

SOUND DEVICES, LLC

PURCHASE ORDER TERMS AND CONDITIONS

[June 2014]

Vendor and Sound Devices, LLC, or one of its affiliates ("Sound Devices"), agree that these Terms and Conditions, together with the purchase order (the "Purchase Order"), govern the parties' duties, obligations and relationship with respect to the sale by the Vendor and the purchase by Sound Devices of the products described in the Purchase Order (the "Products"). Together, these Terms and Conditions and the Purchase Order form a binding contract between Sound Devices and Vendor (the "Contract"). No addition or modification to the Contract will be enforceable unless otherwise agreed to in a writing signed by Sound Devices. No terms or conditions appearing in Vendor's invoices or any other document furnished by or on behalf of Vendor that are different from, additional to or in conflict with the Contract will be binding on Sound Devices, and any such terms or conditions are rejected by Sound Devices and waived by Vendor. Sound Devices' order of all Products from Vendor shall be subject to the provisions of the Contract. In the event of any conflict between or among the provisions of one or more of the Purchase Order, these Terms and Conditions and any terms and conditions of Vendor, the provisions of the Purchase Order and these Terms and Conditions shall control.

1. Vendor's Acceptance. Vendor agrees to be bound by, and comply with all the terms and conditions of the Purchase Order, including any supplements thereto, and all specifications and other documents referred to in the Purchase Order. Performance of the work or shipment of the Products called for by the Purchase Order shall be deemed acceptance of the Purchase Order. The Purchase Order does not constitute an acceptance by Sound Devices of any offer to sell, quotation or proposal from Vendor. Reference in the Purchase Order to any such offer to sell, quotation, or proposal shall in no way constitute a modification of any of the terms and conditions of the Purchase Order.

2. Shipment of Products. Shipments shall be made in the quantities and at the time or times specified in the Purchase Order. If the Purchase Order is identified as a blanket Purchase Order or if no time for delivery is specified, the time for delivery shall be at the times and in the amount requested by Sound Devices. Unless otherwise stated in the Purchase Order, time is of the essence. In the event the Purchase Order is terminated in whole or in part for any reason, Sound Devices shall have no obligation to pay Vendor. In addition to Sound Devices' other remedies, and without liability, Sound Devices reserves the right (a) to refuse and to return at Vendor's risk and expense, including, without limitation, warehouse or other storage costs and extra handling costs, any shipments made in excess of quantities ordered and shipments made before or after the time or times specified in the Purchase Order or in supplementary schedules furnished by Sound Devices, and (b) if delivery is not made in the quantities and/or by the time or times specified, to take either or both of the following actions (i) terminate the Contract without liability by notice effective when received by Vendor and to purchase elsewhere and charge Vendor with any resultant loss, including, without limitation, consequential or incidental damages, unless deferred shipment has been authorized, or (ii) direct Vendor to make expedited routings of goods, and the difference in cost between any such expedited routing and the Purchase Order routing costs shall be paid by Vendor. Vendor shall not, however, be liable for delays or defaults in deliveries due to causes beyond its control and without its fault or negligence at any time Vendor has reason to believe that deliveries will not be made as scheduled it shall immediately give Sound Devices verbal notice setting forth the causes of the anticipated delay and its expectation as to when delivery will be made. Such verbal notice shall be confirmed within seven (7) days by written notice from Vendor. If Sound Devices accepts shipments of goods that deviate from expected delivery times or quantities, an inventory charge against Vendor may be made. Any such inventory changes will be specified on the face of the Purchase Order. Vendor shall wrap, box and or crate all products to protect against hazards of shipment, storage and exposure to elements.

3. Vendor's Representations and Warranties. Vendor expressly warrants to Sound Devices, Sound Devices' customer and to the ultimate end user that: (a) the Products (including Products sold to Sound Devices but manufactured by others) and all material, packaging and work covered by the Contract will: (i) conform to the drawings, specifications, samples or other descriptions furnished or adopted by Sound Devices; (ii) conform to all representations of and specifications provided by Vendor; (iii) meet or exceed the quality standards furnished or adopted by Sound Devices; (iv) be merchantable, of good material and workmanship and fit and sufficient for the purposes intended; (v) be new, free from defects in material and workmanship; (b) the use and/or sale, alone or in combination, of the Products will not infringe or violate any U.S. or foreign letters patent, or any right in or to any patented invention or idea, or a trademark or copyright; (c) the Products and their production, storage, pricing, delivery and sale hereunder are in compliance with foreign, U.S., state and local laws applicable thereto including, without limitation, all packaging and labeling laws and any applicable laws, regulations, rules and standards; and (d) Vendor is conveying good title to the Products, free and clear of any liens or encumbrances. Vendor acknowledges that it has knowledge of Sound Devices' intended use and warrants that all Products that have been manufactured by Vendor based on Sound Devices' use and shall be fit and sufficient for the particular purposes intended by Sound Devices. Any Products not in accordance with the foregoing warranties or any special warranty shall be deemed to be defective and may be rejected by Sound Devices. Sound Devices' approval of Vendor's specifications shall not relieve Vendor of any of its warranty obligations. Vendor shall maintain a quality assurance system which is adequate to detect and prevent shipment of nonconforming Products. In the event of any recall affecting the Products, Vendor shall indemnify Sound Devices, Sound Devices' customer and the ultimate end user of the Products in accordance with section 5 below. Sound Devices shall have the right to control the recall process and Vendor shall fully cooperate with Sound Devices in connection with the recall. Vendor shall provide to Sound Devices Material Safety Data Sheets upon delivery of the Products, if such documents are required.

4. Intellectual Property. Vendor warrants that the Products are free of any claims of patent, trademark or other intellectual property right infringement, and agrees to indemnify and hold harmless Sound Devices from any loss, damage or expense (including, without limitation, attorneys' fees and other legal expenses) resulting from or arising out of any claim of such infringement. Upon request by Sound Devices, Vendor shall, at Vendor's sole expense, take over the defense of any such claim or related litigation against Sound Devices; provided, however, that Sound Devices may retain its own counsel and participate in any such litigation for further protection of Sound Devices' interests.

5. Vendor's Indemnification of Sound Devices. Vendor will indemnify, defend, pay and hold harmless Sound Devices and each of its members, managers, officers, directors, employees, agents, customers, affiliates, successors and assigns, and any other third party to whom Sound Devices may owe a similar obligation by contract, lease agreement or operation of law, from and against any and all claims, demands, suits, actions, proceedings, judgments, debts, fines, penalties, damages, costs, losses, liabilities, illness or injury to persons (including death) or damage to or loss of property, and all expenses, including, without limitation, reasonable attorneys' fees and expenses, and consequential and incidental damages, allegedly arising out of or in any manner resulting from or connected with the following: (a) the Products or the design, manufacture, sale, purchase, consumption or use thereof (except to the extent directly resulting from Sound Devices' specifications, materials, negligence or willful misconduct); (b) the acts or omissions of Vendor's servants, agents, or employees; or (c) breaches or misrepresentations by Vendor. Vendor shall obtain adequate insurance to cover its liability under the Purchase Order and these Terms and Conditions and shall provide copies of the applicable certificate(s) of insurance upon Sound Devices' request. IN NO EVENT SHALL SOUND DEVICES BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES ARISING OUT OF OR RELATING TO THE PRODUCTS, THE PURCHASE ORDER, THESE TERMS AND CONDITIONS OR THE PARTIES' RELATIONSHIP.

6. Defective or Non-Conforming Products. If any Products are defective, unsuitable or do not conform to all specifications, terms hereof and of the Purchase Order and all warranties implied by law, Sound Devices may at its option return any or all such Products to Vendor for full credit or refund of the purchase price or repair it at Vendor's expense and may charge Vendor such price or expense and the cost of any incurred inbound and outbound freight and a handling, storage and inspection charge of 10% of the invoice price for the returned Products. If modifications are required by Sound Devices, Vendor shall pay all costs of modification to reach specifications.

7. Sound Devices' Right to Cancel. Sound Devices may terminate all or part of the Purchase Order at any time without cause by providing written notice to Vendor.

8. Deduction and Set Off. Any sums payable to Vendor shall be subject to all claims and defenses of Sound Devices, whether arising from this or any other transaction, and Sound Devices may set off and deduct against such sums all present and future indebtedness of Vendor to Sound Devices. Sound Devices shall provide a copy of the deduction voucher(s) for debits taken by Sound Devices against Vendor's account as a result of any returns or adjustments. Vendor shall be deemed to have accepted each such deduction unless Vendor within ninety (90) days following receipt of the deduction voucher, notifies Sound Devices in writing as to why a deduction should not be made and provides documentation of the reason(s) given.

9. Governing Law. The Contract shall constitute a contract made in the state of Wisconsin and shall be governed by the applicable laws of Wisconsin, including (except as modified herein) the Uniform Commercial Code as adopted in Wisconsin.

10. Shipping; Risk of Loss. No charges for unauthorized transportation will be allowed. Any unauthorized shipment that will result in excess transportation charges must be fully prepaid by the Vendor. All items ordered shall be suitably packed and marked for shipping. Sound Devices shall not be charged for any packaging, marking or boxing, not separately itemized hereon. Vendor shall be 15497489

liable to Sound Devices for any loss or damage resulting from Vendor's failure to provide adequate protection during shipment. Vendor shall deliver the Products F.O.B. Destination to the delivery point specified in the Purchase Order; provided (a) freight costs will be added to the invoice, with Vendor's selected shipper subject to approval by Sound Devices, or (b) Vendor will ship Products using Fed-Ex Freight Collect and/or Fed-Ex 3rd Party Billing, charged to Account Number: 2063-1464-8 or UPS Freight Collect and/or UPS 3rd Party Billing charged to Account Number: E5W974, or to such other shipping account specified by Sound Devices in the applicable Purchase Order. Title to Products shall remain with Vendor until it is delivered to the F.O.B. delivery point.

11. Attorney Fees; Costs and Expenses of Litigation. If either party institutes legal proceedings against the other based upon a cause of action arising out of the Purchase Order, including these Terms and Conditions, each party shall be responsible for its own costs and expenses incurred by it in such proceedings, including attorneys' fees.

12. Confidentiality. Vendor shall consider all specifications, plans, instructions, samples or other information furnished by Sound Devices, or prepared by Vendor specifically for Sound Devices in connection with the Purchase Order to be confidential and shall not: (a) disclose any such information to any other persons, or (b) use such information itself for any purpose other than performing the Contract. Without Sound Devices' prior written permission, Vendor shall not advertise or publish the fact that Sound Devices has contracted to purchase goods from Vendor, disclose information relating to the Purchase Order, or use the name of Sound Devices, or any of its customers, in advertising or other publication. This paragraph is in addition to any other confidentiality or similar agreements between the parties.

13. Insolvency. If Vendor ceases to conduct its operations in the normal course of business, including being subject to an inability to meet its obligations as they mature, or if any proceeding under the federal bankruptcy or any state insolvency laws is brought by or against Vendor, or a receiver for Vendor is appointed or applied for, or an assignment for the benefit of creditors is made by the Vendor, Sound Devices may terminate the Contract without liability.

14. Non-Assignment. Assignment of the Contract (by any means, including by operation of law) or any interest therein, or any payment due or to become due hereunder, without the prior written consent of Sound Devices, shall be void.

15. Compliance with Laws. Vendor agrees to comply with all federal, state and local laws and further agrees that the goods manufactured or services performed under the Purchase Order will comply with all federal, state and local laws.

16. Invoices. The Purchase Order number must appear on all shipping documents, invoices, quality certificates, if any, and packing sheets. Invoices are paid less cash discount indicated on the face of the Purchase Order. Taxes, if any, must be separately itemized.

17. No Waiver. Failure by Sound Devices to enforce any of these Terms and Conditions or other terms set forth on the face of the Purchase Order or to exercise any right accruing through the default of the Vendor shall not affect or impact Sound Devices' right in case such default continues or in case of any subsequent default of the Vendor and such failure shall not constitute a waiver of other or future defaults to Vendor.

18. Miscellaneous. All rights granted to Sound Devices hereunder shall be in addition to and not in lieu of Sound Devices' rights arising by operation of law. Any provision of a hard copy Purchase Order that is typewritten or handwritten by Sound Devices shall supersede any contrary or inconsistent printed provision therein. No modification of the terms of the Purchase Order or these Terms and Conditions shall be valid without the prior written authorization of Sound Devices. Should any of the provisions of the Purchase Order or these Terms and Conditions be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of any remaining provisions.

19. Items Furnished by Sound Devices. Unless otherwise specified by Sound Devices in writing, all designs, tools, patterns, drawings, materials, equipment and other items supplied to Vendor or paid for by Sound Devices shall remain the property of Sound Devices, and the same shall be used by Vendor only for the purpose of making of the Products for Sound Devices, shall be insured by Vendor at replacement value for the benefit of Sound Devices and shall be returned to Sound Devices in good condition upon completion of the order. Vendor assumes all responsibility for the accuracy of tooling used in the production of the Products, whether such tooling is fabricated by Vendor or furnished by Sound Devices.