

Global Channel Program Handbook



Partner Handbook

"A Guide to Patton Profitability"

PATTON[®]
Let's Connect![™]

Contents

I	Patton Management	3
II	Patton Corporate & Sales Offices	4
III	Introduction	5
IV	Program-at-a-Glance	6
V	Program Benefits	7
VI	Certified Channel Type Descriptions	9
VII	Multi-Level Sales & Marketing	11
VIII	Tiered Pricing	12
IX	Training Programs	13
X	Product Specializations	14
XI	Development Funds	15
XII	Stock Rotation	17
XIII	Agreement	18
	Partner Agreement	18
	Terms and Conditions	19
XIV	Ordering	22
	Sample Purchase Order	22
	Payment Information	23
XV	More About Patton	24

07MGLOBCHAN, Revision R.

Copyright © 2004–2019, Patton Electronics Company. All rights reserved.

This document contains proprietary information that is the exclusive property of Patton Electronics Company. It may not be reproduced or transmitted, in whole or in part, without prior written agreement from Patton Electronics Company.

I. Patton Management



Bobby Patton
President
and CEO
Email: bobby@patton.com



Burt Patton
Executive
Vice President
Email: burt@patton.com



Marjan Torkar
President, Patton-Inalp
Networks
Email: mtorkar@patton.com



Ramon Felder
Business Development
Executive
Email: ramon.felder@patton.com



Martin Svozil
President & CEO
of Patton Hungary Zrt
Email: martin@patton.com



Steve Schrader
Vice President
of Manufacturing
Email: steve@patton.com



Bryan Dubois
Vice President of
Special Projects
Email: bryan@patton.com



Buddy Oliver
Vice President of
Business Development
Email: buddyo@patton.com



Jo Wlotzka
Vice President
of Engineering
Email: jo@patton.com



Chris Christner
Director of
Marcom
Email: cchrist@patton.com

II. Patton Corporate & Sales Offices

World Headquarters

Patton Electronics Co.

7622 Rickenbacker Dr.
Gaithersburg, Maryland, USA
URL: www.patton.com
Email: sales@patton.com
Tel: +1 301 975 1000
Fax: +1 301 869 9293

Technical Support

Tel: +1 301 975 1007
Fax: +1 301 869 9293
Email: support@patton.com

DomSales

Tel: +1 240 912 1228
Email: domsales@patton.com

MENA

Middle East & North Africa

Phone: +1 240 912 1215
Mobile: +961 3 708409
mena@patton.com

Support

Phone: +1 240 912 1215
support@patton.com or
mena@patton.com

Central & Eastern Europe

Patton Hungary Zrt

Gábor Dénes utca 4. Infopark
Budapest, HUNGARY
Phone: +36 1 439 4840
ce@patton.com

Support

Phone: +36 1 439-4835
support@patton.com

Asia & Pacific

Phone: +1 240 912 1218
asiapacific@patton.com

Support

Phone: +84 909 355 945
Fax: +1 301 869 9293
support@patton.com

Western Europe

Patton-Inalp Networks AG

Meriedweg 7 CH-3172
Niederwangen, SWITZERLAND
Phone: +41 31 985 2525
Fax: +41 31 985 2526
we@patton.com

Support (Mon–Fri, 8AM to 5PM CET)

Phone: +41 31 985 25 55
Fax: +41 31 985 2526
support@patton.com

Western Europe Branch Offices

Milan, ITALY

Phone: +41 31 985 25 63
we@patton.com

Munich, GERMANY

Phone: +41 31 985 25 68
we@patton.com

Paris, FRANCE

Phone: +41 31 985 25 60
we@patton.com

Brussels, BELGIUM

Phone: +41 31 985 25 75
we@patton.com

Branch Offices

Mexico City, MEXICO

Phone: +1 240 912 2633
americas@patton.com

Mumbai, INDIA

Phone: +1 240 912 2635
india@patton.com

Melbourne, AUSTRALIA

Phone: +61 45 929 0919
asiapacific@patton.com

III. Introduction

Introducing Patton's *Global Channel Program Handbook*, your new key to profitability.

The "Patton Global Channel Handbook" is a reference guide intended to detail the means for becoming and maintaining status as a Patton-Certified channel. We have designed a channel program & incentives package ideally suited for our Channels.

- Know Who to Call for Help
- Know Where you Fit and Where You are Going
- Maximize your Margins
- Get Rebates & Market Development Funds
- Protect your Accounts
- Get Special Pricing
- Become Specialized

Patton seeks long-term Channel relationships with companies who are committed to the Patton product line, engage with us in extensive training programs and sales activities, actively promote the products and avoid significant product overlaps. Similarly, Patton wishes to build and invest in the channel in a manner which maximizes channel revenues, limits conflicts between Certified Channels and affords the right incentives and margins for our partners.

Consequently, Patton has deployed a global channel strategy and program to certify Channels with clearly communicated guidelines. The goal is to establish an organized channel with known rules and references.

Bobby Patton,
President
and CEO



Burt Patton,
Executive
Vice President



IV. Program-at-a-Glance

Patton's Channel Program has been designed to fit the different needs and business objectives of our most important Channel partner types. Whether your company is focused on logistics, systems integration, or web marketing and e-commerce, Patton has the products, support and the programs to become one of your top suppliers.

For details on Tiered Pricing and Incentive Programs, please consult the appropriate section of this manual.



	VAR	Direct Response	Companion Channel	Integrator	Value Added Distributor	Distributor*
General						
Annual Volumes	\$50,000	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000*
Sales Restrictions	End Users	No Restriction	With Companion Partner Solutions	No Restriction	Resellers Only	Resellers Only (Contractual)
Standard Pricing Tier (see pg 13)	Tier III	Tier III	Partner Specific	Tier II	Tier II	Tier I
Earned Specialization Tier (see pg 15)	Tier II	Tier II	Partner Specific	Tier II - 5%	Tier I + 5%	Tier I
Program Benefits						
Development Funds (see pg 16)	No	2%	Partner Specific	2%	Up to 4%	2%
Stock Rotation (see pg 18)	No	Yes	No	No	Yes	Yes
Assigned Registered Resellers (see pg 12)	No	No	Yes	No	Yes	No
Program Requirements						
Certified Sales Personnel (see pg 15)	5	5	5	5	5	5
Certified Technical Personnel (see pg 15)	1	2	2	2	4	Negotiated
Point of Sale Data	No	Yes	No	No	Yes	Yes
*Distributor Annual Volume is a Contractual Commitment						

V. Program Benefits

i Attention All Channels

All Certified Patton Channels are entitled to the following:

Certified Channel Database

Each Certified Channel partner is entered into our Global Channels Database with a profile, certifications tracking and “dashboard” information pulled from the CRM system. The database is accessible to all Patton subsidiaries and joint ventures around the world and is used to promote collaborations based on the channels skills and experiences. The database also relates the Certified Channels to Registered Partners, tracks Certifications and contains market-focus, product-focus and purchased products history. The database also contains information about the channel inventory status for channels participating in the Stock Rotation program.

Assigned Territory Manager



A specific Region or Territory Manager who is knowledgeable on Patton products and the relationship with the Partner. The Territory Manager is your “champion” and go-to person within Patton.

Pre-Sales Support

A top-notch sales and marketing group who can answer questions regarding applications and specifications to help make your sales effort a smooth one.

Post-Sales Support

A top-notch technical services group who can help to troubleshoot implementation and integration issues. Patton’s unique and popular lifetime support on our products provides a significant competitive advantage.

Patton Partner Portal



V. Program Benefits (cont.)

i Attention All Channels (cont.)

All Certified Patton Channels are entitled to the following:

Newsletters

A NetworkNews publication that provides essential information on newly released products, application notes, success stories, and other relevant information.



Product Collateral

A set of sales and marketing materials including catalogs, product data sheets, and product presentations.



Marketing Catalog

The Patton Marketing Catalog provides many marketing solutions for Patton Certified Channels. Available are product & solutions guides, posters & banners, digital signage, table covers, direct mail & print ads, embroidered shirts, and more. Most items can be purchased from Patton or customized to add Channel logo and contact information.



Patton Logos

Patton Brand logos may be used by partners per Patton's logo guidelines.



VI. Certified Channel Type Descriptions

VAR Channels

This is the entry level Certified Channel for VARs and “lean” Integrators. They promote Patton products into various projects and opportunities using a sales force backed by internal resources or collaboration between

vendors. VAR Channels can earn various specializations. VAR Partners are expected to purchase at least \$50,000 per year in order to maintain their status.

Direct Response Channels

Direct Response Channels are re-marketers of Patton products using on-line shopping carts, print catalogs or direct mail as the primary means of promoting Patton in a given region. Direct Response Channels have demonstrated market access presence within their industry. Patton has designed a price structure and incentive pro-

grams designed for the e-commerce, web and re-marketing environment including Market Development Funds and Stock Rotation. Patton expects Direct Response Channels to purchase \$50,000 of select Patton product on an annual basis in order to maintain their status.

Companion Channels

Companion Channels are the channels of and associated with a Patton Technology or Marketing Partnership. These Technology Partners are industry peers in signed cooperation agreements with Patton which includes a level of participating in each other's Eco System (Example: Broadsoft Broadworks, Microsoft Lync, 3CX, Yealink, SNOM, etc.). These channels are specialized and focused on our partner's technologies and using Patton products to build and bundle solutions. Companion Channels typi-

cally distribute/resell Patton products as a component to an overall solution from opportunities generated by our Partner's brand. Companion Channel terms are negotiated with the Technology Partner and typically include limitations to sales to our Technology Partners' users. Patton expects Companion Channels to purchase \$100,000 of select Patton product on an annual basis in order to maintain their status.

Systems Integrator Channels

Systems Integrator Channels have demonstrated their success in recommending products & services within their industry and they have a strong & loyal customer base to which they can promote Patton Products. They must have a strong technical sales force and the demonstrated ability to deploy complex turnkey networks. Systems Integrator

Channels often perform “distribution” functions & services for Patton as well. Systems Integrator Channels will pursue various product specializations and Market Development Funds. Patton expects Systems Integrator Channels will sell over \$250,000 of Patton product on an annual basis to maintain their status.

VI. Certified Channel Type Descriptions (cont.)

Value Added Distributor (VAD)

VADs are specialized distributors providing a high level of marketing, sales and technical support to their base of resellers. VADs are selling to resellers, VARs and integrators supporting those channels with a technical team of project management and integration support personnel. VADs must acquire and maintain a high level of technical competence on Patton products and actively engage in establishing the Patton brand in their Territory through marketing, sales and project support activities. Patton

VAD channels have demonstrated their success in effectively supplying the channel and have a strong and loyal reseller base that prefers to purchase via distribution. Patton has designed a price structure that provides our VADs with the ability to make margins based on special incentive programs that provide Stock Rotation and funding to create awareness of Patton solutions to the reseller channels. VAD have a target revenue of \$500,000 of Patton product on an annual basis to maintain their status.

Distributor

Distributors are broad line logistics providers focused on holding stock for fast delivery of a wide range of products to a large base of resellers, carriers, integrators and VARs. Distributors sell exclusively to resellers and Carriers. Patton's Distribution Partners must demonstrate the ability to efficiently supply resellers with Patton product having logistics support systems in place. Distribution Partners have demonstrated their success in effectively supplying

the channel and have a strong and loyal customer base buying via distribution. Patton has designed a price structure that provides our Distribution Partners with the ability to make margins based on special incentive programs that provide Stock Rotation and funding to create awareness of Patton solutions to the reseller channels. Distributors must contractually commit to purchase a minimum purchase of Patton product on an annual basis.

VII. Multi-Level Sales & Marketing

Patton maintains an extensive database of “Registered Partners” representing existing and highly prospective purchasers of Patton products. Registered Partners include End Users, Carriers and Resellers of all sorts. Registered Partners DO NOT purchase directly from Patton and instead are assigned a Certified Channel. All Registered Partners enjoy a direct non-trading “relationship” with Patton; under the direction of the Patton Regional Manager; and are entitled to receiving direct support from the factory including commercial, project, sales, marketing and technical support. When a Registered Partner is “assigned” to a Certified Channel, the Certified Channel is automatically protected on that account.

Certified Channels

All partners doing business directly with Patton for the purpose of resale and officially certified by Patton to resell Patton brand products.

Registered Partners

All registered End-Users, Resellers and Carriers who are purchasing Patton products from a Certified Channel and tied to a particular Channel for account protection and referral purposes.

Resellers

Unregistered resellers serviced by Certified Channels.

VIII. Tiered Pricing

Patton's Global pricing policy affords three Tiers of pricing. Certified Channels are placed into one of three tiers of pricing based on channel type and overall status within the program. Tiered pricing also affords a guideline to all Certified Channels to understand their position within the Patton Certified Channel Program.

Tier I

Pricing for true Distributors (not selling to end users). Value Added Distributors can earn Tier I + 5% pricing based on an earned specialization.

Tier II

Pricing for System Integrator Channels and Direct Response Channels buying from Patton. VAR partners can earn Tier II pricing, for certain categories of products, based on an earned specialization. Tier II is also an Ex Works reference price for Registered Partners purchasing from a Distributor or another Integrator.

Tier III

Pricing for VARs buying from Patton and an Ex Works reference price for non-Certified "Resellers" purchasing from a Distributor or Integrator.

IX. Training Programs

Patton offers both Sales Training and In-Depth Product and Support Training for various product lines. These training programs benefit the Certified Channel Partner by increasing product knowledge and improving their ability to close business. Patton's current training courses include the following:

Training Type	Duration	Course Description
Sales Training and Event Participation	Varies	Patton regularly offers Webinars, Seminars, Sales Trainings which are Product, Application, and Solution centric events. Subjects, durations and timings vary and can be viewed in the Training/Events section of our web site. Channel registration and participation in these events is credited as General Sales Certifications.
SmartNode™ 1K Certification	3 Days	Be ready to converge with the SmartNode™ 1K technical certification course. This course provides the in-depth knowledge you need to install and configure the complete line of SmartNode™ VoIP products for data, voice, and telephony applications. The course is both theory and implementation with detailed training on SIP/H.323, TCP/IP, NAT, IPsec VPN, network planning, configuration, and troubleshooting. Hands-on activities cover network analysis, VoIP application assessment, and VoIP troubleshooting with live end-to-end calls with real SmartNode™ devices.
SmartNode™ 10K Series Certification	3 Days	Be ready to converge with the SmartNode™ 10K Series technical certification course. This course provides the in-depth knowledge you need to install and configure the complete line of SmartNode™ 10K Series VoIP products for data, voice, and telephony applications. The course is both theory and implementation with detailed training on SIP/H.323, TCP/IP, NAT, IPsec VPN, network planning, configuration, and troubleshooting. Hands-on activities cover network analysis, VoIP application assessment, and VoIP troubleshooting with live end-to-end calls with real 10K Series SmartNode™ devices.
Online Certification Basic & Advanced	Variable	Available 24 hours a day, the Patton Academy offers on-demand learning for channels and partners via the worldwide web. Patton Academy offers a complete web-based technical certification curriculum for Patton products. Successful completion of the curriculum qualifies a student to earn various certifications. Our online training is coupled with hands-on exercises so that the student gains practical experience as well as theory. For hands-on training, training kits are required.

Note: To receive the Certification, the attendee must complete successfully all the course days and pass a final exam.

X. Product Specializations

Certified Channels can lower purchase prices on certain products for which they have earned a “Specialization”. Specialization Criteria are described below:

Specialization	Requirements
Unified Communications Specialization	5 Active Sales Certifications
	2–4 Active SmartNode™ or Online Certifications
Connectivity & Network Access Specialization	5 Active Sales Certifications
	2 Active Online Certifications

XI. Development Funds

Market Development Funds (MDF) and Channel Development Funds (CDF)

The Development Funds (MDF) program is designed to reward certain Certified Channels and provide funds for local marketing activities. The funds are earned by the Channel and used by the channel under the direction of the Regional Manager.

Eligibility

Development Funds are for Distribution, VAD, Integrator, and Direct Response only. Channels whose Agreements have terminated will forfeit the rights to all unused MDF funds at the date of termination notice.

MDF Amount

The Certified Distributor is eligible for Market Development Funds accrued on Patton products purchased directly from Patton.

The Certified Integrator, Companion Channel, and Direct Response partner are eligible for up to 2% Market Development Funds accrual on Patton product purchased directly from Patton.

Requirements

The MDF accrual is based on Patton receiving a monthly Point-of-Sale (POS) report. The POS report must be submitted in a spreadsheet format and must include The Customer Name, Customer Address, Patton Model No, Quantity, Unit Selling Price, Extended Price, and Date Shipped. All sales must be reported by the 5th business day of the following month to be eligible for the MDF accrual. Channel Partners who choose not to provide POS reports as detailed will not be eligible for MDF.

The MDF accrual is based on Patton receiving a MDF plan detailing the use of the MDF funding for approval by the Regional Manager.

Development Fund Accrual Claim Process

Development Funds are intended solely for marketing activities that promote Patton products and must be used within six months of being reported unless extended by Patton in writing. Patton's Regional Manager along with the Channel Partners key marketing contact must agree on the marketing activity that the Development Fund will fund. An Approval Form is included and must be completed by the Channel Partner and approved by Patton prior to expending any funds. All Development Funds must be used within six months of being reported. Channel Partner grants to Patton the right to audit the subject marketing activities to verify uses of funds. Funds shall be promptly returned to Patton if Patton deems funds were not used as described in the approval form.

Patton reserves the right to modify or cancel this program at any time. The fund is calculated against the Channel Partners price paid for Patton product (line items with associated Patton Model Numbers) at the standard Channel pricing. Development Funds are not paid on special-priced orders. Product returns will have the fund amount (when applicable) deducted from the amount to be credited.

Channel Partners!

Have you spent all of your Patton Marketing Development Funds (MDF)?

The Patton Marketing Catalog presents plenty of ways to leverage those MDF dollars to increase your future sales volumes by driving market demand for your inventory of Patton products.

Free to certified channel partners, the publication presents a selection of product catalogs, solutions guides, posters, banners, white papers, digital signage, table covers, advertisements, embroidered shirts, and more.

Upon request, most items in the catalog can be customized with your logo and contact information. Many items can be downloaded as high resolution PDFs, suitable for printing in your locality. All items can be purchased from Patton using accrued MDF.

Want a hard copy for your desk or bookshelf? Log onto Patton's website at <http://www.patton.com/info/index.asp?t=23> and complete the publication request webform. We'll mail you the 8½ x 11-inch full-color glossy booklet via the United States Postal Service.

Here's wishing you a prosperous and profitable year, and thanks for partnering with Patton!



XII. Stock Rotation

Local availability of Patton products is a key driver to revenue for certain channel types. The Stock Rotation incentive is designed to create an incentive for Certified Channels to hold inventory on Patton products and to enable Patton to track the inventory status of the Channel Partner, for the purpose of lead referral.

Eligibility

You must be a Certified Distributor, VAD, or Direct Response Channel to participate in this program. Certified Channels participating in this program must upload their inventory status to a Patton Inventory Tracking Webpage at least once per month. The upload includes only a valid Patton Model Code and the quantity on-hand at the time of the upload.

Rotation Conditions

Quarterly, Patton Certified Channels may exercise their privilege to “rotate” inventories of products originally purchased from Patton. Each return request must be accompanied by a new order of equal or greater value. The total value of the quarterly rotation may include 10% on the first \$50,000 of the previous quarter’s shipments and 5% of the previous quarter’s shipments thereafter.

Upon receipt of the rotated inventory carrying a valid Patton RMA number, Patton Electronics will issue a credit memo for the original purchase cost of the products. The channel will assume all freight, insurance and/or importation cost associated with the returned goods. Customized products, products with orange or red EOL status at the time of the original order, and products sold to the channel more than 12 months prior are not eligible for rotation. Patton will not apply credits for any return which is an “opened box”, damaged, out of current revision or end of life products.

XIII. Agreement

Partner Agreement

THIS AGREEMENT made this ____ day of _____, 20____, **PATTON ELECTRONICS COMPANY**, a Maryland corporation and having its main office at 7622 Rickenbacker Dr., Gaithersburg, MD 20879 (“Patton”) and _____, a _____ corporation, having its main office at _____ (“Partner”) wishes to acquire and sell certain Patton products and has completed a Patton Partner Application and Patton wishes to have Partner sell such Patton products and agrees to provide such Patton products to Partner, in accordance with the terms and conditions of this Agreement made applicable to all VARs, Integrators, Representatives and the like. In consideration of the mutual covenants contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties covenant and agree as follows:

Appointment: Subject to the terms and conditions of this Agreement, Patton hereby appoints Partner as an independent, non-exclusive, authorized Partner for the Products in the Territories.

Non-Exclusive: This Agreement shall not be construed to limit either party’s right to deal with any other Partner, suppliers, sellers or customers, nor shall it be construed to limit Patton’s right to sell products or services to other parties, or to prohibit or restrict Partner from acquiring, distributing or independently developing products. Provided however, that for a period of three (3) years after the effective date, Partner shall not produce a product that competes with the Products.

Supply: Patton agrees to sell to Partner (or license in the case of Patton Product software) the Products and spare parts ordered by Partner in accordance with the terms of this Agreement.

Technical Support: Patton shall provide Support Service for its Products through the Partner that sold to end users in the territory. Products sold outside of the designated territory voids all support and warranty services.

Trademarks: Patton will allow use of Patton’s trade-marks and logos in accordance with Patton’s reasonable written guidelines, as provided to Partner from time to time. End User services for the Products may be marketed and sold under any applicable Patton service marks or trademarks without restriction. This Agreement does not give the Partner any license, right title or interest in any Patton name, trademark, service mark or logo. Partner shall not use Patton’s name, or any Patton trademark, service mark or logo without Patton’s express, prior, written consent.

Documentation: Patton shall provide Partner with a master copy and a reasonable number of copies of all Documentation for each Product Patton grants Partner a non-exclusive, royalty-free right and license to copy, use, modify, translate and otherwise prepare copies of the Documentation and distribute the Documentation to its End Users in the Territory.

Partner to Obtain Training: Partner shall, at its cost and expense, send authorized personnel to Patton’s headquarters to be trained on the Products.

Sales Practices: Partner agrees to price the Products at competitive retail and wholesale levels and to not engage in unsavory sales practices that might reflect adversely upon Patton. Partner agrees to employ sufficient personnel to promote, market, and sell the Products upon a best efforts basis within the Territory.

MAP (Minimum Advertised Price): Channel is obliged to not advertise Patton products below BASE price.

Payments: Partner shall pay all invoices promptly in accordance with the Purchase Terms as contained in this Agreement.

Forecasting, Etc.: Partner agrees to provide a sales forecast at least on a quarterly basis and to further inform Patton of competitive products that may appear in the Territory. Partner agrees to provide point-of-sale data if Partner participates in any discount program.

Changes in Status: Partner agrees to inform Patton of any change in its financial status, corporate structure, key personnel or other factors, which might affect its ability to comply with the object and intent of this Agreement

Terms and Conditions: The attached Terms and Conditions form an integral part of this agreement and are incorporated herein by reference.

Territory: The territory which is the subject of this agreement, is _____

Products and Prices: Products and Prices are as stated in the Products and Prices document and are subject to Patton’s MAP Policy. Partner agrees to not advertise prices for products below those specified as “BASE” in the Products and Prices document. Document contents are subject to change.

Confidentiality: The contents of this agreement, its associated attachments, and any information marked as “confidential” shall be protected from disclosure to third parties by Partner.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

Patton Electronics Company (Partner) _____

(Signature) _____

(Signature) _____

(Print) _____

(Print) _____

(Title) _____

(Title) _____

XIII. Agreement

Terms & Conditions

Security Interest: Patton reserves, and the Partner grants, a purchase money security interest to secure the performance by the Partner of its interests and obligations to Patton. The Partner agrees to deliver such documents as may be requested in order to perfect a security interest in all products sold and all proceedings to secure the full payment.

Delivery: All products are shipped at Partner's risk. Patton assumes no responsibility for damage, loss, or delay of delivery. Title passes to Partner when the products are delivered to the carrier, to Partner, or to Partner's agent, whichever occurs earlier. Unless otherwise stated, shipment will be made F.O.B. Gaithersburg, MD. Shipments will be sent prepaid. Prices quoted do not include transportation charges, and actual charges will be added as a separate line item to the invoice.

Cancellations And Returns: Orders, which have been accepted, may be cancelled only with Patton's prior written consent, and only upon terms that will fully indemnify Patton against loss. Products are not in any event to be returned, or refused at delivery without Patton prior written authorization. A restocking charge shall be assessed all returned or cancelled orders.

Warranty: Patton warrants that each product will be free from defects in materials and workmanship for a period of one (1) year. Patton disclaims any warranty of fitness for a particular purpose. The warranty commences on the date the product is shipped by Patton. All claims for non-conforming or defective products must be made in writing. Patton's sole responsibility with respect to such claims shall be, at Patton's option, to repair or replace any product. Patton will not be responsible under its warranty for any defect which is caused by negligence, misuse or mistreatment of a product, or for any unit which has been altered or modified in any way, nor shall Patton be liable for any incidental consequential or exemplary damages due to any cause whatsoever.

Warranty Disclaimer: Patton's express warranty to Partner constitutes Patton's sole liability and the Partner's sole remedy with respect to the Products, and is in lieu of all other warranties, liabilities, and remedies. EXCEPT FOR THE WARRANTIES CONTAINED IN THIS AGREEMENT, PATTON DISCLAIMS ALL OTHER WARRANTIES ON THE PRODUCTS, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Patents: Patton shall have no liability of any kind with respect to any actual or alleged infringement of any United States or foreign patent, trademark, or similar rights.

Authorized Use Of Product: Partner agrees not to reproduce, imitate, reverse engineer, or otherwise directly or indirectly duplicate the product or any of its components. Partner shall not use or disclose any technical data delivered or maintenance of goods purchased, without prior written consent. No right to designs or intellectual property takes place, even where NRE is paid, unless specifically agreed to by Patton.

Export: If Partner is a US company, Partner certifies that it will not export or re-export the Products furnished hereunder unless it complies fully with all liens and regulations of the United States relating to such export or re-export, including but not limited to applicable U.S. Export Administration rules and regulations.

Governing Law: The laws of the State of Maryland hereunder govern this agreement and all transactions.

Precedence: These Terms & Conditions shall take precedence over any Terms & Conditions that may appear on the Partner's order form unless otherwise agreed to in writing by Patton.

Acceptance of Agreement: Acceptance of this agreement by Patton is limited within the meaning of UCC Section 2-207(2)(a) to the terms and conditions hereof. Any additional or different terms and conditions proposed by Partner are hereby rejected and shall not be binding unless Patton expressly agrees to them in writing. Acceptances or confirmations which propose additional or different terms and conditions shall be operative as acceptances, provided, however, that all such additional or different terms and conditions shall be deemed material alterations within the meaning of UCC Section 2-207(2)(a) and notice of objective to them pursuant to UCC Section (2)(c) is hereby given. The parties hereby disclaim any application of any UN declaration on the International Sale of Goods.

Price: Unless otherwise specified, all pricing in the Products and Prices document shall be in US dollars.

Purchase Orders: Partner shall order the Products by issuance of a written purchase order ("Purchase Order"). Each Purchase Order shall include the desired quantity of Products, a requested due date (the "Due Date"), the method of shipment and the location to which the Products should be shipped. Purchase orders shall be non-cancelable and non-returnable unless Patton agrees in writing to any such cancellation or return. In no event will any product be returned without obtaining an RMA number from Patton.

Payment Terms: Payment shall be made upon receipt of invoice or as established by Patton's credit department. Payment is due as established by Patton Credit Managers and is subject to change at the discretion of Patton. Interest shall run on any unpaid balance at the rate of one and one-half percent (1.5%) per month or to the maximum percent allowed by law. If an unpaid balance is placed with an attorney for collection, Reseller shall pay all costs, including reasonable attorney fees. Reseller waives right to trial by jury. Patton reserves the right to pursue collection of unpaid invoices through the use of any legal process, irrespective of any arbitration provision contained herein.

XIII. Agreement

Terms & Conditions – Continued

Product Changes: Patton reserves the right to make product changes at any time. Patton may discontinue the manufacture of any of the Products during the term of this Agreement. Patton shall allow Partner to make an additional, final Purchase Order for such discontinued Products, in addition to quantities already ordered.

Representations and Warranties of Partner:

- (a) It has the power and authority, and all rights, licenses and permits required, to execute this Agreement and to satisfy and perform its obligations and responsibilities set forth herein;
- (b) It will comply with all laws, regulations, reasonable practices and standards applicable to the obligations assumed by Partner under this Agreement;

Representations and Warranties of Patton:

- (a) Patton has the power and authority, and all rights, licenses and permits required, to execute this Agreement and to satisfy and perform its obligations and responsibilities set forth herein;
- (b) Patton will comply with all laws, regulations, reasonable practices and standards applicable to the obligations assumed by Patton under this Agreement;

Indemnification: Partner agrees to indemnify and hold Patton harmless from any and all claims, charges, costs, including attorney fees arising out of or concerning the sales activities of Partner. Section (“Limitation of Liability”) shall not apply in any respect to this Section.

LIMITATION OF LIABILITY: EXCEPT AS PROVIDED IN SECTION “Indemnification” ABOVE, NEITHER PARTY, THEIR EMPLOYEES, AGENTS, OFFICERS OR DIRECTORS SHALL BE LIABLE IN ANY WAY WHATSOEVER, FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOST PROFITS OR BUSINESS REVENUE, LOST BUSINESS, FAILURE TO REALIZE EXPECTED SAVINGS, OR OTHER COMMERCIAL OR ECONOMIC LOSS OF ANY KIND WHATSOEVER, WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE FOR EITHER PARTY, THEIR EMPLOYEES, AGENTS, OFFICERS OR DIRECTORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Term: Unless otherwise terminated in accordance with the provisions herein, this Agreement shall remain in effect for a period of one year. Thereafter, this agreement shall continue on a month-to-month basis. This agreement shall be subject to immediate termination upon the occurrence of any of the following events:

- (a) The other party breaches any material term of this Agreement, and fails to remedy such breach within thirty (30) days of receiving notice to do so by the non-defaulting party;
- (b) Any proceeding in bankruptcy, receivership, delisting from any stock exchange, liquidation or insolvency is commenced against the other party or its property, and the same is not dismissed within thirty (30) days; or
- (c) The other party makes any assignment for the benefit of its creditors, becomes insolvent, commits any act of bankruptcy, ceases to do business as a going concern, or seeks any arrangement or compromise with its creditors.
- (d) Either party may terminate for convenience upon 90 days notice to the other party.

Effect of Termination or Expiry: In the event that this Agreement is terminated or expires for any reason:

- (a) Patton shall process all Purchase Orders received from Partner prior to the effective date of termination or expiry, and shall accept all Purchase Orders made in accordance with this Agreement provided however, that Patton does not deem itself insecure for payment.
- (b) Partner and its distributors shall be entitled to continue to distribute any Products contained in their inventory on the effective date of termination, or Products subsequently received from Partner;
- (c) Neither party shall, by reason of the termination or expiry of this Agreement, be liable to the other for compensation, reimbursement or damages on account of the loss of prospective profits on anticipated sales, or on account of expenditures, investments, leases or commitments entered into or made in connection with the business or goodwill of the other.
- (d) Each party acknowledges that, during the term of this Agreement, it may be exposed to certain confidential and/or proprietary information and materials regarding the other party’s business, including but not limited to information concerning a party’s technology, customers and suppliers, which is identified as confidential or proprietary at the time of disclosure (“Confidential Information”).
- (e) However, Confidential Information shall not include any information or material which: (i) is in (or comes into) the public domain, provided it came into the public domain through no fault of the receiving party; (ii) can be demonstrated to have been independently developed by the receiving party without reference to the Confidential Information; (iii) is rightfully received by the receiving party from a third party not under an obliga-

XIII. Agreement

Terms & Conditions – Continued

tion of confidence to the disclosing party with respect thereto; or (iv) is required by law or regulation to be disclosed, but then only to the extent of such required disclosure and under confidentiality to the extent reasonably possible.

(f) Each party will for a period of three (3) years following initial disclosure of any Confidential Information: (i) use a reasonable standard of care to protect Confidential Information, (ii) not use Confidential Information except as permitted by the party disclosing such Confidential Information, (iii) not disclose Confidential Information except to its employees or representatives to whom disclosure is necessary to effect the purposes of this Agreement, and who are similarly bound to hold the Confidential Information in confidence; and (iv) not reproduce Confidential Information without the disclosing party's prior written consent.

Assignment: Neither party shall assign or transfer any rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. However, notwithstanding the foregoing, Patton may assign or transfer its rights under this Agreement: (i) to any parent, subsidiary, affiliate or other entity within the Patton group of companies; and/or (ii) to any successor in interest, in the event that Patton merges or consolidates with a third party, or a third party purchases all, or substantially all of the assets of Patton, provided that in each case the assignee or transferee agrees to the provisions of this Agreement.

Governing Law: This Agreement shall be governed by the laws of the State of Maryland, USA (except for its conflict of laws provisions); the parties expressly exclude from this Agreement all the provisions of the Vienna Convention, 1980 (The United Nations Convention on Contracts for the International Sale of Goods).

Severability: The provisions of this Agreement shall be deemed severable. If any provision of this Agreement shall be held unenforceable by any court of competent jurisdiction, it shall be severed from this Agreement and the remaining provisions shall remain in full force and effect.

Amendments: This Agreement shall not be amended or modified except in writing signed by the parties hereto. No course of dealing or usage of trade by or between the parties shall be deemed to effect any such amendment or modification.

Headings: All headings and captions contained herein are for convenience and ease of reference only and are not to be considered in the construction or interpretation of any provision of this Agreement.

Survival: These Terms and Conditions shall survive termination or expiry of this Agreement.

Waivers: All remedies provided in this Agreement are cumulative and are in addition to any and all legal rights of the parties. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, or a waiver of any other, different or subsequent breach.

Relationship: Neither Patton nor Partner shall represent that its relationship with respect to the other party is other than as an independent contractor. Nothing in this Agreement shall create in either party any right or authority to incur any obligations on behalf of, or to bind in any respect, the other party and nothing in this Agreement shall be construed to create any agency, joint venture or partnership.

Entire Agreement; Governing Terms: This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and cancels and supersedes any prior understanding and agreements between the parties relating thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied, statutory or otherwise between the parties, except as expressly set forth in this Agreement. All additional or different terms of conditions contained in either party's purchase orders, acknowledgements, acceptances, invoices or other business forms shall be void and of no effect.

Arbitration: The parties agree to submit any dispute concerning this agreement to binding arbitration before the American Arbitration Association. Partner agrees to submit to the exclusive jurisdiction of the Circuit Court for Montgomery County, MD for adjudication of any and all disputes arising out of any arbitration award.

XIV. Ordering

Sample Purchase Order

Items in **bold** to be filled in or replaced by customer. We do not require that you use this form, but your purchase order should contain the same basic information requested on this document.

DATE:	DD-MM-YYYY	Bill to: COMPANY NAME
Phone:	Customer PHONE	ADDRESS
FAX:	Customer FAX	
e-mail:	Customer E-MAIL	
Customer ID#:	XXXXX	

Purchase Order

Pages:	X	To:	PATTON ELECTRONICS CO.
From:	Your Name	Attn:	sales@patton.com
PO #	YOUR PURCHASE NUMBER	Fax:	+1 301-869-9293

Quantity	Patton Model	Description	Unit Price	Total	Request Date
1	2960/48 (EXAMPLE!)	48 Port RAS (EXAMPLE ONLY!)	US\$ X.XX	US\$ X.XX	MM/DD/YY
		Total of Order...	US \$ =	XXXX.XX	

FREIGHT CHARGES: Please advise if freight charges will be Prepaid and Added to invoice, or Collect, provide your account number. For international shipments requesting **FREIGHT COLLECT, Patton requires the account number of the customer forwarding agent, or US courier be provided at the time the order is placed with Patton Electronics.**

SHIP TO ADDRESS: Where you want order shipped to

DOCUMENTS REQUIRED / SPECIAL INSTRUCTIONS: Your comments/instructions here.

PAYMENT METHOD: Existing & Active Net30 Account, Credit Card (please provide type, number, expiration date & card holder name) or Wire Transfer to Patton's Bank:

Please provide a reference number such as a purchase order number, Patton Electronics sales order number on your wire transfer, thus will prevent any type of delay in applying the payment to the order once it is received.

Bank Transfer Information: **M&T Bank**
1 Fountain Plaza
Buffalo, NY 14203
SWIFT# MANTUS33
ABA No: 022000046

For Credit To:
Patton Electronics Company
Domestic Account No. 9849753539
International Account No. 9841013346
ABA Routing No: 022000046
Address:
7622 Rickenbacker Drive
Gaithersburg, MD 20879

Thank you,

Your Name

XIV. Ordering (cont.)

Payment Information

Company Checks

Company Checks accepted for pre-payments and Net30 accounts (for details refer to the Application section)

Remit Payment to:

Patton Electronics
P. O. Box 64502
Baltimore, MD 21264-4502

COD

COD requires Money Order, Certified or Cashiers Check

Credit Card

Visa, MasterCard, American Express and Discover cards accepted

Wire Transfers

Domestic Wire Transfers accepted (for banks within the United States, Canada and Puerto Rico)

All payments made by wire transfer should be made to the following bank:

M&T Bank
1 Fountain Plaza
Buffalo, NY 14203

SWIFT# MANTUS33
ABA No: 022000046

For Credit To:

Patton Electronics Company
Domestic Account No. 9849753539
International Account No. 9841013346

Address:

7622 Rickenbacker Drive
Gaithersburg, MD 20879

XV. More About Patton

Proud History

- Established in 1984 by the Patton brothers.
- Fiscally conservative private company with a record of 34 years of impressive consistent growth.
- Made in the USA with a focus on high quality, and market relevant products.
- Manufactures more than 500 different network access and connectivity products.
- Fully certified manufacturing facility—ISO 9001 Certified, BABT Approved, CE Mark.
- Fully approved safety and connectivity—FCC Part 68, IEC 6950, UL 1950, ETSI CTR-4, 12, and 13.
- Major OEM supplier to world's largest data communication catalogers and manufacturers including:

Cisco	Fore System (Marconi)	3 COM	Siemens
	Avaya	Ericsson	Alcatel

- Worldwide presence with locations in:

Maryland, USA	Berne, Switzerland	Beirut, Lebanon	Budapest, Hungary
Cairo, Egypt	Delhi, India	Istanbul, Turkey	Mexico City, Mexico
Milan, Italy	Munich, Germany	Paris, France	Saigon, Vietnam
Singapore	Warsaw, Poland	Zagreb, Croatia	

- Flexible feature development and product customization aptitude.

Patton makes what we sell

From concept to design to manufacturing to support, everything is done in our corporate headquarters in Maryland. This allows Patton to have the highest degree of quality control. This also enables us to be proactive and responsive to market demands as communication is immediate. All levels of Patton employees know our products intimately enabling us to provide rapid and quality response to our customers. We own our technology and are uniquely positioned to customize products to market requirements better and faster than anyone. Period!

Patton supports what we build

Patton's commitment to our products and our customers is unique in the industry. For over 34 years, Patton has provided free top notch technical support to all of our clients. A Patton product sold 34 years ago gets the same quality technical support as a product sold yesterday.

Little known fact

You may not know it, but you and/or your customers are probably already using Patton products! Patton manufactures a wide variety of products that are commonplace to a typical network. The majority of Patton products have been custom labeled and brought to market through top catalog and technology manufacturing companies.



PRITON[®]
Let's Connect![™]