

DDN Terms and Conditions of Purchase

1. **PRICES** - Prices shall be as specified herein. Seller warrants these prices to be as low as any charged to Seller's customers under similar quantities. Seller agrees those price's herein include all applicable taxes (except sales tax), tariffs and fees and represent the full price to DDN less shipping costs.
2. **CHANGES** - Upon notice, DDN shall have the right to make changes as to design specifications, testing, packaging or any other phase of the work to be performed. If such changes cause an increase or decrease in the price or time required for performance, Seller shall be entitled to an equitable adjustment providing the claim for such adjustment is made within ten (10) business days of receipt of DDN's request. Seller shall not substitute any materials or revise any specifications without prior written consent of DDN. Seller is fully responsible for any such unauthorized changes.
3. **SHIPMENT AND DELIVERY** - All sales are FOB Seller's facilities unless otherwise noted herein. Seller will comply with DDN's routing and shipping instructions appearing on the face of this order. All material will be packaged in accordance with good commercial practice to prevent damage and to obtain best transportation rates. Each container must be marked with this purchase order number, quantity and DDN part number. There will be no charge for such packaging. Time is of the essence in the performance of this order. Any delivery to be made later than the agreed delivery date may, at DDN's request be shipped in compliance with DDN's instructions and the difference in cost of this service versus the one specified on the face of this order shall be borne by the Seller. Seller shall not deliver material specified in this order more than ten (10) business days prior to the scheduled delivery date unless requested by DDN Any such delivery may, at DDN's sole discretion, be returned at the Seller's risk and expense for subsequent shipment in compliance with these terms.
4. **PAYMENT, INVOICES, TAXES AND SETOFF** - Except as otherwise stated in this purchase order, any payment under this purchase order is due and payable net forty-five (45) days after receipt of invoice. An invoice showing this purchase order number, the item number(s) and a description of the items and/or services must be issued for each shipment of material or provision of services. Any applicable sales tax, duty, excise tax, use tax or other similar tax or charge for which DDN has not furnished an exemption certificate must be itemized separately on Seller's invoices. Payment of Seller's invoice, in whole or in part, will not constitute acceptance of Seller's performance and such payment will not prejudice DDN's right to pursue any other right or remedy available to it under these terms or applicable law. Payment of Seller's invoice is subject to adjustment for over-shipment, shortage and rejection. DDN may at any time set off any amount owed by DDN to Seller against any amount owed by Seller to DDN.
5. **RESCHEDULING** - DDN may change any and all deliveries and quantities on this order by providing notice to Seller a minimum of ten (10) calendar days prior to such scheduled delivery. DDN may

delay delivery of the goods that are within the lead-time for not more than fifteen (15) months from the date of this order. DDN shall be able to make such changes without cost or liability to DDN

6. **INSPECTION AND ACCEPTANCE** - DDN shall have the right to inspect all material when received on its premises without regard to prior inspections, if any. Acceptance shall occur when as a result of this inspection, DDN determines that the subject material meets DDN's specifications. DDN shall have all customary remedies regarding non-conforming material.
7. **TITLE AND RISK OF LOSS** - Title and risk of loss shall pass to DDN at the F.O.B. point.
8. **TERMINATION/CANCELLATION FOR CONVENIENCE** - DDN may cancel, at its sole option all or any portion of any undelivered material by giving notice consisting of fifteen (15) days prior oral notice with written confirmation within ten (10) days to Seller.
9. **WARRANTY** - Seller warrants that only new material is used in the material to be delivered pursuant to this order, and that such material will be: (a) free from defects in material and workmanship, (b) free from defects in design, except to the extent that the material complies with detailed designs furnished by DDN and (c) in conformance with all applicable drawings, specifications, samples or other descriptions. All rights under this warranty shall survive acceptance and remain in force for one (1) year thereafter. DDN shall have all customary remedies relative to this warranty. Failure to replace defective material within a reasonable time after request by DDN shall be considered a default of the terms of this order and shall have all remedies hereunder. In cases in which a defect is noted as a result of DDN's incoming inspection reasonable time will be a maximum of twenty (20) business days.
10. **DEFAULT** - If (a) Seller fails to make any delivery or perform any services in accordance with the schedule on the face of this order, except as modified by DDN and Seller by mutual agreement or otherwise fails to carry out the terms and Seller does not remedy such failure within twenty (20) business days of notice thereof, or (b) Seller fails to make progress to an extent that performance of this order is endangered, or (c) any action is filed against Seller in bankruptcy or insolvency, or for the appointment of a trustee or receiver, DDN may, by written notice, terminate this order without obligation or liability. This remedy is an addition to any other rights or remedies provided by law. Seller agrees to hold DDN harmless from any losses, expenses, costs or damages resulting from contract termination.
11. **PATENTS, TRADEMARKS AND COPYRIGHTS** - Seller warrants that all material furnished hereunder do not infringe any U.S. or foreign patent, trademark, or copyright. Seller agrees to defend any claims to the contrary at Seller's expense. If as a result of such action, use of material is enjoined Seller shall, at Seller's expense, at DDN's option, obtain the right to use such material, remove the infringement or award DDN an equitable refund. DDN shall maintain its right to be represented in any such proceeding at DDN's expense.

12. **CONFIDENTIAL DISCLOSURE** - Seller shall keep confidential all proprietary information including, but not limited to, designs, processes, drawings, specifications, reports, data and other technical or business information and the features of all parts, equipment, tools, patterns and other items furnished or disclosed to Seller by DDN. Unless otherwise provided, or authorized by DDN in writing. Seller shall use such information and items, and the features thereof, only in the performance of purchase order. Upon completion, cancellation or termination of purchase order, Seller shall, at Seller's expense, dispose of all such information and items as directed by DDN. In all subcontracts for performance of work related to purchase order, Seller shall include provisions which provide DDN with the same protection as provided by this paragraph. Any publicity regarding purchase order (pictures, descriptions, or samples thereof) must be pursuant to DDN's prior written approval.
13. **OWNERSHIP OF WORK PRODUCT** - DDN will own all right, title, and interest in and to all intellectual property rights related to all work product created and delivered by Seller in furtherance of purchase order, including, but not limited to, all compounds, formulations, products, materials, text, graphics, software or other items (the "Work Product"). In the event Seller is deemed to have any ownership interest in the Work Product, Seller hereby assigns to DDN all right, title and interest in and to any Work Product created or supplied by Seller to DDN. Upon DDN's request and at DDN's expense, Seller shall execute in a timely manner all papers that may be necessary to evidence DDN's ownership of these rights.
14. **FORCE MAJEURE** - Neither party shall be held responsible for any delay or failure to perform under this order to the extent that such delay or failure is caused by fire, flood, explosion, war, embargo, government requirements, civil or military authority, act of God, or similar causes beyond either party's control.
15. **ASSIGNMENT** - Seller shall not assign this order, in whole or in part, to any other party without the written consent of DDN, which will not be unreasonably withheld.
16. **COMPLIANCE WITH LAWS** - Seller warrants the work pursuant to this order shall comply with all applicable federal, state and local laws and ordinances under which DDN may be liable. Seller agrees to hold DDN harmless from any expenses occurred. Upon DDN's written request, Seller shall execute and furnish a certificate of compliance with any applicable federal, state or local laws or regulations, including, but not limited to, Fair Labor Standards Act, EEO and OSHA.
17. **ADVERTISING** - Seller shall not disclose the existence of the order publicly for the purpose of advertising unless otherwise agreed in writing by DDN.
18. **U.S. GOVERNMENT CONTRACTS** - If material delivered pursuant to this order is to be used in the performance of a U.S. Government contract or subcontract, such contract number shall appear herein and all applicable procurement regulations, which are mandatory by federal statute, are incorporated in this order by reference. Should any order placed hereunder be subject to U.S.

Government priority ratings and rated order (i.e., DX or DO), Seller agrees that it will provide and require its suppliers to provide preference for such orders over any other unrated orders, of any party, as necessary to meet the required delivery dates.

19. **GOVERNING LAW AND VENUE** - This order shall be governed by, interpreted and enforced in accordance with the laws of the State of California without regard to conflict of laws rules that would cause the laws of any other jurisdiction to apply. Both parties expressly agree that the provisions of the United Nations Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transaction Act shall not apply to this purchase order (including any attachments) or any part hereof. Both parties further agree to the exclusive jurisdiction of the courts of the State of California located in Los Angeles County with respect to any legal proceeding arising in connection herewith.
20. **NO WAIVER OF CONDITIONS** - Failure of either party to enforce any of the terms of this order shall not constitute waiver of that or any other term, condition or remedy contained herein.
21. **SEVERABILITY** - If any provision of this order shall be held by any court of competent jurisdiction to be invalid or unenforceable, the remainder of the terms of this order shall be held in full force and shall be interpreted as if the invalidated portions were never contained herein.
22. **SURVIVAL** - The provisions of this order by their sense and context are intended to survive the performance hereof shall so survive the completion or cancellation of this order.
23. **DDN EQUIPMENT** - Seller is responsible for the protection, calibration, maintenance and wear (other than normal) of all tooling and equipment owned by DDN. All tooling is to be stamped/and or painted "Property of DDN".
24. **LIMITATION OF LIABILITY** - IN NO EVENT SHALL DDN BE LIABLE TO SELLER OR SELLER'S ASSISTANTS, OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, LOST REVENUE OR PROFITS) IN ANY WAY ARISING OUT OF, OR IN CONNECTION WITH, PURCHASE ORDER, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. DDN'S TOTAL LIABILITY TO SELLER UNDER A GIVEN PURCHASE ORDER, FROM ALL CAUSES OF ACTION AND UNDER ALL THEORIES OF LIABILITY, WILL BE LIMITED TO THE PAYMENTS ACTUALLY RECEIVED BY SELLER FROM DDN UNDER THE PURCHASE ORDER TO WHICH THE CLAIM RELATES.
25. **CODE OF CONDUCT** - DDN has an established Code of Conduct (COC) which is aligned with the one established by the Electronic Industry Citizen Coalition (EICC) and expects our business partners to develop and practice (a) safe working conditions, (b) treat employees fairly and (c) use environmental responsible practices. DDN Code of Conduct and Supplier Key Requirements information is available at <http://www.ddn.com/company/corporate-social-responsibility/>

26. **RESPONSIBLE RESOURCING** - DDN requires our suppliers to be aligned on social responsibility and supply us with compliant materials. Suppliers are requested to: (a) Assure materials supplied to us be DRC Conflict Free and meet the standards set forth under the Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1502 (Dodd-Frank Act) which requires performing Due Diligence, and (b) Provide us with detail parts information as described in our document "Supplier Parts Information Requirement".
27. **COUNTERFEIT PARTS PREVENTION** – The supplier warrants that (1) counterfeit supplies shall not be supplied to DDN or installed in our products, and (2) only authentic, genuine and legitimate item shall be supplied to us, in accordance with AS5553 standards. You are required to provide traceability of manufacturer and provide detail parts information in the template as required in Section 26(b).
28. **CONSEQUENCES OF NON-COMPLIANCE** - If DDN determines that our business partners are in non-compliance on social responsibility, we reserve the right to evaluate future business partnership, request additional documentation and evidence and/or ask the supplier to develop Risk Mitigation Plan and/or undergo third party audit.
29. **CERTIFICATIONS** - DDN requires all products/materials carry the ISO and/or RoHS certification.
30. **ENTIRE AGREEMENT** - The terms and conditions above, together with any attached drawings and specifications, product descriptions, delivery schedules, pricing and additional or special terms on the face hereof, constitute the entire agreement between DDN and Seller and are binding on both parties unless modified in writing by mutual agreement. In the event of any written agreement between DDN and Seller relating to the subject matter of this purchase order, the terms of such written agreement shall supersede any contravening or inconsistent terms of this purchase order.