

Purchase Orders - Terms and Conditions

1. INVOICES

Concurrently with the delivery of the articles and things described on the face of the Purchase Order (the 'Goods'), Seller shall deliver an invoice in duplicate to Northern Digital Inc. (hereinafter "NDI") which shall contain the following information: purchase order number, NDI part number; item number, description of Goods, sizes, quantities, unit prices and extended totals.

2. DELIVERY

The Goods shall be properly described, packed and secured in such a manner as to meet the necessary transportation legislation to reach their destination in good condition and shall be delivered to NDI in accordance with the schedule on the face of this Purchase Order subject to such earlier delivery time or times as may be represented by Seller to NDI. If any Goods are not delivered within the time or times required hereunder, NDI shall be entitled, forthwith upon giving notice thereof to Seller, to terminate this Purchase Order in respect of the Goods undelivered as aforesaid and of any other Goods already delivered which cannot be effectively and commercially used by reason of the non delivery of the Goods undelivered as aforesaid. On such termination, NDI shall be entitled:

- a) to return to Seller at Seller's risk and expense any of the Goods already delivered but which cannot be effectively and commercially used as aforesaid and recover from Seller any monies paid by NDI in respect of such Goods, and
- b) to recover from Seller any additional costs incurred by NDI in obtaining other goods in replacement of those in respect of which this Purchase Order has been terminated.

Unless otherwise agreed NDI shall be entitled to refuse to accept delivery of Goods delivered C.O.D. If any Goods are delivered to NDI more than ten (10) days prior to the time required hereunder, NDI may:

- a) refuse to accept delivery of such Goods, or
- b) accept delivery of such Goods and either return such Goods to Seller within a reasonable time at Seller's risk and expense or retain possession of such Goods. Any such Goods for which delivery is refused or which are returned shall be re-delivered by Seller as required hereunder. If NDI elects to retain possession of such Goods, they shall for the purpose of calculating the payment date for such Goods, be deemed to be delivered at the time required hereunder and not at the actual time of delivery.

Notwithstanding the foregoing, neither party shall be liable for damages for any delay due to causes beyond its reasonable control and without its fault or negligence. If any such delay is caused by the delay of a subcontractor of Seller, verified in writing by said subcontractor, Seller shall incur no liability for such delay provided that anything to be furnished by such subcontractor was not obtainable from other sources in time to meet required delivery herein. SELLER SHALL NOTIFY NDI FORTHWITH IN WRITING UPON LEARNING OF ANY EVENT WHICH MAY RESULT IN ANY DELAY.

3. PROPERTY AND RISK

The property in the Goods and all risk in connection therewith shall pass to NDI on delivery without prejudice to any right of rejection or termination which may accrue to NDI.

4. CHANGES

If NDI notifies the Seller of any changes in: (a) the specification, drawings, samples or other description to which the Goods are to conform; (b) the methods of shipment and packaging; or, (c) in the time or place of delivery thereof, Seller shall be deemed to accept such changes without modification to the price of Goods or applicable delivery date unless it notifies NDI within ten (10) days following receipt of such change notice from NDI. If Seller's price of Goods or applicable delivery date changes as a result of the change as notified by NDI, then Seller shall have 10 days from the receipt of such change notice from NDI in which to notify NDI as to the changes to the price of Goods or applicable delivery date. Following delivery of such notice by Seller, if Seller does not receive a purchase order change from NDI which confirms the changes so notified by the Seller within ten (10) days following NDI's receipt of such notice from Seller, Seller's changes shall be deemed not accepted by NDI and NDI's original change notice shall be deemed to have been cancelled. In addition, NDI's original Purchase Order shall be deemed to have been cancelled.

5. TERMINATION

NDI may terminate this Purchase Order in full or in part at any time upon NDI providing written notification to Seller. If Seller fails to develop or deliver the Goods as required by this Purchase Order or in the case of any other default by the Seller hereunder or if Seller shall be or become insolvent or bankrupt, NDI shall not be liable to Seller in any way whatsoever at law, equity or otherwise for such termination. In all other cases of termination by NDI the extent of its liability hereunder shall be to pay the reasonable cost of the existing work-in process for deliveries due hereunder within (30) thirty days following the date of termination plus the reasonable cost of the existing work-in-process inventories for deliveries due hereunder within sixty (60) days following the date of termination, excluding, however, all items and components of items in either category which are readily usable or resalable by Seller.

6. PRICE

NDI shall not be billed at a price higher than last charged or quoted by Seller for the same items unless a higher price is authorized by this Purchase Order or by a purchase order change. Seller warrants that the prices for the Goods are not less favourable than those currently extended to others for the same or like articles and equal or less quantities in the event Seller reduces any price to others during the term of this Purchase Order, Seller agrees to reduce the comparable price to NDI under this Purchaser Order.

7. INSPECTION AND TESTING

If any Goods are other than standard commercial articles of Seller, said Goods shall be subject to inspection and test by NDI to the extent practicable at all times and places including the period of manufacture and in any event prior to final acceptance. If any inspection or test is made by NDI on the premises of Seller, Seller shall without additional charge provide all reasonable facilities and assistance for the safety and convenience of NDI's inspectors in the performance of their duties. No inspection or test made prior to final inspection and acceptance shall relieve Seller from responsibility for defects or other failure to meet the requirements of this Purchase Order.

8. REJECTION

NDI may by notice to Seller reject the Goods if Seller fails to comply with paragraphs 2 or 7 hereof and may by notice to Seller given within twenty-one (21) days or such other longer period as may be reasonably necessary, reject any Goods which are found not to be in accordance with this Purchase Order. Upon rejection of the Goods after delivery, property of the Goods and all risk in connection therewith shall immediately pass to Seller. If the Goods are so rejected, the Goods may at NDI's option be returned to Seller or held by NDI and in either event all storage, handling, transportation and other expenses in connection therewith shall be paid by Seller. Rejected Goods shall not be replaced except upon receipt of specific written instructions from NDI. Upon receipt of notice of rejection hereunder, Seller shall forthwith pay to NDI any monies previously paid by NDI on account of rejected Goods.

9. PAYMENTS

Seller's invoice will be paid pursuant to the terms as specified on the face of this Purchase Order in the absence of any specific payment terms, such invoice shall be considered payable net in 30 days approximately following the date the goods are delivered, consequently all net invoices received shall be paid net in 30 days approximately. An early discount payment option is also offered to suppliers of 2% 15 days following the date the goods are delivered consequently all net invoices received may be paid 2% 15 days.

10. EXTRAS

No charges will be allowed for taxes; import duties; transportation; in transit insurance; packaging; packing; returnable containers; documentation and media unless otherwise agreed. All sales, use, excise or similar taxes to be paid by NDI must be itemized separately hereon and on invoices.

11. INDEMNIFICATION

If this Purchase Order covers work to be performed on NDI premises, or if Seller is on NDI premises pursuant to this Purchase Order, then Seller agrees to indemnify and hold NDI harmless from and against all losses and damages arising out of or caused by, or in connection with, such work or occupation of NDI premises (including third party claims and claims of Seller's employees) and to perform the Work and occupy NDI premises in accordance with the safety rules of NDI, and all applicable safety and other laws and regulations; and prior to commencement of such work or occupation of NDI premises, to furnish NDI with satisfactory evidence of public liability, property damage and workers compensation insurance.

12. WARRANTY

Seller warrants that the Goods will be free from defects in design, materials and workmanship, will conform to accepted samples or to NDI's specifications as the case may be, or to both if there are both, and if ordered for a stated purpose, will be fit for such purpose. Seller will repair or replace any goods deemed defective in design, materials and workmanship. If this Purchase Order covers equipment, Seller warrants in addition, that if any failure occurs without NDI fault within one (1) year from date of delivery Seller will repair or replace the same without cost to NDI.

13. PATENT GUARANTY

Seller agrees to defend, protect and hold harmless NDI, its agents, vendors and all those using the Goods, against any and all demands and claims on account of infringements or alleged infringements of patented or alleged patented articles or inventions, and to pay all royalties, and at its own cost and expense to defend all suits which may be brought on account of infringements or alleged infringements by reason of the use and/or resale of the Goods, and to pay any and all fees, costs and damages resulting there from.

14. ACKNOWLEDGEMENT

The Terms and Conditions of this Purchase Order are not subject to change. If Seller accepts this Purchase Order on its own acknowledgement or acceptance form, it is understood that the Terms and Conditions of this Purchase Order are not subject to variation or change by printed terms and conditions on Seller's form and that only the Terms and Conditions of this Purchase Order shall prevail unless Seller shall propose in writing changes which are accepted by NDI in writing in the absence of such accepted written change, shipment of any or all of the Goods shall be deemed Seller's acceptance of all and only the Terms and Condition herein.

15. CONFIDENTIALITY

Seller shall keep confidential all information, drawings, specifications, data or any other details furnished by NDI or prepared by Seller specifically in connection with this Purchase Order. . In the event the Seller enters into or has entered into a Non-Disclosure Agreement with NDI, the terms of that agreement shall govern the relationship of the parties and prevail over this paragraph 15.

16. STATUTORY REQUIREMENTS

Seller represents and warrants the Goods shall comply in all respects with the requirements of any applicable statutes, statutory rules, orders or regulations, or other instruments having the force of law.

17. SUPPLIER BUSINESS CONDUCT AND COMPLIANCE REQUIREMENTS

- (a) Seller represents, warrants, certifies and covenants that Seller shall perform all activities required under this Purchase Order in compliance with all applicable national, EU, state/provincial and local labour, environmental, health and safety laws and regulations.
- (b) Seller shall make commercially reasonable efforts to:
 - (i) maintain and enforce appropriate environmental management programs;
 - (ii) maintain and comply with all required environmental permits;
 - (iii) ensure no discharges to the environment in violation of law; and, issued/required permits, or that would otherwise have an adverse impact on the environment.
- (c) Seller shall provide workers with a workplace that meets applicable health, safety and security standards.
- (d) Seller shall (i) ensure respect of the human rights of its employees, (ii) observe applicable laws and regulations governing wage and hours, (iii) allow workers to freely choose whether or not to organize or join associations for the purpose of collective bargaining as provided by local law or regulation, and/or (iv) prohibit discrimination, harassment and retaliation.
- (e) Seller shall ensure that its employees do not offer or provide, directly or indirectly, anything of value, including cash, bribes, gifts, entertainment or kickbacks to any employee, representative or customer of Buyer in connection with any Buyer procurement, transaction or business dealing.
- (f) Seller represents and warrants that it has not paid any kickbacks and is in compliance with the Anti-Kickback Act of 1986, 41 U.S.C. 51-58, and further, Seller agrees to indemnify Buyer for any costs, liabilities or administrative offsets incurred by Buyer as a result of violations or alleged violations of FAR 52.203-7, "Anti-Kickback Procedures", by Seller, its employees, its subcontractors or their employees.
- (g) Seller agrees to comply with the requirements of section 27 of the "Office of Federal Procurement Policy Act" (41 U.S.C. 423), as amended by section 814 of Public Law 101-189, and with the implementing regulations contained in FAR 3.104, and agreements to indemnify Buyer for any costs and liabilities incurred by Buyer as a result of violations of the act or regulations by Seller, its employees, its agents, its consultants, or subcontractors, or their employees.

18 APPLICABLE LAW

This Purchase Order shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

19. CONFLICT MINERALS

NDI is committed to being or becoming Democratic Republic of the Congo ("DRC") conflict free in the procurement of certain materials used in its products. NDI has reporting obligations through its publically traded parent company to disclose whether products it manufactures contain certain "conflict minerals" (cassiterite, wolframite, columbite-tantalite, gold or derivatives) originating from the DRC or an adjoining country. Supplier agrees to adopt and implement policies, due diligence frameworks, and management systems to ensure that minerals used in any goods supplied to Buyer are conflict-free. Additionally, Supplier agrees to timely provide, upon NDI's request and in a requested format, certain data concerning its supply chain that may be needed for applicable reporting obligations.

20. NOTICES

Any notice, demand or other communication (hereinafter "notice") required or permitted to be given or made shall be in writing, addressed to the Seller or NDI, as appropriate, and shall be sufficiently given or made if:

- a) delivered in person during normal business hours on a Business Day and left with an acknowledged employee of the relevant Party;
- b) sent by prepaid first class mail to the Party;
- c) sent prepaid via Federal Express or another internationally recognized courier; or
- d) sent via facsimile transmission during normal business hours on a Business Day charges prepaid and confirmed by either prepaid first class mail or prepaid courier, as described in b) and c) of this paragraph 18, to the address of NDI or the Seller, as appropriate.
- e) sent via e-mail during normal business hours on a Business Day but only if confirmed by prepaid courier, as described in c) above, to the address of NDI or the Seller, as appropriate.

Each notice sent in accordance with this paragraph shall be deemed to have been received:

- a) in the case of delivery in person or via Federal Express or another internationally recognized courier, on the day it was delivered;
- b) in the case of prepaid first class mail, on the fifth Business Day after it was mailed (excluding each Business Day during which there existed any general interruption of postal services);
- c) in the case of delivery via facsimile transmission, one hour after it was sent, or at the start of business on the first Business Day thereafter if the day on which it was sent by facsimile transmission was not a Business Day; and
- d) in the case of delivery via e-mail, on the day in which confirmation is delivered by prepaid courier.

21. PRODUCT LIABILITY

If the Seller is responsible for product damage, then the Seller shall be obliged to indemnify NDI against any claims for damages asserted by third parties upon first request if the cause is found in the Seller's sphere of control and organization and the Seller is liable vis-à-vis third parties. Any other or competing liability on the part of the Seller due to other bases for the assertion of a claim shall remain unaffected.

22. INSURANCE

During the term of this agreement, the Seller shall be obliged to maintain product liability insurance with an overall insured sum of USD \$2 million for each event involving personal injury or damage to property.

23. RECALLS

The Seller shall be obliged to reimburse any expenditures incurred by NDI associated with a recall initiated by NDI, a governmental agency having jurisdiction, or any other entity whatsoever. In the event a governmental agency initiates a recall action through NDI, NDI shall promptly notify the Seller of such recall action in order to permit the Seller to dispute or challenge any or all aspects of the recall action at the Seller's own expense.

24. MARKING OBLIGATION

The Seller shall mark delivery items and materials which contain hazardous components and/or substances in accordance with relevant regulations and provide them with the required information on use, processing and disposal.

25. NON-ASSIGNMENT

The Seller may not assign rights arising out of this agreement either in part or as a whole without the express written consent of NDI, which consent shall not be unreasonably withheld.

26. SEVERABILITY

Should one or more of the provisions of the present terms and conditions be or become invalid, then the validity of the remaining provisions shall not be affected.

27. DATA PROTECTION

Seller represents and warrants that with respect to the collection, storage, transfer, and use of customer data Seller shall comply with (i) all applicable governmental laws, rules, and regulations, including, but not limited, the EU General Data Protection Regulation ("GDPR") if applicable, (ii) the NDI Privacy Policy - <https://www.ndigital.com/privacy-policy/>, (iii) generally accepted industry standards, and (iv) shall only do so if and to the extent required to perform the Agreement. If and to the extent GDPR is applicable, (i) Seller will comply with GDPR as applicable to its role as a data controller or processor as the case may be, (as those terms are defined in the GDPR).