

Purchase Order Terms and Conditions

1. Contract Formation.

This purchase order is an offer to purchase goods and/or services from the Seller by Optical Filters, LLC ("Buyer"). This purchase order does not constitute an acceptance by Buyer of any offer, any quotation, or any proposal from Seller. Buyer shall not be bound by this purchase order until Seller: (1) communicates to Buyer in writing its acceptance of this purchase order; or (2) delivers any of the goods, or renders any of the services, identified in this purchase order. Seller waives any terms contained in any of Seller's documents which are different from, or additional to, the terms of this purchase order. The parties agree that this purchase order, including these terms and conditions, together with any documents attached hereto or incorporated herein by reference, constitute the complete and final contract (the "Contract") between Buyer and Seller and that it supersedes all prior understandings, agreements and negotiations with respect to the subject matter hereof. The Contract may not be amended or otherwise modified except by a writing which is executed by Buyer.

2. Change Orders.

The Buyer reserves the right to make, at any time, written change orders. If any such change order causes an increase or decrease in the cost of, or the time required for, performance of the Contract, any adjustment must be approved by the Buyer.

3. Price; Taxes.

Unless otherwise provided in the Contract, the price set forth in the Contract is the entire price for the goods and/or services in question, including all shipping, postage, handling, and packaging fees and all applicable federal, state and local taxes, including (without limitation) sales taxes.

4. Payment.

Unless otherwise provided in the Contract, payment shall not be due until forty-five (45) days following: (1) in the case of goods, delivery and acceptance of the goods; and (2) in the case of services, complete performance of the services.

5. Packaging.

All goods shall be packaged and labelled pursuant to Buyer's specifications or, if there are no instructions, in a manner sufficient to ensure that the goods are delivered in undamaged condition. All packages shall include any necessary export compliance documents.

6. Delivery.

6.1 Delivery Terms.

Time of delivery and time of performance by the Seller is of the essence. Delivery terms specified in the Contract shall be construed in accordance with Incoterms 2015. Unless otherwise specified in the Contract, delivery of all goods shall be DDP Buyer's facility at 13447 South Mosiertown Road, Meadville, PA 16335 or, if the final destination of the goods is specified in the Contract as a facility owned by a customer of the Buyer, delivery shall be DDP customer's facility, as specified in the Contract (Incoterms 2015).

6.2 Remedies of Buyer.

If the delivery of the goods is not made at the times specified in the Contract, or the rendering of services is not completed at the times specified in the Contract, Buyer reserves the right, without liability, to take either or both of the following actions: (1) direct expedited routings of the goods (the difference in cost between the expedited routing and the purchase order routing shall be paid by Seller); and/or (2) terminate the Contract as provided in Section 15, below. If Buyer terminates the Contract, Buyer may, at its option, purchase substitute goods or services elsewhere and charge the Seller with any losses and expenses incurred by Buyer in connection therewith. The foregoing remedies are in addition to, and not in lieu of or in limitation of, any other rights and/or remedies Buyer may have under applicable law or under the terms of the Contract.

7. Inspection and Acceptance of Goods.

7.1 Buyer's Obligation to Inspect and Accept Goods.

7.1.1 Generally. Unless otherwise expressly specified in the Contract, inspection and acceptance of goods shall occur at the point and time of delivery. In no event shall Buyer be obligated to inspect and accept the goods earlier than the later of: (1) such date for inspection and acceptance of the goods as may be expressly specified in the Contract; or (2) thirty (30) days following delivery of the goods. Notwithstanding the foregoing, if the goods are to be incorporated into a facility or works of a customer of Buyer, the period of time for inspection and acceptance by Buyer shall be: (1) subject to such contingencies and requirements as are set forth in the contract between the Buyer and Buyer's customer; and (2) extended for such periods of time as may be necessary to comply with, and to otherwise be consistent with, the time periods for inspection and acceptance as are set forth in the contract between Buyer and Buyer's customer.

7.1.2 Liability of Buyer. Notwithstanding the provisions of Section 7.1.1, above, the failure of Buyer to promptly inspect and accept or reject goods, or to detect defects by inspection, shall not: (1) relieve Seller of any liability for the failure of the goods to conform to the requirements of the Contract; and (2) result in the imposition of any liability whatsoever upon Buyer.

7.2 Remedies.

In the event that any goods are defective in design, materials or workmanship, or otherwise not in conformity with the requirements of the Contract, Buyer shall have the right to: (1) reject the goods and, in accordance with Section 15, below, terminate the Contract for default as to the rejected goods; (2) reject the goods and require correction and/or replacement by Seller no later than the delivery date for such goods as specified in the Contract or such later date as may be specified by the Buyer and at no additional cost; (3) reject the goods and return the goods to Seller at Seller's expense; (4) accept the goods and deduct from the amount due Seller the cost of remedying the defects; and/or (5) accept the goods and deduct from the amount due Seller the greater of (i) any damages incurred by Buyer as a result of the defect or non-conformity in question, or (ii) the difference in value of the goods as delivered and the purchase price under the Contract.

7.3 Acceptance Not a Waiver. Acceptance of all or part of the goods shall not be deemed to be a waiver of Buyer's right to revoke acceptance, to reject the goods, and to return all or any portion of the goods because of a failure of the goods to conform to the requirements of the Contract (including, but not limited to, any breach of warranty).

7.4 Handling and Shipping Charges with Respect to Rejected Goods. Seller shall be solely responsible for the cost of returning any rejected goods to Seller, including (but not limited to) handling and transportation charges.

7.5 Effect of Force Majeure on Acceptance. Buyer shall not be liable for failure to accept any part of the goods, if such failure is the result of any cause beyond the control of Buyer. Such causes include (but are not limited to): (1) fires; (2) floods; (3) Acts of God; (4) strikes; (5) differences with employees; (6) casualties; (7) delays in transportation; (8) shortages of transport; (9) inability to obtain necessary materials or machinery; and/or (10) total or partial shutdown of Buyer's plant for any cause.

7.6 Payment or Storage Not Acceptance. Payment for any goods shall not constitute acceptance of the goods. Storage of any goods by Buyer shall not constitute acceptance of the goods.

7.7 Remedies Not Exclusive. The remedies of Buyer which are set forth in this Section 7 are in addition to, and not in lieu of or in limitation of, any other rights and/or remedies which Buyer may have under applicable law or under the terms of the Contract.

8. Title and Risk of Loss.

Unless otherwise provided in the Contract, title and risk of loss with respect to goods to be furnished pursuant to this Contract shall pass from Seller to Buyer when risk of loss passes to Buyer from Seller under the delivery terms (Incoterms 2015) governing the Contract.

9. Seller's Warranties.

9.1 Title.

Seller warrants that it shall have good and marketable title to all goods furnished pursuant to the Contract and that such goods shall be delivered to Buyer free and clear from: (1) all liens and encumbrances; and (2) claims of patent infringement or the infringement of any other intellectual property right.

9.2 Material and Workmanship.

Seller warrants that all goods and services furnished pursuant to the Contract shall be free from defects in material and workmanship and shall be in conformity with the requirements of the Contract. Seller further warrants that such goods shall be merchantable and fit for the purpose for which they are purchased and shall be free from defects in design. Buyer's approval of Seller's design shall not be construed to relieve Seller of this warranty. Without prejudice to any warranties as may exist under law with respect to latent defects, and without prejudice to any specific warranties as may be set forth elsewhere in the Contract, the warranty provided by this Section 9.2 shall extend for the longer of: (1) twenty-four months from the date that the goods and/or services in question have been accepted by Buyer; or (2) such period as is otherwise specified in the Contract.

9.3 Engineering Changes.

An "Engineering Change" is a mechanical, electrical, material, process or location change that could affect a Product's safety, performance, cost, reliability, appearance, materials (including source of supply), or composition. Unless at Product's Specification or Quality Agreement provides a more stringent communication process, either Party may request an Engineering Change, but it will occur only if the Parties agree in writing as to the implementation date, and any resulting Specification changes, cost savings and other outcomes.

9.4 Conflict Minerals.

Seller certifies: (1) that Seller does not procure Conflict Minerals from Covered Countries, as defined by the Securities and Exchange Commission; (2) that all goods will be delivered free of any Conflict Minerals; (3) that it performs due diligence on its supply source to prevent the use of Conflict Minerals in its products; and, (4) that it shall require its subcontractors and suppliers to furnish any information necessary to verify the warranties issued in this Section 9.3

9.5 No Counterfeit Parts.

Seller certifies that all goods and any components thereof are authentic, meet all of the requirements of this Contract, and do not contain any counterfeited parts.

9.6 Survival; Other Warranties.

Seller agrees that the warranties set forth in this Section 9 shall survive acceptance of the goods and/or services. Said warranties shall be in addition to, and not in limitation or replacement of: (1) any warranties of additional scope given by Seller to Buyer, which warranties of additional scope are incorporated by reference in the Contract; and (2) any warranties which may exist as a matter of law.

9.7 No Disclaimer of Warranties.

None of the warranties set forth in this Section 9 and no other implied or express warranties shall be deemed disclaimed, limited or excluded unless evidenced by an amendment to the Contract executed by Buyer in accordance with the provisions of Section 1, above.

9.8 Remedies.

In the event of a breach of any of the foregoing warranties, Buyer shall have such remedies as are provided under the Contract and as are provided by law. Any remedies specified in the Contract for a breach of warranty shall be in addition to, and shall not be in lieu of or otherwise limit, any remedy which Buyer may have under applicable law, including (without limitation) claims for damages.

10. Confidentiality of Information.

Buyer and Seller have entered into a Non-Disclosure Agreement, which shall govern the exchange of confidential information pursuant to the Contract. In the event that Buyer and Seller have not entered into a Non-Disclosure Agreement, all information disclosed by Buyer to Seller in connection with the negotiation, execution and performance of the Contract (the "Confidential Information") shall be considered confidential to Buyer. Confidential Information includes, but is not limited to: (1) technical information (including, but not limited to, designs, blueprints, specifications and engineering data); and (2) business information relating to Buyer (including, but not limited to, the existence, terms and conditions of the Contract, the intended use of the goods

and services covered by the Contract, the business plans of Buyer, information relating to customers of Buyer, and so forth). Seller shall: (1) hold all Confidential Information in strict confidence; (2) take all necessary and appropriate precautions to maintain the confidentiality of the Confidential Information; and (3) use the Confidential Information solely for the purpose of fulfilling Seller's obligations under the Contract. Seller shall require its employees, agents, representatives and subcontractors to maintain the confidentiality of the Confidential Information. Seller shall be liable to Buyer for any breach of such obligations by Seller's employees, agents, representatives and subcontractors. The existence of, and the terms of, the Contract shall be considered Confidential Information of Buyer.

11. Indemnifications.

Seller agrees to defend, indemnify and hold harmless Buyer, its officers, agents, successors, assigns and customers against all claims, demands, damages, costs, expenses, attorneys' fees or liability of any kind which arise from, or are related in any way to: (1) the actual or alleged infringement of any trade name, trademark, copyright or patent, or the misappropriation of any trade secrets or confidential information arising in connection with the possession, sale or use of the goods delivered, or services rendered, to Buyer under the Contract; (2) injuries or damages to any person or property arising from the performance of services for Buyer, if the Contract calls for the performance of such services; (3) the performance of the Contract by Seller or any agent or subcontractor of Seller; and/ or (4) the claims of third parties relating to or arising in connection with the services and/or the goods under the Contract. Seller further agrees, upon receipt of notification from Buyer, to promptly assume full responsibility for the defense of any and all such claims, suits, actions or proceedings for which Seller is obligated to provide indemnification under this Section 11.

12. Limitation of Liability.

12.1 Exclusion of Certain Damages.

IN NO EVENT SHALL BUYER OR BUYER'S EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, AFFILIATES AND/OR AGENTS BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES INCURRED BY SELLER OR ANY THIRD PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR RELATING TO THE CONTRACT, OR THE BREACH THEREOF, REGARDLESS OF WHETHER BUYER HAS BEEN ADVISED OR OTHERWISE MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES ARISING.

12.2 Limitation on Amount.

Notwithstanding any other provision of the Contract, the total liability, in the aggregate, of Buyer and Buyer's employees, officers, directors, representatives, affiliates and agents to Seller or any third party claiming through or under Seller for any claims, losses, damages, or costs arising out of or relating to this Contract, or the breach thereof, shall not exceed the total consideration received by Seller from Buyer under this Contract. This Section 12.2 shall apply regardless of whether the claim is characterized as arising out of breach of warranty, contract, tort, strict liability, statutory liability, indemnity or otherwise.

13. Insurance.

If the Contract covers the performance of services or goods for Buyer, Seller agrees to maintain insurance coverages, at its own expense, on an occurrence basis commercial general liability insurance, including the following matters: premise-operations, products and completed operations, and contractual liability providing coverage limits of at least Five Million Dollars per occurrence. Upon Buyer's request, Seller shall furnish evidence of such coverages to Buyer in such form as is satisfactory to Buyer. Compliance by Seller with the foregoing insurance requirements shall not affect or limit Seller's obligations to indemnify Buyer under Section 11, above.

14. Termination by Buyer for Convenience.

Buyer may, for the convenience of Buyer and at Buyer's sole option and discretion, terminate the Contract, in whole or in part, by written notice of termination. Upon receipt of such notice, Seller shall terminate, pursuant to the notice, the work started under the Contract. Seller will promptly advise Buyer of: (1) the quantities of work in process and material on hand or purchased specifically for the Contract prior to termination; and (2) the most favorable disposition that Seller can make thereof. Seller shall comply with Buyer's instructions regarding disposition of such work and material. Unless otherwise directed by Buyer, finished work shall be delivered to Buyer by Seller in accordance with the terms of the Contract. Within thirty (30) days after receipt of the notice of termination, Seller shall submit its claims, if any, relating to the termination. Buyer shall have the right to verify such claims at any reasonable time by inspecting and auditing the records, facilities, work or materials of Seller relating to the Contract. In the event of a timely claim, Buyer

shall pay Seller: (1) the purchase order price, *pro rata*, for finished work; and (2) the cost to Seller (excluding profit, overhead or losses) of work in process and raw material, based on any audit Buyer may conduct and generally accepted accounting principles. Such amount shall be reduced by the following: (1) the reasonable value or cost (whichever is higher) of any items used or sold by Seller without Buyer's consent; (2) the value of any defective, damaged or destroyed work or material; and (3) the amount received, or which may reasonably be expected to be received, by Seller for usable and/or saleable raw materials or work in process which can be used or disposed of by Seller in a commercially reasonable manner in mitigation of its claim. Buyer shall make no payment for finished work, work in process or raw material fabricated or procured by Seller in excess of Buyer's written releases. Payment as provided under this Section 14 shall constitute Buyer's only liability in the event the Contract is terminated or deemed to be terminated under this Section 14. Seller's acceptance of such payment shall constitute acknowledgment that Buyer has fully discharged such liability. In no event shall Buyer be responsible for any lost profits, loss of use of capital, or any other form of direct, indirect, incidental or consequential damages with respect to any termination or deemed termination of the Contract under this Section 14. Except as otherwise provided in Section 15, below, the provisions of this Section 14 shall not apply to any termination by Buyer for default by Seller or for any other cause allowed by law or under the Contract.

15. Termination For Default.

Buyer may terminate for default all or any part of the undelivered portion of the Contract if Seller: (1) does not make timely delivery of conforming goods as specified in the Contract; (2) materially breaches any of the terms and conditions of the Contract; or (3) so fails to make timely progress as to make it unlikely that Seller will be able to perform under the Contract. In addition, Buyer may terminate the Contract if any of the following events occur: (1) insolvency of Seller; (2) appointment of a receiver or trustee for Seller; or (3) execution by Seller of an assignment for the benefit of creditors. The exercise by Buyer of the right of termination hereunder shall not result in any liability to Buyer nor have the effect of waiving any remedies or damages to which Buyer might otherwise be entitled. The remedies set forth in this Section 15 are in addition to, and not in lieu of or in limitation of, any other rights and/or remedies Buyer may have under applicable law or under the terms of the Contract. In the event that a court of competent jurisdiction should determine that Buyer wrongfully terminated the Contract for default by the Seller, such termination shall be deemed to be a termination for convenience by Buyer under Section 14, above, and the liability of Buyer therefor shall be limited as provided in Section 14, above.

16. Performance By Seller.

16.1 Generally.

Seller shall personally perform the Contract and shall not assign the Contract or delegate the performance of its duties without the prior written consent of Buyer.

16.2 Compliance With Applicable Laws.

Seller agrees that, in the performance of the Contract, it, as well as all of the goods and services, at its own cost, will comply with all applicable laws, regulations and orders, including those pertaining to environmental standards, hazardous waste disposal, transportation, employee safety and health, labor matters, and employment practices. Upon Buyer's request, Seller shall provide verification of such compliance.

16.3 Business Principles.

Seller acknowledges and agrees to maintain a high standard of ethical conduct in all business dealings.

16.4 Business Continuity. Seller shall use commercially reasonable efforts to develop and maintain commercially reasonable business continuity management procedures regarding contingency management to alleviate the effects of any business events that may have a material and adverse impact on Seller's ability to perform its obligation under this Contract.

16.5 Quality Assurance. Supplier shall be responsible for insuring that all goods furnished hereunder have undergone or have been subject to quality assurance and quality control activities and procedures.

16.6 Export Controls. Seller agrees to comply with all applicable trade-related laws, including any export control, embargo and sanctions, anti-boycott and import laws. Seller agrees not to engage in any transaction with a restricted party, as designated by the United States or any other applicable jurisdiction. If required, Seller shall obtain all export control licenses, permits or other required government authorizations and shall provide this information to Buyer.

16.7 Anti-Bribery Compliance.

Seller acknowledges that it has developed and implemented anti-bribery policies and procures and agrees that, at all times, it will comply fully with applicable national and international anti-bribery laws, including the U.S. Foreign Corrupt Practices Act.

16.8 Discontinued Product.

Seller shall not discontinue the goods without Buyer's advance written consent.

16.9 Buyer's Products and/or Equipment.

Seller acknowledges that Buyer may provide Buyer's or Buyer's customers' products and/or equipment to be used in Seller's goods and/or services. Seller agrees to use its best efforts to control any of Buyer's products and/or equipment that are in Seller's possession and to be solely responsible for the loss of or damages to such products and/or equipment.

16.10 Records Maintenance.

Seller shall maintain all records related to its performance of this Contract for six (6) years from the later of the record's creation or the manufacturing or processing date of the goods.

17. Work On Premises of Buyer or Buyer's Customer.

If Seller's work under the Contract involves performance of work by Seller on the premises of Buyer or Buyer's customer, Seller shall take all necessary precautions to prevent: (1) the occurrence of any personal injury, including (without limitation) injury to employees of Buyer or Seller or to third parties; and (2) property damage. Seller shall defend and indemnify Buyer against all claims which arise out of, or in any way relate to, any alleged act or omission of Seller, its agents, employees, or subcontractors in the performance of such work. Seller shall maintain such worker's compensation, public liability and property damage insurance and employer's liability and comprehensive insurance as is reasonably necessary to protect Buyer from risk and from any claims. Upon the request of Buyer, Seller shall cause Buyer to be named as an additional insured under such insurance policies. The provisions of this Section 17 are in addition to, and not in lieu of, the provisions of Sections 12 and 13, above.

18. Independent Contractors.

Buyer and Seller are strictly independent contractors with respect to one another, and nothing in the Contract shall be construed as rendering a party the partner, joint venturer, agent and/or employee of the other party.

19. No Waiver.

No waiver of any right of the Buyer under the Contract or under law shall be effective unless executed in writing by Buyer. Buyer's failure or delay in enforcing strict compliance with any provision of the Contract shall not be construed as a waiver of such provision or right.

20. Governing Law; Forum.

The Contract and the relationship between the parties shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, excluding any choice of law provisions which would direct the application of the laws of a different jurisdiction. Any litigation arising from or relating to the Contract, or the breach thereof, shall be brought and decided exclusively in the state or federal courts whose districts encompass Erie County, Pennsylvania. Buyer and Seller hereby agree to submit to the personal jurisdiction of such courts for these matters. The United Nations Convention on the International Sale of Goods, the 1974 Convention on the Limitation Period in the International Sale of Goods and the Protocol amending the 1974 Convention shall not apply to the Contract.

21. Recovery of Expenses.

The Buyer shall have the right to recover from Seller all costs and expenses (including, but not limited to, attorneys' fees) incurred by Buyer in enforcing the provisions of the Contract.

22. Interpretation of Contract.

For purposes of the Contract, the singular shall include the plural and the plural the singular, as the context may require. The Contract shall be construed as having been drafted by both parties and the Contract shall not be construed against one party or the other on the grounds that such party was the draftsman of the Contract.

23. Survival.

Those provisions of the Contract which, by their express terms or by their operation, are intended to survive termination of the Contract, shall survive termination of the Contract.