

GRASS VALLEY PURCHASE ORDER TERMS AND CONDITIONS

Notice from Grass Valley to its Suppliers

These terms, conditions, and instructions ("**Terms and Conditions**") shall apply to all purchase orders received by you ("**Seller**") from any Grass Valley legal entity (including a legal entity with "Grass Valley", "Quantel", "Snell", or "Miranda" in its legal entity name, or any other affiliate as may be included in Grass Valley from time to time) and identified on the face of the applicable purchase order ("**Buyer**") whether received by mail, by telephone, or by electronic means (each a "**Purchase Order**"), from the date of your receipt of these Terms and Conditions until such time as you receive a revised edition of these Terms and Conditions or other notice of revocation of the same. These Terms and Conditions shall apply to all transactions between Seller and Buyer until such further notice.

Additional or different terms, conditions, or instructions applicable to a particular Purchase Order may be specified in the body of the Purchase Order, or in an exhibit thereto, and, in the event of a conflict, shall take precedence over these Terms and Conditions with the exception of Section 2, ELECTRONIC TRANSACTIONS, below.

Notwithstanding anything to the contrary contained herein, if Seller and Buyer have executed a master purchase or supply agreement which governs the purchase and sale of the goods in the Purchase Order, the terms of such master agreement shall be controlling and shall take precedence over these Terms and Conditions and any additional or different terms contained in any document generated by Seller.

Please retain this document in your company files for future reference.

1. **ACCEPTANCE:** Buyer's Purchase Order expressly limits acceptance to the terms and conditions set forth in these Terms and Conditions and the applicable Purchase Order. Any terms and conditions contained in a proposal, quotation or invoice of Seller shall not constitute a part of the contract of sale resulting from Seller's acceptance of Buyer's Purchase Order unless such terms and conditions are specifically incorporated or noted as applicable in Buyer's Purchase Order. Any purported acceptance containing additional or different terms shall be deemed to be an acceptance of the terms and conditions contained in these Terms and Conditions, notwithstanding such additional or different terms. Seller's shipment of goods or commencement of services in response to Buyer's Purchase Order shall constitute acceptance on the terms and conditions set forth in these Terms and Conditions and any additional or different terms contained in any acknowledgment or invoice form submitted by Seller shall not constitute any part of the contract of sale resulting from Seller's acceptance.
2. **ELECTRONIC TRANSACTIONS:**
 - A. If Seller and Buyer have mutually agreed to the use of an Electronic Data Interchange ("**EDI**") system to facilitate purchase and sale transactions, Seller agrees:
 - (i) That it shall not contest (a) any contract of sale resulting from an EDI transaction under the provisions of any law relating to whether agreements must be in writing or signed by the party to be bound thereby; or (b) the admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form;
 - (ii) That it shall use proper security procedures to protect its EDI records from improper access; and,
 - (iii) That the records maintained by Buyer regarding EDI Purchase Orders issued by Buyer shall be controlling.
 - B. If Seller and Buyer have mutually agreed to an Automated Clearing House to facilitate purchase and sale transactions, the payment term in the Purchase Order shall be extended by five (5) days.
3. **PRICE AND DELIVERY:** Buyer's Purchase Order shall be filled at the price specified on the Purchase Order, or at any lower price agreed between the parties. All Product Pricing shall include any and all royalties, license fees or other similar fees or charges. If no price is specified, the Purchase Order shall be filled at the lowest of (a) the price last quoted by Seller, (b) the price last paid by Buyer to Seller, or (c) the prevailing market price, unless a higher price is approved in writing by an authorized representative of Buyer's procurement department. Unless otherwise stated on the face of the Purchase Order, the product shall be delivered 2000 Incoterms DDU (as construed by the 2000 Incoterms of the International Chamber of Commerce).
4. **MODIFICATION:** Modification, rescission, or amendment of Buyer's Purchase Order or the contract of sale resulting from its acceptance shall be ineffective unless approved in writing by an authorized representative of Buyer's procurement department.
5. **INSPECTION:** All goods furnished pursuant to Buyer's Purchase Order shall be subject to Buyer's inspection and acceptance, notwithstanding prior receipt and payment, and, if unsatisfactory, may be returned, transportation both ways, unpacking, examining, and repacking at Seller's expense. Nothing contained herein shall relieve in any way Seller from the obligation of testing, inspection and quality control.
6. **CHARGES:** Seller shall box, crate, or package as necessary for shipment without charge unless otherwise specified on Buyer's Purchase Order.
7. **DELIVERY, CANCELLATION:** Time is of the essence with respect to all aspects of the Purchase Order. In addition to its other rights and remedies, Buyer shall have the right to cancel all or any portion of its Purchase Order without liability if delivery is not made within the time stated in Buyer's Purchase Order.
8. **GENERAL REPRESENTATIONS AND WARRANTIES:** Seller represents and warrants:
 - A. That Seller in the performance of the Purchase Order and any software, products or services provided under the Purchase Order will comply with all state, local, national, and international laws, regulations, rules or orders (collectively, the "**Laws**");
 - B. That Seller shall comply with all Buyer's policies, procedures, and programs as provided to Seller by Buyer from time to time, including, without limitation, Buyer's policies, procedures, and programs related to quality, labor, security, health and safety, environmental, discrimination, ethics, etc.;
 - C. That all articles, software, services, or product supplied under Buyer's Purchase Order: (i) are new; (ii) are free from defects in design, reliability, conformity, manufacture, material, and workmanship, including latent defects; (iii) shall conform to the applicable specifications, documentation and other requirements (including without limitation information on functional performance, operation, material content, size, appearance, response times, etc.); (iv) shall conform to Buyer's quality program requirements as provided to Seller; (v) shall fully perform, operate and function as set forth in the specifications, documentation, requirements and terms and conditions in the Purchase Order or otherwise agreed to by the parties in writing (v) are of merchantable quality and suitable for their intended purpose; (vi) are free and clear from all claims, security interests, encumbrances and liens;
 - D. That all articles, software, or product supplied under Buyer's Purchase Order shall be shipped in full compliance with packaging, labeling, shipping, and documentation requirements, including requirements concerning hazardous materials, substances, and waste of all state, local, national, or international governmental agencies or authorities regulating any segments or modes of transportation employed to effect delivery of such articles to Buyer, and all hazardous materials, substances, and waste shall be packaged, marked, and labeled in accordance with all applicable Laws of all jurisdictions where the transportation is occurring, the International Civil Aviation Organization, and the International Maritime Organization;

- E. Without limiting Seller's liability to Buyer or third parties hereunder, Seller shall maintain Commercial General Liability Insurance to include contractual and products/completed operations coverages to meet its indemnification obligations under the Purchase Order or loss as required by applicable Laws. All such insurance shall be primary and not contributory with regard to any other available insurance to Buyer. Seller represents and warrants that it shall promptly file all claims made under the Purchase Order with its insurance carriers; and
- F. For shipments to the United States, Seller acknowledges that Grass Valley participates in the U.S. Customs-Trade Partnership Against Terrorism ("**C-TPAT**") program (with information available at <https://www.cbp.gov/border-security/ports-entry/cargo-security/CTPAT>). C-TPAT may enable participating members to obtain expedited clearance of their cargo at the time of customs entry. Seller agrees to secure its facilities in keeping with the security guidelines available on the U.S. Customs Service's website. These security measures focus on procedural security, physical security, access controls, personnel security, education and training awareness, manifest procedures, and conveyance security. Additionally, for shipments into or out of the United States, Seller agrees to use Buyer's designated customs broker.
9. **INDEMNIFICATION:** Seller agrees to defend, indemnify, and hold harmless Buyer against all direct and indirect liabilities, causes of action, lawsuits, fines, penalties, claims, demands, costs, expenses, including reasonable attorneys' fees, damages and judgments that may be made by anyone, including without limitation, Buyer and its affiliates, occasioned by or resulting from: (i) any infringement claim related to any trademark, copyright, patent, or other proprietary right of a third party; (ii) any product, software or services purchased under a Purchase Order; (iii) any defective products or materials provided by Seller, including without limitation the use or disposal of hazardous and/or toxic materials; (iv) Seller's failure to perform its obligations or breach of any of its representations or warranties; (v) injury or death of any person(s) or damage to any property attributable to the product, software, any component or misconduct, negligent acts or negligent omissions of Seller, its subcontractors, and their offices, agents or employees; or (vi) product recalls or epidemic failures. If the product, software or services becomes the subject of a preliminary or final order or judgment against Buyer's use due to a claim of infringement, Seller shall, at its expense, either: (i) procure the right for Buyer to continue using such product, software, or services; or (ii) replace or modify the same so as to become non-infringing, while remaining compatible, functionally equivalent and in conformity with the specifications at no cost to Buyer, including without limitation, any cost associated with Buyer's manufacture, sale or certification of Buyer's product. Seller must inform Buyer promptly in writing after becoming aware of any action or threatened action which may invoke this Indemnification section. Such a notification from Seller must include a re-affirmation of its duties to Buyer under this section. Any response from Seller that does not clearly state Seller's agreement to indemnify, defend and hold Buyer harmless shall be deemed non-responsive for purposes of this section. In the event Seller fails to respond to Buyer's notification under this section in writing within ten (10) days from receiving said notice from Buyer, Buyer shall have the right to defend or settle the matter on Seller's behalf. Such defense or settlement by Buyer as a result of the aforementioned non-response from Seller shall not diminish or relieve Seller of its obligations in under this section.
10. **SECURITY:** Seller shall observe all facility access, safety, and security measures required by Buyer. Seller shall assure that its employees follow Buyer policies while at any Buyer site. In addition to the aforementioned, Grass Valley USA, LLC, a Grass Valley entity, has developed minimum security standards based upon the C-TPAT security guidelines. Sellers that ship in or out of the United States as the result of direct business with Grass Valley shall comply with the provisions of the Grass Valley Minimum Security Standards that are available upon request.
11. **CONFIDENTIALITY:** Seller shall preserve as confidential all, and shall not disclose any, proprietary or confidential information of Buyer (including information of a third party which Buyer is under an obligation to maintain in confidence) to which Seller may have access as a result of Buyer's Purchase Order, the contract of sale resulting from its acceptance or the presence of Seller's employees at any Buyer site. This confidentiality obligation shall apply to all such proprietary or confidential information of Buyer whether in its original form or a derivative form, including work product resulting from Seller's performance of Buyer's Purchase Order. Seller shall not take photographs of any portion of any work performed pursuant to Buyer's Purchase Order or duplicate any drawings or specifications without the prior approval of Buyer. Nothing herein shall prevent the communication to others of any proprietary or confidential information which Seller can show was known to Seller or its representatives prior to its receipt from Buyer hereunder, was lawfully obtained by Seller or its representatives other than by disclosure from Buyer, or became public knowledge through no fault of Seller.
12. **PUBLICITY:** Seller shall not refer to the existence of the Purchase Order in any press release, advertising or materials distributed to prospective or existing customers or any other public disclosure, except as required by law. If required by law, Seller shall provide copies of the disclosure for the prior review and comment by Buyer, which shall have a minimum of five (5) business days to review the materials. The foregoing notwithstanding, Seller may include "Grass Valley" as a customer in listings of its clients, except in press releases or other materials distributed to the media. The Grass Valley logo may not be used under any circumstance. Except to the extent provided in this section, Seller shall not disclose any information concerning Buyer's Purchase Order or the contract of sale resulting from its acceptance, including its existence, without the prior written consent of Buyer.
13. **ASSIGNMENT:** Seller shall not in any manner delegate its duty of performance or assign its rights or obligations under Buyer's Purchase Order or the contract of sale resulting from its acceptance without Buyer's prior written consent. Any attempted assignment in violation of the preceding sentence shall be of no force or effect.
14. **PARTIAL INVALIDITY.** Should any provision of these Terms and Conditions be held to be void, invalid or inoperative, the remaining provisions of these Terms and Conditions shall not be affected and shall continue in effect and the invalid provision shall be deemed modified to the least degree necessary to remedy such invalidity.
15. **LEGAL EXPENSES.** The prevailing party in any legal action or proceeding brought by one party against the other and arising out of the Purchase Order shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees.
16. **GOVERNING LAW:** The Purchase Order and all matters arising out of or relating to these Terms and conditions shall be governed by and construed in accordance with the Laws of the State of California, USA, regardless of all choice of law rules and principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.
17. **CONSENT TO JURISDICTION AND EXCLUSIVE VENUE:** All proceedings relating to or arising out of Purchase Orders issued by Buyer are subject to the exclusive jurisdiction and venue of Los Angeles, California, United States, the circuit or superior court of Los Angeles County in the State of California or the United States District Court for the Central District of Los Angeles, California, Los Angeles Division. Seller expressly waives any right to object to the exercise of personal jurisdiction by these courts.

**If the Purchase Order involves software,
the following terms shall apply in addition to any applicable terms set out above**

18. **LICENSE FOR OFF-THE-SHELF SOFTWARE.** Seller hereby grants to Buyer, and Buyer hereby accepts, on the following terms and conditions, a nonexclusive and fully paid-up, irrevocable, worldwide, perpetual license (unless otherwise specified in the Purchase Order) to use the software for the number of users or copies of the software provided on the Purchase Order (the "License"). Seller and Buyer expressly agree that any software shrink-wrap and click-through software licensing agreements shall not apply to any software purchased under the Purchase Order unless Buyer expressly agrees in writing to such shrink-wrap or click-through software licensing agreement.
19. **LICENSE FOR SOFTWARE EMBEDDED IN PRODUCT.** Seller hereby grants to Buyer a nonexclusive, worldwide, revocable (except as expressly provided in this section), perpetual right and license, under all copyrights, patents, patent applications, trade secrets and other necessary intellectual property rights of Seller, to: (i) use, execute, and display the software, in object code form, in conjunction with, or for use with or support of the products; (ii) distribute or license the software, in object code form, as part of, in conjunction with, or for use with products sold or leased by Buyer to the end user; and, (iii) authorize, license and sublicense third parties to do any, some or all of the foregoing. Buyer shall distribute the software to the end user pursuant to Buyer's end user license agreement as provided in the product manual, as updated by Buyer from time to time. Buyer shall have no right to use or distribute the software other than in connection with the use, support, maintenance, repair or distribution of the products.
21. **USE OF SOFTWARE AND DOCUMENTATION.** Buyer may, as part of the License, make additional copies of the software and documentation to support the licensed software and documentation. Buyer may also make backup and archival copies of the software and documentation. Buyer, its agents, contractors, assignees and employees shall have the right to use and operate the software within the scope of the License for Buyer's business purposes.
22. **SOFTWARE REPRESENTATIONS AND WARRANTIES:** Seller represents and warrants:
- A. That if maintenance services are elected by Buyer, the maintenance services agreement shall become effective at the end of the software warranty period of the products by Buyer, and shall include updates and upgrades to the product at no additional cost to Buyer. Seller warrants and represents that maintenance services for a product shall be available from Seller for the greater of two (2) years from the acceptance date of the product by Buyer or the current version plus the one (1) prior version.
- B. That the occurrence in or use by any product supplied by Seller of any dates, including without limitation any date with a year specified as "99" or "00", regardless of other meanings attached to these values, and any date before, on or after January 1, 2000 ("Millennial Dates") will not adversely affect its performance with respect to date-dependent data, computations, output, or other functions (including, without limitation, calculating, comparing, and sequencing) and that the product will create, store, process and output information related to or including Millennial Dates without errors or omissions and at no additional cost to Buyer. At Buyer's request, Seller will provide sufficient evidence to demonstrate the adequate testing of the product to meet the foregoing requirements.
- C. That, unless: (i) authorized in writing by Buyer; or (ii) necessary to perform valid duties under the software documentation, any software provided to Buyer by Seller for use by Seller or Buyer shall: (a) contain no hidden files, (b) not replicate, transmit or activate itself without control of a person operating computing equipment on which it resides; (c) not alter, damage, or erase any data or computer programs without control of a person operating the computing equipment on which it resides; and (d) contain no key, node lock, time-out or other function, whether implemented by electronic, mechanical or other means, which restricts or may restrict use or access to any programs or data developed under the Purchase Order, based on residency on a specific hardware configuration, frequency of duration of use, or other limiting criteria. Provided and to the extent any program has any of the foregoing attributes, and notwithstanding anything elsewhere in the Purchase Order to the contrary, Seller shall be in default of the Purchase Order, and no cure period shall apply. In addition to any other remedies available to it under the Purchase Order, Buyer reserves the right to pursue any civil and/or criminal penalties available to it against Seller.
23. **LICENSE TERMINATION.** In the event of any termination or expiration of the Licenses provided in these Terms and Conditions, Buyer's rights set forth in the Purchase Order shall terminate except as follows: (i) Buyer shall have the right to sell off its existing inventory containing such software; (ii) end users shall be permitted continued use of the software in conjunction with the operation of the products so long as they are not in breach of Buyer's end user license agreement, and (iii) Buyer shall retain a nonexclusive, worldwide license to use and execute the then-current version of the software for the sole purpose of assisting end users with the maintenance of the products purchased from Buyer.
24. **BUYER DATA.** Buyer owns all rights to any data or results generated as a result of the use of the software or product and may use, execute, display, copy, manipulate and create derivatives of any data or results generated as a result of the use of the software or product.

If the Purchase Order involves performance by Seller of installation, maintenance or other services, the following terms shall apply in addition to any applicable terms set out above

25. **LABOR FURNISHED BY SELLER:** Seller acknowledges and agrees that in performing services, Seller will be acting solely as an independent contractor, and neither Seller nor any of its employees, associated consultants, subcontractors or employees of said consultants or subcontractors shall be deemed to be employees of Buyer for any purpose. Subject to section 26 below, all persons employed by Seller in the performance of the services are employees of Seller. Seller shall carry such employees on the payrolls of Seller and make all required payments to state, federal and local authorities covering payroll taxes and any other payments relating to such persons' employment. Seller shall procure at its own expense all permits and licenses required for the performance of the services and shall arrange for all required inspections. Time is of the essence with respect to all aspects of the services and the subject matter hereof.
26. **SUBCONTRACTORS:** Seller shall not use any subcontractor without the prior written approval of Buyer. Subject to the foregoing, if Seller should use a subcontractor, Seller shall be fully responsible for services performed by the subcontractor to the same extent as if the services were performed directly by Seller.
27. **VERIFICATION AND ACCEPTANCE OF SERVICES:** Seller shall document each maintenance call with a work ticket, which shall be signed by Buyer's representative and submitted with Seller's invoice. Each deliverable under the Purchase Order shall be subject to acceptance testing by Buyer to verify that the deliverable satisfies all requirements of the deliverable conveyed by Buyer to Seller. If Buyer discovers a non-conformity within ninety (90) days following delivery of a deliverable and Buyer notifies Seller of the non-conformity, Seller shall either correct the non-conformity at no additional charge in a timely, professional manner, or, at Buyer's sole discretion, refund monies paid by Buyer for the services attributable to or affected by the non-conforming deliverable.
28. **LIABILITY INSURANCE:** If Seller performs services on Buyer's property, Seller shall maintain in force during the performance of such services liability insurance for not less than the following limits of liability:
- | | |
|--------------------------------------|-------------|
| • Workmen's Compensation | Statutory |
| • General Liability | |
| o Bodily Injury (any one person) | \$3,000,000 |
| o Bodily Injury (any one occurrence) | \$5,000,000 |
| o Property Damage | \$500,000 |
| o Professional Liability | \$1,000,000 |
29. **OWNERSHIP OF WORK PRODUCT:** All drawings, specifications, magnetic or electronic media, calculations, work, ideas, inventions, discoveries, processes and improvements, computer programs, operating instructions, notes, and all other documentation or work product (whether or not patentable) created, conceived or first reduced to practice by Seller's personnel, alone or with others, in connection with services rendered for Buyer ("**Work Product**") resulting from performance of the services shall be the property of Buyer with Buyer owning the copyright and all other proprietary rights to the Work Product. All originals and copies of the Work Product shall be delivered to Buyer upon the earliest of the completion of the services, the termination or suspension of the services, or the written request of Buyer. Seller agrees to execute, without further consideration, assignments or other documents that may be necessary to establish Buyer's ownership of the Work Product. Seller shall cooperate with Buyer or its designees and execute documents of assignment, declarations, and other documents which may be prepared by Buyer, and take other necessary actions as reasonably directed by Buyer, to effect the foregoing or to perfect or enforce any proprietary rights resulting from or related to the Purchase Order. Seller hereby assigns and conveys to Buyer the entire right, title, and interest in and to such work including work created prior to the date of the Purchase Order, including the copyright therein and any copyright

renewal thereof. Such cooperation and execution shall be performed without additional compensation to Seller; provided, however, Buyer shall reimburse Seller for reasonable out-of-pocket expenses incurred at the specific request of Buyer. Seller shall cause each of Seller's employees charged with performance of services for Buyer or granted access to confidential information to execute an agreement recognizing Buyer's ownership rights and concurring with the obligations of Seller as set forth herein. Seller hereby grants Buyer a non-exclusive, worldwide, royalty-free, fully paid-up, perpetual license to use, copy, modify and distribute all Seller property provided to Buyer as part of or embedded in the Work Product hereunder.

30. **SERVICES WARRANTY:** In addition to the other representations and warranties provided in these Terms and Conditions, Seller warrants that: (i) the services will be executed in accordance with Buyer's Purchase Order and all applicable Laws; (ii) all Work Product produced under the Purchase Order shall be of original development and all Seller property shall be of original development or licensable by Seller, as the case may be, and all Work Product and property licensed or owned by Seller and used in the performance of any work under the Purchase Order shall not infringe or violate any patent, copyright, trade secret, trademark, or other third party intellectual property right; (iii) no mechanics liens shall attach to Buyer's property by virtue of Seller's default in paying its employees, suppliers or subcontractors; (iv) Seller shall perform all services under the Purchase Order on a professional basis and in a diligent, workmanlike, and expeditious manner; and (v) Seller has enforceable written agreements with all of its employees and all subcontractors assigning to Seller ownership of all patents, copyrights and other proprietary rights created in the course of their employment or engagement and obligating such employees upon terms and conditions no less restrictive than contained herein, not to use or disclose any proprietary rights or information learned or acquired during the course of such employment or engagement, including, without limitation, any Work Product, and any other information.
31. **TERMINATION:** Notwithstanding any contrary terms contained above, Buyer shall have the right at its absolute discretion, five (5) days following Buyer's written notice to Seller, to cancel, in whole or part, Buyer's Purchase Order or any contract resulting from its acceptance. In the event of such cancellation, Buyer shall have no obligation to Seller except the obligation to pay all costs actually incurred by Seller prior to the date of termination plus a normally accepted trade allowance on such costs as full payment of Seller's overhead and profit, provided, however, that in no event shall Buyer be obligated to pay an amount in excess of the amount set out in Buyer's Purchase Order for the services; advance payments will be refunded accordingly. If Buyer's Purchase Order or any resulting contract is canceled as a result of the default of Seller, Buyer shall have no obligation to reimburse Seller for any services performed by Seller pursuant to Buyer's Purchase Order or any resulting contract.

Instructions

Markings:

- Show Buyer's Purchase Order number on all packages.
- Each Container Must Also Be Plainly Identified By:
 - Name of Manufacturer
 - Buyer's Product Title
 - Net Weight
 - Parcel Number of Total Parcels Shipped

Additional instructions for shipments of chemicals and packaging materials:

- Each container must also be plainly identified with the Manufacturer's Control Number, Manufacturing Location, Buyer's Item Code, Lot or Batch Number.
- Keep number of lots to a minimum.

Packing Slips: A packing slip itemizing contents should be placed on the outside of each shipment in a protective envelope. Buyer's Purchase Order line number must appear with each item on Seller's packing slip. On shipments of chemicals also show number of containers in each batch.

Invoices: Show Buyer's Purchase Order number, net weights, payment terms and transportation terms. Buyer's Purchase Order line number must appear with each item on Seller's invoice. Improper invoices may be returned for correction without loss of discount. In case of doubt concerning quality or where rejections occur, payment may be deferred by Buyer without loss of discount. Due dates and cash discounts will be computed from the date the invoice is received in Accounts Payable. Invoices should be mailed to the address on the face of the Purchase Order.

Bills of Lading: Show Buyer's Purchase Order number, net weight, gross weight, and/or tare weight where applicable, as well as the number of containers. If chemicals, also show number of containers in each batch. If transportation is F.O.B. origin and transportation charges are for Buyer's account, ship at released value rates that will produce lowest transportation cost via Buyer's designated carrier.