

Supply/OEM Terms And Conditions

1. DEFINITIONS

(a) "Chemical Modification" shall mean any modification affecting the appearance or having any adverse effect upon the performance, serviceability or safety of a Chemicals Supply, including any changes to the composition, concentration or classification of substances used in such Chemicals Supply, even if such modification does not affect the appearance or have any adverse effect upon the performance, serviceability or safety of the Chemical Supply.

(b) "Chemical Regulations" shall mean any and all laws, regulations, directives, ordinances, orders and decrees of any kind, adopted or implemented in any country, state, region or jurisdiction, which regulate the use of Chemical Supplies. Chemical Regulations include, but are not limited to, the (i) Toxic Substances Control Act 15 U.S.C. §2601 et seq. (1976) ("TSCA"), as amended and implemented; (ii) California Safe Drinking Water and Toxic Enforcement Act, 1986 ("Proposition 65"), as amended and implemented; (iii) Australian Inventory of Chemical Substances ("AICS"); (iv) Globally Harmonized System of Classification and Labeling of Chemicals ("GHS"); (v) Classification, Labelling and Packaging of Substances and Mixtures ("CLP"); and (vi) any other statute or common law principle of similar substance and effect to TSCA, Proposition 65, AICS, GHS or CLP in any jurisdiction in the Territory where the Chemical Supplies are marketed and/or sold.

(c) "Chemical Supplies" shall mean any compound or substance that requires a safety data sheet and shall include, but is not be limited to, the following: inks, toners, cleaners (e.g., moist wipes, soaps, liquid cleansers, solutions, cleaning pen, bleach, hand cleaners, hand cleaning wipes), canned air, lubricants, oils, adhesive / glue, and paint (e.g., cans, bottles, touch-up pens).

(d) "Engineering Standards" shall mean the environmental, manufacturing, packaging, supply chain or performance standards (as may be modified over time) provided by PB (or made available through PB's websites or Product Compliance Database) to COMPANY for the Products, Spares and Supplies.

(e) "Product(s)" shall mean the equipment, together with related options and accessories, identified in the Agreement Order Form, the applicable Ordering Document and/or through the Procure To Pay System and such other equipment as may be made part of the Agreement upon mutual written agreement of the parties.

(f) "Spares" shall mean the spare parts for each of the Products identified in the applicable Ordering Document or through the Procure To Pay System, and such other spare parts as may be made part of this Agreement upon mutual written agreement of the parties.

(g) "Specifications" shall mean engineering drawings and such other documents (as may be modified by mutual agreement of the Parties) provided by PB that set forth requirements for the Products, Spares and Supplies.

(h) "Supplies" shall mean the consumable supplies for the Products identified the applicable Ordering Document or through the Procure To Pay System, and such other consumable supplies as may be made part of the Agreement upon mutual written agreement of the parties. Supplies shall include Chemical Supplies.

2. PURCHASE AND SALE

(a) In accordance with the Agreement, COMPANY shall sell to PB the Products, Spares and Supplies at prices as provided herein for the Term.

(b) COMPANY hereby grants to PB the unrestricted, non-transferable, paid-up right and license to use, sell, and lease or otherwise market the Products, Spares and Supplies anywhere in the Territory, either as a standalone unit or as part of any system or configuration.

3. LAST TIME BUY

(a) Upon notice of termination of this Agreement, in addition to orders pursuant to Section 6 of this Agreement (ORDERS), COMPANY shall offer to PB a "last buy" of Products to meet PB's reasonable requirement over a one (1) year period. The amount of such a "last buy" shall be based on the average monthly orders as measured over the 12 month period prior to termination ("Average Monthly Orders"). The amount of such a "last buy" shall not exceed two times the average amount of orders placed over a one (1) year period. The average amount of orders placed over the one (1) year period shall be twelve (12) times the Average Monthly Order. The "last buy" for Products must be ordered by PB before the termination of this Agreement. The prices for the "last buy" shall be the same price paid for Products immediately preceding the termination of the Agreement. The schedule for delivering the "last buy" of Products shall be negotiated in good faith by PB and COMPANY.

(b) Upon notice of a component or subassembly obsolescence that will affect the appearance or have an adverse effect upon the performance, serviceability or safety of the Products, Spares or Supplies, COMPANY shall notify PB promptly of such obsolescence. COMPANY shall then work with PB on an assurance of supply mitigation plan. Such assurance of supply mitigation plan may include purchasing and storing sufficient quantities of such component or subassembly to meet PB's reasonable requirements over a mutually agreed upon period and may address the following factors regarding the obsolete component or subassembly: (i) price; (ii) insurance; (iii) storage conditions; (iv) expired warranties as a result of such storage; (v) schedule of delivery; and (vi) liability for excess inventory.

(c) COMPANY shall maintain a supply of Spares and Supplies adequate for the purpose of maintaining Products sold to PB hereunder throughout the term of the Agreement and for at least seven (7) years after the earlier of (i) PB's decisions that it will no longer market the Products or (ii) COMPANY ceases manufacture of the Products.

4. PRICE

(a) The prices applicable to orders for Products, Spares and Supplies shall be COMPANY's prices as of the Effective Date as agreed to by PB and set forth in the applicable Ordering Document or through the Procure To Pay System. If there is a conflict between the price set forth on the applicable Ordering Document and through the Procure To Pay System, the price on the applicable Ordering Document shall control. All pricing shall be in United States dollars. All prices include packing.

(b) The prices for Products, Spares and Supplies shall be firm for the Initial Contract Term and then, in accordance with this section, for each of the Subsequent Contract Terms with no additional or ancillary charges. Ninety (90) days prior to the end of the Initial Contract Term or a Subsequent Contract Term, as the case may be, PB shall submit revised estimated annual usage for Products, Spares and Supplies. COMPANY may propose one price change per Product, Spares and Supplies. COMPANY shall propose such price changes to PB in writing no later than thirty (30) days following receipt from PB of the estimated annual usage for Products, Spares and Supplies. Any price changes will become effective for the next Subsequent Contract Term when PB and COMPANY agree to the price changes. If the Parties are unable to agree upon a price change, the then current prices for the Products, Spares and Supplies shall remain in effect.

(c) Throughout the course of the Agreement, COMPANY agrees to cooperate and consult with PB and incorporate suggested changes to Product (and Supplies

and Spares, if applicable) design, features, functionality and/or manufacturing techniques, to improve or otherwise reduce the price of the Product (and Supplies and Spares, if applicable) by a target of five percent (5%) each year of the Agreement. Furthermore, COMPANY also understands that PB may request price reductions hereunder from time to time in order for PB to remain competitive. COMPANY agrees to evaluate and accept such request if commercially reasonable. COMPANY shall not incorporate any modification to any of the Products, Supplies or Spares in order to maintain prices or to meet required price reductions without the prior written consent of PB if such modification changes the design, features or functionality of such Products, Supplies or Spares. All savings that are realized from any cost reductions under this Section shall be allocated between the parties as follows: (i) all savings within the first year shall be shared equally between the parties; and (ii) all savings in subsequent years shall be allocated to PB.

5. MOST FAVORED PRICING

COMPANY agrees to treat PB as its most favored customer for the manufacture, assembly and testing of Products, Supplies and Spares. COMPANY represents and warrants that the provisions of this Agreement, including, but not limited to, the prices hereunder, when such provisions are considered in the aggregate, are comparable to or better than the provisions being offered by COMPANY to any of its other customers, when such other provisions are considered in the aggregate. If COMPANY offers more favorable provisions (when considered in the aggregate) to any entity for similar Products, Supplies and Spares during the term of the Agreement, such provisions shall be deemed incorporated into the Agreement and PB shall have the benefit thereof. On an annual basis, COMPANY shall provide PB with a certification by an officer or authorized representative of COMPANY certifying that all of the provisions of the Agreement including, but not limited to, the payments hereunder, when considered in the aggregate, are comparable to or better than the provisions (when considered in the aggregate) being offered by COMPANY to any other customer.

6. ORDERS

(a) COMPANY shall use the Procure To Pay System for (i) the release and shipment of Products, Spares and Supplies (ii) the invoicing of such Products, Spares and Supplies, and (iii) the revision level of such Products, Spares and Supplies. Orders for Products, Spares and Supplies shall be issued pursuant to the lead times that are specified in the applicable Ordering Document or through the Procure To Pay System. Such orders shall designate destination, mode of shipment, type, quantity and delivery date in the applicable Ordering Document or through the Procure To Pay System. COMPANY will fulfill orders for Products, Spares and Supplies within a shorter period if requested by PB, subject to inventory availability and/or production capability. COMPANY shall fulfill any orders identified as firm orders in the Procure To Pay System prior to the effective termination date of the Agreement.

(b) PB will be responsible only for orders identified as firm orders in the Procure To Pay System. However, PB can change volumes on firm orders with agreement by COMPANY as acknowledge in writing or email. PB shall not be subject to any minimum order quantities or penalties. COMPANY and PB will cooperate to optimize deliveries and lot sizes.

(c) Except for payment terms, all other provisions of this Agreement shall apply to any order for Products, Spares and Supplies placed by PB's contract manufacturers on behalf of PB. The purchase and sale of such Products, Spares and Supplies shall be made against specific purchase orders submitted by such contract manufacturers on their respective standard purchase order form. COMPANY shall process such orders as though such orders were placed by PB. For the calculation of any volume discounts or rebates under the Agreement, all orders of Products, Spares and Supplies placed on behalf of PB by such contract manufacturers shall be included in the calculation of such volume discounts or rebate. No rebates for such orders shall be paid to PB's contract manufacturers. For the payment terms, COMPANY and such contract manufacturers shall negotiate such terms without reference to, or reliance on, this Agreement.

(d) The provisions of this Agreement shall apply to any order for Products, Spares and Supplies placed by PB notwithstanding the presence of different or additional provisions on PB's standard purchase order form or COMPANY's confirming invoice, which shall not apply.

(e) COMPANY shall ensure that PB will receive allocation priority in terms of machine time at COMPANY's manufacturing facility in fulfilling any order by PB under this Agreement. COMPANY shall make machine time available for emergency non-forecasted items. COMPANY shall not charge any premiums for emergency orders unless approved by PB.

(f) COMPANY represents and warrants that it has the capability to read Cadra, Auto Cad, DXF, IGS, DWG, Pro-E, STP and PDF.

7. PACKING

(a) COMPANY shall pack the Products, Spares and Supplies in appropriate commercial packing material and shipping containers to ensure that the Products, Spares and Supplies remain damage-free and rust-free through delivery. Any use of Styrofoam as a packing material requires the prior written approval of PB. If requested by PB, COMPANY will develop custom packaging for individual Products, Spares and Supplies.

(b) COMPANY shall affix to the shipping containers labels as directed by PB, such as "Fragile," "Keep Upright," "Keep Upright," and "Top Heavy." Packing lists and COMPANY invoices shall contain the information and data that is specified in the applicable Ordering Document or through the Procure To Pay System. COMPANY shall affix to the shipping containers labels that include the following information: Identification by PB order number, part number, revision level, date code, and a unique packing list number. COMPANY will bar code Products, Spares, Supplies and packaging according to the PB bar code system identified by PB.

(c) Unless otherwise approved by PB in writing, COMPANY shall limit packaging not to exceed 35 pounds for individualized cartons, or 2000 pounds for palletized containers, conforming to point of use requirements.

8. TITLE AND SHIPPING

Unless otherwise specified on the Agreement Order Form, the following terms shall apply to any shipment of Products, Spares or Supplies:

(a) Shipments to PB. For shipments of Products, Spares and Supplies to PB, the following shipping terms shall apply:

- (i) If COMPANY is incorporated in (or has a regular and established place of business in) the United States, COMPANY shall ship all orders for Products, Spares and Supplies FOB domestic shipping point as specified in the Procure To Pay System.
- (ii) For all other shipments to PB except for Chemical Supplies, COMPANY shall ship all orders for Products, Spares and Supplies FCA (Incoterms 2010) international shipping point as specified in the Procure To Pay System.
- (iii) Subject to (i), for all shipments of Chemical Supplies to PB, COMPANY shall be the importer of such Chemical Supplies and shall all ship such Chemical Supplies DDP (Incoterms 2010) international destination point as specified in the Procure To Pay System.

(b) Return Shipments to COMPANY. For shipments of Products, Spares and Supplies to COMPANY, the following shipping terms shall apply:

- (i) If a Product, Spare or Supply is returned because of an issue caused by COMPANY, PB shall ship such Product, Spare or Supply FCA (Incoterms 2010) shipping point. COMPANY shall be the importer of such Product, Spare or Supply.
- (ii) For all other shipments of Products, Spares and Supplies to COMPANY, PB shall ship all such Products, Spares and Supplies DAP (Incoterms 2010) destination point. COMPANY shall be the importer of such Products, Spares or Supplies.

(c) Title to all Products, Spares and Supplies and risk of loss shall pass at the shipping point. In any applicable shipping documentation, COMPANY shall specify the Pitney Bowes legal entity (whether it is Pitney Bowes Inc. or an Affiliate) that is specified on the applicable Ordering Document.

(d) A delivery shall be considered delivered by a due date if delivered on the actual due date set forth the Procure To Pay System, and up to three (3) days before.

(e) Except for shipment of Chemical Supplies under Section 8(a)(iii) and return shipments under Section 8(b), the mode of shipment shall be as specified in PB's Supplier Routing Guide for Inbound Shipments, as amended from time to time, which shall be available through the Procure To Pay System or otherwise made available by PB. All transportation, rigging, insurance and draying charges shall be paid by PB, except those associated with expedited freight charges caused by COMPANY's failure to meet the delivery date for such Products, Spares and Supplies.

(f) In the event of delivery outside the United States, the parties shall specify the shipping terms in the Agreement Order Form. COMPANY shall prepare at its expense all applicable shipping and export documentation for delivery of the Products, Spares and Supplies to the delivery point designated in Procure To Pay System.

9. IMPORT / COUNTRY OF ORIGIN

(a) COMPANY represents and warrants that it is either a party to the U.S. Customs Trade Partnership Against Terrorism ("C-TPAT") program, or has otherwise verified that it complies with the program standards, and that it will continue to maintain C-TPAT standards during the Term of the Agreement. COMPANY shall at all times ensure that it maintains a verifiable documented security program consistent with C-TPAT and that, if applicable, COMPANY will only engage with business partners, as that term is used in the C-TPAT security criteria, that are either parties to C-TPAT or which also comply with all applicable C-TPAT security standards.

(b) COMPANY shall provide to PB a true and complete listing of all Products, Spares and Supplies that identifies (i) whether or not each Product, Spare or Supply complies with the requirements of each of the (a) Buy American Act, 41 U.S.C. § 10a-10d ("BAA") and (b) Trade Agreements Act, 19 U.S.C. § 2501 and in FAR Subpart 25.4 entitled "Trade Agreements" ("TAA") and (ii) the jurisdiction in which each Product, Spare and Supply is the end product of for each of BAA and TAA purposes. In order to ensure such listing is true and complete at all times, COMPANY agrees to notify PB in writing of any additions, deletions or modifications and to provide PB with an updated comprehensive listing. COMPANY hereby certifies that each Product, Spare and Supply identified on such listing as BAA and/or TAA compliant is, in fact, compliant with the applicable statute(s). In addition to this certification of BAA and/or TAA compliance, if requested by PB, COMPANY shall promptly provide stand-alone certificates, in a form provided by PB, certifying that applicable Products, Spares and Supplies are in compliance with the TAA and/or BAA, as applicable. COMPANY acknowledges that PB is relying on Company's certification that certain products, spares, and supplies are BAA and/or TAA compliant when PB makes its own relevant representations of BAA and/or TAA compliance and, as a result, COMPANY agrees to indemnify and hold PB harmless with respect to any claim related to the accuracy of the BAA/TAA certifications provided by COMPANY for any Product, Spare, or Supply or in any related certification as being BAA and/or TAA compliant. COMPANY also agrees to indemnify and hold PB harmless with respect to any claim related to the correctness of any other certifications provided by COMPANY under this Agreement. Finally, COMPANY agrees to not source any Products, Spares or Supplies or components under this Agreement from Burma, Cuba, Iran, Sudan, Syria, and North Korea or from any other countries or individuals subject to general restriction under U.S. laws and regulations.

10. LISTINGS, CERTIFICATIONS, AND REGULATORY COMPLIANCE

(a) COMPANY represents and warrants that the Products, Spares and Supplies have been designed to qualify for regulatory acceptance in each country of the Territory.

(b) COMPANY shall obtain, at its own expense and in accordance with the time schedule set forth in the Agreement Order Form or the applicable Ordering Document, the regulatory approvals required for marketing the Products, Spares and Supplies in each country of the Territory. Any additional approvals specified by PB shall be obtained by COMPANY at PB's expense as specified in and according to the time schedule set forth in the Agreement Order Form or the applicable Ordering Document.

(c) PB shall not be required to accept delivery of Products, Spares and Supplies destined any country of the Territory for which COMPANY has not obtained the regulatory approvals as set forth in Subsection (b) of this Section. In the event regulatory approvals for a country are not obtained by the date specified in the Agreement Order Form or the applicable Ordering Document and if such failure delays or adversely impacts PB's product launch in that country, PB may, at its option, either (i) terminate the Agreement and/or the applicable Ordering Document; or (ii) obtain such regulatory approvals itself at COMPANY's expense.

(d) COMPANY and PB agree to cooperate to obtain such regulatory approvals for the Products, Spares and Supplies and COMPANY agrees to maintain at its expense the effectiveness of such approvals throughout the course of this Agreement.

11. QUALITY ASSURANCE

(a) COMPANY agrees to maintain either (i) the most current (or the immediately preceding) ISO revision registration for facilities producing Products, Spares and Supplies for PB; or (ii) an equivalent quality management system that has been approved in writing by PB. COMPANY shall notify PB promptly in writing if such registration (or equivalent quality management system, as applicable) is revoked, suspended or expired.

(b) COMPANY shall maintain for a period of three (3) years following delivery to PB, the quality control records of the production lot of which the Products, Spares and Supplies delivered pursuant to this Agreement are a part. If requested by PB, COMPANY shall furnish to PB such quality control records at no charge within two (2) business days of such request. COMPANY agrees to implement COMPANY's standard quality assurance processes, tests and inspections in the manufacture of the Products, Spares and Supplies, unless an agreed quality assurance plan is attached to the Agreement Order Form or the applicable Ordering Document.

(c) At the request of PB, COMPANY agrees to participate in meetings as deemed necessary by PB to achieve the goals of the Agreement. Such meetings will involve general management team with functional mix as required. The meeting topics may include, but are not limited to, industry trends, potential problems, life of

agreement, quality ratings, performance measures, and opportunities for improvement.

12. INCOMING INSPECTION

(a) PB may conduct an incoming and/or source inspection of all ordered Products, Spares and Supplies. Source inspection will be performed at COMPANY's manufacturing facility within thirty (30) days of COMPANY's notice to PB that the Products, Spares and Supplies are ready for acceptance testing. Incoming inspection will be performed within thirty (30) days after receipt of the Products, Spares and Supplies at the designated PB delivery point or warehouse or PB customer location.

(b) COMPANY shall provide PB on a non-confidential basis, no later than ninety (90) days prior to first shipment of Products hereunder, one copy of all published documentation, including specifications, diagnostics and assembly drawings, reasonably required for Products, Spares and Supplies acceptance. COMPANY shall furnish updates to PB of such documentation to the extent necessary to keep PB's documentation current or in the event of any modification, enhancement or change made to the Products, Spares and Supplies sold hereunder. COMPANY grants to PB the royalty-free right and license to reproduce all or any part of such documentation for use with Products, Spares and Supplies purchased from COMPANY. PB is further given the right to modify any or all parts of such documentation to reflect changes made to the Products, Spares and Supplies or consistency in style with other documentation used by PB or to satisfy legal or customer requirements.

(c) If, following inspection, any one or more of the Products, Spares or Supplies is rejected, PB shall promptly give written notice to COMPANY setting forth in reasonable detail the reason for PB's non-acceptance, in which event COMPANY, at its expense and option, shall repair or replace the defective Product, Spare or Supply within fifteen (15) days after COMPANY's receipt of such rejected Product, Spare or Supply. Notwithstanding the foregoing, for in-stock Products, Spares or Supplies only, if a Product, Spare or Supply fails inspection by PB, COMPANY shall replace such rejected Product, Spare or Supply within forty-eight (48) hours and shall be responsible for all shipping costs.

(d) COMPANY shall bear all shipping expenses (air or express delivery at PB's expense) and applicable import and export fees, if any, relating to the return of any defective Products, Spares and Supplies to COMPANY under this Agreement and the delivery of replacements or repaired Products, Spares and Supplies to PB. If the returned Products, Spares and Supplies prove not to be defective after testing by COMPANY and confirmation by PB, PB shall be responsible for shipping costs and applicable import and export fees, if any.

(e) For each rejected Product, COMPANY agrees to perform a root cause analysis and provide corrective action within two (2) weeks utilizing PB's **Material Review Board (MRB) process**. COMPANY agrees to contain issues, such as isolating a batch of Products produced at the same time, within twenty-four (24) hours and inspect lots at PB and COMPANY's site for defective/non-conforming Product. If any Product, Spare or Supply fails quality inspection at COMPANY's site, COMPANY agrees to follow PB's waiver deviation procedures.

13. WARRANTY AND REMEDY

(a) Unless specified otherwise in the Agreement Order Form, Products, Spares and Supplies sold by COMPANY to PB hereunder are hereby warranted by COMPANY for a period of twelve (12) months following date of installation or eighteen (18) months from date of delivery, whichever is sooner, as follows: All Products, Spares and Supplies shall be free from defects in workmanship and material and shall fully conform to design, operation, function, and performance specifications as set forth in the Specifications; provided, however, that minor deviations that do not adversely affect marketability, serviceability or operability will not be deemed to constitute deviations from the Specifications.

(b) In the event of a warranty claim by PB in regard to Products, Spares or Supplies, PB shall notify COMPANY in writing and, at COMPANY's option and expense (including shipping), PB shall return the defective Products or components thereof (circuit board or assembly) or Spares or Supplies to COMPANY to repair, replace, or credit PB's account for the defective Products, Spares and Supplies within thirty (30) days after COMPANY receives the defective Products, Spares or Supplies at the designated COMPANY repair facility. COMPANY shall thereof be responsible for all shipping, handling and export/import fees and expenses associated with the return of the defective Products, Spares or Supplies to COMPANY and returning repaired or replacement items to PB. PB shall bear all shipping, handling and import/export costs for returned Products, Spares and Supplies which, after testing by COMPANY and confirmation by PB, prove not to be defective.

(c) COMPANY warrants that the Products, Spares and Supplies sold hereunder shall be free from serial defects (as defined in this Section) for a period of five (5) years from the end of the warranty period specified in Section 12(a). The parties acknowledge and agree that a serial defect is specified on an individual Product, Spare or Supply basis. Accordingly, the parties acknowledge and agree that a serial defect shall be defined as the same defect appearing in either one (1) percent of Products, Spares or Supplies in the same shipment, or as otherwise specified in the Specifications by PB. In the event of a defect recognized by both parties, which recognition shall not unreasonably be withheld, as a serial defect, COMPANY shall suspend shipments and, at its sole cost and expense, and in a timely fashion, shall make necessary changes to the manufacture of such Products, Spares and Supplies to eliminate such defect. COMPANY shall incorporate such design changes in Products, Spares and Supplies not yet delivered to PB and shall also provide to PB, at COMPANY's expense, sufficient quantities of components and subassemblies for PB to retrofit, at COMPANY's expense, Products, Spares and Supplies previously sold and delivered to PB pursuant to this Agreement, once it is determined that such components are subject to the same defect. Unless specified otherwise in the Agreement Order Form, if PB implements the retrofit, COMPANY shall reimburse PB for all labor that is incurred plus the cost of any materials used during the retrofit.

(d) WITHOUT LIMITING EITHER PARTY'S RIGHTS AND REMEDIES IN THE EVENT OF DEFAULT OR BREACH OF ANY OTHER EXPRESS WARRANTIES OR PROVISIONS OF THE AGREEMENT, THE WARRANTIES PROVIDED IN THIS SECTION ARE EXCLUSIVE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. IN ADDITION, NEITHER PARTY SHALL BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOSS OF PROFIT, BUSINESS, GOODWILL OR BUSINESS REPUTATION THAT A PARTY OR ITS DISTRIBUTORS, DEALERS, LESSEES OR VENDEES MAY SUFFER DIRECTLY OR INDIRECTLY AS A RESULT OF ANY BREACH OF THIS AGREEMENT.

14. PRODUCT LIABILITY AND INDEMNITY

COMPANY shall indemnify and hold harmless PB from any liability, loss, expense, damage or cost which may arise or be asserted, based directly upon death or injury or damage to any person or property (including the loss of data) claimed to have resulted from any defect in any of the Products, Spares and Supplies sold to PB hereunder; provided PB shall give COMPANY prompt written notice of any such claim for liability, loss, expense, damage or cost; that PB shall permit COMPANY to control the defense of any litigation relating thereto, and that PB shall not settle or take any action in regard to any such claim or litigation without COMPANY's express written consent and shall cooperate with COMPANY in the defense thereof.

15. ENVIRONMENTAL LIABILITY AND INDEMNITY

(a) COMPANY shall comply with all applicable federal, state, local and international environmental, health and safety laws, requirements and regulations in performing this Agreement. In addition, COMPANY warrants that the Products, Spares and Supplies will comply with all applicable federal, state, local and international environmental, health and safety laws, requirements and regulations, including (i) the Directive 2011/65/EU of the European Parliament and of the Council of 8 June, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (ROHS) (or the latest version thereof); (ii) the Directive 2002/96/EC of the European Parliament and of the council of 27 January 2003 on Waste Electrical and Electronic Equipment (WEEE) (or the latest version thereof); (iii) the Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) (or the latest version thereof); (iv) the applicable Engineering Standards; and (v) the environmental specifications set forth in the Specifications.

(b) COMPANY further warrants that the Chemical Supplies will be compliant with all applicable Chemical Regulations in every jurisdiction in the Territory where such Chemical Supplies are marketed and/or sold.

(c) COMPANY shall cooperate with PB in obtaining (i) all environmental certifications, declarations, testing, safety data sheets, labeling and approvals required for the Products, Spares and Supplies in each country of the Territory, and (ii) information concerning COMPANY's operations or the Products, Spares and Supplies that may be required by law or by PB policies or standards (including but not limited to the Engineering Standards). COMPANY will, upon request and as directed by PB, submit such information to PB directly, indirectly or through PB's Product Compliance Database, which information will include (but is not limited to) that required (1) under the Dodd-Frank Act, Section 1502 and the Securities and Exchange Commission's Conflict Minerals Rule, (2) to enable PB to determine whether COMPANY is in compliance with PB's Supplier Code of Conduct, policies or standards (including but not limited to the Engineering Standards), (3) to ensure that the labelling, chemical composition, and notification or registration status of all substances in all Products, Spares and Supplies meets all environmental regulations (including Chemical Regulations), or (4) as otherwise necessary to enable PB to make whatever disclosures or representations may be required of PB by law or a PB customer request. COMPANY shall submit such data to PB within thirty (30) days of initial request unless PB specifies otherwise.

(d) COMPANY agrees to immediately notify PB of any changes to Products, Spares and Supplies impacting the environmental certifications, declarations, testing, safety data sheets, labeling, or approvals in clause (i) of subsection (c) or the information in clause (ii) of subsection (c). Within thirty (30) days of such changes (including any Chemical Modification), COMPANY will update the information in PB's Product Compliance Database that is affected by such changes.

(e) COMPANY agrees to immediately notify PB when a chemical ingredient, which is on or added to the Substances of Very High Concern (SVHC) list in the EU, is present at 0.1% or greater in the Products, Spares or Supplies or (for Products or Spares that are complex articles produced with components and sub-components) at 0.1% or greater in any component or sub-component within the Product or Spare.

(f) For all Chemical Supplies, COMPANY will either itself, through its own Only Representative or by requiring that COMPANY's suppliers do so, carry out or make and keep up to date any registrations or notifications or listings of or other information submissions relating to any substances, preparations, constituents or other materials that form part of the Chemical Supplies where such registrations, notifications or listings are necessary in a jurisdiction in the Territory where such Chemical Supplies are marketed and/or sold. For the avoidance of doubt, with respect to the European Economic Area, COMPANY shall be responsible at its own cost for ensuring that all constituent substances in Chemical Supplies are pre-registered, and if and when necessary, registered, in accordance with the requirements of the Regulation of the European Parliament and of the Council concerning the Registration, Evaluation, Authorization and Restriction of Chemicals and, further, COMPANY shall notify PB immediately in the event that any substance is proposed for or is subject to regulation under the Authorization or Restriction provisions of such Regulation. In complying with this subsection, COMPANY will consult with PB and take into account PB's comments to ensure that PB's interests including PB's and its customers' identified uses are adequately addressed.

(g) COMPANY agrees to assume, or require COMPANY's supplier to assume, any and all obligations to conduct an alternatives assessment or analysis ("AA") for Products, Spares and Supplies containing a chemical ingredient that must undergo AA pursuant to a green chemistry initiative in any jurisdiction in the Territory where Products, Spares and Supplies will be sold, including but not limited to the California Safer Consumer Products regulations (as may amended and as supplemented through related rulemakings including those to identify the product-chemical combinations that will be subject to AA). COMPANY will consult with PB and take into account PB's comments during the AA process to ensure that PB's interests are adequately addressed in advance of any regulatory response that may be imposed by authorities in the jurisdiction at the close of the AA process (e.g., product engineering controls, labeling requirements, sales restrictions, etc.).

(h) If a regulatory authority in the Territory requests information (either directly of COMPANY or indirectly of PB) relating to the manufacture of any Product, Spare or Supply (including packing material) using nanotechnology or the incorporation of any materials engineered through nanotechnology into the Products, Spares and Supplies (including packing material), COMPANY shall promptly provide such information to such regulatory authority if the information is within the custody or control of COMPANY.

(i) COMPANY warrants that any materials returned to COMPANY by PB will be disposed of, recycled, recovered, or reclaimed and not landfilled, in accordance with all applicable international, federal, state, local and European Union environmental or extended producer responsibility laws and regulations of the country of material dispositioning. COMPANY will utilize PB approved vendors for disposal.

(j) COMPANY agrees to defend, indemnify and hold harmless PB, its present and future officers, directors, employees and agents, from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, and costs and expenses incidental thereto, including costs of defense, settlements, and reasonable attorneys' fees, which any or all of them may hereinafter suffer, incur, be responsible for, or pay out as a result of bodily injuries, including death, to any person, or damage, including loss of use, to any property, public or private, resulting from or in connection with contamination of or adverse effects to the environment, including the disposal of Products, Supplies and Spares produced hereunder caused by COMPANY's breach of any of the warranties set forth in this Section of this Agreement, or any negligent or willful act or omission of COMPANY, its employees or subcontractors in the performance of this Agreement.

(k) COMPANY further agrees to indemnify and save harmless PB, its present officers, directors, employees and agents, from and against any and all liability and expense for removal or remedial action under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C.A. Section 9601 et seq., or any similar state "superfund" law, arising from or incidental to COMPANY's storage, processing, or disposition of Product, Supplies, Spares or waste generated by COMPANY.

(l) COMPANY will require that any third party that performs work as a subcontractor to COMPANY under this Agreement must meet the requirements set forth in this Section of this Agreement. COMPANY shall perform appropriate due diligence on any such third party that it utilizes for disposal and recycling of waste emanating from processes producing Products, Spares or Supplies.

(m) COMPANY must maintain records documenting compliance with this Section for all Products, Supplies and Spares provided to PB in the performance of this Agreement. If COMPANY elects to discontinue a particular Product, Supply, or Spare, supplier must continue to maintain such compliance records for that Product, Supply or Spare for a period no less than ten (10) years from the date of discontinuance.

(n) COMPANY agrees to immediately notify PB of any changes to Products, Spares and Supplies impacting COMPANY's obligations pursuant to this Section.

16. SPARES AVAILABILITY; PRODUCT AND SERVICE DOCUMENTATION

(a) COMPANY shall furnish to PB promptly after execution hereof two (2) copies each of the operator and service instructions and catalogs for the Products,

Spares and Supplies. From time to time, COMPANY shall also furnish to PB, as PB may reasonably request, copies of such other non-confidential printed materials with respect to the maintenance, operation and use of the Products, Spares and Supplies. PB shall have the royalty-free right and license to reproduce all or any part of any documents provided under this subsection for use with Products, Spares and Supplies purchased from COMPANY including inclusion in PB's sales or service literature relating to the Products, Spares and Supplies. PB is further given the right to modify any or all parts of the documents to reflect changes made to the Products, Spares and Supplies or consistency in style with other documentation used by PB or to satisfy legal or customer requirements.

(b) COMPANY shall also provide to PB storage and handling instructions for all Products, Spares and Supplies.

17. PRODUCT MODIFICATIONS

COMPANY will not make any modifications affecting the appearance or having any adverse effect upon the performance, serviceability or safety of the Products, Spares or Supplies without PB's prior written consent, and PB will not unreasonably withhold such consent. COMPANY will notify PB in writing of any modifications to any Chemicals Supplies, including any changes to the composition, concentration or classification of substances used in the Chemicals Supplies, even if such modifications do not affect the appearance or have any adverse effect upon the performance, serviceability or safety of the Chemical Supplies ("Chemical Modification"). COMPANY will provide PB all documentation (or prototypes if PB so requests) sufficient to enable PB to evaluate such modification. COMPANY will thereafter requalify, if necessary, the Product, Spares and Supplies for appropriate certifications or regulatory approvals at its expense in a reasonable time.

18. IMPROVED PRODUCTS

If COMPANY develops an improved Product ("Improved Product") which embodies any new features or capabilities which are not embodied in the Products, then COMPANY shall offer to sell the Improved Product to PB on substantially the same terms and conditions as are contained herein, except for price, which shall be negotiated in good faith between the parties. PB shall upon such offer have ninety (90) days to indicate in writing to COMPANY its acceptance of such offer or modification, which ninety (90) day period will commence when PB receives a working model of such Improved Product along with other documentation PB may reasonably need to evaluate the Improved Product. If pursuant to this Section, PB accepts COMPANY's offer, then such Improved Product shall be deemed to be a Product for the purpose of this Agreement.

19. TRADEMARKS

(a) If required in the Agreement Order Form, Ordering Document or Specification, COMPANY shall apply PB's name, trademarks, and logo to the Products, Spares and Supplies sold hereunder and shall apply same to all packaging, printed materials, labels, tags and nameplates in a manner according to such design as PB shall specify in writing to COMPANY. Unless such Agreement Order Form, Ordering Document or Specification so permits, COMPANY shall not apply, during or after the term of the Agreement, COMPANY's or any third party's name, trademark or logo to any Product, Spare or Supply sold to PB hereunder, or to any packaging, printed materials, labels, tags or nameplates, except to the extent to which COMPANY may, by law or for regulatory approval, be required to identify itself as the manufacturer or supplier thereof.

(b) Except as set forth in subsection 18(a), COMPANY shall not use the name, trademarks or logo of PB on the whole or any part or component of any product sold by COMPANY or on any sales, advertising, or service literature or package, label, tag or nameplate.

(c) COMPANY acknowledges that PB is the owner of the name and trademark "Pitney Bowes" and that COMPANY shall not acquire any right, title, license or other interest in any PB name, trademark or logo, or any name, trademark or logo which is substantially similar to those of PB, as result of any use thereof by COMPANY as provided for in this Agreement. Any use under this Agreement by COMPANY of any name or trademark or logo of PB or of any name or trademark or logo substantially similar to those of PB, and the good will of any business associated with any such name, trademark or logo, shall inure to the benefit of PB.

20. INTELLECTUAL PROPERTY RIGHTS

(a) The parties hereby agree to the following with respect to the ownership of and right to use or otherwise exploit intellectual property conceived, developed or reduced to practice during the manufacture and development of the Products, Spares or Supplies under the Agreement:

- (i) All Intellectual Property Rights, existing as of the Effective Date, shall remain the property of the party owning such Intellectual Property Rights ("Pre-Existing IP").
- (ii) If the Products, Spares or Supplies are in any way modified or customized for PB specifically pursuant to the Agreement Order Form or Specifications, PB shall solely and fully own all Intellectual Property Rights, which arise from such modifications or customizations in the Products, Spares and Supplies, subject to COMPANY's Pre-Existing IP. To the fullest extent permitted by law, all such Intellectual Property Rights that are subject to copyright protection shall be deemed works made for hire.
- (iii) Except as provided in (i) and (ii) above, the ownership of all other Intellectual Property Rights shall be dictated by operation of law.
- (iv) COMPANY hereby conveys to PB a non-exclusive, perpetual, irrevocable, worldwide, royalty-free right and license (with right to sublicense) to utilize any other Intellectual Property Rights, which are incorporated in, used in connection with or used to manufacture the Products, Spares and Supplies and which is owned or controlled by COMPANY, solely for using, selling, leasing, marketing or manufacturing the Products, Spares and Supplies.

(b) PB and COMPANY shall cooperate with each other in obtaining and securing all possible U.S. and foreign Intellectual Property Rights conceived, developed or reduced to practice during the development of the Products, Spares or Supplies.

(c) As applicable pursuant to subsection 19(a)(ii), COMPANY hereby assigns and agrees to assign, and shall cause its employees and consultants to assign, all Intellectual Property Rights in which, absent this Agreement it, its employees or consultants would hold or be deemed to hold, as required to effectuate the ownership rights as defined in this Section.

(d) COMPANY does not know of any Intellectual Property Right, owned or controlled by any third party, which is or would be infringed by its manufacture, sale or use, or PB's or its agent's marketing of the Products, Spares or Supplies. In the event COMPANY or any of its agents, suppliers or subcontractors becomes aware of a claim by a third party alleging that any Product, Spare or Supply or part thereof marketed by or for PB, or used by any of its customers, constitutes an infringement of any Intellectual Property Right of any such third party, COMPANY shall promptly notify PB of such claim regardless of whether such claim is asserted against COMPANY.

(e) In the event PB or any of its agents becomes aware of a claim by any such third party alleging that any Product, Spare or Supply or part thereof marketed by or for PB, or used by any of its customers constitutes an infringement of any Intellectual Property Right of any such third party, PB shall promptly notify COMPANY of such claim. COMPANY, at its discretion, may give notice to PB in writing that COMPANY elects to conduct and control the defense of such claim, and in such case,

COMPANY shall defend and hold PB, and its agents and customers, harmless in any litigation and against any claim or request that it take a license, and shall fully indemnify PB, and its agents and customers, for all costs, expenses and damages (including reasonable attorneys' fees) arising out of such litigation, claim or request if such litigation, claim or request is based on an allegation that any Product, Spare or Supply or any part thereof marketed by or for PB or used by any of its customers, constitutes an infringement of any Intellectual Property Rights of any third party ("IP Claim"). If COMPANY elects at any time after notice not to conduct and control the defense of such IP Claim, it shall give PB immediate notice of such intent and PB may, at its option, conduct and control the defense of such IP Claim. In such event, the indemnity provided for herein will further include an indemnity for all court costs and reasonable attorneys' fees incurred by PB after receipt of the notice from COMPANY. Irrespective of which party conducts and controls the defense of an IP Claim, the parties agree to cooperate with each other in any such defense.

(f) If PB, or any of its agents or customers, is enjoined from marketing or using any Product, Spare or Supply as a result of an action or proceeding based upon an IP Claim, COMPANY shall, at its own expense, procure for PB the right to market, sell, offer for sale, manufacture, import and use the infringing Product, Spare or Supply or infringing part thereof, or provide PB, and its agents and customers with non-infringing Products, Spares and Supplies that are materially equivalent to the enjoined Products, Spares and Supplies in terms of functionality and performance. In the event COMPANY, following good faith efforts, cannot procure for PB on commercially reasonable terms a license to market, sell, offer for sale, manufacture, import and use the infringing Products, Spares or Supplies, or supply PB with a non-infringing Products, Spares and Supplies that are materially equivalent to the enjoined Products, Spares and Supplies in terms of functionality and performance, PB shall, at its option:

- (i) terminate the Agreement, or
- (ii) by written notice request COMPANY to continue supplying the Product, Spare or Supply; however, in such event, PB shall indemnify and hold harmless COMPANY from all loss, expense, damage and costs, including without limitation, reasonable attorney's fees that may thereafter be incurred by COMPANY by reason of complying with PB's request.

(g) COMPANY represents and warrants, throughout the term of this Agreement, that the indemnification provisions of the Agreement, when such provisions are considered in the aggregate, are comparable to or better than any indemnification provisions provided to COMPANY by any of its agents, suppliers or subcontractors for the Products, Spares and Supplies, when such other provisions are considered in the aggregate. If an agent, supplier or subcontractor of COMPANY for the Products, Spares and Supplies provides more favorable indemnification provisions (when considered in the aggregate) to COMPANY than the provisions of this Agreement, such more favorable provisions shall be deemed incorporated into the Agreement and PB shall have the benefit thereof.

21. TOOLING

(a) COMPANY shall be responsible for procuring tooling and all other parts and equipment associated with the production of the Products, Spares and Supplies by COMPANY hereunder. PB will pay for the purchase of tooling, parts and equipment that are unique to the Products, Spares and Supplies and only where such tooling, parts and equipment are capable of being transferable to another for manufacture ("**PB-Owned Tooling**"), and that are identified in the Agreement Order Form or the applicable Ordering Document as PB-Owned Tooling. PB shall pay for PB-Owned Tooling according to the following schedule: (i) thirty percent (30%) upon order; (ii) thirty percent (30%) upon submission of the first sample produced by the PB-Owned Tooling; and (iii) forty percent (40%) upon qualification of the Products produced by the PB-Owned Tooling according to mutually agreed upon criteria. Before any PB-Owned Tooling is procured by COMPANY for PB, COMPANY shall furnish an itemized written description of the PB-Owned Tooling to be procured. Payment by PB for such PB-Owned Tooling shall not include non-recurring engineering expenses or other project development costs. PB-Owned Tooling may not be used by COMPANY, or COMPANY's vendors to produce parts or components for any other party other than PB without the express written permission of PB.

(b) The Agreement Order Form or the applicable Ordering Document shall identify any tooling and parts and equipment that PB is providing to COMPANY for the production of the Products, Spares and Supplies by COMPANY hereunder ("**PB-Supplied Tooling**").

(c) COMPANY shall track the PB-Owned Tooling and the PB-Supplied Tooling according to PB's asset tracking procedures provided to COMPANY by PB and as amended by PB from time to time. COMPANY shall affix an official PB asset tag to PB-Owned Tooling and the PB-Supplied Tooling. If an asset tag is not practical for a specific PB-Owned Tooling or PB-Supplied Tooling, then COMPANY shall permanently mark such PB-Owned Tooling or PB-Supplied Tooling with the PB asset number. COMPANY shall perform an annual physical audit of all PB-Owned Tooling and the PB-Supplied Tooling. If any PB-Owned Tooling and the PB-Supplied Tooling cannot be located during such audit, COMPANY must identify such PB-Owned Tooling or PB-Supplied Tooling in writing to the PB. COMPANY shall certify the results of the physical audit in a letter certified by the controller (or a person with equivalent authority) of COMPANY ("Certification Letter"). COMPANY shall provide the Certification Letter pursuant to the notice terms set forth in Section XX by no later than February 1 of each year.

(d) COMPANY shall be responsible for all scheduled maintenance of PB-Owned Tooling and the PB-Supplied Tooling, inclusive of breakage due to negligence, for the useful life of such PB-Owned Tooling and the PB-Supplied Tooling. COMPANY will not charge PB for such scheduled maintenance. PB and COMPANY acknowledge that they have estimated and agreed upon the useful life expectancy of such PB-Owned Tooling and the PB-Supplied Tooling, based on unit production volume.

22. Surviving Sections.

The following sections shall survive the termination or expiration of the Agreement: (i) Sections 1, 3, 9, 11, 13-15, 19-20 and 22; and (ii) any other section that, by its nature, would continue beyond the termination or expiration of the Agreement.

