

DDB UNLIMITED INC
STANDARD TERMS AND CONDITIONS

1. **ACCEPTANCE:** The contractor, by accepting this contract, agrees to all of the conditions and terms specified herein, on attachments hereto, on the reverse hereof, and on any bid inquiry that may have preceded this award. Prices cannot be altered during the term unless that was a condition of Contractor's bid. Unless otherwise stated, unit prices are inclusive of all costs.

2. **PRICE & PAYMENT TERMS:** Seller shall give DDB Unlimited, Inc the benefit of any price reductions available or in effect at the actual time of shipment of Goods or provision of Services. Unless otherwise provided on the reverse side of this PO, the terms of payment shall be Net 2%15 or Net 45 days from the latest to occur of: (a) DDB receipt of Seller's proper invoice, (b) the scheduled delivery of Goods and/or performance of Services, or (c) DDB's acceptance of the Goods or Services pursuant to Section 2. Payment shall be deemed made as of the date of mailing or electronic funds transfer by DDB. Unless otherwise specified in writing, prices include all applicable federal, state and local taxes, duties, tariffs and similar fees imposed by any government or regulatory entity, all of which Seller shall list separately on its invoice. All invoices must include the PO number referenced on it in order for it to be processed. Any invoice not containing the PO number on it will be subject to further delays or non-processing of said invoice. Blanket purchase orders will be valid for one year from issue date unless otherwise agreed upon in writing.

3. **TITLE AND RISK OF LOSS:** Shipping terms are F.O.B. DDB Unlimited, Inc. Receipt of Goods or deliverables delivered pursuant to Services ("Deliverables") by DDB Unlimited, Inc shall be subject to its right of inspection and rejection. DDB shall be allowed a reasonable period of time (minimum of 7 day hold) to inspect the Goods and Deliverables and to notify Seller of any non-conformance with the terms and conditions of this PO. DDB may reject any Goods or Deliverables which do not conform to the terms and conditions of this PO. DDB may return rejected Goods or Deliverables to Seller or hold such goods for pick-up by Seller, all at Seller's expense.

4. **TRANSPORTATION:** No charge will be made to DDB Unlimited, Inc for storage or packing unless specified on the reverse side of this PO. Carrier and route used must result in lowest rate possible consistent with service rendered, except when otherwise specified by DDB and penalties or increased charges due to failure to do so will be charged to Seller. Shipping instructions, if any, are made part of this PO. When freight is prepaid for account, the Supplier must show freight charges separately, must be computed before adding freight charges, and a copy of the freight bill must be submitted with the invoice. No allowance will be made for boxes, reels, drums or other returnable containers unless so stated in order and invoiced separately.

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5. **PACKAGING & DELIVERY:** Deliveries are to be made in quantities and at times and places specified in a Purchase Order. DDB Unlimited, Inc reserves the right at any time to cancel and void an order or any part thereof without liability if delivery is not made in conformance with the applicable Purchase Order 8AM-3PM (local time) on the date specified. Supplier shall indemnify and hold DDB harmless from any loss, damage or cost arising out of a late delivery. Each package to be delivered to DDB shall be labeled with the Purchase Order number and shall specify its contents, including DDB'S part number or number specified on DDB'S purchase order on a delivery voucher, failing which DDB may refuse delivery and return same without liability and at Supplier's expense. Goods or deliveries, which do not conform to a Purchase Order, may be returned at Supplier's expense. Supplier warrants that goods will be packaged properly and any damage to goods due to inadequate packaging will be the responsibility of Supplier and will entitle DDB, in addition to any other right or remedy it may have, to refuse same, at Supplier's expense. Early shipments will not be acceptable unless otherwise agreed upon by purchase orders or in writing.

6. **LATE DELIVERIES:** If Buyer agrees to accept late deliveries, the parties agree that delays which are not excusable under the terms of this order, or otherwise mutually agreed to by the Parties, shall be subject to liquidated damages assessed as follows:
 1. Two percent (2%) per day of the order line item's value, up to a maximum amount of ten percent (10%) of the total order value.
 2. The liquidated penalty amount shall be subtracted from the order's total value prior to payment.

7. **CHANGES:** DDB Unlimited, Inc reserves the right at any time to make changes to the: (a) specifications, drawings and data incorporated in this PO where the Goods or Deliverables to be furnished are to be specially manufactured for DDB; (b) methods of shipment or packing; (c) place of delivery; and (d) time of delivery. If any such change causes an increase or decrease in the cost of or the time required for performance of this PO, an equitable adjustment shall be made in the purchase price or delivery schedule, or both. If the parties cannot agree to such price or time adjustment within 10 business days of Supplier's receipt of DDB's request for a change either party may terminate this PO upon 5 business days prior notice to the other party. Any changes, if agreeable to DDB, whether initiated by Supplier or DDB, shall be denominated as a "revision" to this PO. Only DDB may issue revisions and each such revision shall be further subject to these terms and conditions. Goods not conforming with this contract will not be accepted. DDB must approve, in writing, any substitution of non-conforming goods prior to shipment.

8. **TAXES/SALES TAX EXEMPTION:** Supplier's prices shall exclude any federal, state and local sales, use or excise taxes levied upon or measured by the sale, the sale price or use of goods or services provided by Supplier hereunder. All such taxes, which are lawfully applicable and are to be paid by DDB, shall be listed separately on Supplier's invoice(s). Tax exemption

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certificates or other evidence of exemption, furnished by DDB, and shall be accepted by Supplier in lieu of DDB's payment of such taxes.

9. **INSPECTION OF GOODS/INSPECTION AND ACCEPTANCE:** Goods shall be accepted when such goods have been delivered to DDB and have passed DDB's inspection and tests. Neither acceptance nor rejection of all or any part of such goods or services by DDB shall relieve Supplier of any of its obligations or warranties hereunder, nor bar or limit any claim by DDB based upon any default of Supplier or defect in the goods or services. In no event shall payment be deemed to constitute acceptance. In event that goods or services are rejected, DDB may cancel the Purchase Order as to some or all such goods and services and provide notice to Supplier. Goods not accepted by DDB (including any in excess of the quantity specified in an applicable Purchase Order) will be held at Supplier's risk; provided that, DDB may (and at Supplier's direction shall) return such goods to Supplier at Supplier's risk; all transportation and handling charges, both to and from the original destination, shall be paid by Supplier; and any payment previously made for such goods shall be promptly refunded by Supplier to DDB. Return of good by DDB shall not constitute a waiver of any right or remedy which DDB may have as a result of or in connection with it.

10. **TERMINATION:** DDB Unlimited, Inc may at any time terminate this PO, in whole or in part, upon one business day notice to Supplier. If DDB terminates this PO is for any reason, other than for breach by Supplier of a representation, warranty and/or covenant, then Supplier shall notify DDB of any claim resulting from DDB's termination within 30 days of the effective date of termination. Such claim shall be settled on the basis of the reasonable costs Supplier has incurred in the performance of this PO prior to receipt of notice of termination.

11. **FORCE MAJEURE:** Neither party shall be liable for any loss, damage, cost, delay, or failure to perform in whole or in part resulting from causes beyond such party's reasonable control, including fires, strikes, insurrections, riots or requirements of any governmental authority.

12. **CONFIDENTIALITY:** Supplier covenants and agrees that it shall not, and shall cause its officers, directors, employees, agents and representatives not to disclose or communicate, directly or indirectly, to any person or entity any information of DDB disclosed hereunder or in connection with this order. Supplier shall be responsible for the compliance of this nondisclosure obligation by Supplier's officers, employees, agents and representatives. This nondisclosure covenant has no geographic, territorial or time limitation and applies no matter where Supplier may be located or conducts business in the future.

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- 13. DISPUTES:** All disputes between Buyer and Seller that cannot be satisfactorily resolved will be referred to the Buyer finally resolved by arbitration in accordance with the rules of the American Arbitration Association. The arbitration will be conducted in the English language in Pauls Valley, Oklahoma. The decision of the arbitrator(s) will be final and binding on the parties. Each party shall bear its own costs in respect of the arbitration, and the cost incurred by the arbitrator(s) shall be borne equally by the Parties. Pending resolution of the dispute, both Parties shall continue with timely performance of the Order.
- 14. CHOICE OF LAW.** This Agreement shall be governed by the laws of the State of Oklahoma without regard to any Principles of Conflict of Laws and the Parties agree that the exclusive venue for the resolution of all disputes shall be in the State or Federal courts located in Garvin County, Oklahoma. SELLER HEREBY WAIVES SERVICE OF PROCESS AND TRIAL BY JURY FOR ALL CLAIMS ARISING HEREUNDER.
- 15. INDEMNIFICATION:** Seller shall defend, indemnify and hold harmless DDB, its affiliates and their respective employees, officers, and directors from and against any and all claims and resulting damages, costs, and other liabilities and expenses (including attorney's fees and expenses) arising out of: (a) any infringement or claim of infringement of any intellectual property rights by reason of the use or sale of Goods and/or Services purchased hereunder, (b) injury to persons or property by reason of any defects in the Goods and/or Services, (c) Seller's failure timely to deliver the Goods and/or Services purchased hereunder, (d) Seller's breach of any of its representations, warranties or covenants or (e) Seller's failure to comply with any applicable federal, state, and local laws and governmental regulations and agreement shall govern.
- 16. WARRANTIES:** In addition to warranties implied by law, and except as otherwise provided in an applicable Purchase Order, Supplier warrants to DDB and DDB's customers, successors and assigns that at the time of delivery, and for a period of two (2) years following DDB's Acceptance of the Products. Supplier warrants (i) that all goods supplied hereunder will be free from defects in material and workmanship and conform to and perform in accordance with all applicable requirements (including as specified in a Purchase Order), and the use or sale thereof by DDB or its customers will not infringe or misappropriate any patent, copyright, trademark, trade secret or other proprietary right; (ii) that all services supplied hereunder will be performed in a competent and workmanlike manner by qualified personnel and will conform to all applicable requirements at time of such performance; and (iii) that in its performance under any Purchase Order, Supplier will comply fully with all applicable federal, state and local laws and regulations.

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17. **APPLICABLE LAW:** These Terms and Condition, every Purchase Order and every contact resulting from the acceptance thereof by Supplier shall be governed by and construed according to the laws of the State of Oklahoma, without regard to its choice of law provisions.

18. **EQUAL OPPORTUNITY:** The supplier shall comply with the Equal Act 2010, and any subordinate legislation made under the Act from time to time, together with any guidance and/or codes of practice issued in relation to such legislation, including but not limited to the Equality and Human Rights Commission Employment Statutory Code of Practice as amended from time to time. The Supplier shall create a working environment in which all employees, agents and sub-contractors are able to make best use of their skills free from discrimination and/or harassment. The Supplier shall ensure that all employees, agents and sub-contractors treat visitors, students, clients, suppliers, former staff members and any others person they come into contact with while supplying the Services equally and without discrimination. The Supplier shall comply with such equal opportunities and non-discrimination policies of DDB as provided to the Supplier from time to time.

GENERAL QUALITY ASSURANCE REQUIREMENTS

PROHIBITED PRACTICES

Unauthorized Repairs/Rework

No repair or rework shall be allowed outside of the specific specification limits, (i.e., welding, reheat-treat, insert removal, re-installation, etc.) unless prior approval is obtained by the Seller from the Buyer.

Change in Approved Drawings, Processes, Materials or Procedures

Seller shall not change any drawing, process, material, or procedure without prior written Buyer approval, if such drawing, process, material, or procedures were originally approved by Buyer.

Part Substitution

Part substitution shall not be allowed. The exact part number as identified on the Purchase Order or the exact part number identified in the purchase item drawing shall be provided.

SUPPLIER RESPONSIBILITY FOR CONFORMANCE

Acceptance of the Purchase Order and receipt of product at Buyers location certifies that items processed on this order meet all the requirements imposed.

The Seller shall:

- Provide (flow-down) of applicable specification and standards requirements to sub-tier suppliers.
- Upon request, Seller shall provide objective evidence to Buyer Quality personnel of compliance to this provision.

CONFIGURATION MANAGEMENT REQUIREMENTS

The Seller is required to establish engineering and manufacturing controls to ensure that the configuration of the end item(s) comply with the specification requirements. The following configuration management functions are basic to good practices:

- Product Identification
- Configuration change control
- Material traceability

MATERIAL AND PROCESS CONFORMANCE—C OF C

Certification of Compliance and/or Certificate of Conformance (C of C)