use its commercially reasonable efforts to solicit and obtain the Required Stockholder Approval. The Company will not take any action to delay or postpone the solicitation of the Stockholder Consent without the prior written consent of Parent. The Company will comply with all requirements of the DGCL and other applicable Laws in connection with the solicitation of the Stockholder Consent, including all notice and disclosure requirements with respect to the Company Stockholders.

(c) The Company shall give Parent prompt notice, if at any time prior to the Closing Date the Company shall obtain Knowledge of any facts that make it necessary to amend or supplement the Information Statement in order to make the statements contained therein not misleading when read in its entirety, including any risk factors and other disclosure contained in the Information Statement, including any amendments thereto, and to the extent required by applicable Law, an appropriate amendment or supplement describing such information shall be promptly disseminated by the Company to the Company Stockholders and Qualifying Option Holders. The Information Statement (or any amendment or supplement thereto) shall not include any information about or concerning Parent without Parent's prior consent.

Section 6.8 **Exclusivity**.

(a) From and after the date hereof and until the earlier of the Closing or the termination of this Agreement in accordance with its terms, the Company and the Principal Stockholders shall, and shall cause their respective officers, directors, employees, advisors, representatives or agents to, immediately terminate all discussions which have already been commenced regarding any transaction that would be entered into by the Company or the Company Stockholders in lieu of the Merger, or which would materially interfere with the

Merger or any of the Other Transactions, including a sale of any assets of the Company, a sale (whether by sale of stock, merger or otherwise) of the Company Capital Stock, or any material debt or equity financing in respect of the Company (each, individually, an "Alternate Transaction").

(b) From and after the date hereof and until the earlier of the Closing or the termination of this Agreement in accordance with its terms, the Company and the Principal Stockholders agree not to (i) communicate with or enter into discussions or agreements or understandings with (or provide any information or access to facilities or encouragement or advice to) any other Person regarding an Alternate Transaction or (ii) solicit or knowingly encourage the submissions of offers, proposals or indications of interest for an Alternate Transaction.

Section 6.9 **Intentionally Omitted**.

Section 6.10 **Termination of Plans**. Prior to the Closing Date, the Company shall (a) terminate each Employee Benefit Plan that is intended to constitute a 401(k) plan (each, a "401(k) Plan") effective no later than the day immediately preceding the Closing Date, (b) adopt any and all amendments to each 401(k) Plan as may be necessary to ensure compliance with all applicable requirements of the Code (including all qualification requirements), and (c) take all other action(s) as Parent may direct, unless Parent notifies the Company in writing at least five (5) days prior to the Closing Date that Parent agrees to sponsor and maintain (or to allow the Surviving Corporation to continue to sponsor and maintain) such 401(k) Plan after the Effective Time. Unless Parent provides the notice described in the preceding sentence to the Company, the Company shall, prior to the Closing Date, provide Parent with evidence reasonably satisfactory to Parent that (i) each 401(k) Plan has been terminated effective no later than the day before the Closing Date pursuant to resolutions of the Company Board, (ii) each 401(k) Plan has been amended as described above (the form and substance of such resolutions and amendments shall be subject to the prior review and approval of Parent), and (iii) the Company has taken all other action(s) directed by Parent with respect thereto.

ARTICLE VII

ADDITIONAL AGREEMENTS

Section 7.1 **General**. In case at any time after the Closing any further action is necessary to carry out the purposes of the Transaction Documents, the Merger and the Other Transactions, each Party hereto and Stockholders' Agent shall take such further action (including the execution and delivery of such further instruments and documents) as any other Party or Stockholders' Agent reasonably may request, all at the requesting party's cost and expense (unless the requesting party is entitled to indemnification therefor under Article X below).

Section 7.2 **Press Releases and Public Announcements**. Except as otherwise required by applicable Law, the Company and the Principal Stockholders will not, and will not permit any of their respective affiliates, representatives or advisors to, issue or cause the publication of any press release or make any other public announcement, including any tombstone advertisements, or any announcements to employees, customers or suppliers of the

Company with respect to the Merger or the Other Transactions without the consent of Parent. Parent shall be permitted to issue or cause the publication of a press release or make a public announcement with respect to the Merger and the Other Transactions. The Parties shall cooperate with each other in the development and distribution of any press releases and other public announcements with respect to this Agreement, the Merger and the Other Transactions, and shall furnish the other with drafts of any such releases and announcements as far in advance as reasonably possible.

Section 7.3 **Appointment of Stockholders' Agent**.

(a) Without any further act of any Company Stockholder, Qualifying Option Holder, or Bonus Pool Recipient, Stockholders' Agent is hereby irrevocably constituted and appointed as agent and true and lawful attorney in fact for each Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient with full power of substitution or resubstitution, solely for the purposes set forth herein, such appointment being coupled with an interest and irrevocable.

(b) Stockholders' Agent will act as the representative of each Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient, and is authorized to act on behalf of each Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient under this Agreement and any other Transaction Document or in connection with the Merger or any of the Other Transactions, including receipt of any notice or service of process in connection with any Claim (all of which will be deemed delivered or served upon all Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients upon delivery to Stockholders' Agent). No bond shall be required of Stockholders' Agent, and Stockholders' Agent shall receive no compensation for his services. Notices or communications from Stockholders' Agent shall constitute notices or communications from each of the Company Stockholders, Qualifying Option Holders, and Bonus Pool Recipients.

(c) Stockholders' Agent shall not be liable for any act done or omitted hereunder as Stockholders' Agent while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith. Each Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient shall severally indemnify Stockholders' Agent and hold him harmless against any loss, Liability or expense incurred without gross negligence or bad faith on the part of Stockholders' Agent and arising out of or in connection with the acceptance or administration of his duties hereunder to the extent that the Representative Fund is not sufficient to cover any such amounts.

Section 7.4 **Actions of Stockholders' Agent**. A decision, act, consent or instruction of Stockholders' Agent shall constitute a decision of all of the Company Stockholders, Qualifying Option Holders, and Bonus Pool Recipients and shall be final, binding and conclusive upon each and every Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient. Parent and the Surviving Corporation may rely upon any decision, act, consent or instruction of Stockholders' Agent as being the decision, act, consent or instruction of each and every Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient. Parent and the Surviving Corporation are hereby relieved from any Liability to any Person for any acts done by Parent or the Surviving Corporation, as applicable, in accordance with such decision, act, consent or instruction of Stockholders' Agent.

Section 7.5 **Tax Matters**.

(a) Preparation and Filing of Tax Returns. Parent shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Company for all taxable periods to the extent such Tax Returns are filed or required to be filed on or after the Closing Date. If requested by the Stockholders' Agent, Parent shall allow the Stockholders' Agent to review and comment on each income Tax Return prepared or caused to be prepared by Parent (to the extent such income Tax Return could affect any obligation of the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients under this Agreement) at the Stockholders' Agent's sole cost and expense. Parent shall consider in good faith all reasonable comments of the Stockholders' Agent with respect to such income Tax Returns prior to filing. Any compensation deductions arising in connection with the transactions contemplated by this Agreement shall, to the maximum extent permitted by law, be allocated to the Tax period of the Company that begins on the day following the Closing Date.

(b) Liability for Taxes. Immediately upon written demand from Parent, the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients shall severally but not jointly reimburse Parent for all Taxes of the Company for any Tax period ending on or before the Closing Date (a "Pre-Closing Tax Period") and for the Company Stockholders', Qualifying Option Holders' and Bonus Pool Recipients' portion (as determined pursuant to clause (c) below) of all Taxes of the Company for any Straddle Period. Parent shall be responsible for all Taxes of the Company for any Tax period that begins after the Closing Date (a "Post-Closing Tax Period") and for its portion (as determined pursuant to clause (c) below) of all Taxes of the Company for any Straddle Period. Any amounts paid by the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients to Parent pursuant to this Section 7.5(b) shall be treated as an adjustment to the Adjusted Consideration unless otherwise required by Law.

(c) Apportionment of Straddle Period Income Taxes. With respect to any Straddle Period, the Taxes attributable to such Straddle Period shall be apportioned between the period of the Straddle Period that begins on the first day of the Straddle Period and ends on the Closing Date (the "Pre-Closing Straddle Period"), which portion shall be the responsibility of the Company Stockholders, the Qualifying Option Holders and the Bonus Pool Recipients, and the period of the Straddle Period that begins on the Closing Date and ends on the last day of the Straddle Period ("Post-Closing Straddle Period"), which portion shall be the responsibility of Parent. The portion of the Tax allocated to the Pre-Closing Straddle Period shall (i) in the case of any property or similar ad valorem Taxes be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period; and (ii) in the case of any other Taxes be deemed equal to the amount that would be payable if the relevant taxable period ended on the Closing Date. The portion of the Tax allocated to the Post-Closing Straddle Period shall equal the balance of the income Tax attributable to the Straddle Period.

(d) Cooperation. Parent, the Principal Stockholders and the Stockholders' Agent shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of any Tax Return or claim for refund and any audit, litigation or other proceeding with respect to the Company's Taxes. Upon request, Parent, the Principal Stockholders and the Stockholders' Agent shall provide each other with the information that either party is required to report pursuant to the Code.

(e) Control of Audit or Tax Litigation. Parent shall control any audit, litigation or other proceeding regarding any Taxes of the Company. Parent shall permit the Stockholders' Agent to review and comment on any documents in connection with such audit, litigation or other proceeding and shall take any reasonable comments into consideration prior to filing any document.

(f) Transfer Taxes. The Company or Parent shall be liable for and pay all sales, use, transfer, real property transfer, documentary, recording, gains, stock transfer and similar Taxes and fees, and any deficiency, interest or penalty asserted with respect thereto, but excluding any Tax based upon or measured by gross or net receipts of gross or net income (collectively, "Transfer Taxes"), arising out of or in connection with the transactions effected pursuant to this Agreement. The Company or Parent shall timely file or cause to be filed all necessary documentation and Tax Returns with respect to such Transfer Taxes.

(g) S Election. Upon Parent's election, the Company and each Company Stockholder shall file the election provided for under Section 1362(a) of the Code with respect to the Company (the "S Election"). The S Election shall request an effective date of January 1, 2010. The Company Stockholders shall execute at the Closing IRS Form 2553.

(h) 338(h)(10) Election. Upon Parent's election, provided that the S Election is approved by the IRS with an effective date of January 1, 2010, the Company and each Company Stockholder shall join with Parent to make the election provided for under Section 338(h)(10) of the Code with respect to the acquisition of the Company Capital Stock pursuant to this Agreement (the "Section 338(h)(10) Election"). Parent and the Company Stockholders shall execute at the Closing IRS Form 8023. Notwithstanding any provision of this Agreement to the contrary, Parent shall cause the Company to pay any Taxes of the Company that arise out of or relate to the Section 338(h)(10) Election, and any the Company Stockholders shall not have any liability with respect to such Taxes. In the event the Section 338(h)(10) Election is made, Parent shall pay each Company Stockholder an additional payment (a "Make-Whole Payment") in an amount equal to the sum of (i) the excess (if any) of (A) the total amount of Taxes payable by such Company Stockholder upon the transfer of his Company Capital Stock as contemplated in this Agreement assuming that the Section 338(h)(10) Election is made over (B) the total amount of Taxes that would have been payable by such Company Stockholder with respect to the transfer of his Company Capital Stock as contemplated in this Agreement without the Section 338(h)(10) Election, plus (ii) the amount of any Taxes actually payable as a result of the receipt by such Company Stockholder of such excess amount described in clause (i), including any Taxes payable with respect to such additional amount. Promptly following completion of the Allocation (as defined below), each Company Stockholder shall determine the amount of its Make-Whole Payment and provide such determination to Parent for its review and approval, which shall not be unreasonably withheld or delayed. In computing the amount of a Company

Stockholder's Make-Whole Payment, such Company Stockholder shall be deemed to be subject to the highest marginal federal, state, and local tax rates applicable to such Company Stockholder, and any items of income, deduction, gain, loss, or credits of such Company Stockholder or the Company not arising from the payments made pursuant to this Agreement shall be excluded. Upon approval by Parent of a Make-Whole Payment, Parent shall pay the amount of such Make-Whole Payment to the applicable Company Stockholder. Each Company Stockholder shall cooperate with Parent in connection with the determination of such Company Stockholder's Make-Whole Payment and shall promptly provide all information reasonably requested by Parent in connection with its review. For purposes of this Agreement, any Make-Whole Payment shall be treated as additional consideration for the Company Capital Stock.

(i) Allocation In Connection With 338(h)(10) Election. In the event the Section 338(h)(10) Election is made, the aggregate consideration paid to the Company Stockholders (and amounts paid on or as of the Closing Date to Qualifying Option Holders and Bonus Pool Recipients) pursuant to this Agreement, liabilities of the Company and other relevant items shall be allocated among the Company's assets in accordance with the rules of Section 338 of the Code. In connection with any Section 338(h)(10) Election, as soon as practicable after the Closing Date, Parent, the Company and the Stockholders' Agent shall together in good faith: (i) determine and agree upon the "aggregate deemed sale price" of the Company (within the meaning of, and in accordance with, Treasury Regulations Section 1.338-4(a)) and (ii) determine and agree upon the proper allocations (the "Allocation") of the "aggregate deemed sale price" among the respective assets of the Company (in accordance with Section 338(b)(5) of the Code). Parent, the Company and the Company Stockholders shall take no position inconsistent with such determinations and Allocation on any applicable Tax Return, in any proceeding before any Taxing authority or otherwise.

Section 7.6 **Confidential Information**. From and after the Closing, each Principal Stockholder and Stockholders' Agent will treat and hold as confidential all information concerning the business and affairs of the Company and Parent that is not already generally available to the public (the "Confidential Information"), refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Parent or the Company or destroy, at the request and option of Parent, all tangible embodiments (and all copies) of any Confidential Information that are in his possession. In the event that any Principal Stockholder or Stockholders' Agent is requested or required (pursuant to written or oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, such Principal Stockholder or Stockholders' Agent will notify Parent promptly of the request or requirement so that Parent or the Company may seek an appropriate protective order or waive compliance with the provisions of this Section 7.6. If, in the absence of a protective order or the receipt of a waiver hereunder, any Principal Stockholder is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, such Principal Stockholder or Stockholders' Agent may disclose the Confidential Information to the tribunal; *provided*, *however*, that the disclosing Principal Stockholder shall use his best efforts to obtain, at the reasonable request of Parent, and at Parent's cost, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Parent shall designate. The terms of this Agreement shall be deemed Confidential Information.

ARTICLE VIII

CONDITIONS TO THE CLOSING

Section 8.1 **Conditions to Obligations of Each Party**. The respective obligations of each Party to consummate the Merger and the Other Transactions shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, by agreement of all the Parties (to the extent permitted by applicable Law):

(a) No Injunctions or Restraints; Illegality. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the consummation of the Merger or the Other Transactions shall be in effect, nor shall any proceeding brought by any Governmental Entity seeking any of the foregoing be pending; nor shall there be any action taken, or any statute, rule, regulation or order enacted, entered or enforced, which makes the consummation of the Merger or any of the Other Transactions illegal. In the event an injunction or other order shall have been issued, each Party agrees to use its reasonable best efforts to have such injunction or other order lifted.

(b) Governmental Approval. The Parties shall have timely obtained from each Governmental Entity all approvals, waivers and consents, if any, necessary for consummation of, or in connection with, the Merger and the Other Transactions.

(c) Stockholder Approval. The Company shall have obtained the Required Stockholder Vote, and such Required Stockholder Vote shall not have been rescinded or modified in any regard.

(d) Option Holder Transmittal Letter. Each Option Holder shall have executed and delivered to the Company an Option Holder Transmittal Letter.

Section 8.2 **Additional Conditions to Obligations of the Company**. The obligations of the Company to consummate the Merger and the Other Transactions shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, by the Company, in the Company's sole discretion:

(a) Representations, Warranties and Covenants. The representations and warranties of Parent and Merger Sub in this Agreement shall be true, complete and correct in all material respects (except for such representations and warranties that contain a Materiality Qualifier, which representations and warranties as so qualified shall be true, complete and correct in all respects) as of the date of this Agreement and on and as of the Closing Date as though such representations and warranties were made on and as of such date (except for such representations and warranties which speak as of a particular date which representations and warranties need be true, complete and correct in all material respects, or in all respects if such representations or warranties contain a Materiality Qualifier, only as of such date), and Parent and Merger Sub shall have performed and complied in all material respects with all covenants, obligations and conditions of this Agreement required to be performed and complied with by Parent and Merger Sub as of the Closing.

(b) Certificate of Parent and Merger Sub. The Company shall have received from Parent and Merger Sub officer's certificates, in form and substance reasonably acceptable to the Company, attaching a good standing certificate, dated within fifteen (15) days before the Closing, from the Secretary of State (or comparable Governmental Entity) of each state or jurisdiction in which Parent or Merger Sub was organized, each stating that the Company or Merger Sub is in good standing, and certifying to the fulfillment of the conditions specified in Section 8.2(a).

(c) Parent Third Party Consents. The Company shall have been furnished with evidence reasonably satisfactory to the Company of the consent or approval of those Persons whose consent or approval is required for the Parent and Merger Sub (i) to consummate the Merger and the Other Transactions and (ii) to comply with and perform all of the Parent's and Merger Sub's obligations as contemplated hereby, including the consent of RBS Business Capital, a division of RBS Asset Finance, Inc.

Section 8.3 **Additional Conditions to the Obligations of Parent and Merger Sub**. The obligations of Parent and Merger Sub to consummate the Merger and the Other Transactions shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, by Parent and Merger Sub, in Parent's and Merger Sub's sole discretion:

(a) Representations, Warranties and Covenants. The representations and warranties of the Company and the Principal Stockholders in this Agreement shall be true, complete and correct in all material respects (except for such representations and warranties that contain a Materiality Qualifier, which representations and warranties as so qualified shall be true, complete and correct in all respects) as of the date of this Agreement and on and as of the Closing Date as though such representations and warranties were made on and as of such date (except for such representations and warranties which speak as of a particular date which representations and warranties need be true, complete and correct in all material respects, or in all respects if such representations or warranties contain a Materiality Qualifier, only as of such date), and the Company and each Principal Stockholder shall have performed and complied in all material respects with all covenants, obligations and conditions of this Agreement required to be performed and complied with by the Company or such Principal Stockholder as of the Closing.

(b) Certificate of the Company. Parent shall have received a certificate executed by the Chief Executive Officer of the Company, in form and substance reasonably acceptable to Parent, attaching a good standing certificate, dated within fifteen (15) days before the Closing, from the Secretary of State (or comparable Governmental Entity) of the state or jurisdiction in which the Company was organized and each state or jurisdiction in which the Company is qualified to do business, each stating that the Company is in good standing, and certifying (i) fulfillment of the conditions set forth in Sections 8.3(a) and 8.3(f); (ii) that attached thereto is a true, complete and correct copy of the resolutions of the Company Board authorizing the execution, delivery and performance of this Agreement and the Other Transaction Documents and the consummation of the Merger and the Other Transactions, in each case as are

then in full force and effect; (iii) that attached thereto is a true, complete and correct copy of the Company Articles and the Company Bylaws, in each case as are then in full force and effect; (iv) as to the incumbency and signatures of the officers of the Company; and (v) that the stockholders of the Company have approved this Agreement, the Merger, and the Other Transactions in accordance with the Company Articles and the DGCL.

(c) Transmittal Letters; Dissenting Shares. Holders of Company Capital Stock representing at least ninety-five percent (95%) of the aggregate number of shares of Company Capital Stock outstanding immediately prior to the Effective Time shall have delivered a duly completed and executed Transmittal Letter to Parent or shall have otherwise waived their appraisal rights under the DGCL to Parent's satisfaction.

(d) Company Third Party Consents. Parent shall have been furnished with evidence reasonably satisfactory to Parent of the consent or approval of those Persons whose consent or approval is required for the Company and the Principal Stockholders (i) to consummate the Merger and the Other Transactions and (ii) to comply with and perform all of the Company's and the Principal Stockholders' obligations as contemplated hereby.

(e) Parent Third Party Consents. Parent shall have obtained the consent or approval of those Persons whose consent or approval is required for Parent and Merger Sub (i) to consummate the Merger and the Other Transactions and (ii) to comply with and perform all of Parent's and Merger Sub's obligations as contemplated hereby, including the consent of RBS Business Capital, a division of RBS Asset Finance, Inc.

(f) No Material Adverse Effect. Since the date of this Agreement, the Company shall not have suffered a Material Adverse Effect.

(g) Resignation of Directors and Officers. The directors and officers of the Company in office immediately prior to the Closing shall have resigned as directors or officers of the Company, effective as of the Closing Date, and Parent shall have received letters of resignation in form and substance satisfactory to Parent from such directors and officers.

(h) Vesting and Cancellation of Company Options. Each outstanding Company Option shall have become fully-vested and each outstanding, unexercised Company Option as of the Effective Time shall have been terminated or cancelled.

(i) Termination of 401(k) Plan. Parent shall have been furnished with evidence reasonably satisfactory to Parent that the 401(k) Plan has been terminated.

(j) Tax Certificates. The Company shall have delivered to Parent (i) a properly executed FIRPTA certificate, substantially in the form agreed to by the Parties, which states that the shares of Company Capital Stock do not constitute "United States real property interests" under Section 897(c) of the Code, for purposes of satisfying Parent's obligations under Treasury Regulation Section 1.1445-2(c)(3); and (ii) a form of notice to the IRS in accordance with the requirements of Treasury Regulation Section 1.897-2(h)(2) in the customary form along with written authorization for Parent to deliver such notice form to the IRS on behalf of the Company after the Closing.

(k) Tax Forms. Each Company Stockholder shall have delivered a properly executed IRS Form 2553 and IRS Form 8023, in each case, in form and substance reasonably satisfactory to Parent.

(l) Closing Consideration Statement. The Company shall have delivered to Parent the Closing Consideration Statement, which shall be prepared as required hereby and in form and substance reasonably satisfactory to Parent.

(m) Non-Competition and Nonsolicitation Agreements. The Principal Stockholders shall have executed and delivered to Parent non-competition and nonsolicitation agreements substantially in the form of Exhibit E (the "Non-Competition Agreements").

(n) Offer Letters. Each of the Principal Stockholders and Jae Hwan Yoo and Paul Bovaird, shall have executed and delivered to Parent offer letters for employment with Parent or one of its designated subsidiaries following the Closing in form and substance reasonably satisfactory to Parent.

(o) Principal Stockholder Transmittal Letters. Each Principal Stockholder shall have executed and delivered to Parent a Transmittal Letter.

Section 8.4 **Frustration of Conditions**. No Party may rely on the failure of any condition set forth in this Article VIII to be satisfied if such failure was caused by such Party's failure to comply with or perform any of its covenants or obligations set forth in this Agreement.

ARTICLE IX

TERMINATION

Section 9.1 **Termination**. At any time prior to the Effective Time, whether before or after approval of the matters presented in connection with the Merger to the stockholders of the Company, this Agreement may be terminated:

(a) by the written consent of Parent and the Company;

(b) by Parent or the Company, if the Closing shall not have occurred on or before the day that is thirty (30) days after the date of this Agreement or the next Business Day if such day is not a Business Day (the "Final Date"); *provided*, that the right to terminate this Agreement under this Section 9.1(b) shall not be available to any Party whose action or failure to act has been the cause of or resulted in the failure of the Closing to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;

(c) by Parent, if the Company or any Principal Stockholder shall breach any representation, warranty, covenant, obligation or agreement hereunder such that the conditions set forth in Section 8.3(a) would be incapable of being satisfied by the Final Date, and such breach shall not have been cured, or by its nature cannot be cured, within ten (10) days of receipt by the Company or such Principal Stockholder of written notice of such breach; *provided*, that Parent has not breached any of its representations, warranties, obligations or agreements hereunder in any material respect;

(d) by the Company, if Parent or Merger Sub shall breach any representation, warranty, covenant, obligation or agreement hereunder, such that the conditions set forth in Section 8.2(a) would be incapable of being satisfied by the Final Date, and such breach shall not have been cured, or by its nature cannot be cured, within ten (10) days following receipt by Parent or Merger Sub of written notice of such breach; *provided*, that the neither Company nor any of the Principal Stockholders has breached any of its representations, warranties, obligations or agreements hereunder in any material respect;

(e) by Parent, if any condition in Sections 8.1 or 8.3 becomes incapable of fulfillment at the Closing; *provided*, that Parent has not waived such condition;

(f) by the Company, if any condition in Sections 8.1 or 8.2 becomes incapable of fulfillment at the Closing; *provided*, that the Company has not waived such condition; or

(g) by Parent or the Company if any permanent injunction or other order of a court or other competent authority preventing the consummation of the Merger or any of the Other Transactions shall have become final and nonappealable.

Section 9.2 **Effect of Termination**. Termination of this Agreement pursuant to Section 9.1 will not be deemed to release any Party from any Liability for breach of any term hereof (nor a waiver of any right in connection therewith) and will be in addition to any other right or remedy a Party has under this Agreement or otherwise. The exercise of a right of termination of this Agreement is not an election of remedies.

ARTICLE X

CERTAIN REMEDIES

Section 10.1 **Indemnity**.

(a) Indemnification for Damages. The Company Stockholders, the Qualifying Option Holders and the Bonus Pool Recipients and, if and only if this Agreement has been terminated prior to the Closing, the Company, agree to severally, but not jointly, indemnify, defend and hold harmless Parent and the Surviving Corporation and each of their respective affiliates, and each of their respective directors, officers, managers, members, partners, stockholders, subsidiaries, employees, successors, heirs, assigns, agents and representatives (each a "Parent Indemnified Person") from and against and be liable for any and all Damages related to or arising out of, caused by or resulting from, directly or indirectly, the following:

(i) any breach or inaccuracy of any representation or warranty made in this Agreement or any other Transaction Document by the Company or any Principal Stockholder, including the failure of a representation or warranty made by the Company or any Principal Stockholder herein or in any other Transaction Document to be true at the Closing as if given at the Closing;

(ii) any breach or nonperformance of any agreement, covenant or obligation in any Transaction Document to be performed by the Company on or before the Closing or by any Principal Stockholder on, before or after the Closing;

(iii) any Transaction Expenses or any Company Debt, whether paid by the Company or not, to the extent that such Transaction Expense or Company Debt has not already been deducted in the determination of the Adjusted Consideration;

(iv) any errors, omissions or inaccuracies in the Closing Consideration Statement or the elements thereof;

(v) any Taxes that are unpaid as of the Closing Date (but excluding any Taxes of the Company that arise out of or relate to any Section 338(h)(10) Election) and that (A) are imposed on the Company with respect to any Pre-Closing Tax Period or Pre-Closing Straddle Period or (B) arise out of or relate to the Merger, including any employment Taxes imposed with respect to the payment of a portion of the Adjusted Consideration and the Earnout Payments, if any, to the Qualifying Option Holders and Bonus Pool Recipients;

(vi) any Dissenting Share Payments; and

(vii) the matters described on Schedule 10.1.

(b) Nature of the Company Stockholders', Qualifying Option Holders' and Bonus Pool Recipients' Obligations for Indemnification of Parent Indemnified Persons. Each Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient will be responsible solely for such Company Stockholder's, Qualifying Option Holder's or Bonus Pool Recipient's Pro Rata Portion of any Damages for which a Parent Indemnified Person is entitled to indemnification hereunder; *provided*, *however*, that each Principal Stockholder will be solely responsible for all of the Damages that are related to or arise out of, or are caused by or result from, a breach, inaccuracy, or nonperformance of any representation, warranty, agreement, covenant, or obligation individually made or required to be performed by such Principal Stockholder; and, *provided*, *further*, that, in the event that the Closing has not occurred, the Company shall be solely liable for any Damages for which a Parent Indemnified Person is entitled to indemnification hereunder.

(c) Escrowed Cash Forfeiture. Parent may satisfy any adjudicated or agreed Claim, or any portion thereof, for Damages of a Parent Indemnified Person permitted by this Article X by deeming Escrowed Cash to be forfeited in an amount equal to each Company Stockholder's, each Qualifying Option Holder's and each Bonus Pool Recipient's Pro Rata Portion of the total amount of such adjudicated or agreed Claim. The Company Stockholders, Qualifying Option Holders and the Bonus Pool Recipients agree to forfeit such Escrowed Cash in satisfaction of such adjudicated or agreed Claim and agree that they shall have no further right, title or interest whatsoever in such forfeited Escrowed Cash or any claims with respect thereto effective as of the date of such forfeiture.

(d) Release of Escrowed Cash. To the extent not previously forfeited, on the day that the Earnout Payment for the period ended March 30, 2012 is due and payable hereunder (or, if no Earnout Payment is due and payable with respect to such period, on May 30, 2012), Parent shall release the Escrowed Cash remaining in escrow at that date, *provided*, *however*, that the amount of Escrowed Cash that would otherwise be released from escrow pursuant to this Section 10.1(d) shall be reduced by that amount of Escrowed Cash that may be required to satisfy the full amount of any Claims made prior to that date in accordance with this Article X, but not yet finally adjudicated or otherwise finally resolved and paid. Any released Escrowed Cash shall be released to the Company Stockholders and Qualifying Option Holders and allocated to the Bonus Pool, in each case to the extent the foregoing are deemed to have contributed such released Escrowed Cash to the escrow fund pursuant to Sections 2.8, 2.9 and 2.10. Any Escrowed Cash remaining in escrow in connection with pending Claims shall be released from escrow when all Claims made in accordance with this Article X have been resolved by a final, non-appealable ruling.

Section 10.2 **Indemnification Procedure**.

(a) Notice of Claims. Any Parent Indemnified Person claiming indemnification hereunder (a "Claiming Party") shall give to Stockholders' Agent, or the Company, as applicable (the "Responding Party"), notice of any claim (a "Claim") as to which such Parent Indemnified Person proposes to demand indemnification hereunder as soon as reasonably practicable after the Claiming Party has received notice thereof (provided that failure to give timely notice shall not limit the indemnification obligations of the indemnifying parties hereunder except to the extent the indemnifying parties demonstrate, by clear and convincing evidence, actual prejudice caused by the delay in giving, or failure to give, such notice).

(b) Objections to Claims; Resolution of Conflicts; Arbitration.

(i) The Responding Party shall have the right to object to any Claim made pursuant to Section 10.2(a) by delivering written notice of such objection (an "Claim Objection Notice") to the Claiming Party within thirty (30) days following the Responding Party's receipt of a Claim notice (such period, the "Claim Objection Period"). The Claim Objection Notice shall specify in reasonable detail the basis for the Responding Party's objection to the Claim. In the event that the Responding Party does not object to a Claim within the Claim Objection Period, (A) the Responding Party shall be deemed to have accepted and agreed to the Claim set forth in the Claim notice and shall be precluded from raising any objection thereto after the Claim Objection Period, and (B) if applicable, any forfeiture of Escrowed Cash pursuant to Section 10.1(c) shall be effective as of the day following the expiration of the Claim Objection Period.

(ii) In the event the Responding Party timely delivers a Claim Objection Notice to the Claiming Party pursuant to Section 10.2(b)(i), the Claiming Party shall have fifteen (15) days after receipt of such Claim Objection Notice to respond thereto in a written statement. If after such 15-day period there remains a dispute regarding the Claim, the Claiming Party and the Responding Party shall attempt in good faith for ten (10) days to reach a settlement of such

Claim. If such a settlement is reached with respect to the Claim, any forfeiture of Escrowed Cash pursuant to Section 10.1(c), if applicable, shall be effective as of the date of settlement.

(iii) If no such settlement can be reached after good faith negotiation during such 10-day period, either the Claiming Party or the Responding Party, by written notice to the other, may demand arbitration of the matter, unless the amount of the Claim is at issue in pending litigation with a third party, in which event arbitration shall not be commenced until such amount is ascertained or all parties involved agree to arbitration. The matter in dispute shall be settled by arbitration conducted by a panel of three arbitrators. Within twenty (20) days after written notice of demand for arbitration is delivered, the Claiming Party and the Responding Party shall each select one (1) arbitrator, and the two (2) arbitrators so selected shall select a third arbitrator. The decision of the arbitrators as to the validity and amount of any Claim shall be binding and conclusive upon the Parties, and any forfeiture of Escrowed Cash pursuant to Section 10.1(c), if applicable, shall be effective as of the time of such decision.

(iv) Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration shall be held in the Boston, Massachusetts metropolitan area under the commercial rules then in effect of the American Arbitration Association. All costs and expenses (including attorneys' fees and expenses) incurred by the Parties in connection with any such arbitration shall be allocated in accordance with Section 11.11. The fees and expenses of each arbitrator and the administrative fee of the American Arbitration Association shall be allocated by the arbitrator or arbitrators, as the case may be (or, if not so allocated, shall be borne equally by the Claiming Party and the Responding Party).

(v) This Section 10.2(b) shall not apply to any action for, or in any way limit the rights and remedies of any Party with respect to such Party's right to seek, specific performance, injunctive or declaratory relief or other equitable remedies pursuant to Section 10.7 or otherwise

(c) Third-Party Claims. If any Claim is a third-party claim (a "Third-Party Claim"), the following provisions shall apply:

(i) The Responding Party will have the right to assume the defense of the Third-Party Claim with counsel of the Responding Party's choice reasonably satisfactory to the Claiming Party at any time within thirty (30) days after the Claiming Party has given notice of the Third-Party Claim (or within a shorter period, if any, during which a defense must be commenced for the preservation of rights); *provided*, *however*, that the Responding Party must continuously conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard and must keep the Claiming Party reasonably informed of the status of the Third-Party Claim; and, *provided*, *further*, that the Claiming Party may retain separate co-counsel at its sole cost and

expense and participate in the defense of the Third-Party Claim. If the Responding Party fails to give such written notice within such 30-day period (or such shorter period, if any, during which a defense must be commenced for the preservation of rights), then the Responding Party will no longer have the right to assume the defense of such Third-Party Claim. If the Responding Party assumes the defense of such Third-Party Claim, then the Persons on whose behalf such Person is responding will be obligated to indemnify the Claiming Party or Claiming Parties with respect to such Third-Party Claim.

(ii) So long as the Responding Party has assumed and continues conducting the defense of the Third-Party Claim in accordance with Section 10.2(c)(i) above, (A) the Responding Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Claiming Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the payment of money damages by the Responding Party, does not impose an injunction or other equitable relief upon the Claiming Party, and includes, as an unconditional term thereof, the giving by the claimant or plaintiff to the Claiming Party of a release (in form and substance reasonably satisfactory to the Claiming Party) from all Liability in respect of such Third-Party Claim, and (B) the Claiming Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Responding Party (not to be withheld unreasonably).

(iii) In the event the Responding Party does not assume and continuously conduct the defense of the Third-Party Claim in accordance with Section 10.2(c)(i) above, (A) the Claiming Party may defend against, and consent to the entry of any reasonable judgment or enter into any reasonable settlement with respect to, the Third-Party Claim in any manner the Claiming Party reasonably may deem appropriate (and the Claiming Party need not consult with, or obtain any consent from, the Responding Party in connection therewith) and (B) the Responding Party will remain responsible for any Damages the Claiming Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article X.

(d) Cooperation. The Parties, and any Responding Party or Claiming Party, shall cooperate with each other in the defense of any Claim hereunder and shall make available to the Party or Parties defending such Claim such materials and assistance relating thereto as is reasonably requested from such Person.

Section 10.3 **Survival**.

(a) General. The representations and warranties of the Company and the Principal Stockholders contained in this Agreement or in any other Transaction Document and all related rights to indemnification shall survive the Closing and the consummation of the Merger and the Other Transactions as set forth in this Section 10.3. The representations and warranties of Parent and Merger Sub contained in this Agreement or in any other Transaction

Document shall expire and terminate as of the Closing. Except as provided in Section 10.3(b), neither the Company nor any Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient shall have any obligation to provide indemnification pursuant to Section 10.1(a)(i) for any breach or inaccuracy of any representation or warranty in Article III or Article IV unless a Claim with respect thereto is asserted in accordance with this Article X on or prior to the later of (i) May 29, 2013 and (ii) the date that the Earnout Payment for the period ending March 29, 2013 becomes due and payable under Section 2.18. Each covenant and agreement (other than representations and warranties) contained in this Agreement or in any other Transaction Document, and all associated rights to indemnification, shall survive the Closing and shall continue in full force thereafter until all Liability hereunder relating thereto is barred by all applicable statutes of limitation, subject to any applicable limitation expressly stated herein or such other Transaction Document.

(b) Extended Survival. Notwithstanding Section 10.3(a), all Claims and related rights to indemnification based on (i) a breach or inaccuracy of any representation or warranty contained in Sections 3.1 (Organization, Standing and Power; Subsidiaries), 3.2 (Capitalization; Title to Shares), 3.3 (Authority), Section 3.10 (Intellectual Property), Section 3.13 (Taxes), Section 3.20 (Brokers' and Finders' Fees) or Article IV, or (ii) willful misconduct or fraud in connection with or knowing or intentional breach of any representation or warranty (collectively, the "Special Claims"), shall survive the Closing for the longer of (x) the period ending six months after the end of the applicable statute of limitations relating to the Claim (including any extensions thereof) and (y) the period set forth in the third sentence of Section 10.3(a).

(c) Survival of Representations, Warranties, Covenants and Agreements until Final Determination. For each Claim for indemnification hereunder regarding a representation, warranty, covenant or agreement that is made before the expiration of such representation, warranty, covenant or agreement, such Claim and any associated right to indemnification will not terminate until the final determination with respect to, and, if applicable, satisfaction of such Claim.

Section 10.4 **Limitations**.

(a) Deductible. Except as provided below, the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients shall not be required to indemnify the Parent Indemnified Persons pursuant to Section 10.1(a)(i) unless and until the aggregate amount of all Damages of all Parent Indemnified Persons under this Article X exceeds $36,000 (the "Deductible Amount"). For the avoidance of doubt, if the Damages to which the Parent Indemnified Persons are entitled pursuant to Section 10.1(a)(i) exceed the Deductible Amount, then the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients will be obligated for all of the Damages in excess of the Deductible Amount (such amount intended to be a deductible) and thereafter no such deductible limitation shall be applicable to Damages to which the Parent Indemnified Persons are entitled pursuant to Section 10.1(a)(i). The limitations set forth in this Section 10.4(a) shall not apply to or otherwise affect the ability to make Claims or recover Damages with respect to Special Claims.

(b) Cap. Except as provided below, each individual Company Stockholder's, Qualifying Option Holder's and Bonus Pool Recipient's aggregate Liability for all Damages to which the Parent Indemnified Persons are entitled to indemnification pursuant to this Article X shall be forfeiture of the Escrowed Cash allocable to such Company Stockholder, Qualifying Option Holder and Bonus Pool Recipient and such Company Stockholder's, Qualifying Option Holder's and Bonus Pool Recipient's Pro Rata Portion of the Earnout Payments. The foregoing notwithstanding, (i) each individual Company Stockholder's, Qualifying Option Holder's and Bonus Pool Recipient's aggregate Liability for all Damages to which the Parent Indemnified Persons are entitled to indemnification pursuant to this Article X with respect to Special Claims or Claims for indemnification under Sections 10.1(a)(ii), (iii), (iv), (vi) and (vii) shall not exceed the aggregate consideration to which such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient is entitled to hereunder or under his or her Transaction Bonus Agreement, as applicable, including the Escrowed Cash allocable to such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient, such Company Stockholder's, Qualifying Option Holder's or Bonus Pool Recipient's Pro Rata Portion of the Earnout Payments, and any payments received (or which such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient is entitled to receive) in connection with the Closing; and (ii) there shall not be any limit on the aggregate Liability for Damages to which the Parent Indemnified Persons are entitled to indemnification pursuant to this Article X with respect to Claims based on fraud or under Section 10.1(a)(v).

(c) Recourse.

(i) The Parent Indemnified Persons shall not be entitled to make Claims for monetary Damages from a Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient under Section 10.1(a) to be satisfied in any form other than forfeiture of the Escrowed Cash allocable to such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient unless and until all of the Escrowed Cash allocable to such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient has been forfeited in connection with Section 10.1(c), or because all such Escrowed Cash allocable to such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient has been released from escrow or reserved pending the resolution of unresolved Claims pursuant to Section 10.1(d); *provided, however*, that the Parent Indemnified Parties shall be entitled to deduct such Claims for monetary Damages allocable to such Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient from any Earnout Payments which become due and payable. If and to the extent that the Escrowed Cash or any Earnout Payments which are due and payable are not sufficient to satisfy any Claims hereunder, the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients shall directly pay to any Parent Indemnified Person the amount of the Damages for which such Parent Indemnified Person is entitled to indemnification hereunder. The Parties hereby acknowledge and agree that the disbursement of the Escrowed Cash or the Earnout Payments, as the case may be, shall not be deemed to modify the obligations of the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients with respect to indemnification or the survival of representations and warranties, nor shall the Escrowed Cash or Earnout Payments, as the case

may be, or the Parent Indemnified Persons' rights to make Claims against the Escrowed Cash or the Earnout Payments serve as a cap on or the sole source of funds to satisfy the indemnification obligations of the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients or otherwise limit the Parent Indemnified Persons' remedies hereunder, except as expressly provided herein.

(ii) Nothing contained in this Section 10.4(c) shall limit Parent's and the Surviving Corporation's rights to specific performance and other equitable remedies as set forth in Section 10.7.

Section 10.5 **Materiality Qualifiers**. For purposes of this Article X, in determining (a) whether a breach of a representation or warranty made by the Company or the Principal Stockholders in this Agreement or in any other Transaction Document, including any certificate delivered hereunder, has occurred and (b) the amount of Damages arising out of, relating to or resulting therefrom, all Materiality Qualifiers will be ignored and each such representation and warranty will be read and interpreted without regard to any Materiality Qualifier.

Section 10.6 **Limitation on Contribution and Certain Other Rights**. The Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients hereby agree that, if following the Closing, any Claim is made by any Parent Indemnified Person or otherwise becomes due from the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients pursuant to this Article X in respect of any Damages, the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients shall not have any rights against the Surviving Corporation or any Person who is or was a director, officer, member, manager or employee of the Company or the Surviving Corporation, whether by reason of contribution, indemnification, subrogation or otherwise, with respect thereto, and the Company Stockholders, Qualifying Option Holders and Bonus Pool Recipients shall not take any action against the Surviving Corporation or any such director, officer, member, manager or employee with respect thereto.

Section 10.7 **Rights to Specific Performance**. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Company or the Principal Stockholders in accordance with their specific terms or were otherwise breached. Accordingly, Parent, Merger Sub, the Surviving Corporation and the Company shall be entitled to seek an injunction or injunctions, without the posting of any bond, to prevent breaches of this Agreement by the Company and the Principal Stockholders, as applicable, and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which Parent, Merger Sub, the Surviving Corporation, or the Company is entitled at law or in equity.

Section 10.8 **Knowledge and Investigation**. All representations, warranties, covenants, agreements and indemnities of the Company and the Principal Stockholders contained in this Agreement and in the other Transaction Documents shall be deemed material and relied upon by the Parent Indemnified Persons, regardless of any knowledge or investigation or any representation made by Parent or Merger Sub, and none will be waived by any failure to pursue any action or consummation of the Merger and the Other Transactions.

Section 10.9 **Other Factors Not Limiting**. No representation or warranty contained herein will limit the generality or applicability of any other representation or warranty. The terms of this Article X will be enforceable regardless of whether Liability is based on past, present or future acts, claims or legal requirements and regardless of any sole, concurrent, contributory, comparative or similar negligence, or of any sole, concurrent, strict or similar Liability, of a Person seeking indemnification (or of any of the Parent Indemnified Persons).

Section 10.10 **Effect of Officer's Certificates**. For the avoidance of doubt, any written certification by a Person (or any officer thereof) of the accuracy of any representation or warranty (or of any other matter), including any certification contemplated in Section 8.2 or 8.3, will be deemed to constitute the making or re-making of such representation or warranty by such Person (or a representation or warranty regarding such other matter) at the time of such certification in the manner and to the extent stated in such certification, including for purposes of Section 10.1(a).

Section 10.11 **Right of Set Off**. Parent will have the right (but not the obligation) to set off against any Earnout Payment otherwise due and payable hereunder, reduce the amount of such Earnout Payment by and retain for Parent's own account any amount to which Parent may be entitled from the Company Stockholders, Qualifying Option Holders or the Bonus Pool Recipients under this Article X. The exercise of or failure to exercise such right of set off will not constitute an election of remedies or limit in any manner the enforcement of any other remedy that may be available to Parent.

Section 10.12 **Exclusive Remedy**. After the Closing Date, except with respect to claims based on fraud, the right of indemnification under this Article X shall be the sole and exclusive remedy available to any party in respect of monetary Damages for any Claim or cause of action arising under this Agreement in connection with any breach of any representation, warranty, covenant or provision of this Agreement; *provided*, *however*, that this exclusive remedy does not preclude a party from bringing an action for specific performance or other equitable remedy to require a party to perform its obligations under this Agreement. Except to the extent expressly stated in this Article X, each party expressly waives any rights it may have to make a Claim against any other party under this Agreement pursuant to any constitutional, statutory, or common law authorities.

Section 10.13 **Payment of Costs for Unsuccessful Fraud Claims**. If a Parent Indemnified Person pursues a Claim for indemnification against the Company or a Company Stockholder, Qualifying Option Holder or Bonus Pool Recipient on the basis of fraud or intentional misrepresentation and indemnification for such Claim would not otherwise be able hereunder in the absence of such alleged fraud or intentional misrepresentation, and the arbitrator appointed pursuant to Section 10.2(b) determines, in a final order, that such Parent Indemnified Person had no reasonable basis for pursuing such Claim on the basis of fraud or intentional misrepresentation and that the pursuit of such Claim on such basis was frivolous and without merit and so directs such Parent Indemnified Person in such final order, then such Parent Indemnified Person shall pay the reasonable and actual documented legal fees, costs and

expenses of the Company, Stockholders' Agent, and such Company Stockholders, Qualifying Option Holders or Bonus Pool Recipients, as applicable, solely incurred in connection with the defense of such Claim to the extent based on fraud or intentional misrepresentation.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 **Notices**. All notices and other communications hereunder shall be in writing and shall be deemed received (a) on the date of delivery if delivered personally and/or by messenger service, (b) on the date of confirmation of receipt of transmission by facsimile (or, the first Business Day following such receipt if (i) the date is not a Business Day or (ii) confirmation of receipt is given after 5:00 p.m., California Time) or (c) on the date of confirmation of receipt if delivered by a nationally recognized courier service (or, the first Business Day following such receipt if (i) the date is not a Business Day or (ii) confirmation of receipt is given after 5:00 p.m., California Time), to the Parties at the following address or facsimile numbers (or at such other address or facsimile number for a Party as shall be specified by like notice):

(A) if to Parent, Merger Sub or the Surviving Corporation, to:

M/A-COM Technology Solutions Inc.
100 Chelmsford Street
Lowell, Massachusetts 01851
Attention: Chief Financial Officer and General Counsel
Facsimile No.: (978) 656-2678

with a copy to (not notice):

Perkins Coie LLP
1900 Sixteenth Street, Suite 1400
Denver, Colorado 80202
Attention: Jeff Beuche
Facsimile No.: (303) 291-2400

(B) if to the Company prior to the Closing, to:

Optomai, Inc.
1270 Oakmead Parkway, #101
Sunnyvale, California 94085
Attention: Vivek Rajgarhia

with a copy to (not notice):

White & Lee LLP
The White & Lee Building
541 Jefferson Ave, Ste. 100
Redwood City, California 94063
Attention: Mark Cameron White
Facsimile No.: (650) 298-6099

(C) if to Stockholders' Agent, to:

Vivek Rajgarhia
1195 Fairfield Road
Bridgewater, New Jersey 08807

with a copy to (not notice):

White & Lee LLP
The White & Lee Building
541 Jefferson Ave, Ste. 100
Redwood City, California 94063
Attention: Mark Cameron White
Facsimile No.: (650) 298-6099]

Section 11.2 **Interpretation; Construction**. In this Agreement: (a) the table of contents and headings are for convenience of reference only and will not affect the meaning or interpretation of this Agreement; (b) the words "herein," "hereunder," "hereby" and similar words refer to this Agreement as a whole (and not to the particular sentence, paragraph or Section where they appear); (c) terms used in the plural include the singular, and vice versa, unless the context clearly requires otherwise; (d) unless expressly stated herein to the contrary, reference to any document means such document as amended or modified and as in effect from time to time in accordance with the terms thereof; (e) unless expressly stated herein to the contrary, reference to any applicable Law means such applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and as in effect from time to time, including any rule or regulation promulgated thereunder; (f) the words "including," "include" and variations thereof are deemed to be followed by the words "without limitation"; (g) "or" is used in the sense of "and/or"; "any" is used in the sense of "any or all"; and "with respect to" any item includes the concept "of" such item or "under" such item or any similar relationship regarding such item; (h) unless expressly stated herein to the contrary, reference to a document, including this Agreement, will be deemed to also refer to each annex, addendum, exhibit, schedule or other attachment thereto; (i) unless expressly stated herein to the contrary, reference to an Article, Section, Schedule, Disclosure Schedule, or Exhibit is to an article, section, schedule, the Disclosure Schedule, or exhibit, respectively, of this Agreement; (j) when calculating a period of time, the day that is the initial reference day in calculating such period will be excluded and, if the last day of such period is not a Business Day, such period will end on the next day that is a Business Day; (k) with respect to all dates and time periods in or referred to in this Agreement, time is of the essence; (l) the phrase "the date hereof" means the date of this Agreement, as stated in the first paragraph hereof; and (m) the Parties participated jointly in the negotiation and drafting of this Agreement and the documents relating hereto, and each Party was (or had ample

opportunity to be) represented by legal counsel in connection with this Agreement and the other Transaction Documents, and each Party and each Party's counsel has reviewed and revised (or had ample opportunity to review and revise) this Agreement and the other Transaction Documents; therefore, if an ambiguity or question of intent or interpretation arises, then this Agreement and the other Transaction Documents will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the terms hereof or thereof. Parent acknowledges and agrees that any reference herein to documents having be delivered or made available to Parent, or words of similar import, will be deemed to include such documents as were made available and accessible to Parent's due diligence team for their review by posting to the file transfer server located at https://optomai.box.net/shared/ and thereafter continuously maintained at that posted location through the Closing, or actually delivered in physical or electronic form to a representative of Parent, in either case on or before the date that is three (3) days prior to the date of this Agreement.

Section 11.3 **Counterparts**. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart.

Section 11.4 **Entire Agreement; Nonassignability; Parties in Interest**. This Agreement, the other Transaction Documents and the certificates, documents and instruments and other agreements specifically referred to herein or therein or delivered pursuant hereto or thereto, including the Exhibits and the Schedules, including the Disclosure Schedule (a) constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof, (b) shall not be assigned by operation of law or otherwise, and (c) shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person not a party to this Agreement other than the Parent Indemnified Persons.

Section 11.5 **Severability**. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

Section 11.6 **Governing Law**. This Agreement and all disputes and controversies arising hereunder shall be governed by and construed in accordance with the Laws of the State of Delaware without reference to such state's principles of conflicts of law. Except as provided in Section 10.2(b), each Party irrevocably consents to the exclusive jurisdiction of any court located within the State of Delaware, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, and agrees that process may be

served upon them in any manner authorized by the Laws of the State of Delaware for such Persons and waives and covenants not to assert or plead any objection which it might otherwise have to such jurisdiction and such process.

Section 11.7 **Attorneys' Fees**. Should any Party institute any action or proceeding in court or otherwise to enforce any provision hereof or for damages by reason of alleged breach of any provision of this Agreement, the substantially prevailing Party shall be entitled to receive from the non-prevailing Party such reasonable out of pocket expenses (including attorneys' fees and expenses) incurred by the substantially prevailing Party in connection with any such action or proceeding.

Section 11.8 **Amendment**. The Parties may cause this Agreement to be amended at any time by execution of an instrument in writing signed on behalf of each of the Parties.

Section 11.9 **Waiver of Jury Trial**. IN THE EVENT OF ANY DISPUTE OR CONTROVERSY AMONG THE PARTIES ARISING HEREUNDER, WHETHER IT RESULTS IN PROCEEDINGS IN ANY COURT IN ANY JURISDICTION OR IN ARBITRATION, THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE OR ARBITRATOR WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW.

Section 11.10 **Extension; Waiver**. Any Party may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties made to such Party contained in any Transaction Document and (c) waive compliance with any of the agreements or conditions for the benefit of such Party contained in any Transaction Document. Any such extension or waiver by any Party shall not operate or be construed as a further or continuing extension or waiver. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

Section 11.11 **Expenses**. Whether or not the Merger is consummated, all costs and expenses arising out of, relating to or incidental to the discussion, evaluation, negotiation and documentation of the Transaction Documents, the Merger and the Other Transactions and any financial accommodations provided by Parent or its affiliates to the Company (including reasonable fees and expenses of legal counsel and financial advisors and accountants, if any) (in the aggregate, "Transaction Expenses"), shall be paid by the Party incurring such expense, subject to Article X.

[Signature page follows]

IN WITNESS WHEREOF, Parent, the Company, the Principal Stockholders, Merger Sub and Stockholders' Agent have executed and delivered this Agreement or have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized, all as of the date first written above.

PARENT:

M/A-COM TECHNOLOGY SOLUTIONS INC.

By: /s/ Clay Simpson
Name: Clay Simpson
Title: Vice President

MERGER SUB:

OPTOMAI MERGER SUB, INC.

By: /s/ Clay Simpson
Name: Clay Simpson
Title: Vice President

COMPANY:

OPTOMAI, INC.

By: /s/ V. Rajgarhia
Name: Vivek Rajgarhia
Title: President and CEO

PRINCIPAL STOCKHOLDERS:

By: /s/ Vikas Manan
Name: Vikas Manan

By: /s/ V. Rajgarhia
Name: Vivek Rajgarhia

By: /s/ Stefano D' Agostino
Name: Stefano D'Agostino

STOCKHOLDERS' AGENT:

By: /s/ V. Rajgarhia
Name: Vivek Rajgarhia

EXHIBIT A

CERTIFICATE OF MERGER

(attached)

CERTIFICATE OF MERGER
of
OPTOMAI MERGER SUB, INC.
with and into
OPTOMAI, INC.

Pursuant to Title 8, Section 251(c) of the Delaware General Corporation Law, the undersigned corporation certifies as follows:

FIRST: The name and state of incorporation of each of the constituent corporations (the "Constituent Corporations") to the merger are as follows:

NAME	STATE OF INCORPORATION
Optomai, Inc.	Delaware
Optomai Merger Sub, Inc.	Delaware

SECOND: The Agreement and Plan of Merger, dated as of April 7, 2011 (the "Merger Agreement"), by and among the Constituent Corporations, M/A-COM Technology Solutions Inc., the stockholders party thereto and the Stockholders' Agent named therein, with respect to the merger of Optomai Merger Sub, Inc. with and into Optomai, Inc. (the "Merger"), has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations in accordance with the requirements of Section 251 of the Delaware General Corporation Law.

THIRD: Optomai, Inc. shall be the surviving corporation of the Merger (the "Surviving Corporation"), and the name of the Surviving Corporation shall be Optomai, Inc.

FOURTH: This Certificate of Merger and the Merger provided for herein between the Constituent Corporations shall be effective upon filing with the Secretary of State of the State of Delaware.

FIFTH: The Certificate of Incorporation of the Surviving Corporation shall be amended to read in its entirety as attached hereto as Exhibit A.

SIXTH: An executed copy of the Merger Agreement is on file at the principal place of business of the Surviving Corporation, which is 100 Chelmsford Street, Lowell, Massachusetts 01851, and will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of either of the Constituent Corporations.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, an authorized officer of the Surviving Corporation has executed this Certificate of Merger as of the day of , 2011.

OPTOMAI, INC.

By: _____
Name:
Title:

EXHIBIT A

[See attached]

CERTIFICATE OF INCORPORATION
OF
OPTOMAI, INC.

ARTICLE I

NAME

The name of the corporation is Optomai, Inc. (the "**Corporation**").

ARTICLE II

REGISTERED AGENT

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

CAPITAL STOCK

The total number of shares of stock that the Corporation has the authority to issue is one thousand (1,000) shares, all of which shall be designated Common Stock, par value $0.001 per share.

ARTICLE V

BYLAWS

Subject to any additional vote required by this Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

ARTICLE VI

NUMBER OF DIRECTORS

Subject to any additional vote required by this Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

ARTICLE VII

ELECTION OF DIRECTORS

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VIII

MEETINGS AND BOOKKEEPING

Meetings of stockholders may be held within or outside the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE IX

LIMITATION ON DIRECTOR LIABILITY

To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article X to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law or such other law as so amended.

Any repeal or modification of the foregoing provisions of this Article X by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director, officer or agent of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

ARTICLE X

INDEMNIFICATION

To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article XI shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of, or increase the liability of any director, officer or other agent of the Corporation with respect to any acts or omissions of such director, officer or other agent occurring prior to, such amendment, repeal or modification.

ARTICLE XI

AMENDMENT OF CERTIFICATE OF INCORPORATION

Subject to any additional vote required by this Certificate of Incorporation, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

EXHIBIT B

FORMS OF TRANSMITTAL LETTERS

(attached)

STOCKHOLDER LETTER OF TRANSMITTAL

This Letter of Transmittal is delivered in connection with the merger between Optomai, Inc., and Optomai Merger Sub, Inc., a wholly-owned subsidiary of M/A-COM Technology Solutions Inc. ("MTS"). Please see page 5 for a description of the merger.

THE ATTACHED LETTER OF TRANSMITTAL SHOULD BE COMPLETED AND SIGNED IN THE SPACE PROVIDED IN BOX A BELOW AND IN THE SUBSTITUTE FORM W-9 INCLUDED HEREWITH AND HAND-DELIVERED OR SENT BY OVERNIGHT COURIER OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, WITH THE CERTIFICATES FOR COMMON STOCK OF OPTOMAI, INC., A DELAWARE CORPORATION, TO BE SURRENDERED IN CONNECTION WITH THE MERGER DESCRIBED BELOW. IN CASE OF ANY INCONSISTENCY BETWEEN THIS LETTER OF TRANSMITTAL AND THE MERGER AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS THERETO), THE MERGER AGREEMENT SHALL CONTROL.

THE INSTRUCTIONS ACCOMPANYING THE ATTACHED LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED AS ANY NON-COMPLIANCE WITH THE INSTRUCTIONS COULD LEAD TO A DELAY IN YOUR RECEIPT OF THE CONSIDERATION PAYABLE PURSUANT TO THE MERGER AGREEMENT. IN ADDITION, THE MERGER AGREEMENT SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED. DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN THE ADDRESS BELOW WILL NOT CONSTITUTE A VALID DELIVERY.

1. **All stockholders must complete Boxes A, B, C and E.**
2. **Stockholders must also complete Box D to receive payment by wire transfer rather than by check.**

Please also read the "General Instructions" on page 5.

BOX A – Signature of Registered Stockholders	***BOX B – Certificate(s) Enclosed***	
(Must be signed by all registered stockholders exactly as names appear on the stock certificates; include legal capacity if signing on behalf of an entity)	**Certificate Number(s) (Attach additional signed list, if necessary)**	**Number of Shares of Company Capital Stock Represented by Each Certificate**
Signature		
Signature		
Telephone Number	**Total Shares Surrendered:**	

☐ **Lost Certificates. I have lost my certificate(s) for shares and require assistance in replacing the shares.**

BOX C- Name and Address of Registered Holder(s)
Name
Street Address
City, State and Zip Code

Please remember to complete and sign the enclosed Substitute Form W-9 in Box E or, if applicable, a Form W-8BEN.

BOX D – Wire Transfer Instructions

Stockholders that wish to receive payment by wire transfer rather than by check should complete the wire instructions below. If the information below is not completed, stockholders will receive payment by check.

Please wire the Common Initial Consideration, any Common Escrow Consideration released from escrow, any Earnout Payments and any amounts released from the Representative Fund as follows:

Bank name: _____

Bank's ABA number: _____

For credit to account name at Bank: _____

For credit to account number at Bank: _____

_____ _____

(Signature) **(Print name & capacity, if applicable)**

BOX E - Important Tax Information - Substitute Form W-9

Please provide the Taxpayer Identification Number ("TIN") of the person or entity receiving payment for the above-described shares. This box must be signed by that person or entity, thereby making the following certification:

Tax ID or Social Security Number

_____

CERTIFICATION – Under penalties of perjury, the undersigned hereby certifies the following:

(1) The TIN shown above is the correct TIN of the person or entity that is submitting this Letter of Transmittal and that is required by law to provide such TIN, or such person or entity is waiting for a TIN to be issued; (2) the person or entity that is submitting this Letter of Transmittal and that is required by law to provide such TIN is not subject to backup withholding because such person or entity has not been notified by the Internal Revenue Service ("IRS") that such person or entity is subject to backup withholding, or because the IRS has notified such person or entity that he, she or it is no longer subject to backup withholding, or because such person or entity is an exempt payee; and (3) the person or entity that is submitting this Letter of Transmittal a US citizen or US resident alien.

Signature: _____ **Date:** _____

NOTICE TO FOREIGN PERSONS (INCLUDING NONRESIDENT ALIEN INDIVIDUALS, FOREIGN CORPORATIONS, FOREIGN PARTNERSHIPS, FOREIGN TRUSTS, FOREIGN ESTATES, AND ANY OTHER PERSON THAT IS NOT A U.S. PERSON): A FORM W-8BEN MUST BE COMPLETED AND RETURNED FOR CERTIFICATION OF FOREIGN STATUS. FAILURE TO DO SO WILL SUBJECT YOU TO WITHHOLDING UP TO 30% OF ANY PAYMENT DUE.

General Instructions

Please read this information carefully.

- **BOX A - Signatures**: All registered stockholders must sign as indicated in Box A. If you are signing on behalf of a registered stockholder or entity your signature must include your legal capacity.
- **BOX B - Certificate Detail**: List all certificate numbers and shares submitted in Box B. If your certificate(s) are lost, please check the appropriate box below Box A, complete the Letter of Transmittal and return the Letter of Transmittal to MTS. You will be contacted to provide an affidavit of lost certificate and informed whether a fee and/or additional documents are required to replace lost certificates.
- **BOX C - Current Name and Address of Registered Stockholder:** Fill in the name and address for the delivery of a check. This name must match the name on the surrendered stock certificates.
- **BOX D - Wire Transfer Instructions**: Box D only needs to be completed if the stockholder is requesting payment by wire transfer.
- **BOX E - Important Tax Information - Substitute Form W-9**: Please provide the social security or other tax identification number ("TIN") of the person or entity receiving payment for the above described shares on the Substitute Form W-9 (or, if applicable, a Form W-8BEN) making the certification that receiver of the payment is not subject to backup withholding. Failure to do so will subject the recipient to applicable federal income tax withholding.
- **Deficient Presentments**: If you provide insufficient information, the required documentation will be requested from you.
- **Returning Certificates**: Return this Letter of Transmittal with the certificate(s) to be surrendered, only to MTS at the address below. The method of delivery is at your option and your risk, but it is recommended that documents be delivered via a registered and insured method. Risk of loss and title to the certificates will pass only upon receipt of the certificates by MTS.

By Mail, Overnight Courier or Hand-Delivery to:

M/A-COM Technology Solutions Inc.
c/o Perkins Coie LLP
Attention:
1900 Sixteenth Street, Suite 1400
Denver, Colorado 80202

For assistance, please contact: at @perkinscoie.com or .

To: Stockholders of Optomai, Inc.,

1. Introduction

In accordance with the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement"), dated as of April 7, 2011, by and among M/A-COM Technology Solutions Inc., a Delaware corporation ("MTS"), Optomai Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of MTS ("Merger Sub"), Optomai, Inc., a Delaware corporation (the "Company"), the stockholders party thereto and Vivek Rajgarhia, as stockholders' agent, the undersigned hereby surrenders to the Company the certificate(s) described in Box B (the "Certificate(s)") representing the shares of common stock of the Company set forth on such Certificate(s) (the "Company Shares") in exchange for cash pursuant to the Merger Agreement. The undersigned acknowledges and agrees that the undersigned will only become entitled to receive the above mentioned consideration for the Certificate(s) surrendered hereby if the Closing (as defined in the Merger Agreement) occurs. The surrender made hereby shall be irrevocable unless and until the Merger Agreement is terminated in accordance with its terms.

Capitalized terms used but not defined herein shall have the meanings set forth in the Merger Agreement. By signing this Letter of Transmittal, the undersigned acknowledges that, subject to the undersigned's right to receive the amount payable in respect of the Company Shares pursuant to the Merger Agreement, delivery of the consideration to which the undersigned is entitled under the Merger Agreement shall constitute full and complete payment in exchange for the undersigned's Company Shares.

In order to receive delivery of any consideration in respect of the Company Shares to which you may be entitled under the Merger Agreement, you must execute this Letter of Transmittal in Box A above and complete the Substitute Form W-9 included herewith. Unless otherwise indicated in Box D (labeled "Wire Transfer Instructions"), checks shall be delivered to the address appearing in Box C (labeled "Name and Address of Registered Holder(s)"). Cash payments may be made by wire transfer of immediately available funds provided that you have completed Box D (labeled "Wire Transfer Instructions").

BY DELIVERY OF THIS LETTER OF TRANSMITTAL TO MTS, THE UNDERSIGNED HEREBY FOREVER WAIVES ANY AND ALL APPRAISAL RIGHTS UNDER DELAWARE LAW AND WITHDRAWS ALL WRITTEN OBJECTIONS TO THE MERGER AND/OR DEMANDS FOR APPRAISAL, IF ANY, WITH RESPECT TO THE COMPANY SHARES OWNED BY THE UNDERSIGNED OR OTHERWISE. THE UNDERSIGNED HEREBY FURTHER WAIVES ANY AND ALL RIGHTS TO NOTICE WITH RESPECT TO THE MERGER UNDER THE COMPANY'S CERTIFICATE OF INCORPORATION AND BYLAWS AND APPLICABLE LAW.

The undersigned understands that he, she or it will not have made an acceptable delivery unless and until MTS receives (a) this Letter of Transmittal, or a facsimile copy hereof, duly completed and signed, (b) the Certificate(s) and (c) the Stockholder Consent (as defined in the Merger Agreement). The undersigned acknowledges and agrees that, regardless of when this Letter of Transmittal is delivered to MTS, the undersigned will not be entitled to any interest on the consideration to which he, she or it is entitled under the Merger Agreement.

The undersigned acknowledges and agrees that if the Closing does not occur or the Merger Agreement is terminated, MTS will return the Certificate(s) to the undersigned.

2. Representations

The undersigned hereby represents and warrants that:

(a) The undersigned is the record holder and beneficial owner of the Company Shares represented by the Certificates and has sole power of disposition in respect of such Company Shares.

(b) The Company Shares are not subject to any lien, mortgage, pledge, security interest, charge, option or other right to purchase, restriction on transfer or any other encumbrance whatsoever (other than restrictions imposed by securities laws applicable to securities generally).

(c) The undersigned, if it is an entity, has all requisite power and authority or, if the undersigned is an individual, has capacity to enter into this Letter of Transmittal and to surrender the Company Shares.

(d) The execution and delivery of this Letter of Transmittal and the surrender of the Company Shares by the undersigned will not conflict with (i) if the undersigned is an entity, any provision of the organizational documents of the undersigned, (ii) any material contract to which the undersigned is a party, or (iii) to the undersigned's knowledge, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the undersigned or his, her or its properties or assets.

(e) There is no action, suit, claim or proceeding of any nature pending or, to the knowledge of the undersigned, threatened in writing against undersigned, arising out of or relating to (i) the undersigned's record or beneficial ownership of the Company Shares, (ii) the undersigned in his, her or its capacity as a stockholder of the Company, (iii) the transactions contemplated by the Merger Agreement, or (iv) any other agreement between the undersigned and the Company. To the knowledge of the undersigned, there is no investigation or other proceeding pending or threatened in writing against the undersigned arising out of or relating to the matters noted in clauses (i) through (iv) of the preceding sentence by or before any governmental entity. The undersigned further represents that the undersigned has no lawsuits, claims, charges, or actions pending in the undersigned's name, or on behalf of any other person or entity, against the Released Parties (as defined below).

3. Indemnification

The undersigned hereby agrees to indemnify the Parent Indemnified Persons as a Company Stockholder pursuant to the Merger Agreement solely in accordance with Article X of the Merger Agreement, subject to the terms, conditions, limitations and qualifications set forth in Article X of the Merger Agreement.

4. Appointment of Stockholders' Agent and Payment of Representative Fund

By execution of this Letter of Transmittal, the undersigned hereby irrevocably appoints Vivek Rajgarhia to serve as the Stockholders' Agent on his, her or its behalf in accordance with Section 7.3 of the Merger Agreement. The undersigned hereby appoints the Stockholders' Agent as the undersigned's agent and true and lawful attorney in fact, with full powers of substitution and resubstitution, in the undersigned's name, place and stead, solely in connection with any Representative Claim, granting unto said agent and attorney in fact, full power and authority to do and perform each and every act and thing requisite and necessary solely for the purposes set forth in the Merger Agreement. The undersigned agrees (a) that the Stockholders' Agent shall not be liable for any act done or omitted as Stockholders' Agent while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith and (b) to indemnify Stockholders' Agent and hold him harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of such Stockholders' Agent and arising out of or in connection with the acceptance or administration of duties under the Merger Agreement. The undersigned hereby agrees and acknowledges that $25,000 of the Initial Consideration shall be paid to the Stockholders' Agent to be used exclusively for the purposes set forth in Section 2.12(c) of the Merger Agreement and that such funds will only be released to the undersigned, if at all, as set forth therein. All of the immunities and powers granted to the Stockholders' Agent under the Merger Agreement and this Letter of Transmittal shall survive the Closing Date and/or any termination of the Merger Agreement. The grant of authority conferred or agreed to be conferred in this Letter of Transmittal (x) is coupled with an interest and shall be irrevocable unless the Merger Agreement is terminated and shall survive the death, incompetency, bankruptcy or liquidation of the undersigned and (y) shall survive the Closing.

5. Release

Subject to the receipt by the undersigned of the portion of the consideration to which the undersigned is entitled to receive in connection with the Closing in accordance with the terms of the Merger Agreement and by virtue of the execution of this Letter of Transmittal, the undersigned, on behalf of himself, herself or itself, and on behalf of the undersigned's successors and assigns (collectively, the "Releasor Parties"), does hereby unconditionally, irrevocably and absolutely release and forever discharge MTS, the Surviving Corporation and their respective predecessors and successors, as well as each of their respective past and present stockholders, directors, officers, employees, affiliates, parents, subsidiaries and representatives in their capacities as such (collectively the "Released Parties"), from any

and all loss, liability, obligations, claims, costs, demands, actions and causes of action, suits, debts, accounts, covenants, contracts, controversies, damages and judgments of every kind, nature and character (including, without limitation, claims for damages, costs, expenses and attorneys', brokers' and accountants' fees and expenses), in connection with any transaction, affair or occurrence, whether in law, equity or otherwise, whether known or unknown, suspected or unsuspected (including, without limitation, any fiduciary duty claims against any of the Released Parties that any Releasor Party now has, has ever had or at any time could have asserted against any of the Released Parties in such capacity in connection with any transaction, affair or occurrence arising from such matters at any time up to and including the Effective Time (collectively, the "Released Claims"). Each such Releasor Party hereby irrevocably agrees to refrain from, directly or indirectly, asserting any claim or demand or commencing (or allowing to be commenced on such Releasor Party's behalf) any suit, action or proceeding of any kind, in any agency, court or before any tribunal, against any Released Party based upon any Released Claim, it being the intent of such Releasor Party that, subject to the receipt by the undersigned of the portion of the consideration to which the undersigned is entitled in connection with the Merger, and by virtue of the execution of this document, the Released Parties will be absolutely, unconditionally and forever discharged of and from any and all obligations related in any way to the Released Claims. Notwithstanding the foregoing, nothing contained in this Letter of Transmittal shall affect the rights, liabilities or obligations of any party under the Merger Agreement.

Any term or provision of this Section 5 that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Section 5 or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 5 is invalid or unenforceable, the undersign agrees that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with the term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid and unenforceable term or provision, and this Section 5 shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

6. Acknowledgements

The undersigned understands that, pursuant to the Merger Agreement, he, she or it is entitled to receive a portion of the Adjusted Consideration and Earnout Payments, as determined in accordance with and pursuant to the provisions of the Merger Agreement, as consideration for his, her or its Company Shares and, upon receipt thereto, he, she or it will not be entitled to any further consideration for such Company Shares. The undersigned further understands that (a) the Escrow Consideration payable under the Merger Agreement will be retained in escrow by MTS pursuant to the terms of the Merger Agreement and (b) such Escrow Consideration may be forfeited to and retained by MTS pursuant to and in accordance with the terms of the Merger Agreement and as such none or only a portion of the Escrow Consideration may ultimately be distributed to the stockholders and option holders of the Company and the Bonus Pool Recipients. The undersigned acknowledges and agrees to the distribution of the Initial Consideration, Earnout Payments and the Representative Fund, and retention in escrow of the Escrow Consideration, in each case as set forth in the Merger Agreement. The undersigned agrees to execute all such further documents and instruments as may be reasonably requested to consummate the Merger and the other transactions contemplated by the Merger Agreement.

7. Survival

The undersigned agrees that all authority conferred in this Letter of Transmittal shall survive the dissolution, liquidation, winding up, death or incapacity of the undersigned, and all obligations of the undersigned under this Letter of Transmittal and the Merger Agreement shall be binding on the heirs, personal representatives, successors and assigns of the undersigned unless and until the Merger Agreement is terminated.

[*Remainder of Page Intentionally Left Blank*]

OPTION HOLDER LETTER OF TRANSMITTAL

This Letter of Transmittal is delivered in connection with the merger between Optomai, Inc., and Optomai Merger Sub, Inc., a wholly-owned subsidiary of M/A-COM Technology Solutions Inc. ("MTS"). Please see page 5 for a description of the merger.

THE ATTACHED LETTER OF TRANSMITTAL SHOULD BE COMPLETED AND SIGNED IN THE SPACE PROVIDED IN BOX A BELOW AND IN THE SUBSTITUTE FORM W-9 INCLUDED HEREWITH AND HAND-DELIVERED OR SENT BY OVERNIGHT COURIER OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, IN CONNECTION WITH THE MERGER DESCRIBED BELOW. IN CASE OF ANY INCONSISTENCY BETWEEN THIS LETTER OF TRANSMITTAL AND THE MERGER AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS THERETO), THE MERGER AGREEMENT SHALL CONTROL.

THE INSTRUCTIONS ACCOMPANYING THE ATTACHED LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED AS ANY NON-COMPLIANCE WITH THE INSTRUCTIONS COULD LEAD TO A DELAY IN YOUR RECEIPT OF THE CONSIDERATION PAYABLE PURSUANT TO THE MERGER AGREEMENT. IN ADDITION, THE MERGER AGREEMENT SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED. DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN THE ADDRESS BELOW WILL NOT CONSTITUTE A VALID DELIVERY.

3. **All Qualifying Option Holders must complete Boxes A, B, C and E.**
4. **Qualifying Option Holders must also complete Box D to receive payment by wire transfer rather than by check.**

Please also read the "General Instructions" on page 4.

BOX A – Signature of Qualifying Option Holder	***BOX B – Qualifying Company Options***	
(Must be signed by the Qualifying Option Holder exactly as the name appears on the stock option grant documents for such Qualifying Company Options)	**Number of Qualifying Company Options held by Qualifying Option Holder**	_____
Signature		
Telephone Number		

BOX C - Name and Address of Qualifying Option Holder
Name
Street Address
City, State and Zip Code

Please remember to complete and sign the enclosed Substitute Form W-9 in Box E or, if applicable, a Form W-8BEN.

BOX D – Wire Transfer Instructions

Holders of Qualifying Company Options who wish to receive payment by wire transfer rather than by check should complete the wire instructions below. If the information below is not completed, holders of Qualifying Company Options will receive payment by check.

Please wire the Qualifying Company Option Initial Consideration Per Share on account of my Qualifying Company Options, any Qualifying Company Option Escrow Consideration Per Share released from escrow on account of my Qualifying Company Options, any Earnout Payments on account of my Qualifying Company Options and any amounts released from the Representative Fund on account of my Qualifying Company Options as follows:

Bank name: _____

Bank's ABA number: _____

For credit to account name at Bank: _____

For credit to account number at Bank: _____

_____ _____

(Signature) **(Print name & capacity, if applicable)**

BOX E - Important Tax Information - Substitute Form W-9

Please provide the Taxpayer Identification Number ("TIN") of the person or entity receiving payment for the above-described options. This box must be signed by that person or entity, thereby making the following certification:

Tax ID or Social Security Number

_____

CERTIFICATION – Under penalties of perjury, the undersigned hereby certifies the following:

(1) The TIN shown above is the correct TIN of the person or entity that is submitting this Letter of Transmittal and that is required by law to provide such TIN, or such person or entity is waiting for a TIN to be issued; (2) the person or entity that is submitting this Letter of Transmittal and that is required by law to provide such TIN is not subject to backup withholding because such person or entity has not been notified by the Internal Revenue Service ("IRS") that such person or entity is subject to backup withholding, or because the IRS has notified such person or entity that he or she is no longer subject to backup withholding, or because such person or entity is an exempt payee; and (3) the person or entity that is submitting this Letter of Transmittal a US citizen or US resident alien.

Signature: _____ **Date:** _____

NOTICE TO FOREIGN PERSONS (INCLUDING NONRESIDENT ALIEN INDIVIDUALS, FOREIGN CORPORATIONS, FOREIGN PARTNERSHIPS, FOREIGN TRUSTS, FOREIGN ESTATES, AND ANY OTHER PERSON THAT IS NOT A U.S. PERSON): A FORM W-8BEN MUST BE COMPLETED AND RETURNED FOR CERTIFICATION OF FOREIGN STATUS. FAILURE TO DO SO WILL SUBJECT YOU TO WITHHOLDING UP TO 30% OF ANY PAYMENT DUE.

General Instructions

Please read this information carefully.

- **BOX A - Signatures:** All Qualifying Option Holders must sign as indicated in Box A.
- **BOX B - Qualifying Company Options:** List all Qualifying Company Options held by the undersigned.
- **BOX C - Current Name and Address of Qualifying Option Holders:** Fill in the name and address for the delivery of a check. This name must match the name on the Qualifying Company Options.
- **BOX D - Wire Transfer Instructions:** Box D only needs to be completed if the Qualifying Option Holder is requesting payment by wire transfer.
- **BOX E - Important Tax Information - Substitute Form W-9:** Please provide the social security or other tax identification number ("TIN") of the person or entity receiving payment for the above described options on the Substitute Form W-9 (or, if applicable, a Form W-8BEN) making the certification that receiver of the payment is not subject to backup withholding. Failure to do so will subject the recipient to applicable federal income tax withholding.
- **Deficient Presentments:** If you provide insufficient information, the required documentation will be requested from you.
- **Returning Letter of Transmittal:** Return this Letter of Transmittal ***only*** to MTS at the address below. The method of delivery is at your option and your risk, but it is recommended that documents be delivered via a registered and insured method.

By Mail, Overnight Courier or Hand-Delivery to:

M/A-COM Technology Solutions Inc.
c/o Perkins Coie LLP
Attention:
1900 Sixteenth Street, Suite 1400
Denver, Colorado 80202

For assistance, please contact: at @perkinscoie.com or .

To: Certain Option Holders of Optomai, Inc.,

1. Introduction

In accordance with the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement"), dated as of April 7, 2011, by and among M/A-COM Technology Solutions Inc., a Delaware corporation ("MTS"), Optomai Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of MTS ("Merger Sub"), Optomai, Inc., a Delaware corporation (the "Company"), the stockholders party thereto and Vivek Rajgarhia, as stockholders' agent, Merger Sub will be merged with and into the Company, with the Company surviving as a wholly-owned subsidiary of MTS (the "Merger").

Prior to the closing of the Merger (the "Closing"), the board of directors of the Company will cause each outstanding option to acquire shares of capital stock of the Company granted during 2010 to be fully-vested. In accordance with the terms and conditions of the Merger Agreement, all options to purchase shares of the Company's common stock granted during 2010 (the "Qualifying Company Options") will be entitled to a cash payment. The actual amount payable on account of each Qualifying Company Option may differ from this estimate. Holders of Qualifying Company Options may also be entitled to additional cash consideration for Qualifying Company Options on account of funds initially placed in escrow upon the Closing, however, there is no guarantee that some or all of the escrowed funds will eventually be released to the Company's stockholders and option holders and the Bonus Pool Recipients. In addition, holders of Qualifying Company Options may also receive portions of Earnout Payments, if any, and any portions of amounts released from the Representative Fund.

The undersigned hereby surrenders all rights to the Qualifying Company Options described in Box B representing options to acquire shares of common stock of the Company in exchange for cash, pursuant to the Merger Agreement, and acknowledges and agrees that such Qualifying Company Options shall be deemed cancelled and terminated. The undersigned further acknowledges and agrees that the undersigned will only become entitled to receive the above mentioned consideration for the Qualifying Company Options surrendered hereby if the Closing occurs. The surrender, cancellation and termination made hereby shall be irrevocable unless and until the Merger Agreement is terminated in accordance with its terms.

Capitalized terms used but not defined herein shall have the meanings set forth in the Merger Agreement. By signing this Letter of Transmittal, the undersigned acknowledges that, subject to the undersigned's right to receive the amount payable in respect of the Qualifying Company Options as set forth in the Merger Agreement, delivery of the consideration as calculated pursuant to the terms of the Merger Agreement shall constitute full and complete payment in exchange for the cancellation of the undersigned's Qualifying Company Options.

In order to receive delivery of any consideration in respect of the Qualifying Company Options to which you may be entitled under the Merger Agreement, you must execute this Letter of Transmittal in Box A above and complete the Substitute Form W-9 included herewith. Unless otherwise indicated in Box D (labeled "Wire Transfer Instructions"), checks shall be delivered to the address appearing in Box C (labeled "Name and Address of Qualifying Option Holder"). Cash payments may be made by wire transfer of immediately available funds provided that you have completed Box D (labeled "Wire Transfer Instructions").

The undersigned understands that he or she will not have made an acceptable delivery unless and until MTS receives this Letter of Transmittal, or a facsimile copy hereof, duly completed and signed. The undersigned acknowledges and agrees that, regardless of when this Letter of Transmittal is delivered to MTS, the undersigned will not be entitled to any interest on the consideration to which he or she is entitled under the Merger Agreement.

The undersigned acknowledges and agrees that if the Closing does not occur or the Merger Agreement is terminated, the Qualifying Company Options will not be terminated.

2. Representations

The undersigned hereby represents and warrants that:

(f) The undersigned is the record holder and beneficial owner of the Qualifying Company Options described in Box B and has sole power of disposition in respect of such Qualifying Company Options.

(g) The Qualifying Company Options are not subject to any lien, mortgage, pledge, security interest, charge, option or other right to purchase, restriction on transfer or any other encumbrance whatsoever (other than restrictions imposed by securities laws applicable to securities generally).

(h) The undersigned has capacity to enter into this Letter of Transmittal and to surrender the Qualifying Company Options.

(i) The execution and delivery of this Letter of Transmittal and the surrender of the Qualifying Company Options by the undersigned will not conflict with (i) any material contract to which the undersigned is a party or (ii) to the undersigned's knowledge, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the undersigned or his or her properties or assets.

(j) There is no action, suit, claim or proceeding of any nature pending or, to the knowledge of the undersigned, threatened in writing against undersigned, arising out of or relating to (i) the undersigned's record or beneficial ownership of the Qualifying Company Options, (ii) the undersigned in his or her capacity as an option holder of the Company, (iii) the transactions contemplated by the Merger Agreement, or (iv) any other agreement between the undersigned and the Company. To the knowledge of the undersigned, there is no investigation or other proceeding pending or threatened in writing against the undersigned arising out of or relating to the matters noted in clauses (i) through (iv) of the preceding sentence by or before any governmental entity. The undersigned further represents that the undersigned has no lawsuits, claims, charges, or actions pending in the undersigned's name, or on behalf of any other person or entity, against the Released Parties (as defined below).

3. Indemnification

The undersigned hereby agrees to indemnify the Parent Indemnified Persons as a Qualifying Option Holder pursuant to the Merger Agreement solely in accordance with Article X of the Merger Agreement, subject to the terms, conditions, limitations and qualifications set forth in Article X of the Merger Agreement.

4. Appointment of Stockholders' Agent and Payment of Representative Fund

By execution of this Letter of Transmittal, the undersigned hereby irrevocably appoints Vivek Rajgarhia to serve as the Stockholders' Agent on his or her behalf in accordance with Section 7.3 of the Merger Agreement. The undersigned hereby appoints the Stockholders' Agent as the undersigned's agent and true and lawful attorney in fact, with full powers of substitution and resubstitution, in the undersigned's name, place and stead, solely in connection with any Representative Claim, granting unto said agent and attorney in fact, full power and authority to do and perform each and every act and thing requisite and necessary solely for the purposes set forth in the Merger Agreement. The undersigned agrees (a) that the Stockholders' Agent shall not be liable for any act done or omitted as Stockholders' Agent while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith and (b) to indemnify Stockholders' Agent and hold him harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of such Stockholders' Agent and arising out of or in connection with the acceptance or administration of duties under the Merger Agreement. The undersigned hereby agrees and acknowledges that $25,000 of the Initial Consideration shall be paid to the Stockholders' Agent to be used exclusively for the purposes set forth in Section 2.12(c) of the Merger Agreement and that such funds will only be released to the undersigned, if at all, as set forth therein. All of the immunities and powers granted to the Stockholders' Agent under the Merger Agreement and this Letter of Transmittal shall survive the Closing Date and/or any termination of the Merger Agreement. The grant of authority conferred or agreed to be conferred in this Letter of Transmittal (x) is coupled with an interest and shall be irrevocable unless the Merger Agreement is terminated and shall survive the death, incompetency, bankruptcy or liquidation of the undersigned and (y) shall survive the Closing.

5. Release

Subject to the receipt by the undersigned of the portion of the consideration to which the undersigned is entitled to receive in connection with the Closing in accordance with the terms of the Merger Agreement and by virtue of the execution of this Letter of Transmittal, the undersigned, on behalf of himself or herself, and on behalf of the undersigned's successors and assigns (collectively, the "Releasor Parties"), does hereby unconditionally, irrevocably and absolutely release and forever discharge MTS, the Surviving Corporation and their respective predecessors and successors, as well as each of their respective past and present stockholders, directors, officers, employees, affiliates, parents, subsidiaries and representatives in their capacities as such (collectively the "Released Parties"), from any

and all loss, liability, obligations, claims, costs, demands, actions and causes of action, suits, debts, accounts, covenants, contracts, controversies, damages and judgments of every kind, nature and character (including, without limitation, claims for damages, costs, expenses and attorneys', brokers' and accountants' fees and expenses), in connection with any transaction, affair or occurrence, whether in law, equity or otherwise, whether known or unknown, suspected or unsuspected (including, without limitation, any fiduciary duty claims against any of the Released Parties) that any Releasor Party now has, has ever had or at any time could have asserted against any of the Released Parties in such capacity in connection with any transaction, affair or occurrence arising from such matters at any time up to and including the Effective Time (collectively, the "Released Claims"). Each such Releasor Party hereby irrevocably agrees to refrain from, directly or indirectly, asserting any claim or demand or commencing (or allowing to be commenced on such Releasor Party's behalf) any suit, action or proceeding of any kind, in any agency, court or before any tribunal, against any Released Party based upon any Released Claim, it being the intent of such Releasor Party that, subject to the receipt by the undersigned of the portion of the consideration to which the undersigned is entitled in connection with the Merger, and by virtue of the execution of this document, the Released Parties will be absolutely, unconditionally and forever discharged of and from any and all obligations related in any way to the Released Claims. Notwithstanding the foregoing, nothing contained in this Letter of Transmittal shall affect the rights, liabilities or obligations of any party under the Merger Agreement.

Any term or provision of this Section 5 that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Section 5 or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 5 is invalid or unenforceable, the undersign agrees that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with the term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid and unenforceable term or provision, and this Section 5 shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

6. Acknowledgements

The undersigned understands that, pursuant to the Merger Agreement, he or she is entitled to receive a portion of the Adjusted Consideration and Earnout Payments, as determined in accordance with and pursuant to the provisions of the Merger Agreement, as consideration for his or her Qualifying Company Options and, upon receipt thereto, he or she will not be entitled to any further consideration for such Qualifying Company Options. The undersigned further understands that (a) the Escrow Consideration payable under the Merger Agreement will be retained in escrow by MTS pursuant to the terms of the Merger Agreement and (b) such Escrow Consideration may be forfeited to and retained by MTS pursuant to and in accordance with the terms of the Merger Agreement and as such none or only a portion of the Escrow Consideration may ultimately be distributed to the stockholders and option holders of the Company and the Bonus Pool Recipients. The undersigned acknowledges and agrees to the distribution of the Initial Consideration, Earnout Payments and the Representative Fund, and retention in escrow of the Escrow Consideration, in each case as set forth in the Merger Agreement. The undersigned agrees to execute all such further documents and instruments as may be reasonably requested to consummate the Merger and the other transactions contemplated by the Merger Agreement.

7. Survival

The undersigned agrees that all authority conferred in this Letter of Transmittal shall survive the dissolution, liquidation, winding up, death or incapacity of the undersigned, and all obligations of the undersigned under this Letter of Transmittal and the Merger Agreement shall be binding on the heirs, personal representatives, successors and assigns of the undersigned unless and until the Merger Agreement is terminated.

[*Remainder of Page Intentionally Left Blank*]

EXHIBIT C

EARNOUT PAYMENT CALCULATIONS

(a) If, for the twelve (12)-month period ending March 30, 2012, (i) ten (10) or more products based on the Company Owned Intellectual Property as of the Closing Date (the "Earnout Products") have been qualified and released to production in accordance with the MTS ENG-026 Process attached hereto as Schedule 1 to this Exhibit C, subject to the exceptions and modifications thereto reflected on Schedule 2 to this Exhibit C, including successful completion of the production release gates listed on Schedule 2 to this Exhibit C; and (ii) Parent recognizes aggregate Product Revenue greater than or equal to $2,000,000, then Parent shall pay to the Company Stockholders and the Qualifying Option Holders and allocate to the Bonus Pool as an Earnout Payment the aggregate sum of $1,000,000.

(b) If, for the twelve (12)-month period ending March 29, 2013, (i) Parent recognizes aggregate Product Revenue that is greater than or equal to $7,500,000 but less than or equal to $10,000,000 and (ii) the CM Percentage is greater than or equal to 69%, then Parent shall pay to the Company Stockholders and the Qualifying Option Holders and allocate to the Bonus Pool as an Earnout Payment the aggregate amount determined by the following formula:

> The difference of (i) the product of (A) such aggregate Product Revenue multiplied by (B) 2.5, minus (ii) the sum of (A) $15,000,000 plus (B) any Earnout Payment made pursuant Paragraph (a) above;

provided, *however*, that the maximum possible Earnout Payment under this Paragraph (b) shall in no case exceed the difference of $16,000,000 minus any payments made pursuant to Paragraph (a) above.

(c) If, for the twelve (12)-month period ending March 29, 2013, (i) Parent recognizes Product Revenue that is greater than $10,000,000 and (ii) the CM Percentage is greater than or equal to 69%, then Parent shall pay to the Company Stockholders and the Qualifying Option Holders and allocate to the Bonus Pool as an Earnout Payment an aggregate amount equal to the difference of (A) the aggregate Product Revenue recognized by Parent for the twelve (12)-month period ended March 29, 2013 minus (B) any payments made pursuant to Paragraph (a) above; *provided*, *however*, that the maximum possible Earnout Payment under this Paragraph (c) shall in no case exceed the difference of $16,000,000 minus any Earnout Payment made pursuant to Paragraph (a) above.

For the avoidance of doubt, (i) in no event shall an Earnout Payment become due and payable under both Paragraphs (b) and (c) above, and (ii) in no event shall the aggregate of all Earnout Payments calculated pursuant to this Exhibit C exceed $16,000,000.

All production of the Earnout Products shall be conducted only on a build-to-order basis, meaning that inventory will not be procured or built unless and until a bona fide customer has delivered to Parent or any subsidiary of Parent a valid and binding purchase order for such Inventory.

All development, production, sales and support of Earnout Products shall be conducted in accordance with the general business policies and procedures of Parent, including its accounting and internal control policies and procedures.

For purposes of this Exhibit C:

"Actual Material & Service Cost" shall mean the difference between (a) the sum of (i) the aggregate value of Inventory on hand at Parent on a consolidated basis related to the Earnout Products at the beginning of the applicable period, plus (ii) the aggregate cost of all Inventory procured or created by or on behalf of Parent on a consolidated basis related to the Earnout Products during the applicable period, minus (iii) the aggregate value of the Inventory on hand at Parent on a consolidated basis related to the Earnout Products at the end of the applicable period.

"CM Percentage" shall mean the percentage obtained by dividing the Gross Contribution Profit for the applicable period by the Product Revenue for the same period.

"Direct Labor Cost" shall mean the aggregate cost of any direct labor inputs of employees of Parent or its subsidiaries (including the Surviving Corporation) related to packaging, assembly and test of the Earnout Products during the applicable period. As regards the calculation of Direct Labor Cost: (a) all internal production inputs related to the production of Earnout Products will be managed by the use of work orders, and (b) each work order will reflect the actual labor hours expended by the applicable employee based on applicable Parent labor categories, which hours will be multiplied by the applicable labor rate for such employee to arrive at a dollar input contributing to the aggregate Direct Labor Cost. The standard labor rate for non-exempt employees shall be determined by their hourly wage plus the cost of any benefits provided to them by the Company. The standard labor rate for exempt employees shall be determined by pro-rating their annual salary plus the cost of any benefits provided to them by Company, based on a 40-hour work week.

"Gross Contribution Profit" shall mean the difference between (a) the Product Revenue during the applicable period, minus (b) the Actual Material & Service Cost for the same period.

"Inventory" shall mean, for the purposes of this Exhibit C only, the sum of (a) cost of raw materials, plus (b) Direct Labor Cost and cost of services associated with packaging, assembly and test.

"Optoelectronics Business Unit" shall mean Parent's business unit primarily responsible for the development, production, sales and support of Earnout Products.

"Product Revenue" shall mean the aggregate net revenue (net of any related returns and credits issued) recognized by Parent on a consolidated basis in accordance with GAAP and Parent's revenue recognition policy (summarized below) during the applicable period based on sales of Earnout Products. For the avoidance of doubt, Product Revenue shall not include any deferred revenue or service revenue related to the Products.

Summary of Parent's Revenue Recognition Policy: Revenue from the sale of products is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been provided, the price to the buyer is fixed or determinable, and collectability is

reasonably assured. Providing other revenue recognition criteria are met, product revenue is recognized upon transfer of title and risk of loss, which is generally upon shipment. Parent recognizes revenue from sales to distributors and other resellers under agreements providing for rights of return and price protection at the time its products are sold by the reseller to third party customers. Parent defers both the revenue and related cost of revenue on any product that has not been sold to the distributor or reseller's customer. Shipping and handling fees billed to customers are recorded as revenue while the related costs are classified as a component of costs of revenue.

EXHIBIT D
BUDGET AND SUPPORT COMMITMENTS

2011:

The total budget will be $3,300,000, consisting of:

Operating Expenses (R&D Expenses (salaries, software licenses, engineering masks, engineering supplies, etc.)), Sales and Marketing (salaries, travel, optical specific conferences, promotions, etc.), and G&A (salaries, miscellaneous)) – $2,700,000

Capital Expenditures (Engineering and Operations) – $500,000

Capital Expenditures (Production Masksets) – $100,000

All such funds shall be made available at the request of the General Manager of Optoelectronics Business Unit within fiscal year 2011, in staged funding increments not to exceed $900,000 per fiscal quarter unless otherwise approved by COO and CEO of Parent.

2012:

Except as provided below, the total budget will be $3,375,000, consisting of:

Operating Expenses (same categories as above) – $3,000,000

Capital Expenditures (Equipment) – $250,000

Capital Expenditures (Production Masksets) – $125,000

All such funds shall be made available at the request of the General Manager of Optoelectronics Business Unit within fiscal year 2012, in staged funding increments not to exceed $900,000 per fiscal quarter unless otherwise approved by COO and CEO of Parent.

In the event that the actual 2011 result with respect to either of the criteria set forth in clauses (a)(i) or (a)(ii) of Exhibit C is 50 percent or less of the result required to achieve an Earnout Payment (i.e., five (5) or fewer Earnout Products qualified and released to production or $1,000,000 or less of Product Revenue), then Parent's obligations in respect of funding the 2012 budget shall be reduced, in Parent's sole discretion, by up to 50 percent (which may be applied by Parent to the aggregate budget or individual items thereof, provided that the aggregate funding obligation shall not be reduced by more than 50 percent).

The approved hiring plan for the Optoelectronics Business Unit within the Operating Expense budget is as follows:

	2011	2012
Product Management	0	1
Design Engineering	2	
Design Technician	1	
Assembly		1
Product Engineering	1*	
Application Engineering	2	
Quality Assurance	1*	
Total	7	2

* The single hire noted in the table above beside each of Product Engineering and Quality Assurance will be allocated from the pool of resources shared across business units by Parent rather than dedicated support staff for Optoelectronics Business Unit. 100 percent of the fully-loaded employment and benefits costs of those two personnel shall be counted against the Operating Expense budget for the Optoelectronics Business Unit without regard to whether such personnel are fully-dedicated to the Optoelectronics Business Unit. Those two personnel shall: (i) have prior semiconductor industry experience in the field of Quality Assurance or Product Engineering, as applicable, and (ii) primarily support the Optoelectronics Business Unit but also be available at all times to support other business units of Parent as necessary or appropriate for efficient operation of Parent's business as a whole.

  Hiring of any personnel in support of the Optoelectronics Business Unit beyond the specified roles and/or total headcount above will require prior written approval by COO and CEO of Parent, to be withheld in their discretion, and the fully-loaded employment and benefits costs of such personnel shall be counted against the Operating Expense budget for the Optoelectronics Business Unit.

SUPPORT COMMITMENTS:

From the Closing through and including March 29, 2013, Parent shall use commercially reasonable efforts to cause the Company or one of its affiliates to at all times employ a General Manager of Optoelectronics Business Unit, a Director of New Product Development of Optoelectronics Business Unit, and a Director of R&D of Optoelectronics Business Unit, or, in each case, a person with a different title but equivalent duties and responsibilities.

The Optoelectronics Business Unit will have access to and the support of Parent’s internal and external global sales force and distribution channels on substantially the same basis as Parent’s other business units.

EXHIBIT E

FORM OF NONCOMPETITION AND NONSOLICITATION AGREEMENT

(attached)

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this "Agreement") is entered into as of [ ], 2011, by and between M/A-COM Technology Solutions Inc., a Delaware corporation and/or or its assigns ("Purchaser"), Optomai, Inc., a Delaware corporation (the "Company"), and [ ] ("Seller").

RECITALS

A. Purchaser, the Company, the Company Stockholders listed therein, Optomai Merger Sub, Inc., a Delaware corporation ("Merger Sub"), Vivek Rajgarhia, in his capacity as Stockholders' Agent, and Seller are parties to that certain Agreement and Plan of Merger dated as of April 7, 2011 (the "Merger Agreement"), pursuant to which Merger Sub, which is a wholly-owned subsidiary of Purchaser, will merge with and into the Company and the Company will be the surviving corporation (the transactions contemplated by the Merger Agreement are referred to hereinafter as the "Transaction").

B. The Company is, and following the Closing, Purchaser, the Company and their Affiliates will be or will continue to be, engaged in the business of designing, developing, manufacturing, testing, marketing, licensing and/or selling integrated circuits, modules, sub-assemblies or related products and technology for use in optical communications applications (the "Business").

C. Seller's covenant not to compete with the Company, Purchaser and their respective Affiliates, as reflected in this Agreement, is an essential inducement to Purchaser to enter into the Transaction.

D. In order to protect the goodwill of the Company, and as a condition precedent to the obligations of Purchaser to consummate the Transaction, Seller has agreed to the restrictive covenants and other terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and to induce Purchaser to consummate the Transaction and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Purchaser and the Company hereby covenant and agree as follows:

1. Defined Terms. Capitalized terms used but not defined herein shall have the meanings given to them in the Merger Agreement. As used herein, the following terms have the following meanings:

(a) "Affiliate" means, with respect to any Person, any Person that controls, is controlled by or is under common control with, such Person. A Person will be presumed to have control when it possesses the power, directly or indirectly, to direct, or cause the direction of, the management or policies of another Person, whether through ownership of voting securities, by contract or otherwise. For the avoidance of doubt, following the Closing, Purchaser and the Company will be Affiliates.

(b) "Business Area" as used herein means the United States, Japan, the People's Republic of China, India, Malaysia, Thailand, Italy, France, the United Kingdom and any other geographic area in which the Company or any of its Affiliates has conducted, conducts, or is actively engaged in pursuing, the Business as of immediately prior to Closing, or in which the Company or any of its Affiliates conducts, or is actively engaged in pursuing, the Business at any time during the Restricted Period (as defined below).

(c) "Competitor" as used herein, means any Person that competes directly or indirectly, including through an Affiliate, with the Company or any of its Affiliates with respect to the Business.

2. Non-Competition.

(a) Seller, Purchaser and the Company agree that Seller has Confidential Information relating to the Company, Purchaser and their respective Affiliates. Seller acknowledges that such information is of extreme importance to the Company, Purchaser and their respective Affiliates and will continue to be so after the consummation of the Transaction and that disclosure of the Confidential Information to others, or the unauthorized use of such information by Seller, may cause substantial loss and harm to the Company, Purchaser and their respective Affiliates.

(b) Seller, Purchaser and the Company further agree that the market for the Business is intensely competitive and that the Company and its Affiliates may engage in the Business throughout the entire world.

(c) Seller, Purchaser and the Company intend and agree that this Agreement is an ancillary agreement to the Merger Agreement.

(d) During the period that begins on the Closing and ends on the three-year anniversary following the Closing (the "Restricted Period"), Seller shall not, anywhere in the Business Area, directly or indirectly (including through any Affiliate of Seller), compete with the Company or any of its Affiliates with respect to the Business or own, manage, operate, control, be employed by, provide services to, or otherwise deal with, engage or participate in, or be connected as an owner, partner, principal, sales representative, advisor, member of the board of directors of, employee of or consultant of, any Competitor.

(e) Notwithstanding the foregoing provisions of Section 2(d) and the restrictions set forth therein, Seller may own securities in any Competitor that is a publicly held corporation, but only to the extent that Seller does not own, of record or beneficially, more than three percent (3%) of the outstanding beneficial ownership of any such Competitor; *provided*, that Seller is otherwise in compliance with the terms hereof (including Section 3) and the terms of any confidentiality or non-disclosure agreement then in effect between Seller and the Company or any of its Affiliates.

3. Non-Solicitation of Customers; Potential Acquisitions. During the Restricted Period, Seller shall not, directly or indirectly (including through any Affiliate of Seller), (a) solicit, induce or attempt to induce any Customer (as defined below) to cease doing any business related to the Business in whole or in part with the Company or any of its Affiliates in the Business Area; (b) attempt to limit or interfere with any agreement or relationship existing between the Company or any of its Affiliates and any Customer related to the Business in the Business Area; (c) disparage or take any actions that are harmful to the business reputation of the Company or any of its Affiliates (or their respective management teams); or (d) acquire or attempt to acquire any business that the Company, Purchaser or any of their Affiliates has identified to Seller as a potential acquisition target and which is related to the Business (an "Acquisition Target") or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any Person other than the Company, Purchaser or any of their Affiliates. "Customer" as used herein means (i) any customer or client of the Company or any of its Affiliates with respect to the Business, in each case whether existing on the date hereof or at any time hereafter during the Restricted Period, and (ii) any potential customer or client of the Company or any of its Affiliates with respect to the Business that is actively pursued by the Company during the Restricted Period or that Seller has or had contact with, or access to confidential information regarding, at any time prior to the date hereof or during the Restricted Period, by virtue of his association with the Company or any of its Affiliates.

4. Non-Solicitation of Employees/Contractors. During the Restricted Period, Seller shall not, directly or indirectly (including through any Affiliate of Seller), hire, engage, employ, solicit, take away, induce, or attempt to hire, engage, solicit, take away or induce (either on Seller's behalf or on behalf of any other Person), any Person who is an employee or contractor of the Company or any of its Affiliates.

5. Forfeiture of Earnout Payments. Seller acknowledges and agrees that he will immediately and irrevocably forfeit to Purchaser any and all of his rights to receive any or all of the Earnout Payments, including his Pro Rata Portion of the Earnout Payments, as set forth in Section 2.18(d) of the Merger Agreement, if (i) he breaches or violates the terms of this Agreement, and (ii) such breach or violation is not cured, or by its nature cannot be cured, within 15 days of notice of such breach or violation from Purchaser. Such forfeiture shall not constitute an election of remedies or limit in any manner the enforcement of any other remedy that may be available to Purchaser or the Company, including remedies set forth in Section 6 of this Agreement.

6. Injunctive Relief. The parties agree that any remedy at law for any breach of this Agreement is and will be inadequate, and in the event of a breach or threatened breach by Seller of any of the provisions of Sections 2, 3, 4 or 5 of this Agreement, the Company and Purchaser shall be entitled to enforce their rights and Seller's obligations under this Agreement not only by an action or actions for damages, but also by an action or actions for specific performance, temporary and/or permanent injunctive relief and/or other equitable relief in order to enforce or prevent any violations or breaches (whether anticipatory, continuing or future) of this Agreement. Nothing herein contained shall be construed as prohibiting the Company or Purchaser from pursuing any other remedies available to them for such breach or threatened breach, including the recovery of damages from Seller.

7. Reasonableness and Enforceability of Covenants.

(a) The parties expressly agree that the character, duration and geographical scope of this Agreement are reasonable in light of the circumstances as they exist on the date upon which this Agreement has been executed, including Seller's material economic interest in the Transaction.

(b) If any court of competent jurisdiction determines that any of the covenants or agreements contained herein, or any part thereof, are unenforceable because of the character, duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable to the maximum extent permitted by applicable law.

(c) Seller expressly agrees to be bound by the restrictive covenants and the other agreements contained in this Agreement to the maximum extent permitted by law, it being the intent and spirit of the parties that the restrictive covenants and the other agreements contained herein shall be valid and enforceable in all respects and subject to the terms and conditions of this Agreement.

(d) Seller acknowledges that (i) following the Closing, Purchaser, the Company and their Affiliates will be vested with the goodwill of, and will carry on, the Business, (ii) the restrictive covenants and the other agreements contained herein constitute a material inducement to Purchaser to consummate the Transaction, and Purchaser will rely on the enforceability of the restrictive covenants contained herein in consummating the Transaction, and (iii) the Transaction is designed and intended to qualify as a sale (or other disposition) by Seller of all of Seller's interests in the Company within the meaning of section 16601 of the Business and Professions Code of California (the "BPCC"), which section provides in relevant part as follows:

> Any person who sells the goodwill of a business, or any owner of a business entity selling or otherwise disposing of all of his or her ownership interest in the business entity … may agree with the buyer to refrain from carrying on a similar business within a specified geographic area in which the business so sold, or that of the business entity, division, or subsidiary has been carried on, so long as the buyer, or any person deriving title to the goodwill or ownership interest from the buyer, carries on a like business therein.

(e) Seller further represents, warrants and agrees that (i) Seller has been fully advised by, or has had the opportunity to be advised by, counsel in connection with the negotiation, preparation, execution and delivery of this Agreement and the transactions contemplated by this Agreement and the Merger Agreement; (ii) Seller has read section 16601 of the BPCC, understands its terms and agrees that (A) section 16601 of the BPCC applies in the context of the transactions contemplated by this Agreement and the Merger Agreement; (B) such transactions are within the scope and intent of section 16601; and (C) the restrictive covenants contained in this Agreement are enforceable and excepted from section 16600 of the BPCC; and (iii) Seller is fully bound by the restrictive covenants and the other agreements contained in this Agreement.

8. Legitimate Business Interest. Seller expressly agrees that Purchaser, the Company and their respective Affiliates have a legitimate business interest justifying the restrictions contained in Sections 2, 3, 4 and 5 hereof.

9. Severability. Without limiting Section 7(b) above, if any of the provisions of this Agreement shall contravene or be invalid under the laws of any jurisdiction where this Agreement is applicable but for such contravention or invalidity, such contravention or invalidity shall not invalidate all of the provisions of this Agreement but rather it shall be construed, insofar as the laws of that jurisdiction are concerned, as not containing the provision or provisions contravening or invalid under the laws of that jurisdiction, and the rights and obligations created hereby shall be construed and enforced accordingly.

10. Governing Law; Jurisdiction. This Agreement and any disputes or controversies arising hereunder shall be construed and enforced in accordance with and governed by the laws of California, without regard to principles of conflicts or choice of laws. Each party irrevocably consents to the non-exclusive jurisdiction of any Federal court located within Santa Clara County, California, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the State of California and waives and covenants not to assert or plead any objection which it might otherwise have to such jurisdiction and such process.

11. Amendments and Waivers. This Agreement may be amended or modified only by a written instrument duly executed by each party hereto. No breach of any covenant, agreement, warranty or representation shall be deemed waived unless expressly waived in writing by the party who might assert such breach. No waiver of any right hereunder shall operate as a waiver of any other right or of the same or a similar right on another occasion.

12. Entire Agreement. This Agreement, together with the Merger Agreement and the Transaction Documents, contains the entire understanding of the parties relating to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings relating to the subject matter hereof.

13. Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which, when so executed and delivered, shall be an original, but all of which, when taken as a whole, shall constitute one and the same instrument.

14. Section Headings. The headings of each Section, subsection or other subdivision of this Agreement are for reference only and shall not limit or control the meaning thereof.

15. Assignment. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof nor any of the documents executed in connection herewith may be assigned or delegated by either party without the consent of the other party; *provided*, *however*, that either Purchaser or the Company may assign its rights hereunder, without the consent of Seller, to any Affiliate or to any Person that acquires or succeeds to the Company or the Business.

16. Further Assurances. From time to time, at Purchaser’s or the Company’s request and without further consideration, Seller shall execute and deliver such additional documents and

take all such further action as reasonably determined by Purchaser or the Company to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of this Agreement.

17. Notices. All notices and other communications hereunder shall be in writing and shall be deemed received (a) on the date of delivery if delivered personally and/or by messenger service, (b) on the date of confirmation of receipt of transmission by facsimile (or, the first Business Day following such receipt if (i) the date is not a Business Day or (ii) confirmation of receipt is given after 5:00 p.m., California time) or (c) on the date of confirmation of receipt if delivered by a nationally recognized courier service (or, the first Business Day following such receipt if (i) the date is not a Business Day or (ii) confirmation of receipt is given after 5:00 p.m., California time), to the parties at the following address or facsimile numbers (or at such other address or facsimile number for a party as shall be specified by like notice):

(a) if to Purchaser or the Company, to:

M/A-COM Technology Solutions Inc.
100 Chelmsford Street
Lowell, Massachusetts 01851
Attention: Chief Financial Officer and General Counsel
Facsimile No.: (978) 656-2678

Perkins Coie LLP
1900 Sixteenth Street
Suite 1400
Denver, Colorado 80202
Attention: Jeff Beuche
Facsimile No.: (303) 291-2400

(b) if to Seller, to:

[ ]
[ ]
[ ]
Facsimile No.: [ ]

with a copy to (not constituting notice):

[ ]
[ ]
[ ]
Facsimile No.: [ ]

18. Each Party the Drafter. This Agreement and the provisions contained herein shall not be construed or interpreted for or against any party to this Agreement because such party drafted or caused such party’s legal representative to draft any of its provisions.

19. Arbitration. Subject to and without limiting the provisions of Section 6 above, any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, violation, termination or validity of this Agreement will be submitted to arbitration as prescribed herein. Any arbitration related to this Agreement will be governed by and construed in accordance with the terms of Section 10 above and shall be conducted in Santa Clara County, California, before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction for the purpose of enforcement of the award. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. Notwithstanding the foregoing, if any third party files a lawsuit against either or both parties hereto in connection with any matter related to this Agreement, the parties may participate fully in such litigation, may assert claims against each other, and shall not be required to arbitrate any claim that must or may be raised in such lawsuit. The parties consent to the exclusive jurisdiction of the above arbitration tribunal and waive any objection to the venue laid therein.

[*Signatures Appear on Following Page.*]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date set forth in the preamble of this Agreement.

PURCHASER:

M/A-COM TECHNOLOGY SOLUTIONS INC.

By: _____
Name: _____
Title: _____

COMPANY:

OPTOMAI, INC.

By: _____
Name: _____
Title: _____

SELLER:

_____
[ ]

Exhibit 10.1

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "Agreement") is made and entered into as of , 2011, by and between M/A-COM Technology Solutions Holdings, Inc., a Delaware corporation (the "Company", which term shall include, where appropriate, any Entity controlled directly or indirectly by the Company), and ("Indemnitee"). Capitalized terms used and not otherwise defined herein have the meanings set forth in Section 1.

WHEREAS, increased corporate litigation has subjected officers, the members of boards of directors, boards of managers and similar governing bodies to litigation risks and expenses, and the limitations on the availability of directors and officers liability insurance have made it increasingly difficult for companies to attract and retain the most qualified persons to serve as officers or members of boards of directors, boards of managers and similar governing bodies;

WHEREAS, it is essential to the Company that it be able to retain and attract the most capable persons available to serve as officers of the Company or as directors on the Company's board of directors (the "Board");

WHEREAS, the Company desires to provide Indemnitee with specific contractual assurance of Indemnitee's rights to full indemnification against litigation risks and expenses (regardless, among other things, of any amendment to the Company's certificate of incorporation (as amended, restated, supplemented or otherwise modified, the "Certificate of Incorporation"), revocation of any provision of the Company's bylaws (as amended, restated, supplemented or otherwise modified, the "Bylaws") or any change in the ownership of the Company or the composition of the Board); and

WHEREAS, Indemnitee is relying upon the rights afforded under this Agreement in accepting Indemnitee's position as an officer or director of the Company, as applicable.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms have the meanings set forth below:

"Corporate Status" describes the status of a person who is serving or has served (i) as a director, officer, employee, agent or fiduciary of the Company, including as a member of any committee of the Board, (ii) in any capacity with respect to any employee benefit plan of the Company, or (iii) as a manager, director, partner, trustee, officer, employee, or agent of any other Entity at the request of the Company. For purposes of clause (iii) of this definition, an officer or director of the Company who is serving or has served as a manager, director, partner, trustee, officer, employee or agent of a Subsidiary of the Company shall be deemed to be serving at the request of the Company.

"Entity" means any corporation, partnership, limited liability company, joint venture, trust, foundation, association, organization or other legal entity.

"Expenses" means all fees, costs and expenses incurred in connection with any Proceeding, including reasonable attorneys' fees, disbursements and retainers (including any such fees, disbursements and retainers incurred by Indemnitee pursuant to Section 9 and Section 10C), fees and disbursements of expert witnesses, private investigators and professional advisors (including, without limitation,

accountants and investment bankers), court costs, transcript costs, fees of experts, travel expenses, duplicating, printing and binding costs, telephone and fax transmission charges, postage, delivery services, secretarial services and other reasonable disbursements and expenses.

"Indemnifiable Amounts" has the meaning set forth in Section 3A.

"Indemnifiable Expenses" has the meaning set forth in Section 3A.

"Indemnifiable Liabilities" has the meaning set forth in Section 3A.

"Liabilities" means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement.

"Proceeding" means any threatened, pending or completed claim, action, suit, arbitration, alternate dispute resolution process, investigation, administrative hearing, appeal, or any other proceeding, whether civil, criminal, administrative, arbitrative or investigative, whether formal or informal, including a proceeding initiated by Indemnitee pursuant to Section 10 to enforce Indemnitee's rights hereunder.

"Subsidiary" means any corporation, partnership, limited liability company, joint venture, trust or other Entity of which the Company owns (either directly or through or together with another Subsidiary of the Company) either (i) a general partner, managing member or other similar interest or (ii) (A) fifty percent (50%) or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other Entity, or (B) fifty percent (50%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other Entity.

Section 2. Services of Indemnitee. In consideration of the Company's covenants and commitments hereunder, Indemnitee agrees to serve or continue to serve as an officer or director of the Company, as applicable. However, this Agreement shall not impose any obligation on Indemnitee or the Company to continue Indemnitee's service to the Company beyond any period otherwise required by law or by other agreements or commitments of the parties hereto, if any.

Section 3. Agreement to Indemnify. The Company agrees to indemnify Indemnitee to the fullest extent permitted under applicable law. In furtherance of the foregoing and without limiting the generality thereof:

3A. Subject to the exceptions contained in Section 4A, if Indemnitee was or is a party to or participant in or is threatened to be made a party to or participant in any Proceeding (other than an action by or in the right of the Company) by reason of Indemnitee's Corporate Status, Indemnitee shall be indemnified by the Company against all Expenses and Liabilities incurred or paid by Indemnitee in connection with such Proceeding (referred to herein as "Indemnifiable Expenses" and "Indemnifiable Liabilities," respectively, and collectively as "Indemnifiable Amounts").

3B. Subject to the exceptions contained in Section 4B, if Indemnitee was or is a party to or participant in or is threatened to be made a party to or participant in any Proceeding by or in the right of the Company by reason of Indemnitee's Corporate Status, Indemnitee shall be indemnified by the Company against all Indemnifiable Expenses.

3C. In addition to, and without regard to any limitations on, the indemnification otherwise provided under this Section 3, Indemnitee shall be indemnified by the Company against all Liabilities and

Expenses incurred or paid by Indemnitee in connection with any Proceeding (including any Proceeding by or in the right of the Company) to or in which Indemnitee was or is a party or participant or is threatened to be made a party or participant by reason of Indemnitee's Corporate Status.

3D. To the extent that Indemnitee was or is by reason of Indemnitee's Corporate Status a witness to, or is required or requested to respond to discovery requests in, any Proceeding to or in which Indemnitee is not a party or otherwise a participant, Indemnitee shall be indemnified by the Company against all Indemnifiable Expenses.

Section 4. Exceptions to Indemnification. Indemnitee shall be entitled to indemnification under Section 3A, Section 3B and Section 3C in all circumstances other than the following:

4A. If indemnification is requested under Section 3A and it has been adjudicated finally by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee failed to act (i) in good faith and (ii) in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful, Indemnitee shall not be entitled to payment of Indemnifiable Amounts hereunder.

4B. If indemnification is requested under Section 3B and:

(i) it has been adjudicated finally by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee failed to act (A) in good faith and (B) in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, Indemnitee shall not be entitled to payment of Indemnifiable Expenses hereunder; or

(ii) it has been adjudicated finally by a court of competent jurisdiction that Indemnitee is liable to the Company with respect to any claim, issue or matter involved in the Proceeding out of which the claim for indemnification has arisen, including, without limitation, a claim that Indemnitee received an improper personal benefit, no Indemnifiable Expenses shall be paid with respect to such claim, issue or matter unless the court of law or another court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Indemnifiable Expenses that such court shall deem proper.

4C. If indemnification is requested under Section 3C and it has been adjudicated finally by a court of competent jurisdiction that such indemnification is unlawful.

It is the intent of the parties hereto that this Agreement secure for Indemnitee rights of indemnification that are as favorable as permitted under applicable law. Accordingly, Indemnitee shall be presumed entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 5, and it shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion, by clear and convincing evidence. Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company or any of its Subsidiaries, including financial statements, or on information supplied to Indemnitee by the officers of the Company or any of its Subsidiaries in the course of their duties, or on the advice of legal counsel for the Company or any of its Subsidiaries, or on information or records given or reports made to the Company or any of its Subsidiaries by an independent certified public accountant or by an appraiser or

other expert selected with reasonable care by the Company or any of its Subsidiaries. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or any of its Subsidiaries shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 5. Procedure for Payment of Indemnifiable Amounts. Indemnitee shall submit to the Company a written request specifying the Indemnifiable Amounts for which Indemnitee seeks payment under Section 3 and the basis for the claim. Subject to Section 8, the Company shall pay such Indemnifiable Amounts to Indemnitee within ten (10) calendar days following receipt of the request.

Section 6. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to or participant in and is successful, on the merits or otherwise, in any Proceeding, Indemnitee shall be indemnified against all Expenses reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, then the Company shall indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Agreement, the termination of any claim, issue or matter in such a Proceeding (generally or against Indemnitee) by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 7. Effect of Certain Resolutions. Neither the settlement nor termination of any Proceeding nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create an adverse presumption that Indemnitee is not entitled to indemnification hereunder. In addition, the termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's action was unlawful.

Section 8. Agreement to Advance Expenses; Conditions. The Company shall pay to Indemnitee all Indemnifiable Expenses incurred by Indemnitee in connection with any Proceeding, including a Proceeding by or in the right of the Company, in advance of the final disposition of such Proceeding, as the same are incurred; provided that Indemnitee hereby undertakes to repay the amount of Indemnifiable Expenses paid to Indemnitee if it is finally determined by a court of competent jurisdiction that Indemnitee is not entitled under this Agreement to indemnification with respect to such Expenses. This undertaking is an unlimited and unsecured general obligation of Indemnitee and no interest shall be charged thereon.

Section 9. Procedure for Advance Payment of Expenses. Indemnitee shall submit to the Company a written request specifying the Indemnifiable Expenses for which Indemnitee seeks an advancement under Section 8, together with documentation evidencing that Indemnitee has incurred such Indemnifiable Expenses. Subject to Section 8, payment of Indemnifiable Expenses under Section 8 shall be made no later than ten (10) calendar days after the Company's receipt of such request.

Section 10. Remedies of Indemnitee.

10A. Right to Petition Court. In the event that Indemnitee makes a request for payment of Indemnifiable Amounts under Section 3 and Section 5 or a request for an advancement of Indemnifiable

Expenses under Section 8 and Section 9 and the Company fails to make such payment or advancement in a timely manner pursuant to the terms of this Agreement, Indemnitee may petition a court of law to enforce the Company's obligations under this Agreement.

10B. Burden of Proof. In any judicial proceeding brought under Section 10A, the Company shall have the burden of proving that Indemnitee is not entitled to payment of Indemnifiable Amounts hereunder.

10C. Expenses. The Company agrees to reimburse Indemnitee in full for any Expenses incurred by Indemnitee in connection with investigating, preparing for, litigating, defending or settling any action brought by Indemnitee under Section 10A, or in connection with any claim or counterclaim brought by the Company in connection therewith.

10D. Validity of Agreement. The Company shall be precluded from asserting in any Proceeding, including, without limitation, an action under Section 10A, that the provisions of this Agreement are not valid, binding and enforceable or that there is insufficient consideration for this Agreement and shall stipulate in court that the Company is bound by all the provisions of this Agreement.

10E. Failure to Act Not a Defense. The failure of the Company (including the Board or any committee thereof, its independent legal counsel or its stockholders) to make a determination concerning the permissibility of the payment of Indemnifiable Amounts or the advancement of Indemnifiable Expenses under this Agreement shall not be a defense in any action brought under Section 10A, and shall not create a presumption that such payment or advancement is not permissible.

Section 11. Representations and Warranties of the Company. The Company hereby represents and warrants to Indemnitee as follows:

11A. Authority. The Company has all necessary power and authority to enter into, and be bound by the terms of, this Agreement, and the execution, delivery and performance of the undertakings contemplated by this Agreement have been duly authorized by the Company.

11B. Enforceability. This Agreement, when executed and delivered by the Company in accordance with the provisions hereof, shall be a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally.

Section 12. Contribution in the Event of Joint Liability. If for any reason other than the statutory limitations of applicable law or as provided in Section 4 the indemnification provided for in Section 3 is held by a court of competent jurisdiction to be unavailable to Indemnitee in respect of any Liabilities or Expenses in which the Company is jointly liable with Indemnitee (or would be jointly liable if joined), then the Company, in lieu of indemnifying Indemnitee thereunder, shall contribute to the amount actually and reasonably incurred and paid or payable by Indemnitee as a result of such Liabilities or Expenses in such proportion as is appropriate to reflect (a) the relative benefits received by the Company and Indemnitee, and (b) the relative fault of the Company and Indemnitee in connection with the action or inaction that resulted in such Liabilities or Expenses, as well as any other relevant equitable considerations. The relative fault of the Company and Indemnitee shall be determined by reference to, among other things, (i) whether an untrue or alleged untrue statement of a material fact or an omission or alleged omission to state a material fact relates to information supplied by the Company or Indemnitee, (ii) the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Liabilities or Expenses, (iii) the degree to which the parties' actions were

motivated by intent to gain personal profit or advantage, (iv) the degree to which the parties' liability is primary or secondary, and (v) the degree to which the parties' conduct is active or passive. The Company and Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 12 were determined by pro rata or per capita allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 12. No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933, as amended) shall be entitled to contribution from any person who was not found guilty of such fraudulent misrepresentation.

Section 13. Insurance. The Company shall use commercially reasonable efforts to maintain requisite directors and officers indemnity insurance coverage in effect at all times (subject to appropriate cost considerations) and the Certificate of Incorporation and Bylaws shall at all times provide for indemnification and exculpation of officers and directors to the fullest extent permitted under applicable law. In all policies of director and officer liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's officers and directors. The Company shall hereafter take all necessary or desirable actions to cause such insurers to pay, on behalf of Indemnitee, all Indemnifiable Amounts in accordance with the terms of such policies; provided that nothing in this Section 13 shall affect the Company's obligations under this Agreement or the Company's obligations to comply with the provisions of this Agreement in a timely manner as provided.

Section 14. Miscellaneous.

14A. Fees and Expenses. During the term of Indemnitee's service as an officer or director, as applicable, the Company shall promptly reimburse Indemnitee for all reasonable fees and expenses incurred by Indemnitee in connection with his or her service as an officer, director, on any committee of the Board or otherwise in connection with the Company's business.

14B. Contract Rights Not Exclusive. The rights to payment of Indemnifiable Amounts and advancement of Indemnifiable Expenses provided by this Agreement shall be in addition to, but not exclusive of, any other rights which Indemnitee may have at any time under applicable law, the Certificate of Incorporation or Bylaws, any other agreement, vote of stockholders or directors (or a committee of the Board), or otherwise, both as to action in Indemnitee's official capacity and as to action in any other capacity as a result of Indemnitee's serving as an officer or director.

14C. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity payment in connection with any claim made against Indemnitee:

(i) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(ii) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(iii) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) and only to the extent that such

Proceeding or part of a Proceeding is brought by Indemnitee to interpret or enforce this Agreement or any related indemnification obligations in a Company policy of insurance, the Bylaws or the Certificate of Incorporation (unless a court having jurisdiction over such action determines that each of the material assertions or defenses asserted by Indemnitee in such action was made in bad faith or was frivolous), or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

14D. Successors. This Agreement shall be (a) binding upon all successors and assigns of the Company (including any transferee of all or a substantial portion of the business, capital stock and/or assets of the Company and any direct or indirect successor by merger or consolidation or otherwise by operation of law) and (b) binding on and shall inure to the benefit of the heirs, personal representatives, executors and administrators of Indemnitee. This Agreement shall continue for the benefit of Indemnitee and such heirs, personal representatives, executors and administrators of Indemnitee after Indemnitee has ceased to have Corporate Status.

14E. Subrogation. In the event of any payment of Indemnifiable Amounts under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of contribution or recovery of Indemnitee against other persons, and Indemnitee shall take, at the request and expense of the Company, all reasonable action necessary to secure such subrogation rights, including the execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

14F. Change in Law. To the extent that a change in applicable law (whether by statute or judicial decision) shall permit broader indemnification or advancement of expenses than is provided under the terms of the Certificate of Incorporation and/or Bylaws and this Agreement, Indemnitee shall be entitled to such broader indemnification and advancements, and this Agreement shall be deemed to be automatically amended to such extent.

14G. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement, or any clause thereof, shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, in whole or in part, such provision or clause shall be limited or modified in its application in such jurisdiction to the minimum extent necessary to make such provision or clause valid, legal and enforceable, and the remaining provisions and clauses of this Agreement (and this entire Agreement in any other jurisdiction) shall remain fully enforceable and binding on the parties.

14H. Indemnitee as Plaintiff. Except as provided in Section 10C of this Agreement and in the next sentence, Indemnitee shall not be entitled to payment of Indemnifiable Amounts or advancement of Indemnifiable Expenses with respect to any Proceeding brought by Indemnitee against the Company, any Entity which it controls, any director or officer thereof, or any third party, unless such Company has consented to the initiation of such Proceeding. This Section 14H shall not apply to counterclaims or affirmative defenses asserted by Indemnitee in any Proceeding brought against Indemnitee.

14I. Modifications and Waiver. Except as provided in Section 14F above with respect to changes in applicable law which broaden the right of Indemnitee to be indemnified by the Company, no supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver.

14J. Notices. All notices, requests, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have

been given only (i) when delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid) provided that confirmation of delivery is received, (iii) upon machine-generated acknowledgment of receipt after transmittal by facsimile (provided that a confirmation copy is sent via reputable overnight courier service for delivery within two (2) business days thereafter), or (iv) five (5) after being mailed to the recipient by certified or registered mail (return receipt requested and postage prepaid). Such notices, demands and other communications shall be sent to the Company and the Indemnitee and their respective addresses indicated below or to such other address or to the attention of such other person or Entity as the recipient party has specified by prior written notice to the sending party.

If to Indemnitee:

[Name]
[Address]
[City, State, ZIP]

If to the Company:

M/A-COM Technology Solutions Holdings, Inc.
100 Chelmsford Street
Lowell, MA 01851
Attention: Chief Executive Officer
Telephone: (978) 656-2500
Facsimile: (978) 656-2678

or to such other address as may have been furnished in the same manner by any party to the others.

14K. Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

14L. Counterparts. This Agreement and any amendments hereto or thereto, to the extent signed and delivered in counterparts (any one of which need not contain the signatures of more than one party, but all such counterparts together shall constitute one and the same Agreement) by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original thereof and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of either party hereto, the other party hereto or thereto shall re-execute original forms thereof and deliver them to such party. No party hereto shall raise the use of a facsimile machine or electronic transmission in pdf to deliver a signature or the fact that any signature or document was transmitted or communicated through the use of facsimile machine as a defense to the formation of a contract, and each such party forever waives any such defense.

14M. Descriptive Headings; Interpretation. The headings and captions used in this Agreement and the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The use of the word “including” herein shall mean “including without limitation.” Any reference to the masculine, feminine or neuter gender shall be deemed to include any gender or all three as appropriate.

14N. Entire Agreement. This Agreement, including any exhibits or attachments hereto, constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof and supersedes any prior understandings, agreements and representations by or between the parties hereto (whether written or oral) which may have related to the subject matter hereof or thereof in any way (but, for the avoidance of doubt, excluding the Certificate of Incorporation and Bylaws). No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed on their behalf this Indemnification Agreement as of the date first above written.

COMPANY:

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: _____

Name: _____

Title: _____

INDEMNITEE:

_____

Name:

J.P.Morgan

CREDIT AGREEMENT

dated as of

September 30, 2011

among

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

BARCLAYS CAPITAL
as Syndication Agent

and

RBS CITIZENS, N.A. and RAYMOND JAMES BANK, FSB
as Co-Documentation Agents

J.P. MORGAN SECURITIES LLC and BARCLAYS CAPITAL
as Joint Bookrunners and Joint Lead Arrangers

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CREDIT AGREEMENT (this "Agreement") dated as of September 30, 2011 among M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC., the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, BARCLAYS CAPITAL, as Syndication Agent and RBS CITIZENS, N.A. and RAYMOND JAMES BANK, FSB, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted LIBO Rate" means, with respect to any Borrowing, including any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Foreign Subsidiary" means any Foreign Subsidiary to the extent such Foreign Subsidiary acting as a Subsidiary Guarantor would cause a Deemed Dividend Problem.

"Affiliate" means, with respect to a specified Person, another Person that directly or indirectly, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is $100,000,000.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

"Applicable Percentage" means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender's Commitment; provided that, in the case of Section 2.21 when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Applicable Pledge Percentage" means 100% but 65% in the case of a pledge by the Borrower or any Domestic Subsidiary of its Equity Interests in an Affected Foreign Subsidiary.

"Applicable Rate" means, for any day, with respect to any Eurodollar Revolving Loan or any ABR Revolving Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "Eurodollar Spread", "ABR Spread" or "Commitment Fee Rate", as the case may be, based upon the Leverage Ratio applicable on such date:

	Leverage Ratio:	Eurodollar Spread	ABR Spread	Commitment Fee Rate
Category 1:	< 0.50 to 1.00	2.25%	1.25%	0.35%
Category 2:	³ 0.50 to 1.00 but < 1.50 to 1.00	2.50%	1.50%	0.40%
Category 3:	³ 1.50 to 1.00	2.75%	1.75%	0.50%

For purposes of the foregoing,

(i) if at any time the Borrower fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 3 shall be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 2 shall be deemed to be applicable until the Administrative Agent's receipt of the applicable Financials for the Borrower's first full fiscal quarter ending after the Effective Date (unless such Financials demonstrate that Category 3 should have been applicable during such period, in which case such other Category shall be deemed to be applicable during such period) and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Available Revolving Commitment" means, at any time with respect to any Lender, the Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Banking Services" means each and any of the following bank services provided to the Borrower or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by the Borrower or any Subsidiary in connection with Banking Services.

"Banking Services Obligations" means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means M/A-COM Technology Solutions Holdings, Inc., a Delaware corporation.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

"Borrowing Request" means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.03.

"Burdensome Restrictions" means any consensual encumbrance or restriction of the type described in clause (a) or (b) of Section 6.08.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollars in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital lease obligations on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP, provided that obligations for payment of rent under operating leases if and to the extent such leases are or would be classified as operating leases under Financial Accounting Standards Board Accounting Standards Codification 840 as in effect as of the date of this Agreement but are required to be reclassified as capital leases as a result of amendments to Financial Accounting Standards Board Accounting Standards Codification 840 made in accordance with those accounting standards proposed in the Proposed Accounting Standards Update exposure draft issued on August 17, 2010 shall not constitute Capital Lease Obligations hereunder.

"Change in Control" means (a) (i) prior to a Qualifying IPO, the Effective Date Shareholders and/or Effective Date Shareholder Permitted Transferees shall cease to own, free and clear of all Liens or other encumbrances, at least 50% of the outstanding voting Equity Interests of the Borrower on a fully diluted basis and (ii) on and after a Qualifying IPO, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower; or (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated.

"Change in Law" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel

III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

"Cobham Earn Out" means earn out payments made pursuant to that certain Purchase Agreement, dated as of March 30, 2009, as amended, by and among Cobham Defense Electronic Systems Corporation, Lockman Electronic Holdings Limited and Kiwi Stone Acquisition Corp (now known as M/A-COM Technology Solutions Holdings, Inc.).

"Code" means the Internal Revenue Code of 1986.

"Co-Documentation Agent" means each of RBS Citizens, N.A. and Raymond James Bank, FSB in its capacity as co-documentation agent for the credit facility evidenced by this Agreement.

"Collateral" means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Administrative Agent, on behalf of itself and the Secured Parties, to secure the Secured Obligations.

"Collateral Documents" means, collectively, the Security Agreement, the Mortgages and all other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by the Borrower or any of its Subsidiaries and delivered to the Administrative Agent.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Consolidated Capital Expenditures" means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP and reflected as a use of cash on the consolidated statement of cash flows of the Borrower; provided, however, that the term "Consolidated Capital Expenditures" shall not include (a) expenditures made in connection with the replacement, substitution, restoration or repair of assets to the extent financed with (i) insurance proceeds paid on account of the loss of or damage to the assets being replaced, substituted, restored or repaired or (ii) awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, (b) the purchase price of equipment that is purchased simultaneously with the trade in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being

traded in at such time, (c) expenditures that are accounted for as capital expenditures by the Borrower or any of its Subsidiaries and that actually are paid for by a Person other than the Borrower or any of its Subsidiaries and for which the Borrower has not or any of its Subsidiaries has not provided or is not required to provide or incur, directly or indirectly, any consideration or obligation to such Person or any other Person (whether before, during or after such period), (d) the book value of any asset owned by the Borrower or any of its Subsidiaries prior to or during such period to the extent that such book value is included as a capital expenditure during such period as a result of such Person reusing or beginning to reuse such asset during such period without a corresponding expenditure actually having been made in such period, (e) any capitalized Consolidated Interest Expense reflected as additions to property, plan or equipment in the consolidated balance sheet of the Borrower and its Subsidiaries, (f) expenditures with the proceeds of contributions to the capital stock of such entity, (g) purchases of property, plant or equipment to the extent financed by asset sales permitted hereunder or (h) any non-cash compensation or other non-cash costs reflected as additions to property, plant or equipment in the consolidated balance sheet of the Borrower and its Subsidiaries.

"Consolidated EBITDA" means, for any period, Consolidated Net Income *plus*, to the extent deducted from revenues in determining Consolidated Net Income, (i) Consolidated Interest Expense, (ii) expense for income taxes, (iii) depreciation, (iv) amortization, (v) extraordinary, unusual or non-recurring non-cash expenses or losses incurred other than in the ordinary course of business, (vi) non-cash expenses related to compensation, including stock based compensation and other compensation, (vii) expenses relating to an underwritten initial public offering of Equity Interests of the Borrower, secondary offerings of Equity Interests of the Borrower, debt financings of the Borrower and the Reorganization Plan set forth on Schedule 6.03(a)(xi) to the Disclosure Letter, (viii) (A) expenses relating to any merger or acquisition (including break-up fees not to exceed $15,000,000 in aggregate during the term of this Agreement) and (B) other cash expenses or charges related to dispositions or restructurings in an aggregate amount not to exceed $8,000,000 during any Reference Period (as defined below), (ix) Management Fees paid during such period to the extent permitted by Section 6.06(c) of this Agreement, (x) all fees and expenses payable by the Borrower or any of its Subsidiaries in connection with the consummation of the transaction contemplated by the Loan Documents (including any required hedging arrangements) or the satisfaction of any indebtedness being repaid from the proceeds hereof on the Effective Date, (xi) any other non-cash charges, (xii) non-cash charges attributable to changes in the fair value of Earn Out Obligations and any stock warrant and stock related liabilities recorded in accordance with GAAP during the applicable period, (xiii) amounts received by the Borrower and its Subsidiaries during such period constituting proceeds of business interruption insurance, (xiv) write downs of assets, including impairment of goodwill and other intangible assets, and (xv) losses on dispositions of capital assets *minus*, to the extent included in Consolidated Net Income, (1) interest income, (2) consolidated income tax benefit or credit position during the applicable period, (3) any cash payments made during such period in respect of items described in clauses (v) or (vi) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred and (4) extraordinary, unusual or non-recurring income or gains realized other than in the ordinary course of business, including changes referred to in item (xii) above that result in income or gains, all calculated for the Borrower and its Subsidiaries in accordance with GAAP on a consolidated basis. For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each such period, a "Reference Period"), (i) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving effect thereto on a Pro Forma Basis as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition,

"Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all or any significant portion of a business or operating unit of a business, or (ii) all or substantially all of the common stock or other Equity Interests of a Person, and (b) involves the payment of consideration by the Borrower and its Subsidiaries in excess of $5,000,000; and "Material Disposition" means any sale, transfer or disposition of property or series of related sales, transfers, or dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of $5,000,000.

"Consolidated Fixed Charges" means, with reference to any period, without duplication, the sum of (i) Consolidated Interest Expense paid in cash, plus (ii) scheduled principal payments on Indebtedness, plus (iii) Restricted Payments (excluding Restricted Payments made by any Subsidiary to the Borrower or any other Subsidiary or by the Borrower to any Subsidiary, all Earn Out Obligations and all cash payments to sellers in connection with acquisitions completed before the Effective Date or permitted hereunder and the Restricted Payments described in Section 6.07(f)), all calculated for the Borrower and its Subsidiaries on a consolidated basis for such period.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including without limitation interest expense under Capital Lease Obligations that is treated as interest in accordance with GAAP, and excluding any amortization of financing related fees in accordance with GAAP) of the Borrower and its Subsidiaries calculated on a consolidated basis for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries allocable to such period in accordance with GAAP (including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and net costs under interest rate Swap Agreements to the extent such net costs are allocable to such period in accordance with GAAP). In the event that the Borrower or any Subsidiary shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant period, Consolidated Interest Expense shall be determined for such period on a Pro Forma Basis as if such acquisition or disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis (without duplication) for such period; provided that there shall be excluded any income (or loss) of any Person other than the Borrower or a wholly-owned Subsidiary of the Borrower (or any Subsidiary of the Borrower that is wholly-owned but for directors' qualifying shares as required by law in the jurisdiction of organization of such Subsidiary), but any such income so excluded may be included in such period or any later period to the extent of any cash dividends or distributions actually paid in the relevant period to the Borrower or any wholly-owned Subsidiary of the Borrower. In all cases, Consolidated Net Income excludes dividends and accretion related to preferred stock, noncontrolling interests and any other adjustments applicable in the determination of net income (loss) available or attributable to common stockholders in the computation of earnings (loss) per share.

"Consolidated Tangible Assets" means, as of any date of determination thereof, Consolidated Total Assets minus the Intangible Assets of the Borrower and its Subsidiaries on such date.

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

"Consolidated Total Indebtedness" means at any time the sum, without duplication, of (a) the aggregate Indebtedness of the Borrower and its Subsidiaries calculated on a consolidated basis as of such time in accordance with GAAP, (b) the aggregate amount of Indebtedness of the Borrower and its

Subsidiaries relating to the maximum drawing amount of all letters of credit outstanding and banker's acceptances and (c) Indebtedness of the type referred to in clauses (a) or (b) hereof of another Person guaranteed by the Borrower or any of its Subsidiaries, but excluding, in each case, the undrawn portion of any outstanding letter of credit (whether or not issued hereunder) or banker's acceptance to the extent such letter of credit or banker's acceptable is cash collateralized.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Controlled Investment Affiliate" means, as to any Person, any other Person which directly or indirectly is in Control of, is Controlled by, or is under common Control with, such Person and is organized by such Person (or any person Controlling such Person) primarily for making equity or debt investments in, or management or advisory services for, any Person (including without limitation any Loan Party or other portfolio companies of such Person).

"Credit Event" means a Borrowing, the issuance of a Letter of Credit, an LC Disbursement or any of the foregoing.

"Credit Party" means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States of America or other applicable jurisdictions from time to time in effect.

"Deemed Dividend Problem" means, with respect to any Foreign Subsidiary, such Foreign Subsidiary's accumulated and undistributed earnings and profits being deemed to be repatriated to the Borrower or the applicable parent Domestic Subsidiary under Section 956 of the Code and the effect of such repatriation causing materially adverse tax consequences to the Borrower or such parent Domestic Subsidiary, in each case as determined by the Borrower in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective

Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Disclosure Letter" means the disclosure letter, dated as of the date hereof, as amended or supplemented from time to time by the Borrower with the written consent of the Administrative Agent (or as supplemented by the Borrower pursuant to the terms of this Agreement), delivered by Borrower to Administrative Agent for the benefit of the Lenders.

"Dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means a Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"Earn Out Obligations" means and includes any cash earn out obligations, performance payments or similar obligations of the Borrower or any of its Subsidiaries to any sellers arising out of or in connection with any acquisition permitted hereunder, including any Permitted Acquisition, the Cobham Earn Out and the Optomai Earn Out, but excluding any working capital adjustments or payments for services or licenses provided by such sellers.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Effective Date Shareholders" means the Persons listed on Schedule 2.02 to the Disclosure Letter.

"Effective Date Shareholder Permitted Transferee" means (a) an entity Controlled by one or more Effective Date Shareholders; (b) a trust for the benefit of one or more Effective Date Shareholders or such Effective Date Shareholders' descendants; or (c) an Effective Date Shareholder's descendant and his or her respective spouses, estates, guardians or conservators.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to environmental health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, Section 414(m) or (o) of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to satisfy the "minimum funding standard" (as defined in Section 412(a) of the Code or Section 302(a)(2) of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan to which the Borrower of any of its ERISA Affiliates contributes is insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Taxes" means, with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes imposed on or with respect to a Recipient:

(a) income or franchise Taxes imposed on (or measured by) net income by the United States of America, or by the jurisdiction under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located;

(b) any branch profits Taxes imposed by the United States of America or any similar Taxes imposed by any other jurisdiction in which the Borrower is located; and

(c) in the case of a Non U.S. Lender (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any U.S. Federal withholding Taxes resulting from any law in effect (including FATCA) on the date such Non U.S. Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Non U.S. Lender's failure to comply with Section 2.17(f), except to the extent that such Non U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding Taxes pursuant to Section 2.17(a).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement, and any regulations or official interpretations thereof.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Financials" means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Borrower and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

"First Tier Foreign Subsidiary" means each Foreign Subsidiary with respect to which any one or more of the Borrower and its Domestic Subsidiaries directly owns or Controls more than 50% of such Foreign Subsidiary's issued and outstanding Equity Interests.

"Fixed Charge Coverage Ratio" has the meaning assigned to such term in Section 6.12(b).

"Foreign Subsidiary" means any Subsidiary which is not a Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes, all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates,

asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hostile Acquisition" means (a) the acquisition of the Equity Interests of a Person through a tender offer or similar solicitation of the owners of such Equity Interests which has not been approved (prior to such acquisition) by the board of directors (or any other applicable governing body) of such Person or by similar action if such Person is not a corporation and (b) any such acquisition as to which such approval has been withdrawn.

"Increasing Lender" has the meaning assigned to such term in Section 2.20.

"Incremental Term Loan" has the meaning assigned to such term in Section 2.20.

"Incremental Term Loan Amendment" has the meaning assigned to such term in Section 2.20.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (k) all obligations of such Person under Sale and Leaseback Transactions. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

"Intangible Assets" means the aggregate amount, for the Borrower and its Subsidiaries on a consolidated basis, of all assets classified as intangible assets under GAAP, including, without limitation, customer lists, acquired technology, goodwill, computer software, trademarks, patents, copyrights, organization expenses, franchises, licenses, trade names, brand names, mailing lists, catalogs, unamortized debt discount and capitalized research and development costs.

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three

months' duration after the first day of such Interest Period and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

"Interest Period" means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lead Arrangers" means each of J.P. Morgan Securities LLC and Barclays Capital in its capacity as joint bookrunner and joint lead arranger for the credit facility evidenced by this Agreement

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Leverage Ratio" has the meaning assigned to such term in Section 6.12(a).

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to

time for purposes of providing quotations of interest rates applicable to deposits in Dollars in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in Dollars with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which deposits in Dollars in an amount equal to $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Liquidity" means, at any time the same is to be determined, the sum of (i) the amount of unencumbered cash anywhere in the world and Permitted Investments maintained by the Borrower at such time plus (ii) the aggregate Available Revolving Commitments at such time.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to Section 2.10(e) of this Agreement, any Letter of Credit applications, the Collateral Documents, the Subsidiary Guaranty, and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means, collectively, the Borrower and the Subsidiary Guarantors.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Management Agreement" means the letter agreement dated October 15, 2008 by and between GaAs Labs, LLC and Mimix Holdings, Inc., as amended by Amendment No. 1 to Management Agreement.

"Management Fees" means all fees, charges and other amounts due and to become due to GaAs Labs, LLC or any of its Affiliates in consideration for, directly or indirectly, management, consulting or similar services pursuant to the Management Agreement.

"Material Acquisition" is defined in the definition of Consolidated EBITDA.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and the Subsidiaries taken as a whole, (b) the ability of

the Borrower to perform any of its material obligations under this Agreement or (c) the validity or enforceability of this Agreement or any and all other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder.

"Material Disposition" is defined in the definition of Consolidated EBITDA.

"Material Domestic Subsidiary" means each Domestic Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01, contributed greater than five percent (5%) of Consolidated EBITDA for such period or (ii) which contributed greater than five percent (5%) of Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of Consolidated EBITDA or Consolidated Total Assets attributable to all Domestic Subsidiaries that are not Material Domestic Subsidiaries exceeds ten percent (10%) of Consolidated EBITDA for any such period or ten percent (10%) of Consolidated Total Assets as of the end of any such fiscal quarter, the Borrower (or, in the event the Borrower has failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient Domestic Subsidiaries as "Material Domestic Subsidiaries" to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Domestic Subsidiaries.

"Material Foreign Subsidiary" means each Foreign Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01, contributed greater than five percent (5%) of Consolidated EBITDA for such period or (ii) which contributed greater than five percent (5%) of Consolidated Total Assets as of such date.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding $5,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means September 30, 2016.

"Moody's" means Moody's Investors Service, Inc.

"Mortgage" means each mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the Secured Parties, on real property of a Loan Party, including any amendment, restatement, modification or supplement thereto.

"Mortgage Instruments" means such title reports, ALTA title insurance policies (with endorsements), evidence of zoning compliance, property insurance, flood certifications and flood insurance (and, if applicable FEMA form acknowledgements of insurance), opinions of counsel, ALTA surveys, appraisals, environmental assessments and reports, mortgage tax affidavits and declarations and other similar information and related certifications as are reasonably requested by, and in form and substance reasonably acceptable to, the Administrative Agent from time to time.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-U.S. Lender" means a Lender that is not a U.S. Person.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all reasonable and documented expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Subsidiaries to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

"Ocampo Investors" means (a) John Ocampo, (b) Susan Ocampo, (c) any trust or similar vehicle established and maintained by or for the benefit of either John Ocampo or Susan Ocampo or their respective descendants (natural or adopted, including first cousins and descendants thereof), (d) any partnership or limited liability company whose partners or members consist solely of John Ocampo, Susan Ocampo, their respective descendants (natural or adopted, including first cousins and descendants thereof) and/or any trust or similar vehicle established and maintained by or for the benefit of any or all of them, provided that either John Ocampo or Susan Ocampo maintains Control over such partnership or limited liability company, and/or (e) any Controlled Investment Affiliates of any of the foregoing Persons listed in items (a) through (d) of this definition.

"Optomai Earn Out" means earn out payments made pursuant to that certain Agreement and Plan of Merger, dated as of April 7, 2011, by and among the Borrower, Optomai, Inc., Optomai Merger Sub, Inc. and the other parties thereto.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan Document).

"Other Taxes" means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.19(b)).

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning set forth in Section 9.04.

"Participant Register" has the meaning set forth in Section 9.04(c).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Acquisition" means any acquisition (whether by purchase, merger, consolidation or otherwise but excluding in any event a Hostile Acquisition) or series of related acquisitions by the Borrower or any Subsidiary of (i) all or substantially all the assets of or (ii) all or substantially all the Equity Interests in, a Person or division or line of business of a Person, if, at the time of and immediately after giving effect thereto, (a) no Default has occurred and is continuing or would immediately result therefrom, (b) such Person or division or line of business is engaged in the same or a similar line of business as the Borrower and the Subsidiaries or business reasonably related thereto, (c) all actions required to be taken with respect to such acquired or newly formed Subsidiary under Section 5.09 shall have been taken, (d) the Borrower and the Subsidiaries are in compliance, on a Pro Forma Basis immediately after giving effect to such acquisition, with the covenants contained in Section 6.12 recomputed as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered as required to be delivered hereunder, as if such acquisition (and any related incurrence or repayment of Indebtedness, with any new Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) had occurred on the first day of each relevant period for testing such compliance and, if the aggregate consideration paid in respect of such acquisition exceeds $5,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Borrower to such effect, together with the financial statements and supporting information to determine covenant compliance with respect to such acquisition, (e) in the case of an acquisition or merger involving the Borrower, the Borrower is the surviving entity of such merger and/or consolidation and (f) the aggregate consideration paid in respect of such acquisition, when taken together with the aggregate consideration paid in respect of all other acquisitions, does not exceed $5,000,000 during any fiscal year of the Borrower; provided that such Dollar limitation shall not be applicable if at the time of the consummation of such acquisition and immediately after giving effect (on a Pro Forma Basis) thereto, the Leverage Ratio is equal to or less than 2.25 to 1.00.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any

monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g) any interest or title of a lessor under any operating lease;

(h) normal and customary rights of setoff upon deposits of cash in favor of banks and other depository institutions and Liens of a collecting bank arising under the Uniform Commercial Code on checks in the course of collection;

(i) Liens pursuant to leases and subleases of real property which do not interfere with the ordinary course of business and which are made on customary and usual terms applicable to similar properties;

(j) Liens securing reimbursement obligations under commercial letters of credit, but only in or upon the goods the purchase of which were financed by such letters of credit;

(k) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(l) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(m) any interest or title of a lessor or sublessor, licensor or sublicensor under any lease or license not prohibited by this Agreement; and

(n) Liens granted on cash or cash equivalents in favor of any seller (other than the Borrower or any of its Affiliates) of any contemplated Permitted Acquisition to secure the Borrower's or any Subsidiary's obligations under the auction, bidding or negotiation process for such Permitted Acquisition; provided that (i) neither the aggregate amount of the obligations so secured nor the fair market value of the assets, as of the date on which such Liens are granted, subject to such Liens (as determined in good faith in the reasonable judgment of the Borrower) exceeds $100,000, and (ii) such Liens are released promptly (and in any event within 5 days) following the conclusion or termination of such auction, bidding or negotiating process.

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed

with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000.

"Permitted Qualifying Indebtedness" means unsecured Indebtedness of the Borrower (including unsecured Subordinated Indebtedness to the extent subordinated to the Secured Obligations on terms reasonably acceptable to the Administrative Agent), to the extent not otherwise permitted under Section 6.01, and any Indebtedness of the Borrower constituting refinancings, renewals or replacements of any such Indebtedness; provided that (i) both immediately prior to and after giving effect (including giving effect on a Pro Forma Basis) thereto, no Default or Event of Default shall exist or would result therefrom, (ii) such Indebtedness matures after, and does not require any scheduled amortization or other scheduled payments of principal prior to, the date that is 181 days after the Maturity Date (it being understood that any provision requiring an offer to purchase such Indebtedness as a result of change of control or asset sale or other fundamental change shall not violate the foregoing restriction), (iii) such Indebtedness is not guaranteed by any Subsidiary of the Borrower other than the Subsidiary Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness), (iv) the covenants (other than financial covenants) applicable to such Indebtedness are not more onerous or more restrictive in any material respect (taken as a whole) than the applicable covenants set forth in this Agreement and (v) the financial covenants applicable to such Indebtedness are not different in type from, or more onerous or more restrictive than, the financial covenants set forth in this Agreement.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Subsidiary" means (i) each Domestic Subsidiary and (ii) each First Tier Foreign Subsidiary which is a Material Foreign Subsidiary.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Pro Forma Basis" means, with respect to any event, that the Borrower is in compliance on a pro forma basis with the applicable covenant, ratio, calculation or requirement herein recomputed as if all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the four fiscal quarter period most recently ended on or prior to such

date for which financial statements have been delivered pursuant to Section 5.01: (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (A) in the case of a sale, transfer or other disposition of all or substantially all capital stock in any Subsidiary or any division or product line of the Borrower or any Subsidiary, shall be excluded, and (B) in the case of an Investment described in the definition of the term "Specified Transaction", shall be included, (ii) any retirement of Indebtedness and (iii) any Indebtedness incurred or assumed by the Borrower or any Subsidiary in connection with such Specified Transaction, and assuming all Indebtedness so incurred or assumed to be outstanding shall be deemed to have borne interest (a) in the case of fixed rate Indebtedness, at the rate applicable thereto or (b) in the case of floating rate Indebtedness, at the rates which were or would have been applicable thereto during the period when such Indebtedness was or was deemed to be outstanding; provided that, Consolidated EBITDA may be further adjusted without duplication of any adjustments to Consolidated EBITDA set forth in the definition of Consolidated EBITDA by, without duplication, (x) any credit received for acquisition-related costs and savings to the extent expressly permitted pursuant to Article 11 of Regulation S-X under the Securities Act of 1933, as amended, (y) actions taken by the Borrower or any of its Subsidiaries prior to or during such period for the purposes of realizing reasonably identifiable and factually supportable cost savings that are attributable to, and expected to be realized within 12 months of, the applicable event, in each case under this clause (y) calculated by the Borrower and approved by the Administrative Agent and/or (z) other extraordinary expenses, increased costs, identifiable and verifiable expense reductions, excess management compensation and other adjustments, if any, incurred by the Borrower or any of its Subsidiaries prior to or during such period that are attributable to, and expected to be realized within 12 months of, the applicable event, in each case under this clause (z) calculated by the Borrower.

"Qualifying IPO" means a bona fide underwritten initial public offering of voting common Equity Interests of the Borrower newly issued by the Borrower or held in treasury as a direct result of which at least 20% of the aggregate voting common Equity Interests of the Borrower (calculated on a fully diluted basis taking into account all options or other rights to acquire voting common Equity Interests of the Borrower then outstanding, regardless of whether such options or other rights are then currently exercisable) will be beneficially owned by Persons other than the Effective Date Shareholders and Effective Date Shareholder Permitted Transferees, the Borrower and Affiliates of the Borrower (including all directors, officers and employees of the Borrower or any of its Subsidiaries).

"Recipient" means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) the Issuing Bank.

"Register" has the meaning set forth in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer or controller of a Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on

account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and Swingline Exposure at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.01.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale and Leaseback Transaction" means any sale or other transfer of any property or asset by any Person with the intent to lease such property or asset as lessee.

"SEC" means the United States Securities and Exchange Commission.

"Secured Obligations" means all Obligations, together with all Swap Obligations and Banking Services Obligations owing to one or more Lenders or their respective Affiliates.

"Secured Parties" means the holders of the Secured Obligations from time to time and shall include (i) each Lender and the Issuing Bank in respect of its Loans and LC Exposure respectively, (ii) the Administrative Agent, the Issuing Bank and the Lenders in respect of all other present and future obligations and liabilities of the Borrower and each Subsidiary of every type and description arising under or in connection with this Agreement or any other Loan Document, (iii) each Lender and affiliate of such Lender in respect of Swap Agreements and Banking Services Agreements entered into with such Person by the Borrower or any Subsidiary, (iv) each indemnified party under Section 9.03 in respect of the obligations and liabilities of the Borrower to such Person hereunder and under the other Loan Documents, and (v) their respective successors and (in the case of a Lender, permitted) transferees and assigns.

"Security Agreement" means that certain Pledge and Security Agreement (including any and all supplements thereto), dated as of the date hereof, between the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, and any other pledge or security agreement entered into, after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document), or any other Person, as the same may be amended, restated or otherwise modified from time to time.

"Solvent" means, in reference to any Person, (i) the fair value of the assets of such Person, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of such Person will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) such Person will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

"Specified Transaction" means, with respect to any period, any acquisition permitted hereunder, including any Permitted Acquisition, investment, disposition of assets, or incurrence or repayment of Indebtedness consummated by the Borrower or any of its Subsidiaries during such period

(or the effects of which have occurred or are implemented during such period) or other event that by the terms of this Agreement requires "pro forma compliance" with a test or covenant hereunder or requires such test or covenant to be calculated on a "Pro Forma Basis".

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D of the Board. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Indebtedness" means any Indebtedness of the Borrower or any Subsidiary the payment of which is subordinated to payment of the obligations under the Loan Documents, excluding, for the avoidance of doubt, the Cobham Earn Out and the Optomai Earn Out.

"Subordinated Indebtedness Documents" means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means each Material Domestic Subsidiary that is a party to the Subsidiary Guaranty. The Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.01 to the Disclosure Letter.

"Subsidiary Guaranty" means that certain Guaranty dated as of the Effective Date (including any and all supplements thereto) and executed by each Subsidiary Guarantor party thereto, as amended, restated, supplemented or otherwise modified from time to time.

"Summit Investors" means, collectively, Summit Partners Private Equity Fund VII-A, L.P., Summit Partners Private Equity Fund VII-B, L.P., Summit Investors I, LLC, Summit Investors I (UK), L.P., Mainsail Partners II, L.P. and any of their respective Affiliates.

"Summit Sale Documents" means, collectively and as amended from time to time, (a) the Summit Stock Purchase Agreement, (b) the M/A-COM Technology Solutions Holdings, Inc. Class B Preferred Rights Agreement dated as of December 21, 2010 by and among Holdings and the Summit

Investors, (c) the Amended and Restated Investor Rights Agreement dated as of December 21, 2010 by and among Holdings and the Persons party thereto that are designated as "Investors" therein, (d) the Third Amended and Restated Certificate of Incorporation of M/A-COM Technology Solutions Holdings, Inc. dated as of December 21, 2010, (e) the Amended and Restated Bylaws of Holdings adopted as of December 21, 2010, (f) each Management Rights Agreement (as defined in the Summit Stock Purchase Agreement), and (g) each Indemnification Agreement (as defined in the Summit Stock Purchase Agreement).

"Summit Stock Purchase Agreement" means the Stock Purchase and Recapitalization Agreement dated as of December 21, 2010 by and among Holdings and the Summit Investors.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Swap Obligations" means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

"Swingline Lender" means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.05.

"Syndication Agent" means Barclays Capital, the investment banking division of Barclays Bank PLC, in its capacity as syndication agent for the credit facility evidenced by this Agreement.

"Taxes" means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"Unliquidated Obligations" means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(D)(2).

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

"Withholding Agent" means any Loan Party and the Administrative Agent.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. No delay by the Borrower or the Required Lenders in requiring such an amendment shall limit their right to require such an amendment at any time after such a change in accounting principles. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

SECTION 1.05. Status of Obligations. In the event that the Borrower or any other Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Secured Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) the sum of the total Revolving Credit Exposures exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any

Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement or the obligation of such Lender to make such Loan.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $2,500,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $2,500,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of $1,000,000 and not less than $500,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of five (5) Eurodollar Revolving Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04 Intentionally Omitted.

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans in Dollars to the Borrower from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $10,000,000 or (ii) the sum of the total Revolving Credit Exposures exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not

to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit denominated in Dollars for its own account, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the amount of the LC Exposure shall not exceed $25,000,000 and (ii) the sum of the total Revolving Credit Exposures shall not exceed the Aggregate Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire

participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the amount equal to such LC Disbursement, calculated as of the date the Issuing Bank made such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount of such LC Disbursement and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required

to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse (including by financing such reimbursement through an ABR Revolving Loan or Swingline Loan) such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the "LC Collateral Account"), an amount in cash equal to 105% of the amount of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Borrower hereby grants the Administrative Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided that Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City or Chicago and designated by the Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to elect an Interest Period for Eurodollar Loans that does not comply with Section 2.02(d).

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so

notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Revolving Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments without premium or penalty but subject to break funding payments pursuant to Section 2.16; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $500,000 and not less than $2,500,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the sum of the Revolving Credit Exposures would exceed the Aggregate Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction (or such shorter period of time agreed to by the Administrative Agent), specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date and (ii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two (2) Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or

any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note substantially in the form attached hereto as Exhibit B. In such event, the Borrower shall prepare, execute and deliver to such Lender such promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part without premium or penalty, but subject to break funding payments pursuant to Section 2.16, subject to prior notice in accordance with the provisions of this Section 2.11. The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., New York City time, one (1) Business Day before the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16. If at any time the sum of the aggregate principal amount of all of the Revolving Credit Exposures exceeds the Aggregate Commitment, the Borrower shall immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause the aggregate principal amount of all Revolving Credit Exposures to be less than or equal to the Aggregate Commitment.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, then such commitment fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by the Issuing Bank during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3rd) Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any

Eurodollar Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines in good faith (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders in good faith that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and any such Eurodollar Borrowing shall be repaid on the last day of the then current Interest Period applicable thereto or converted to ABR Borrowing and (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank;

(ii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto (other than (A) Indemnified Taxes, (B) Excluded Taxes and (C) Other Connection Taxes on gross or net income, profits or revenue (including value-added or similar Taxes));

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan or of maintaining its obligation to make any such Loan or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to

reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11 and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in Dollars of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender

setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes. (a) Withholding of Taxes; Gross-Up. Each payment by any Loan Party under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by any law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by such Loan Party shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section), the applicable Recipient receives the amount it would have received had no such withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient for any Indemnified Taxes that are paid or payable by such Recipient in connection with any Loan Document (including amounts paid or payable under this Section 2.17(d)) and any reasonable and documented expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(d) shall be paid within ten (10) days after the Recipient delivers to the Borrower a certificate stating the amount of any Indemnified Taxes so paid or payable by such Recipient and describing the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Administrative Agent.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are paid or payable by the Administrative Agent or the applicable Loan Party (as applicable) in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within ten (10) days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be

made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A) through (E) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of the Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within ten (10) days after such expiration, obsolescence or inaccuracy) notify the Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Lender with respect to the Borrower shall, if it is legally eligible to do so, deliver to the Borrower and the Administrative Agent (in such number of copies reasonably requested by the Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form of Exhibit E (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in

clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.17(f)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts paid pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.17(g) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.17(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(h) Issuing Bank. For purposes of Section 2.17(e) and (f), the term "Lender" includes the Issuing Bank.

SECTION 2.18. Payments Generally; Allocations of Proceeds; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 12:00 noon, New York City time on the date when due,

in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603, except payments to be made directly to the Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) Any amounts received by the Administrative Agent (i) not constituting a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and the Issuing Bank from the Borrower, second, to pay any fees or expense reimbursements then due to the Lenders from the Borrower, third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements and any other amounts owing with respect to Banking Services Obligations and Swap Obligations ratably, fifth, to pay an amount to the Administrative Agent equal to one hundred three percent (103%) of the aggregate undrawn face amount of all outstanding Letters of Credit and the aggregate amount of any unpaid LC Disbursements, to be held as cash collateral for such Obligations, and sixth, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender by the Borrower. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower, or unless a Default is in existence, none of the Administrative Agent or any Lender shall apply any payment which it receives to any Eurodollar Loan of a Class, except (a) on the expiration date of the Interest Period applicable to any such Eurodollar Loan or (b) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any event, the Borrower shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

(c) At the election of the Administrative Agent, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03) when due and payable, and other sums due and payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans) and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC

Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Bank to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material respect. The Borrower hereby agrees to pay all

reasonable and documented costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.15, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or (iii) any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20. Expansion Option. The Borrower may from time to time elect to increase the Commitments or enter into one or more tranches of term loans (each an "Incremental Term Loan"), in each case in a minimum amount of $5,000,000 so long as, after giving effect thereto, the aggregate amount of such increases and all such Incremental Term Loans does not exceed $50,000,000. The Borrower may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, or to participate in such Incremental Term Loans, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"), to increase their existing Commitments, or to participate in such Incremental Term Loans, or extend Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Borrower and the Administrative Agent (such approval of the Administrative Agent not to be unreasonably withheld, conditioned or delayed) and (ii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase or any Incremental Term Loan) shall be required for any increase in Commitments or Incremental Term Loan pursuant to this Section 2.20, but any Lender may in its sole discretion decline to provide any increase in Commitments or Incremental Term Loan. Increases and new Commitments and Incremental Term Loans created in accordance with Section 2.20 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (B) the Borrower shall be in compliance (on a Pro Forma Basis) with the covenants contained in Section 6.12 and (ii) the Administrative Agent shall have received documents consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrower to borrow

hereunder after giving effect to such increase. On the effective date of any increase in the Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurodollar Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. Commitments and Revolving Loans relating to increased or additional Commitments shall be treated identically to existing Commitments and Revolving Loans. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans, (b) shall not mature earlier than the Maturity Date (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Maturity Date and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder, or provide Incremental Term Loans, at any time.

SECTION 2.21. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;

(c) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) so long as no Event of Default has occurred and is continuing, all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one (1) Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.21(c), and participating interests in any such newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.21(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or the Issuing

Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder. The rights and remedies against a Defaulting Lender under this Section 2.21 are in addition to other rights and remedies which the Borrower may have against such Defaulting Lender and which the Administrative Agent or any Lender may have against such Defaulting Lender.

In the event that the Administrative Agent, the Borrower, the Swingline Lender and the Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers; Subsidiaries. Each of the Borrower and its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. Schedule 3.01 to the Disclosure Letter identifies each Subsidiary as of the Effective Date, noting whether such Subsidiary is a Material Domestic Subsidiary or a Material Foreign Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of each Subsidiary are validly issued and outstanding and fully paid and nonassessable and all such shares and other equity interests indicated on Schedule 3.01 to the Disclosure Letter as owned by the Borrower or another Subsidiary are owned, beneficially and of record, by the Borrower or any Subsidiary free and clear of all Liens, other than Liens created under the Loan Documents.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate in any material respect or result in a default under any indenture, material agreement or other material instrument binding

upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries, other than Liens created under the Loan Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for (i) the fiscal year ended October 1, 2010 and (ii) the nine (9) month period ended July 1, 2011, each reported on by Deloitte & Touche LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP.

(b) Since July 1, 2011, there has been no material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such failures to own or have license rights or infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation, Environmental and Labor Matters. (a) There are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) There are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened. The hours worked by and payments made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters except such violations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. All material payments due from the Borrower or any of its Subsidiaries, or for which any claim may be made against the Borrower or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of

termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Subsidiaries is bound.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains when taken as a whole, any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. Federal Reserve Regulations. No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.13. Liens. There are no Liens on any of the real or personal properties of the Borrower or any Subsidiary except for Liens permitted by Section 6.02.

SECTION 3.14. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.15 No Burdensome Restrictions. The Borrower is not subject to any Burdensome Restrictions except Burdensome Restrictions permitted under Section 6.08.

SECTION 3.16. Solvency.

(a) Immediately after the consummation of the Transactions to occur on the Effective Date, the Borrower and its Subsidiaries, taken as a whole, are and will be Solvent.

(b) The Borrower does not intend to, nor will it permit any of its Subsidiaries to, and the Borrower does not believe that it or any of its Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

SECTION 3.17. Insurance. The Borrower maintains, and has caused each Subsidiary to maintain, with financially sound and reputable insurance companies, insurance on all their real and personal property in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as are adequate and customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 3.18. Security Interest in Collateral. Assuming the filing of duly completed Uniform Commercial Code financing statements in the appropriate filing offices, and the filing of other instruments, the filing of which is required to perfect a Lien under applicable law, the provisions of this Agreement and the other Loan Documents create legal and valid perfected Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties. Such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law and (b) Liens perfected only by possession (including possession of any certificate of title) to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

ARTICLE IV

Conditions

SECTION 4.01 Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from (i) each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other legal opinions, certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Perkins Coie LLP, counsel for the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent, and covering such other matters relating to the Loan Parties, the Loan

Documents or the Transactions as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Administrative Agent shall have received upfront fees from the Borrower for the ratable account of each Lender (including the Administrative Agent) in an amount equal to 0.50% of each Lender's Commitment.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(f) The Administrative Agent shall have received (i) payoff letters for any credit facilities currently in effect for the Borrower and (ii) authorization to terminate and release any existing Liens pursuant to such credit facilities, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(g) The Administrative Agent shall have received evidence reasonably satisfactory to it that all governmental and material third party approvals necessary or, in the reasonable discretion of the Administrative Agent, advisable in connection with the Transactions and the continuing operations of the Borrower and its Subsidiaries have been obtained and are in full force and effect.

(h) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except to the extent the same expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) prior to a Qualifying IPO, within one hundred twenty (120) days after the end of each fiscal year of the Borrower or after a Qualifying IPO, within ninety (90) days after the end of each fiscal year of the Borrower (or, if earlier, by the date that the Annual Report on Form 10-K of the Borrower for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Deloitte & Touche LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, if earlier, by the date that the Quarterly Report on Form 10-Q of the Borrower for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form), its consolidated balance sheet and related statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying (in reasonable detail) the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.12 and (iii) stating whether any material change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such material change has

occurred, specifying (in reasonable detail) the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) within one (1) Business Day after board of director approval thereof, but in any event not more than sixty (60) days after the commencement of each fiscal year of the Borrower, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and funds flow statement) of the Borrower for each quarter of the upcoming fiscal year;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to clauses (a), (b) and (f) of this Section 5.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the compliance certificates required by clause (c) of this Section 5.01 to the Administrative Agent.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following promptly after a Responsible Officer obtains actual knowledge thereof:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(d) the consummation of the Reorganization Plan set forth on Schedule 6.03(a)(xi) to the Disclosure Letter; and

(e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business; and, except where the failure to do so would not result in a Material Adverse Effect, maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of the business of the Borrower and its Subsidiaries taken as a whole in good working order and condition, ordinary wear and tear excepted, and (b) maintain with financially sound and reputable carriers (i) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) all insurance required pursuant to the Collateral Documents. The Borrower will furnish to the Lenders, upon reasonable request of the Administrative Agent, information in reasonable detail as to the insurance so maintained. The Borrower shall deliver to the Administrative Agent endorsements (x) to all "All Risk" physical damage insurance policies on all of the Loan Parties' tangible personal property and assets insurance policies naming the Administrative Agent as lender loss payee, and (y) to all general liability and other liability policies naming the Administrative Agent an additional insured. In the event the Borrower or any of its Subsidiaries at any time or times hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then the Administrative Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Administrative Agent deems advisable. All sums so disbursed by the Administrative Agent shall constitute part of the Obligations, payable as provided in this Agreement. The Borrower will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities. The

Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or, during the occurrence of an Event of Default, any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, including environmental assessment reports and Phase I or Phase II studies, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested as long as such inspections and discussions do not cause an undue disruption of the Borrower's business. The Borrower acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Borrower and its Subsidiaries' assets for internal use by the Administrative Agent and the Lenders subject to Section 9.12.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations. The Borrower will, and will cause each of its Subsidiaries to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws) and (ii) perform in all material respects its obligations under material agreements to which it is a party, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only to (i) finance the working capital needs and capital expenditures, and for general corporate purposes, of the Borrower and its Subsidiaries in the ordinary course of business, (ii) refinance existing indebtedness, (iii) finance Permitted Acquisitions (including fees and expenses related to Permitted Acquisitions) and (iv) finance the payment of fees and expenses incurred in connection with this Agreement. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 5.09. Subsidiary Guarantors; Pledges; Additional Collateral; Further Assurances.

(a) As promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent) after any Person becomes a Subsidiary or any Subsidiary qualifies independently as, or is designated by the Borrower or the Administrative Agent as, a Subsidiary Guarantor pursuant to the definition of "Material Domestic Subsidiary", the Borrower shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail describing the material assets of such Person and reasonably promptly thereafter shall cause each such Subsidiary which also qualifies as a Material Domestic Subsidiary to deliver to the Administrative Agent a joinder to the Subsidiary Guaranty and the Security Agreement (in each case in the form contemplated thereby) pursuant to which such Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty and the Security Agreement to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(b) The Borrower will cause, and will cause each other Loan Party to cause, all of its owned property (whether real, personal, tangible, intangible, or mixed) to be subject at all times to first priority, perfected Liens in favor of the Administrative Agent for the benefit of the Secured Parties to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents, subject in any case to Liens permitted by Section 6.02 (provided that, to the extent that the Administrative Agent determines in its reasonable discretion, in consultation with the Borrower, that the cost or burden of obtaining or perfecting a security interest in any such owned property are excessive in relation to the value of the security to be afforded thereby, such owned property shall not be required to be subject to a first priority, perfected Lien in favor of the Administrative Agent). Without limiting the generality of the

foregoing, the Borrower (i) will cause the Applicable Pledge Percentage of the issued and outstanding Equity Interests of each Pledge Subsidiary directly owned by the Borrower or any other Loan Party to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents or such other pledge and security documents as the Administrative Agent shall reasonably request and (ii) will, and will cause each Subsidiary Guarantor to, deliver Mortgages and Mortgage Instruments with respect to real property owned by the Borrower or such Guarantor to the extent, and within such time period as is, reasonably required by the Administrative Agent. Notwithstanding the foregoing, (i) no such Mortgages and Mortgage Instruments are required to be delivered hereunder until the date that is sixty (60) days after the Effective Date or such later date as the Administrative Agent may agree in the exercise of its reasonable discretion with respect thereto and (ii) no such pledge agreement in respect of the Equity Interests of a Foreign Subsidiary shall be required hereunder (A) until the date that is sixty (60) days after the Effective Date or such later date as the Administrative Agent may agree in the exercise of its reasonable discretion with respect thereto, and (B) to the extent the Administrative Agent or its counsel determines that such pledge would not provide material credit support for the benefit of the Secured Parties pursuant to legally valid, binding and enforceable pledge agreements. Notwithstanding the foregoing, perfection of Liens shall not be required with respect to owned property (whether real, personal, tangible, intangible, or mixed) of Foreign Subsidiaries.

(c) Without limiting the foregoing, the Borrower will, and will cause each Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, Mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Borrower subject to the limitations set forth in clauses (a) and (b) above.

(d) If any assets (including any real property or improvements thereto or any interest therein) are acquired by a Loan Party after the Effective Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien under the Security Agreement upon acquisition thereof), the Borrower will notify the Administrative Agent thereof, and, if requested by the Administrative Agent, the Borrower will cause such assets to be subjected to a Lien securing the Secured Obligations and will take, and cause the other Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Borrower.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 to the Disclosure Letter and extensions, renewals and replacements of any such Indebtedness with Indebtedness of a similar type that does not increase the outstanding principal amount thereof;

(c) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary; provided that Indebtedness of any Subsidiary that is not a Loan Party to any Loan Party shall be subject to the limitations set forth in Section 6.04(d);

(d) Guarantees (i) by the Borrower of unsecured Indebtedness of any Subsidiary; provided that the aggregate outstanding principal amount of Indebtedness permitted by this clause (d)(i) shall not in the aggregate exceed $10,000,000 at any time outstanding, and (ii) by any Loan Party of Indebtedness of any other Loan Party, or by any Subsidiary that is not a Loan Party of Indebtedness of the Borrower or any other Subsidiary;

(e) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such fixed or capital assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within ninety (90) days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed $15,000,000 at any time outstanding;

(f) Indebtedness of the Borrower or any Subsidiary as an account party in respect of trade letters of credit;

(g) Indebtedness of the Borrower or any Subsidiary secured by a Lien on any asset (not constituting Collateral) of the Borrower or any Subsidiary in an aggregate principal amount not exceeding $20,000,000 at any time outstanding; provided that the aggregate outstanding principal amount of Indebtedness of the Borrower's Subsidiaries permitted by this clause (g) shall not in the aggregate exceed $10,000,000 at any time outstanding;

(h) Permitted Qualifying Indebtedness in an aggregate principal amount not to exceed $75,000,000 at any time outstanding;

(i) obligations of the Borrower or any Subsidiary arising out of interest rate, foreign currency, and commodity hedging agreements entered into with financial institutions in connection with bona fide hedging activities in the ordinary course of business and not for speculative purposes;

(j) endorsement of items for deposit or collection of commercial paper received in the ordinary course of business;

(k) Earn Out Obligations existing as of the Effective Date (to the extent such obligations constitute Indebtedness), and Earn Out Obligations (to the extent such obligations constitute Indebtedness) and Indebtedness to sellers incurred after the Effective Date in connection with acquisitions permitted hereunder;

(l) indebtedness issued in the ordinary course of business solely to support any Borrower's or any Subsidiary's insurance or self-insurance obligations (including to secure worker's compensation and other similar insurance coverages);

(m) indebtedness in respect of netting services, cash management, overdraft protections and otherwise in connection with deposit accounts;

(n) indebtedness consisting of reimbursement obligations under surety, indemnity, performance, release and appeal bonds and guarantees thereof and letters of credit required in the ordinary course of business or in connection with the enforcement of rights or claims of the Borrower or its Subsidiaries, in each case to the extent a Letter of Credit supports in whole or part the obligations of the Borrower or any of its Subsidiaries with respect to such bonds, guarantee and letters of credit;

(o) obligations for payment of rent under operating leases if and to the extent such leases are or would be classified as operating leases under Financial Accounting Standards Board Accounting Standards Codification 840 as in effect as of the date of this Agreement but are required to be reclassified as capital leases as a result of amendments to Financial Accounting Standards Board Accounting Standards Codification 840 made in accordance with those accounting standards proposed in the Proposed Accounting Standards Update exposure draft issued on August 17, 2010.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02 to the Disclosure Letter; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(e) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost

of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary; and

(f) Liens on assets (not constituting Collateral) of the Borrower and its Subsidiaries not otherwise permitted above so long as the aggregate principal amount of the Indebtedness and other obligations subject to such Liens does not at any time exceed $20,000,000.

SECTION 6.03. Fundamental Changes and Asset Sales. (a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any of its assets (including pursuant to a Sale and Leaseback Transaction), or any of the Equity Interests of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) (A) any Person may merge into the Borrower in connection with a Permitted Acquisition or any other transaction permitted under this Agreement, in each case in which the Borrower is the surviving corporation and (B) any Subsidiary may merge into the Borrower in a transaction in which the Borrower is the surviving corporation;

(ii) any Subsidiary may merge into (A) a Loan Party in a transaction in which the surviving entity is such Loan Party (provided that any such merger involving the Borrower must result in the Borrower as the surviving entity) and (B) any other Person in connection with an acquisition permitted hereunder, including any Permitted Acquisition, so long as the surviving entity is a Subsidiary (or immediately upon the consummation of the relevant transaction the Person into which such Subsidiary is merged becomes a Subsidiary);

(iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to a Loan Party;

(iv) the Borrower and its Subsidiaries may (A) sell, lease and license inventory in the ordinary course of business, (B) effect sales, trade-ins or dispositions of used equipment for value in the ordinary course of business consistent with past practice, (C) enter into licenses of technology in the ordinary course of business, (D) make any other sales, transfers, leases or dispositions that, together with all other property of the Borrower and its Subsidiaries previously leased, sold or disposed of as permitted by this clause (D) during any fiscal year of the Borrower, does not exceed an aggregate book value of ten percent (10%) of Consolidated Tangible Assets, and during the term of this Agreement does not exceed twenty five percent (25%) of Consolidated Tangible Assets as of the most recently ended fiscal quarter of the Borrower (determined by reference to the Borrower's financial statements most recently delivered pursuant to Section 5.01(a) or 5.01(b) or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to such Sections, the most recent financial statements referred to in Section 3.04(a)), and (E) Sale and Leaseback Transactions permitted under Section 6.10;

(v) any Subsidiary that is not a Loan Party may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders;

(vi) any Subsidiary that is a Loan Party may liquidate or dissolve if after giving effect to such liquidation such Subsidiary will not have any assets and the Borrower determines in good

faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders;

(vii) the sale of delinquent notes or accounts receivable in the ordinary course of business for purposes of collection only (and not for the purpose of any bulk sale or securitization transaction);

(viii) the sale, transfer or other disposition of any tangible personal property that, in the reasonable business judgment of the Borrower or any Subsidiary, is no longer necessary for such Person's operations or has become obsolete or worn out, and which is disposed of in the ordinary course of business;

(ix) without limitation to any other clause of this Section 6.03, the Borrower and its Subsidiaries may sell or exchange specific items of machinery or equipment, so long as the proceeds of each such sale or exchange is used (or contractually committed to be used) to acquire (and results within one hundred eighty (180) days of such sale or exchange in the acquisition of) replacement items of machinery and equipment;

(x) leases or subleases granted by the Borrower or its Subsidiaries to third Persons not interfering in any material respect with the business of the Borrower or any of its Subsidiaries;

(xi) any asset transfers, dispositions or other similar transactions in connection with the Reorganization Plan set forth on Schedule 6.03(a)(xi) to the Disclosure Letter;

provided, for the avoidance of doubt and notwithstanding anything to the contrary set forth in this Section 6.03, no material intellectual property of the Borrower or any of its Subsidiaries may be sold, transferred, leased or otherwise disposed of to any Person except to: (x) a Loan Party, (y) a Pledge Subsidiary or (z) a direct or indirect subsidiary of a Pledge Subsidiary that is a Foreign Subsidiary.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

(c) The Borrower will not, nor will it permit any of its Subsidiaries to, change its fiscal year from the basis in effect on the Effective Date.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger or consolidation with any Person that was not a wholly owned Subsidiary prior to such merger or consolidation) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit, except:

(a) Permitted Investments;

(b) Permitted Acquisitions;

(c) investments by the Borrower and its Subsidiaries existing on the date hereof in the capital stock of their respective Subsidiaries;

(d) investments, loans or advances made by the Borrower in or to any Subsidiary and made by any Subsidiary in or to the Borrower or any other Subsidiary (provided that not more than an aggregate amount of $7,500,000 in investments, loans or advances or capital contributions may be made and remain outstanding, at any time, by Loan Parties to Subsidiaries which are not Loan Parties other than the amounts for investments, loans and advances identified on Schedule 6.04(d) to the Disclosure Letter);

(e) Guarantees constituting Indebtedness permitted by Section 6.01;

(f) investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers, suppliers and other Persons arising the in the ordinary course of business;

(g) investments (including debt obligations) received in connection with dispositions permitted pursuant to Section 6.03;

(h) investments constituting Swap Agreements not prohibited by Section 6.05;

(i) deposits made in the ordinary course of business to secure the performance of leases or other contractual arrangements;

(j) to the extent constituting an investment, Consolidated Capital Expenditures;

(k) loans in an amount not to exceed $1,000,000 in the aggregate in any fiscal year to employees, consultants and advisors of the Borrower and its Subsidiaries;

(l) investments in deposit account and securities accounts opened in the ordinary course of business and in compliance with the terms of the Loan Documents;

(m) other investments, loans, and advances in addition to those otherwise permitted by Section 6.04 in an amount not to exceed $5,000,000 in the aggregate at any one time outstanding;

(n) Investments existing on the date hereof and identified on Schedule 6.04(n) to the Disclosure Letter;

(o) loans to employees, consultants and advisors to enable them to purchase equity interests in the Borrower so long as no cash is advanced by the Borrower or any Subsidiary Guarantor;

(p) advances in the form of prepayments of expenses to a vendor, supplier or trade creditor in the ordinary course of business;

(q) travel, relocation and other similar cash advances made to employees in the ordinary course of business ; and

(r) any other investment, loan or advance (other than acquisitions) so long as the aggregate amount of all such investments, loans and advances does not exceed $5,000,000 during any fiscal year of the Borrower;

provided, for the avoidance of doubt and notwithstanding anything to the contrary set forth in this Section 6.04, no material intellectual property of the Borrower or any of its Subsidiaries may be sold, transferred, leased or otherwise disposed of to or invested in or contributed to any Person except to: (x) a Loan Party, (y) a Pledge Subsidiary or (z) a direct or indirect subsidiary of a Pledge Subsidiary that is a Foreign Subsidiary.

SECTION 6.05. Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

SECTION 6.06. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its wholly owned Subsidiaries not involving any other Affiliate, (c) the payment of management fees by the Borrower and its Subsidiaries to GaAs Labs, LLC pursuant to the Management Agreement in an aggregate amount not to exceed $720,000 during any fiscal year of the Borrower, (d) employment and equity compensation arrangements with employees and management of the Borrower and its Subsidiaries and payment of fees to and reimbursement of members of boards of directors of the Borrower and its Subsidiaries and (e) any Restricted Payment permitted by Section 6.07.

SECTION 6.07. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock (including the issuance of shares of its common stock pursuant to outstanding warrants), (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries, (d) each Subsidiary may make Restricted Payments to the Borrower or another Subsidiary (provided that any Subsidiary Guarantor may only make Restricted Payments to the Borrower or another Subsidiary Guarantor), (e) the Borrower or any Subsidiary may make Restricted Payments pursuant to any Earn Out Obligations or otherwise in connection with acquisitions completed before the Effective Date or which are permitted hereunder when due and payable, (f) the Borrower may make Restricted Payments pursuant to Sections (B)(1) and (B)(6)(a)(iii)(B) of Article IV of the Borrower's Third Amended and Restated Certificate of Incorporation as in effect on the Effective Date, (g) the Borrower may make payments to the Summit Investors in respect of breaches of representations, warranties, and covenants contained in the Summit Sale Documents to the extent required thereunder, including payments required under the "Subsidiary Guaranty" made pursuant to Section 6F of the Summit Stock Purchase Agreement and (h) the Borrower and its Subsidiaries may make any other Restricted Payment so long as no Default or Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise upon giving effect (including giving effect on a Pro Forma Basis) thereto and the aggregate amount of all such Restricted Payments during any fiscal year of the Borrower does not exceed $5,000,000.

SECTION 6.08. Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (iv) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof and (v) the foregoing shall not apply to restrictions or conditions imposed by the Summit Sale Documents.

SECTION 6.09. Subordinated Indebtedness and Amendments to Subordinated Indebtedness Documents. The Borrower will not, and will not permit any Subsidiary to, directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness or any Indebtedness from time to time outstanding under the Subordinated Indebtedness Documents. Furthermore, the Borrower will not, and will not permit any Subsidiary to, amend the Subordinated Indebtedness Documents or any document, agreement or instrument evidencing any Indebtedness incurred pursuant to the Subordinated Indebtedness Documents (or any replacements, substitutions, extensions or renewals thereof) or pursuant to which such Indebtedness is issued where such amendment, modification or supplement provides for the following or which has any of the following effects:

(a) increases the overall principal amount of any such Indebtedness or increases the amount of any single scheduled installment of principal or interest;

(b) shortens or accelerates the date upon which any installment of principal or interest becomes due or adds any additional mandatory redemption provisions;

(c) shortens the final maturity date of such Indebtedness or otherwise accelerates the amortization schedule with respect to such Indebtedness;

(d) increases the rate of interest accruing on such Indebtedness;

(e) provides for the payment of additional fees or increases existing fees;

(f) amends or modifies any financial or negative covenant (or covenant which prohibits or restricts the Borrower or any Subsidiary from taking certain actions) in a manner which is more onerous or more restrictive in any material respect to the Borrower or such Subsidiary or which is otherwise materially adverse to the Borrower, any Subsidiary and/or the Lenders or, in the case of any such covenant, which places material additional restrictions on the Borrower or such Subsidiary or which requires the Borrower or such Subsidiary to comply with more restrictive financial ratios or which requires the Borrower to better its financial performance, in each case from that set forth in the existing applicable covenants in the Subordinated Indebtedness Documents or the applicable covenants in this Agreement; or

(g) amends, modifies or adds any affirmative covenant in a manner which (i) when taken as a whole, is materially adverse to the Borrower, any Subsidiary and/or the Lenders or (ii) is more onerous than the existing applicable covenant in the Subordinated Indebtedness Documents or the applicable covenant in this Agreement.

SECTION 6.10. Sale and Leaseback Transactions. The Borrower shall not, nor shall it permit any Subsidiary to, enter into any Sale and Leaseback Transaction, other than Sale and Leaseback Transactions in respect of which the net cash proceeds received in connection therewith does not exceed $10,000,000 in the aggregate during any fiscal year of the Borrower, determined on a consolidated basis for the Borrower and its Subsidiaries.

SECTION 6.11. Capital Expenditures. The Borrower will not, nor will it permit any Subsidiary to, expend, or be committed to expend, in excess of $15,000,000 (in the aggregate) for Consolidated Capital Expenditures during any fiscal year of the Borrower.

SECTION 6.12. Financial Covenants.

(a) Maximum Leverage Ratio. The Borrower will not permit the ratio (the "Leverage Ratio"), determined as of the end of each of its fiscal quarters ending on and after September 30, 2011, of (i) Consolidated Total Indebtedness to (ii) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Borrower and its Subsidiaries on a consolidated basis, to be greater than 2.50 to 1.00.

(b) Minimum Fixed Charge Coverage Ratio. The Borrower will not permit the ratio (the "Fixed Charge Coverage Ratio"), determined as of the end of each of its fiscal quarters ending on and after September 30, 2011, of (i) (a) Consolidated EBITDA, minus (b) Consolidated Capital Expenditures, minus (c) expenses for income taxes paid in cash to (ii) Consolidated Fixed Charges, in each case for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter (provided that the portion of Consolidated Fixed Charges attributable to scheduled principal payments on Indebtedness shall be calculated based on the scheduled principal payments on Indebtedness for the first four fiscal quarters of the Borrower occurring after such date), all calculated for the Borrower and its Subsidiaries on a consolidated basis, to be less than 1.50 to 1.00.

(c) Minimum Liquidity. The Borrower will maintain Liquidity equal to or greater than $15,000,000.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence), 5.08 or 5.09 or in Article VI;

(e) the Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (subject to any applicable grace period);

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; subject to any applicable grace period; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $5,000,000 shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) the occurrence of any "default", as defined in any Loan Document (other than this Agreement) or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided;

(o) any provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or the Borrower or any Subsidiary shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms) which has a material and adverse effect on the Credit Parties); or

(p) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any material portion of the Collateral taken as a whole purported to be covered thereby, except as permitted by the terms of any Loan Document;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Secured Obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Secured Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor; provided, that such appointment shall be subject to the approval of the Borrower as long as no Event of Default has occurred and is continuing. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank; provided, that such appointment shall be subject to the approval of the Borrower as long as no Event of Default has occurred and is continuing. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

None of the Lenders, if any, identified in this Agreement as a Syndication Agent or Co-Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Syndication Agent or Co-Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

In its capacity, the Administrative Agent is a "representative" of the Secured Parties within the meaning of the term "secured party" as defined in the New York Uniform Commercial Code. Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Secured Party (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Secured Parties upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Secured Parties. The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) as described in Section 9.02(d); (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant hereto. Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five (5) Business Days' prior written request by the Borrower to the Administrative Agent, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Secured Parties herein or pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Borrower or any Subsidiary in respect of) all interests retained by the Borrower or any Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral.

The Borrower, on its behalf and on behalf of its Subsidiaries, and each Lender, on its behalf and on the behalf of its affiliated Secured Parties, hereby irrevocably constitute the Administrative Agent as the holder of an irrevocable power of attorney (*fondé de pouvoir* within the meaning of Article 2692 of the Civil Code of Québec) in order to hold hypothecs and security granted by the Borrower or any Subsidiary on property pursuant to the laws of the Province of Quebec to secure obligations of the Borrower or any Subsidiary under any bond, debenture or similar title of indebtedness issued by the Borrower or any Subsidiary in connection with this Agreement, and agree that the Administrative Agent may act as the bondholder and mandatary with respect to any bond, debenture or similar title of indebtedness that may be issued by the Borrower or any Subsidiary and pledged in favor of the Secured Parties in connection with this Agreement. Notwithstanding the provisions of Section 32 of the An Act respecting the special powers of legal persons (Quebec), JPMorgan Chase Bank, N.A. as Administrative Agent may acquire and be the holder of any bond issued by the Borrower or any Subsidiary in connection with this Agreement (i.e., the fondé de pouvoir may acquire and hold the first bond issued under any deed of hypothec by the Borrower or any Subsidiary).

The Administrative Agent is hereby authorized to execute and deliver any documents necessary or appropriate to create and perfect the rights of pledge for the benefit of the Secured Parties including a right of pledge with respect to the entitlements to profits, the balance left after winding up and the voting rights of the Borrower as ultimate parent of any subsidiary of the Borrower which is organized

under the laws of the Netherlands and the Equity Interests of which are pledged in connection herewith (a "Dutch Pledge"). Without prejudice to the provisions of this Agreement and the other Loan Documents, the parties hereto acknowledge and agree with the creation of parallel debt obligations of the Borrower or any relevant Subsidiary as will be described in any Dutch Pledge (the "Parallel Debt"), including that any payment received by the Administrative Agent in respect of the Parallel Debt will – conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application – be deemed a satisfaction of a pro rata portion of the corresponding amounts of the Obligations, and any payment to the Secured Parties in satisfaction of the Obligations shall – conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application – be deemed as satisfaction of the corresponding amount of the Parallel Debt. The parties hereto acknowledge and agree that, for purposes of a Dutch Pledge, any resignation by the Administrative Agent is not effective until its rights under the Parallel Debt are assigned to the successor Administrative Agent.

The parties hereto acknowledge and agree for the purposes of taking and ensuring the continuing validity of German law governed pledges (*Pfandrechte*) with the creation of parallel debt obligations of the Borrower and its Subsidiaries as will be further described in a separate German law governed parallel debt undertaking. The Administrative Agent shall (i) hold such parallel debt undertaking as fiduciary agent (*Treuhaender*) and (ii) administer and hold as fiduciary agent (*Treuhaender*) any pledge created under a German law governed Collateral Document which is created in favor of any Secured Party or transferred to any Secured Party due to its accessory nature (*Akzessorietaet*), in each case in its own name and for the account of the Secured Parties. Each Lender, on its own behalf and on behalf of its affiliated Secured Parties, hereby authorizes the Administrative Agent to enter as its agent in its name and on its behalf into any German law governed Collateral Document, to accept as its agent in its name and on its behalf any pledge under such Collateral Document and to agree to and execute as agent its in its name and on its behalf any amendments, supplements and other alterations to any such Collateral Document and to release any such Collateral Document and any pledge created under any such Collateral Document in accordance with the provisions herein and/or the provisions in any such Collateral Document.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at M/A-COM Technology Solutions Holdings, Inc., 100 Chelmsford Street, Lowell, Massachusetts 01851, Attention of: Conrad Gagnon, Chief Financial Officer (Telecopy No. (978) 656-2678; Telephone No. (978) 656-2550) and, in the case of a notice of Default, to Clay Simpson, General Counsel (Telecopy No. (978) 656-2678; Telephone No. (650) 619-1747);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603 Attention of Darren Cunningham (Telecopy No. (888) 292- 9533), with a copy to JPMorgan Chase Bank, N.A., Two Corporate Drive, Shelton, Connecticut 06484, Attention of D. Scott Farquhar (Telecopy No. (203) 944-8495);

(iii) if to the Issuing Bank, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603 Attention of Debra Williams (Telecopy No. (312) 385-7098);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, 7th Floor, Chicago, Illinois 60603 Attention of Darren Cunningham (Telecopy No. (888) 292-9533); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.20 with respect to an Incremental Term Loan Amendment, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of “Required Lenders”

or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Revolving Loans are included on the Effective Date), (vi) release all or substantially all of the Subsidiary Guarantors from their obligations under the Subsidiary Guaranty without the written consent of each Lender, or (vii) except as provided in clause (d) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be.

(c) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower to each relevant Loan Document (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of all the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations in a manner reasonably satisfactory to the Administrative Agent, (ii) constituting property being sold or disposed of if the Borrower certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property leased to the Borrower or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(e) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent (such approval of the Administrative Agent not to be unreasonably withheld, conditioned or delayed) shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day

funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(f) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, each Lead Arranger and their respective Affiliates, which shall be limited to the reasonable and documented fees, charges and disbursements of one U.S. counsel and one additional local counsel in each applicable jurisdiction for the Administrative Agent and the Lead Arrangers, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all documented out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, the Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Borrower shall indemnify the Administrative Agent, the Lead Arrangers the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof); provided, further, that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; and

(C) the Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws; and

(E) the assignee shall not be the Borrower or any Subsidiary or Affiliate of the Borrower or any natural person.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this

Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to

Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any this Agreement) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or any Subsidiary Guarantor against any of and all of the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT

NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information, but at a minimum such Person must exercise reasonable care to maintain the confidentiality of such information.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies each Loan Party that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Act.

SECTION 9.14. Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the

Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.15. Releases of Subsidiary Guarantors.

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Subsidiary Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Borrower, release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty if such Subsidiary Guarantor is no longer a Material Domestic Subsidiary.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Obligations (other than Banking Services Obligations, Swap Obligations, and other Obligations expressly stated to survive such payment and termination) shall have been paid in full, the Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Subsidiary Guaranty and all obligations (other than those expressly stated to survive such termination) of each Subsidiary Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) no Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and no Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby. As used in this Section 9.16, "Lender" and "Lenders" shall be deemed to include the "Lead Arranger" and the "Lead Arrangers" in each case.

SECTION 9.17. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the Issuing Bank or any Lender, or the Administrative Agent, the Issuing Bank or any Lender exercises its right of setoff, and such payment or

the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the Issuing Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC., as the Borrower

By /s/ Conrad R. Gagnon
Name: Conrad R. Gagnon
Title: Chief Financial Officer

JPMORGAN CHASE BANK, N.A., individually as a Lender, as the Swingline Lender, as the Issuing Bank and as Administrative Agent

By /s/ D. Scott Farquhar
Name: D. Scott Farquhar
Title: Senior Vice President

BARCLAYS BANK PLC, as a Lender

By /s/ Ritam Bhalla
Name: Ritam Bhalla
Title: Vice President

RBS CITIZENS, N.A., individually as a Lender and as Co-Documentation Agent

By /s/ William M. Clossey
Name: William M. Clossey
Title: Vice President

RAYMOND JAMES BANK, FSB, individually as a Lender and as Co-Documentation Agent

By /s/ Kathy Bennett
Name: Kathy Bennett
Title: Vice President

JEFFERIES FINANCE LLC, as a Lender

By /s/ E.J. Hess
Name: E.J. Hess
Title: Managing Director

SCHEDULE 2.01

COMMITMENTS

LENDER	COMMITMENT
JPMORGAN CHASE BANK, N.A.	$ 35,000,000
BARCLAYS BANK PLC	$ 30,000,000
RBS CITIZENS, N.A.	$ 20,000,000
RAYMOND JAMES BANK, FSB	$ 10,000,000
JEFFERIES FINANCE LLC	$ 5,000,000
AGGREGATE COMMITMENT	**$ 100,000,000**

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	_____
2.	Assignee:	_____ [and is an Affiliate/Approved Fund of [identify Lender][1]]
3.	Borrower(s):	M/A-COM Technology Solutions Holdings, Inc.
4.	Administrative Agent:	JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement
5.	Credit Agreement:	The Credit Agreement dated as of September 30, 2011 among M/A-COM Technology Solutions Holdings, Inc., the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents parties thereto

[1] Select as applicable.

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/Loans[2]
$	$	%
$	$	%
$	$	%

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Issuing Bank

By: _____
Title:

[Consented to:][3]

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: _____
Title:

[2] Set forth, so at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
[3] To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX I

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT B

FORM OF NOTE

September 30, 2011

FOR VALUE RECEIVED, the undersigned, M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC., a Delaware corporation (the "Borrower"), HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of [LENDER NAME] (the "Lender") the aggregate unpaid principal amount of all Loans made by the Lender to the Borrower pursuant to the "Credit Agreement" (as defined below) on the Maturity Date or on such earlier date as may be required by the terms of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein are as defined in the Credit Agreement.

The undersigned Borrower promises to pay interest on the unpaid principal amount of each Loan made to it from the date of such Loan until such principal amount is paid in full at a rate or rates per annum determined in accordance with the terms of the Credit Agreement. Interest hereunder is due and payable at such times and on such dates as set forth in the Credit Agreement.

At the time of each Loan, and upon each payment or prepayment of principal of each Loan, the Lender shall make a notation either on the schedule attached hereto and made a part hereof, or in such Lender's own books and records, in each case specifying the amount of such Loan, the respective Interest Period thereof (in the case of Eurocurrency Loans) or the amount of principal paid or prepaid with respect to such Loan, as applicable; provided that the failure of the Lender to make any such recordation or notation shall not affect the Secured Obligations of the undersigned Borrower hereunder or under the Credit Agreement.

This Note is one of the notes referred to in, and is entitled to the benefits of, that certain Credit Agreement dated as of September 30, 2011 by and among the Borrower, the financial institutions from time to time parties thereto as Lenders and JPMorgan Chase Bank, N.A., as Administrative Agent (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). The Credit Agreement, among other things, (i) provides for the making of Loans by the Lender to the undersigned Borrower from time to time in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment, the indebtedness of the undersigned Borrower resulting from each such Loan to it being evidenced by this Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments of the principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

This Note is secured by the Collateral Documents. Reference is hereby made to the Collateral Documents for a description of the collateral thereby mortgaged, warranted, bargained, sold, released, conveyed, assigned, transferred, pledged and hypothecated, the nature and extent of the security for this Note, the rights of the holder of this Note, the Administrative Agent in respect of such security and otherwise.

Demand, presentment, protest and notice of nonpayment and protest are hereby waived by the Borrower. Whenever in this Note reference is made to the Administrative Agent, the Lender or the Borrower, such reference shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Note shall be binding upon and shall inure to the benefit of said successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor in possession of or for the Borrower.

This Note shall be construed in accordance with and governed by the law of the State of New York.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: _____
Name:
Title:

Note

SCHEDULE OF LOANS AND PAYMENTS OR PREPAYMENTS

Date	Amount of Loan	Interest Period/Rate	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By

EXHIBIT C

FORM OF INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated , 20 (this "Supplement"), by and among each of the signatories hereto, to the Credit Agreement, dated as of September 30, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among M/A-COM Technology Solutions Holdings, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the Borrower has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Aggregate Commitment and/or one or more tranches of Incremental Term Loans under the Credit Agreement by requesting one or more Lenders to increase the amount of its Commitment and/or to participate in such a tranche;

WHEREAS, the Borrower has given notice to the Administrative Agent of its intention to [increase the Aggregate Commitment] [and] [enter into a tranche of Incremental Term Loans] pursuant to such Section 2.20; and

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the undersigned Increasing Lender now desires to [increase the amount of its Commitment] [and] [participate in a tranche of Incremental Term Loans] under the Credit Agreement by executing and delivering to the Borrower and the Administrative Agent this Supplement;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall [have its Commitment increased by $[ ], thereby making the aggregate amount of its total Commitments equal to $[ ]] [and] [participate in a tranche of Incremental Term Loans with a commitment amount equal to $[ ] with respect thereto].

2. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

3. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT D

FORM OF AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated , 20 (this "Supplement"), to the Credit Agreement, dated as of September 30, 2011 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among M/A-COM Technology Solutions Holdings, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.20 thereof that any bank, financial institution or other entity may [extend Commitments] [and] [participate in tranches of Incremental Term Loans] under the Credit Agreement subject to the approval of the Borrower and the Administrative Agent, by executing and delivering to the Borrower and the Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a [Commitment with respect to Revolving Loans of $[ ]] [and] [a commitment with respect to Incremental Term Loans of $[ ]].

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

[ ]

4. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

By: _____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

By: _____
Name:
Title:

EXHIBIT E-1

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of September 30, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among M/A-COM Technology Solutions Holdings, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT E-2

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of September 30, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among M/A-COM Technology Solutions Holdings, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT E-3

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of September 30, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among M/A-COM Technology Solutions Holdings, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non- U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT E-4

FORM OF U.S. TAX CERTIFICATE

(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of September 30, 2011 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among M/A-COM Technology Solutions Holdings, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, the "Administrative Agent").

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

Exhibit 21.1

Subsidiaries of the Registrant

Name	State/Country of Organization or Incorporation
M/A-COM Auto Solutions Inc.	Delaware
M/A-COM Tech (Nevada), Inc.	Nevada
M/A-COM Tech Asia, Inc.	Taiwan
M/ACOM Technology Solutions (Bangalore) Private Limited	India
M/ACOM Technology Solutions (Cork) Limited	Ireland
M/A-COM Technology Solutions (Holding) Company Limited	Ireland
M/A-COM Technology Solutions (UK) Limited	Northern Ireland
M/A-COM Technology Solutions HKG, Limited	Hong Kong
M/A-COM Technology Solutions Inc.	Delaware
Mimix Broadband Pty Limited	Australia
Optomai, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 3 to Registration Statement No. 333-175934 on Form S-1 of our report dated August 1, 2011 relating to the combined consolidated financial statements of M/A-COM Technology Solutions Holdings, Inc. (which report expresses an unqualified opinion on the combined consolidated financial statements and includes an explanatory paragraph referring to the common control business combination of M/A-COM Technology Solutions Holdings, Inc. and Mimix Holdings, Inc.) appearing in the Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
October 21, 2011

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the use in this Amendment No. 3 to Registration Statement No. 333-175934 on Form S-1 of M/A-COM Technology Solutions Holdings, Inc. of our report dated August 1, 2011 related to the combined consolidated financial statements of M/A-COM Technology Solutions Inc. and M/ACOM Technology Solutions (Cork) Limited (collectively, the "Company") for the period from September 26, 2008 through March 30, 2009 (which report expresses an unqualified opinion on the combined consolidated financial statements and includes explanatory paragraphs referring to affiliation with Cobham Defense Electronic Systems Corporation and the impact of such affiliation on the results of operations and the sale of the Company to M/A-COM Technology Solutions Holdings, Inc. on March 30, 2009), appearing in the Prospectus, which is part of this Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
October 21, 2011

Perkins Coie

1900 Sixteenth Street, Suite 1400
Denver, CO 80202-5255
PHONE: 303.291.2300
FAX: 303.291.2400
www.perkinscoie.com

Confidential Treatment Requested By
M/A-COM Technology Solutions Holdings, Inc.

CERTAIN PORTIONS OF THIS LETTER, MARKED WITH [***], HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT PURSUANT TO RULE 83 OF THE COMMISSION'S RULES OF PRACTICE.

October 21, 2011

VIA EDGAR AND OVERNIGHT DELIVERY

Mr. Jeffrey Jaramillo
Accounting Branch Chief
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: M/A-COM Technology Solutions Holdings, Inc.
Registration Statement on Form S-1
Amended September 30, 2011
File No. 333-175934

Dear Mr. Jaramillo:

We are submitting this letter on behalf of M/A-COM Technology Solutions Holdings, Inc. (the "Company") in response to the comments set forth in the comment letter of the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") dated October 19, 2011 (the "Comment Letter") relating to the above-referenced Registration Statement on Form S-1 (the "Registration Statement"). The Company has revised the Registration Statement in response to the Staff's comments and is filing concurrently with this letter an Amendment No. 3 to the Registration Statement (the "Amendment") that reflects these revisions and generally updates the information contained therein.

General

1. We note your revisions in response to prior comment 1; however, it is unclear how the customers' products shown on the cover relate to your semiconductors and electronic components. If you elect to show customer products in your prospectus, please do so elsewhere in your document where you can clearly describe their relationship to your products and their relevance to your business.

Response: The Company has revised the cover art to more prominently display pictures of its own products and to further limit its depictions of example customer applications to the two most significant customer applications by revenue in each of its three primary markets. The Company supplementally advises the Staff that:

- sales of the Company's products incorporated into the point-to-point cellular backhaul applications and cable TV and broadband devices such as those pictured in the revised cover art are representative of approximately [***]% and [***]%, respectively, of total revenue in the Networks market in fiscal year 2011;
- sales of the Company's products incorporated into radar systems and tactical and public safety radios such as those pictured in the revised cover art are representative of approximately [***]% and [***]%, respectively, of total revenue in the A&D market in fiscal year 2011; and
- sales of the Company's products incorporated into automotive GPS systems and mobile devices such as those pictured in the revised cover art are representative of approximately [***]% and [***]%, respectively, of total revenue in the Multi-market in fiscal year 2011.

2. We note your responses to our prior comment numbers 2, 6 and 10 in which you indicate that responsive changes will be made in a future amendment to the registration statement. Please ensure that the requested disclosures are provided in a future amendment prior to the planned effectiveness of your Form S-1 registration statement. Please note that we may have further comment upon our review of your revised disclosures.

Response: The Company confirms that it will make responsive changes in connection with prior comment numbers 2, 6 and 10 in a future amendment to the Registration Statement prior to its effectiveness. The Company acknowledges that the Staff will review such changes and may have further comment upon review of the revised disclosures.

Prospectus Summary, page 1

3. We note your response to prior comment 4. If you elect to disclose your top customers from each of your primary markets, state clearly which customers represent each market. It is not appropriate to selectively disclose your customers based on name recognition. Please revise.

Response: The Company has revised its disclosure on pages 2 and 64 of the Amendment to disclose its top five OEM and contract manufacturer customers, listed alphabetically, in each of its primary markets as measured by fiscal year 2011 revenue. The revised disclosure clearly states which customers represent each market.

Exhibits and Financial Statement Schedules, page II-3

4. Your response to prior comment 13 appears to address only the omission of schedules and similar attachments. It does not address the omission of exhibits to exhibits 2.1 and 2.2 that are not similar to schedules. Please provide us an expanded response that addresses all omissions.

Response: In response to the Staff's comment, the Company has re-filed Exhibits 2.1 and 2.2 with all exhibits.

*** * * ***

* Certain confidential information on this page, marked with [***], has been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 83 of the Commission's Rules of Practice.

We greatly appreciate your prompt response to this letter. If you have any questions or comments concerning these responses, please feel free to contact me at (303) 291-2362.

Respectfully submitted,

PERKINS COIE LLP

/s/ Jason Day
Jason Day

cc: Charles Bland
Conrad Gagnon
Clay Simpson
Keith Higgins