

**DDI CORP.**  
**STANDARD TERMS AND CONDITIONS OF SALE**

ACCEPTANCE OF BUYER'S PURCHASE ORDER IS EXPRESSLY SUBJECT TO AND MADE CONDITIONAL UPON THE TERMS AND CONDITIONS CONTAINED HEREIN, AND ANY OF BUYER'S TERMS AND CONDITIONS THAT ARE IN ADDITION TO OR DIFFERENT FROM THOSE CONTAINED HEREIN ARE HEREBY OBJECTED TO AND SHALL BE OF NO FORCE OR EFFECT. OBJECTION TO ANY TERM AND CONDITION CONTAINED HEREIN SHALL BE DEEMED TO HAVE BEEN WAIVED BY BUYER IF WRITTEN NOTICE OF SUCH OBJECTION IS NOT RECEIVED BY SELLER WITHIN TEN (10) DAYS OF THE DATE OF ACCEPTANCE OF THE PURCHASE ORDER BY SELLER. IN ANY EVENT, BUYER WILL BE DEEMED TO HAVE ASSENTED TO ALL TERMS AND CONDITIONS CONTAINED HEREIN IF ANY PART OF THE GOODS DESCRIBED HEREIN IS ACCEPTED.

1. DELIVERY. Shipments shall be F.O.B. Seller's place of business or place of manufacture. Delivery to a common carrier shall constitute delivery to Buyer, and all risk of loss or damage in transit shall be borne by Buyer. Title shall pass upon delivery to Buyer, except with respect to title to NRSU tooling (including, without limitation, silver film), title to which shall be retained by Seller. Buyer shall, however, be given access to NRSU tooling upon advance request. The promised delivery date is the best estimate possible, based upon current and anticipated production schedules, as to when the order will be shipped.

2. PAYMENT. Payment terms shall be set according to Buyer's creditworthiness and payment history and can range from cash on delivery to net plus 30 days after delivery; in the event that Buyer's creditworthiness and payment history are reasonably satisfactory, payment shall be made within 30 days after date of delivery; provided, however, Seller reserves the right to impose other credit terms on Buyer in the event that Buyer does not make payment in a timely fashion. A late charge equal to the lesser of 18% per annum or the maximum amount permitted by law shall be charged on all past due balances from the due date until paid in full.

3. PRICE. If there is a delay in completion of shipment of any order due to any change requested by Buyer or as a result of delays on Buyer's part in furnishing information necessary for the completion of the order, prices set forth in Seller's quote may be adjusted to Seller's prices in effect at the time of shipment. Prices are exclusive of transportation charges and all taxes – federal, state or local. There will be added to the quoted price any sales or other tax or duty Seller may be required to collect upon the sale of the goods. Such amount may be billed separately.

4. WARRANTY. Seller expressly warrants each product to be delivered hereunder shall at the time of delivery and for ninety (90) days thereafter be free from defects in workmanship and shall conform to specifications furnished by or on behalf of Buyer. Buyer will provide a netlist as part of the specifications for products to be manufactured. If no specifications are furnished to Seller, then Seller warrants that the goods manufactured shall conform to the then current revision of the IPC-6010 series standards. Buyer's sole remedy under this warranty shall be, at Seller's option, that Seller either: (i) repair; (ii) replace; or (iii) refund the purchase price of (not including the value of components or processes added to the product by Buyer or Buyer's customers) the defective product. This express warranty shall extend to Buyer only and not to Buyer's customers.

THIS WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR PARTICULAR PURPOSE AND MERCHANTABILITY. STATEMENTS MADE BY ANY PERSON THAT ARE INCONSISTENT WITH THE TERMS OF THIS WARRANTY SHALL NOT BE BINDING UPON SELLER. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS WARRANTY DOES NOT APPLY (A) TO ANY PRODUCT THAT IS DESIGNATED AS "DEVELOPMENTAL" OR "EXPERIMENTAL," OR (B) ANY PRODUCT FOR WHICH BUYER FAILS TO PROVIDE A NETLIST TO SELLER IN CONNECTION WITH THE PRODUCT SPECIFICATION, WHICH SHALL BE SOLD "AS IS" WITH NO WARRANTY WHATSOEVER.

5. RETURNS. No product shall be returned to Seller for warranty adjustment without prior authorization from Seller. All product returns are subject to Seller's Return Material Authorization (RMA) procedures. Seller will notify Buyer in the event the products are not subject to warranty adjustment, and unless disposition instructions as to such products are received from Buyer within thirty (30) days of such notification, the products will be returned to Buyer, freight collect. All goods shall be deemed acceptable if not rejected within thirty (30) days from the date of delivery to Buyer or not returned within thirty (30) days of issuance of a return authorization number.

THIS PROVISION IS INTENDED TO CONSTITUTE A MUTUAL AGREEMENT AS TO REASONABLE TIME FOR REJECTION UNDER THE UNIFORM COMMERCIAL CODE.

6. **LIMITATION ON DAMAGES, FORCE MAJEURE, AND DISCLAIMER.** Seller's maximum aggregate liability for damages to Buyer hereunder shall not exceed the amount Seller actually receives for the product furnished, or to be furnished, or services rendered, as the case may be, which is the subject of claim or dispute. Further, Seller shall not be liable for any loss, damages, or penalty resulting from delay in delivery when such delay is due to causes beyond the reasonable control of Seller, including but not limited to, supplier delay, act of God, labor unrest, fire, explosion, flood or earthquake. In any such event, the delivery date will be deemed extended for a period equal to the delay.

TO THE FULLEST EXTENT PERMITTED BY LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR LOSS OF PROFIT, LOSS OF USE, LOSS FROM BUSINESS INTERRUPTION OR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES, REGARDLESS OF WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF WHETHER ANY LIMITED REMEDY PROVIDED HEREIN FAILS OF ITS ESSENTIAL PURPOSE.

7. **PATENT INFRINGEMENT/INDEMNITY.** Seller shall defend any suit or proceeding brought against Buyer based upon a claim that any product delivered to Buyer hereunder constitutes an infringement of any patent of the United States, but only to the extent that such claim of infringement arises from Seller's designs or specifications, and only if Seller is notified promptly in writing and given authority, information and assistance (at Seller's expense) for the defense of same. If all of the conditions described in the preceding sentence are satisfied, then Seller shall pay all damages and costs awarded therein against Buyer. Notwithstanding anything to the contrary in the foregoing, Seller shall have no liability to Buyer to the extent that any such claim or action for infringement is based upon or arises out of: (a) alteration of the products; (b) use of the products in combination with apparatus or software not furnished by Seller; or (c) use of the products in a manner for which the same were neither designed nor contemplated. In case any product is, in such suit, held to constitute infringement and the use of said product or part is enjoined, Seller shall, at its option, either (i) procure for Buyer the right to continue using said product, (ii) replace said product with a comparable non-infringing product, (iii) modify said product so it becomes non-infringing or (iv) remove said product and refund to Buyer the actual cost of said product. The foregoing states the entire liability of Seller for any patent infringement by said product.

Buyer shall defend, indemnify and hold Seller (and its officers, directors, employees, agents and affiliates) harmless from and against any and all liabilities, expenses, damages, costs, or losses arising from a third party claim or action asserting that any product infringes against any patent, trademark or copyright of the United States, to the extent such alleged infringement arises from Seller's incorporation of designs, prints, materials, specifications or instructions provided by Buyer.

8. **CANCELLATION/RESCHEDULING.** Buyer may cancel a purchase order or reschedule a delivery date for products with lead times shorter than thirty (30) days at any time thirty (30) days or more from the scheduled delivery date without penalty. If Buyer cancels a purchase order within thirty (30) days before scheduled delivery date or cancels an order with a lead-time longer than thirty (30) days within lead time, then Seller may assess a cancellation charge and will be entitled to recover costs reasonably incurred by Seller in reliance on such purchase order, including, without limitation, restocking charges, labor costs for work in process, and charges for material that cannot either be reused or returned to vendors. Buyer may reschedule a delivery date within thirty (30) days of the scheduled delivery date (or within lead-time for an order with a lead-time longer than thirty (30) days) one time by up to ninety (90) days without penalty; if Buyer seeks to reschedule a delivery date more than one (1) time or more than ninety (90) days, then Seller may, but is not obligated to, recover the full value for the goods that were originally scheduled to be delivered under the subject purchase order.

9. **ATTORNEYS' FEES.** In any legal action commenced to enforce the terms and conditions herein, the prevailing party shall be entitled to recover costs and expenses of such litigation, including, without limitation, its attorneys' fees.

10. **GOVERNING LAW, VENUE AND ENTIRE AGREEMENT.** This agreement shall be construed and enforced under the laws of the State of California without regard to the conflict of laws principles of that State. Any litigation arising from this agreement shall be instituted in either State or Federal Court located within Orange County, California.