

2984371

DATED 20 APRIL 2007

- (1) DF GROUP LIMITED
- (2) POWER MAGNETICS AND  
ELECTRONIC SYSTEMS LIMITED

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**SHARE PURCHASE AGREEMENT**  
relating to the sale and purchase of  
the entire common stock, par value US\$0.01 per share  
Ultra Electronics Inc

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## AGREEMENT

DATED 20 April 2007

## BETWEEN

- (1) **DF GROUP LIMITED**, a company incorporated in England and Wales (company number 3574242), having its registered office at 417 Bridport Road, Greenford, Middlesex UB6 8UA (the "**Seller**"), and
- (2) **POWER MAGNETICS AND ELECTRONIC SYSTEMS LIMITED**, a company incorporated in England and Wales (company number 2984371), having its registered office at 417 Bridport Road, Greenford, Middlesex UB6 8UA (the "**Buyer**")

## PRELIMINARY

The Seller wishes to sell and the Buyer wishes to purchase the Shares (as defined below), which represent the entire issued share capital of the Company (as defined below), on the terms and subject to the conditions of this agreement

## IT IS AGREED.

### 1 DEFINITIONS AND INTERPRETATION

- 1.1 In this agreement the following expressions have, unless inconsistent with the context or otherwise specified, the following meanings

"Act"	the Companies Act 1985,
"Company"	Ultra Electronics Inc, a company incorporated in the state of Delaware, having its registered office at 50 Barnes Park North, Suite 102, Wallingford CT 06492,
"Completion"	completion of the sale and purchase of the Shares pursuant to this agreement,
"Completion Date"	the date of this agreement,
"Consideration Shares"	1,000,000 ordinary shares of £1 each in the issued share capital of the Buyer,
"Encumbrance"	any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect,
"Group"	in relation to a company, the group of companies comprising the company and its subsidiaries and subsidiary undertakings, any holding company of the company and all other subsidiaries of any such holding company from time to time, and
"Shares"	70 shares of common stock, par value US\$0.01 per share, of the Company

- 1.2 In this agreement, unless inconsistent with the context or otherwise specified

- 1 2 1 the index and clause headings are inserted for ease of reference only and do not affect its interpretation,
- 1 2 2 a reference to a clause is a reference to a clause of this agreement,
- 1 2 3 words and expressions defined in the Act have the same meaning as in the Act,
- 1 2 4 a reference to a person includes a reference to a firm, body corporate, association, authority or partnership,
- 1 2 5 references to writing include any mode of reproducing words in a legible form and reduced to paper,
- 1 2 6 the Interpretation Act 1978 shall apply to this agreement in the same way as it applies to an enactment, and
- 1 2 7 references to all or any part of any statute include any statutory amendment, modification or re-enactment in force from time to time and references to any statute include any statutory instrument or regulations made under it

## **2 SALE AND PURCHASE OF THE SHARES**

In accordance with and subject to the provisions of this agreement, and on and with effect from the Completion Date, the Seller with full title guarantee shall sell or procure to be sold, and the Buyer shall buy, the entire legal and beneficial interest in the Shares free from all Encumbrances and together with all rights, benefits and advantages of any nature whatsoever now or at any time after the date of this agreement attaching or accruing to them

## **3 CONSIDERATION**

The aggregate consideration payable by the Buyer to the Seller for the Shares shall be satisfied by the allotment by the Buyer to the Seller at Completion at a premium of the Consideration Shares. The Consideration Shares shall rank *pari passu* and form a single class with the existing ordinary shares of £1 each in the share capital of the Buyer

## **4 COMPLETION**

- 4 1 Completion shall take place at such place as the Seller and the Buyer may agree on the Completion Date
- 4 2 Save to the extent the Buyer shall agree otherwise, at Completion the Seller shall deliver or cause to be delivered to the Buyer
  - 4 2 1 a duly executed stock transfer power or powers in respect of the Shares in favour of the Buyer and the share certificate or certificates for the Shares in the name or names of the Seller (or an indemnity in a form reasonably satisfactory to the Buyer in respect of any share certificate which is lost or destroyed), and
  - 4 2 2 such waivers and consents as the Buyer may require to enable the Buyer to be registered as the holder of the Shares
- 4 3 The Seller and the Buyer shall each use their reasonable endeavours to procure that, at or as soon as reasonably practicable after Completion, the Buyer shall be registered as the holder of the Shares in the register of stockholders of the Company and such other matters as the Buyer may reasonably request shall be dealt with
- 4 4 Upon compliance by the Seller with the provisions of clause 4 2, the Buyer shall

- 4 4 1 allot and issue the Consideration Shares to the Seller,
- 4 4 2 issue and deliver to the Seller a share certificate in respect of the Consideration Shares, and
- 4 4 3 take all such steps as are necessary to secure the registration of the Seller as the holder of the Consideration Shares in the register of members of the Buyer
- 4 5 The Buyer shall not be obliged to complete this agreement unless
  - 4 5 1 the Seller complies fully with all its obligations under this clause 4, and
  - 4 5 2 the purchase of all the Shares is completed simultaneously
- 5 **WARRANTIES AND REPRESENTATIONS**
- 5 1 The Seller warrants and represents to the Buyer that each of the statements set out in this clause 5 1 (the "**Seller's Warranties**") is true and accurate in all respects and is not misleading at the date of this agreement and Completion, and that
  - 5 1 1 the Seller is the sole legal and beneficial owner of the Shares,
  - 5 1 2 there is no Encumbrance, nor is there any agreement, arrangement or obligation to create or give any Encumbrance, on, over or affecting any of the Shares and no claim has been made by any person to be entitled to any Encumbrance,
  - 5 1 3 the Shares are fully paid up and non-assessable,
  - 5 1 4 the Seller has the legal right and full power and authority to execute and deliver, and to exercise its rights and perform its obligations under this agreement and all the documents which are to be executed by it at Completion,
  - 5 1 5 all corporate action required by the Seller validly and duly to authorise the execution and delivery of, and the exercise of its rights and performance of its obligations under, this agreement and all other documents which are to be executed by it at Completion has been duly taken, and
  - 5 1 6 this agreement and all other documents which are to be executed by it at Completion will, when executed, create legal, valid and binding obligations of the Seller enforceable against the Seller in accordance with their terms
- 5 2 The Buyer warrants, represents and undertakes to the Seller that each of the statements set out in this clause 5 2 (the "**Buyer's Warranties**") is true and accurate in all respects and is not misleading at the date of this agreement and Completion, and that
  - 5 2 1 the Consideration Shares, when issued, will be fully paid up or credited as fully paid up and will rank pari passu in all respects with the existing issued ordinary shares of £1 each of the capital of the Buyer,
  - 5 2 2 the Buyer has the legal right and full power and authority to execute and deliver, and to exercise its rights and perform its obligations under this agreement and all the documents which are to be executed by it at Completion,
  - 5 2 3 all corporate action required by the Buyer validly and duly to authorise the execution and delivery of, and the exercise of its rights and performance of its obligations under, this agreement and all other documents which are to be executed by it at Completion has been duly taken, and

5 2 4 this agreement and all other documents which are to be executed by it at Completion will, when executed, create legal, valid and binding obligations of the Buyer enforceable against the Buyer in accordance with their terms

5 3 The Seller's Warranties and the Buyer's Warranties shall remain in full force and effect notwithstanding Completion

## 6 GENERAL PROVISIONS

### 6 1 Costs

Except as otherwise stated in any provision of this agreement, each party shall pay its own costs and any applicable tax thereon in relation to the negotiations leading up to the sale of the Shares and to the preparation, execution and carrying into effect of this agreement and all other documents referred to in it. The Seller confirms that no expense of whatever nature relating to the sale of the Shares has been or is to be borne by the Company

### 6 2 Further assurance

The Seller shall, from time to time at its own cost and on being required to do so by the Buyer, perform or procure the performance of all such acts and/or execute or procure the execution of all such documents in a form satisfactory to the Buyer to give full effect to this agreement and to secure to the Buyer the full benefit of the rights, powers and remedies conferred upon the Buyer by or pursuant to this agreement

### 6 3 Entire agreement

The written terms of this agreement constitute the entire understanding between the parties, and constitute the whole agreement of the parties in relation to their subject matter and supersede any previous agreement between the parties with respect thereto

### 6 4 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act

### 6 5 Severability

If at any time any provision of this agreement is or becomes, or is adjudicated by any court of competent jurisdiction or public authority to be, illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this shall not affect or impair

6 5 1 the legality, validity or enforceability in that jurisdiction of any other provision of this agreement, or

6 5 2 the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this agreement

### 6 6 Amendment

This agreement may be amended or modified in whole or in part at any time by an agreement in writing executed by or on behalf of the parties to this agreement

### 6 7 Waiver

No failure to exercise or delay in exercising any right or remedy under this agreement shall constitute a waiver thereof and no waiver by either party of any breach or non-fulfilment by the other party of any provision of this agreement shall be deemed to be a waiver of any

subsequent or other breach of that or any other provision of this agreement. No single or partial exercise of any right or remedy under this agreement shall preclude or restrict the further exercise of any such right or remedy. The rights and remedies provided in this agreement are cumulative and not exclusive of any rights and remedies provided by law.

**6.8 Assignment**

This agreement shall be binding upon and inure for the benefit of the successors of the parties, but neither party may assign, encumber, dispose of or otherwise transfer any of its rights under this agreement, save that a party may at any time assign all or any part of its rights and benefits under this agreement to any member of its Group who may enforce them as if it had also been named in this agreement as that party.

**6.9 Counterparts**

This agreement may be executed in one or more counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this agreement, but all the counterparts shall together constitute the same instrument.

**6.10 Notices**

6.10.1 A notice or other communication in connection with this agreement

- (a) must be in writing, and
- (b) must be left at the registered address of the addressee or sent by prepaid ordinary post (airmail if posted from overseas) to the address or number of the addressee which is specified in this agreement or, if the addressee notifies another address or a facsimile number for such purpose, then to that other address or facsimile number.

6.10.2 A notice or other communication shall take effect from the time it is received (or, if earlier, the time it is deemed to be received in accordance with clause 6.10.3) unless a later time is specified in it.

6.10.3 Any notice or other communication given or made under or in connection with the matters contemplated by this agreement shall be addressed as provided in clause 6.10.1 and, if so addressed, shall be deemed to have been duly given or made as follows:

- (a) if personally delivered, upon delivery at the address of the relevant party,
- (b) if sent by first class post, two business days after the date of posting,
- (c) if sent by airmail, six business days after the date of posting, and
- (d) if sent by facsimile transmission, on receipt of printed confirmation of successful transmission.

**7 GOVERNING LAW AND JURISDICTION**

7.1 This agreement is governed by, and shall be construed in accordance with, the law of England and Wales.

7.2 In relation to any legal action or proceedings to enforce this agreement or arising out of or in connection with this agreement and the legal relationship established by this agreement each of the parties irrevocably submits to the exclusive jurisdiction of the Courts of England.


and Wales and waives any right to object to such proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in an appropriate forum

**IN WITNESS WHEREOF** the parties hereto or their duly authorised representatives have executed this agreement the day and year first above written

**SIGNED** by Douglas Caster  
For and on behalf of  
**DF GROUP LIMITED**

)  
)  
)   
Director

**SIGNED** by David Jeffcoat  
For and on behalf of  
**POWER MAGNETICS AND  
ELECTRONIC SYSTEMS LIMITED**

)  
)  
)   
Director