

Standard Terms and Condition of Purchase

1. Acceptance of Terms

Seller agrees to be bound by and to comply with all terms set forth herein and in the purchase order, to which these terms are attached and are expressly incorporated by reference (collectively the "Order"), including, any amendments, supplements, specifications and other documents referred to in the Order and agreed to by Seller for the purchase of products and/or services purchased hereunder (the "Items"). Acknowledgement of the Order, including without limitation, by beginning performance of the work called for by the Order, shall be deemed acceptance of the Order. The Order does not constitute an acceptance by Buyer of any offer to sell, any quotation, or any proposal. Reference in the Order to any such offer to sell, quotation or proposal shall in no way constitute a modification of any of the terms of the Order. **ANY ATTEMPTED ACKNOWLEDGMENT OF THE ORDER OR ANY INVOICE CONTAINING TERMS INCONSISTENT WITH OR IN ADDITION TO THE TERMS OF THE ORDER IS NOT BINDING UNLESS SPECIFICALLY AGREED BY BUYER IN WRITING**

2. Prices and Payment

- a) All prices for Items purchased hereunder are firm and shall not be subject to change. Unless otherwise provided on the face of the Order, THE PRICES APPEARING HEREIN INCLUDE ALL PACKAGING, CRATING, TARIFFS, FEDERAL, STATE, AND LOCAL TAXES, IF APPLICABLE, AND ARE FIRM FOR THE DELIVERY PERIOD SHOWN.
- b) Seller warrants that none of the Items furnished under the Order are surplus, used, remanufactured or reconditioned or of such age or so deteriorated as to impair the usefulness or safety thereof, unless otherwise specifically stated on the face of the Order and agreed to in writing by Buyer.
- c) Unless otherwise stated on the face of the Order, payment terms are net thirty (30) days from the Payment Start Date. The Payment Start Date is the latest of: the Item's required delivery date identified on the Order, the date the Items are received, or the date of receipt of a valid invoice by Buyer. Payment will be made in accordance with the standard practices of the Buyer regarding payment cycles processes.

3. Changes

External Provider shall furnish products and/or services strictly in accordance with the specifications and price set forth for each item. This PO shall not be modified, superseded or otherwise altered, except in writing signed by purchasing agent and accepted by external provider. Each shipment received or service performed shall comply with the terms of this PO, notwithstanding invoice terms or acts of external provider to the contrary, unless this PO has been modified, superseded or otherwise altered in accordance with this section.

4. Raw Materials

External Provider shall provide material certification and traceability back to mill source upon delivery of materials (Must show heat/lot number linking external provider documentation to mill documentation). Additional certification may be required, see Purchase Order for details.

5. Deliveries and Shipment.

Delivery of Items in accordance with the schedule is a material requirement of the Order. TIME IS OF THE ESSENCE. Seller shall not, without Buyer's prior written consent, manufacture or procure materials in advance of Seller's reasonable lead-time. Seller will, at its expense, ship by express or air shipment or by the most expeditious way if the delivery schedule is endangered for any reason other than Buyer's fault. Buyer reserves the right to reject all or any part of any delivery that varies from the quantity authorized by Buyer for shipment. All Items shall be packaged in accordance with Buyer's instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure arrival in an undamaged condition. Seller shall be responsible for all costs and expenses incurred by Buyer as a result of Seller's failure to meet delivery dates specified by Buyer. Seller shall comply with any additional shipping instructions identified on the face of the Order. Title and risk of loss of Items shall transfer to Buyer at the point of delivery to Buyer's destination, unless earlier passed pursuant to other provisions of the Order.

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6. Inspection and Flowdown Requirements

Notwithstanding payment, passage of title, or prior inspection or test, all Items are subject to final inspection and acceptance or rejection by Buyer.

- a. All special processes required by this PO must be performed by qualified personnel.
- b. Laser Technologies, Inc. (herein referred to as LT) reserves the right to review and approve the Vendors Quality Management System. Standard QMS Requirements Include:
 1. Vendors providing special processing must maintain a system for validating processes.
 2. Vendors providing special processes shall provide a Certificate of Conformance upon delivery of materials.
 3. Customer Directed sources must operate in accordance with approved specifications and standards as dictated by the customer in question.
 4. External Providers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, etc) must notify our organization of any changes to that certification.
- c. The Vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- d. LT reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
- e. LT reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.
- f. The Vendor is required to:
 1. Notify LT of nonconforming product both before and after shipment.
 2. Obtain LT approval for nonconforming product disposition.
 3. Notify LT of changes in product and/or process, changes of external providers, and changes of manufacturing facility locations.
 4. Flow down to the supply chain the applicable requirements including customer requirements.
- g. Right of access by LT, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- h. All vendors providing Calibration Services must be Certified ISO17025 (or equivalent) or are the Original Equipment Manufacturer. All Calibration Certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
- i. Seller shall provide a proper Bill of Lading signed by Carrier, or any other legally applicable documents providing title to the goods to Purchaser upon delivery, fully protecting all parties in case of damages in transit. All cost incurred due to improper packing will be paid by Seller.
- j. Certification of Materials and/or Process performed must accompany materials/parts received. Invoice will be aged based on date Cert(s) is received.
- k. EXPORT/IMPORT/ITAR COMPLIANCE, Information furnished to seller under this purchase contract may contain data subject to U.S. Export Laws, International Traffic in Arms Regulations, or other regulations promulgated by the U.S. Office of Foreign Assets Control (OFAC). Seller is advised that such data may not be exported or re-exported to foreign persons, employed by or associated with, or under contract to seller or seller's lower tier external providers, without the prior written consent of Laser Technologies, Inc., and under the authority of an export license or applicable license exemption. If such data is marked as export controlled, seller shall indemnify and hold buyer harmless from and against any and all claims, liabilities and expenses resulting from sellers' failure to comply with the Export Laws and Regulation of the United States.
- l. Conflict Minerals. Seller warrants and certifies that it complies with Section 1502 of the Dodd Frank Act and the Final Rule issued by the U.S. Securities and Exchange Commission, and any subsequent rules and regulations related thereto issued by the United States Government and, where identified by LT, other governments and/or authorities in regions that LT provides its products ("Conflict Minerals Regulations"), and has implemented compliant processes to ensure its suppliers are in compliance with the Conflict Minerals Regulations. Where Seller does not have direct and formal reporting requirements under the Conflict Minerals Regulations, and upon request by Buyer, Seller agrees to provide due diligence and Responsible Country of Origin Inquiry ("RCOI") information under this Agreement to Buyer in support of Buyer's reporting requirements (the "RCOI Requirements"). Further, Seller shall promptly comply with all requests by Buyer to provide documentation, and other substantiating data and assurances with respect to its compliance with Conflict Minerals Regulations and the RCOI Requirements as Buyer may deem necessary from time to time. In the event: (a) Buyer deems Seller is not in compliance with the Conflict Minerals Regulations or the RCOI Requirements, (b) Buyer is not satisfied with the outcome of any review of Seller documentation and/or data or otherwise, or (c) Seller does not provide the documentation, other data and/or other further assurances to Buyer as requested by Buyer, Buyer shall have the right to terminate this Order or any portion thereof without penalty or further liability to Buyer.
- m. External providers shall make persons aware of their contribution to the product or services conformity, product safety and the importance of ethical behavior.
- n. Records of all inspection work by Seller shall be kept complete and available to Buyer and its customers during the performance hereof and for seven (7) years after final payment by Buyer or for such longer period as may be specified elsewhere. For any Order in support of a U.S. Government program, Seller shall maintain all such inspection work records for the period of ten (10) years after final payment or as otherwise required by Buyer.

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7. Termination for Cause

(a) If external provider refuses or fails to timely and properly perform any of its obligations under this PO with such diligence as will ensure its completion within the time specified herein, LT may notify external provider in writing of non-performance and, if not corrected by external provider within the time specified in the notice, terminate external provider's right to proceed with the PO or such part thereof as to which there has been delay or a failure. External Provider shall continue performance of this PO to the extent not terminated and be liable for excess costs incurred by LT in procuring similar goods or services elsewhere. Payment for completed services performed and accepted shall be at the price set forth in this PO.

(b) LT may withhold amounts due to external provider as LT deems necessary to reimburse LT for excess costs incurred in curing, completing or procuring similar goods and services.

8. Counterfeit Work

(a) The following definitions apply to this clause:

"Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.

(b) External Provider shall not deliver Counterfeit Work or Suspect Counterfeit Work to LT under this Contract/Purchase Order

(c) External Provider shall only purchase products to be delivered or incorporated as Work to LT directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. EXTERNAL PROVIDER may use another source only if (i) the foregoing sources are unavailable, (ii) EXTERNAL PROVIDER's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and (iii) EXTERNAL PROVIDER obtains the advance written approval of LT.

(d) EXTERNAL PROVIDER shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.

(e) EXTERNAL PROVIDER shall immediately notify LT with the pertinent facts if EXTERNAL PROVIDER becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by LT, EXTERNAL PROVIDER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. EXTERNAL PROVIDER, at its expense, shall provide reasonable cooperation to LT in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.

(f) This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work.

(g) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, EXTERNAL PROVIDER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, EXTERNAL PROVIDER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation MCS's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies LT may have at law, equity or under other provisions of this Contract.

(h) External Provider shall include paragraphs (a) through (f) and this paragraph (h) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to LT.

9. Intellectual Property

Any software, research, reports, studies, data, photographs, negatives or other documents, drawings or materials (collectively "materials") delivered by external provider in performance of its obligations under this PO shall be the exclusive property of LT. Ownership rights shall include, but not be limited to, the right to copy, publish, display, transfer, prepare derivative works, or otherwise use the materials. External Provider shall comply with all applicable laws, regulations and LT policies related to confidential information and all confidentiality and non-disclosure agreements, security controls, and reporting requirements.

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10. Warranties

- a) Seller warrants that for a period of two (2) years after acceptance of the Items by Buyer, all Items furnished to Buyer will be free from defects in material and workmanship, will conform to applicable drawings, designs, specifications, and samples, will meet all functional and performance requirements and, to the extent the Order calls for services to be performed, that such services will be free from defects in workmanship, will meet all requirements of the Order and will be performed to the highest standards of workmanship in the industry (all of which are hereinafter collectively referred to as "Conforming Items"). At Buyer's discretion, Seller shall repair, replace, or refund the fees paid for the Items that fail to comply with this warranty. Seller shall be responsible for the payment of any shipping and processing costs associated with the return of any non-Conforming Items; in the case that Buyer has paid for any such shipping costs, Seller shall reimburse Buyer for all shipping, processing and priority costs incurred in relation to the non-Conforming Items.
- b) In the event non-Conforming Items are furnished and returned to Seller, and within ten (10) business days thereafter, Seller shall repair or replace such non-Conforming Items. In the case of services, in the event that Seller is notified of the non-Conforming Item, within ten (10) business days thereafter, Seller shall repair, replace or re-perform such non-Conforming Items. The failure of Seller to repair or replace and redeliver or re-perform such non-Conforming Items within such ten (10) business day period shall entitle Buyer, at its election and in addition to any other rights or remedies it may have at law or in equity, to have such non-Conforming Items repaired, replaced, or serviced at Seller's expense. Should Buyer receive non-Conforming Items, Buyer shall always retain the right to terminate the applicable Order and any associated Orders without obligation to remit payment for Items not yet received; in such an event, upon Buyer's request, Seller shall issue to Buyer a pro-rated refund of fees paid for the non-Conforming Items. This remedy is not exclusive and shall be in addition to any other remedy available at law, in equity, or under the Order.
- c) In addition to the costs of repairing or replacing such non-Conforming Items Seller agrees that, notwithstanding the provisions of any warranties, expressed or otherwise, negotiated with respect to Items purchased from Seller by Buyer or Buyer's customers, Seller shall reimburse Buyer for labor and material costs, including but not limited to overhead and general administrative and/or inspection expenses reasonably incurred by Buyer and any other costs incurred by Buyer from its customers related to the non-Conforming Item.
- d) Seller further warrants that each of its personnel has the proper skill, training and background necessary to accomplish their assigned tasks, and all services shall be performed in a competent, workmanlike and professional manner, by qualified personnel with the degree of skill and care that is required by current, good and sound professional procedures and practice and in conformance with generally accepted professional standards for the completion of such Services prevailing at that time.

11. Hazardous Substances and Waste

Seller shall be solely responsible for managing all wastes of any nature associated with its activities and or procedures and will manage any such wastes in compliance with local, state and federal regulations. Certification and/or any other form of manifestation of compliance must accompany any regulated wastes from any remediation or clean-up of any leaks or spills; any such records must include the names and addresses of any treatment, storage or disposal facility that is receiving such wastes, the amount of waste provided to the facility along with the date(s) of the shipment(s). When present or performing work on any Buyer site, Seller will not release hazardous substances or constituents to the environment and will take all necessary measures to prevent endangerment to human health by any such hazardous substances or constituents.

12. Confidentiality

- a) All tangible and intangible property, including, but not limited to, information or data of any description, tools, materials, drawings, computer software, know-how, documents, trademarks, copyrights, equipment, deliverables and material furnished to Seller by Buyer or specially paid for by Buyer, and any replacement thereof, and any materials affixed or attached thereto, and any product produced for Buyer that uses, is based on or incorporates any of the foregoing, shall be and remain Buyer's property (hereinafter referred to as "Buyer Proprietary Information and Property"). Except to the extent specifically provided in the Order, Seller shall have no rights in any Buyer Proprietary Information and Property. Subject to the provision of Article 11 b) below, Seller may use Buyer Proprietary Information and Property only in the performance of work for Buyer and, upon Buyer's request, Seller will deliver all Buyer Proprietary Information and Property and all copies thereof to Buyer.
- b) Seller shall keep Buyer Proprietary Information and Property confidential and may not disclose such to any person or entity or otherwise reveal or in any manner display or demonstrate such in any public or private forum without Buyer's prior, express, written permission. If, with Buyer's prior, express, written permission, Seller furnishes Buyer Proprietary Information and Property to any supplier or subcontractor of Seller for use in performance of Buyer's Orders, Seller shall (i) insert the substance of this Article in all orders to such supplier or subcontractor; and (ii) remain responsible hereunder for any breach by such supplier or subcontractor of this Article.
- c) Seller shall not disclose the making of any Order or display any products manufactured for Buyer that utilize, are based on or incorporate any of Buyer Proprietary Information and Property in any advertisement, journal, magazine or other publication or on the internet or in any other medium. Seller may not use Buyer's (or its affiliate's) name or logo (including any trademark of Buyer) in any of its advertising or publicity material without Buyer's prior written consent, which may be withheld or given in Buyer's absolute discretion.

13. Indemnification

If any article sold or delivered under this PO is covered by a patent, copyright, trademark, or application therefore, external provider shall indemnify and hold harmless LT from any and all loss, liability, cost, expenses and legal fees incurred on account of any claims, legal actions or judgments arising out of manufacture, sale or use of such article in violation or infringement of rights under such patent, copyright, trademark or application. If this PO is for services, external provider shall indemnify, save, and hold harmless LT, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related expenses, incurred as a result of any act or omission by external provider, or its employees, agents, subcontractors or assignees, arising out of or in connection with performance of services under this PO.

14. Compliance / Equal Employment Opportunity

External Provider shall strictly comply with all applicable federal and state laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

15. Disputes and Choice of Law

The parties shall attempt to amicably resolve any dispute which arises under these Terms and Conditions of Purchase or any Order by engaging the appropriate representatives within each party's company. The Order shall, in all respects, be interpreted, construed, and governed by and in accordance with the laws of the state of Illinois, disregarding any conflict of law provisions which may require the application of the laws of another jurisdiction.

16. Rights and Remedies of Buyer. The rights and remedies of Buyer set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure or delay by Buyer to exercise any rights or remedies under the Order shall not operate as a general waiver thereof.

17. Non-waiver. No failure by Buyer to assert its rights under any provision of the Order, or failure of Seller to perform any provision of the Order, shall be effective as a waiver thereof unless consented to in writing by Buyer; nor shall any such waiver constitute an advance waiver of any other provision or failure to perform.

18. Severability

In the event any provision of the Order is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions of the Order will not be affected and, in lieu of such invalid or unenforceable Article, there will be added automatically as part of the Order provisions as similar in terms as may be valid and enforceable under applicable law.

19. Entire Agreement. The Order, with documents as are expressly incorporated by reference, is intended as a complete and exclusive expression of the parties' agreement with respect to the subject matter herein and supersedes any prior or contemporaneous agreements, whether written or oral, between the parties. The Order may be executed in one or more counterparts, each of which shall for all purposes be deemed an original and all of which shall constitute the same instrument. Facsimile signatures on such counterparts are deemed originals except where Buyer has indicated that it requires originals. No course of prior dealings or usage of the trade shall be relevant to determine the meaning of the Order even if the accepting or acquiescing party has knowledge of the performance and opportunity for objection. All provisions or obligations contained in the Order, which by their nature or effect are required or intended to be observed, kept or performed after termination or expiration of the Order will survive and remain binding upon and for the benefit of the parties, their successors (including without limitation successors by merger) and permitted assigns.

20. Amendment. The provisions of the Order may not be modified or amended except by a written instrument duly executed by both parties.