



Standard Terms and Conditions of Purchase Order

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1. Acceptance of Order, Right to Revoke prior to Acceptance

This Order (Order) is issued by Global Photonics, Inc. (Buyer) to the vendor named on the Order (Vendor). The Order is deemed accepted by the Vendor upon Vendor (a) sending its acceptance or acknowledgement to Buyer or (b) giving notice that performance has commenced. Buyer may revoke this Order prior to acceptance.

2. Entire Agreement, Amendment

The Order and documents referred to in the Order and these Standard Terms and any Supplement hereto are the full agreement between Buyer and Vendor and all prior discussions and agreements are merged herein. Any conflicting terms of any acceptance shall not be considered as part of the agreement between the parties. The Order and/or these Standard may only be amended by written agreement signed by both parties.

3. Buyer's Changes

Buyer may make changes in: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place or time of delivery; and/or (iv) quantity. Vendor shall proceed immediately to perform the Order as changed. If any such change increases or decreases the cost or time required for the performance of the Order, an equitable adjustment shall be made. Any claim for adjustment shall be submitted in writing within 5 days from the date the change is ordered, together with the cost or pricing data sufficient to permit evaluation of such claim. Where the cost of property made excess or obsolete as a result of the change is included in the claim for adjustment, Buyer shall have the right to direct the manner of disposition of such property.

4. Vendor Changes

Vendor shall not make any change to the design, materials, manufacturing location, manufacturing processes, or sources of supply, after buyer's acceptance of the first article approval or after acceptance of the first completed end item, without the written approval of the buyer.

5. First Article Approval, Delivery Dates

If the Order provides for First Article Approval, Buyer shall have a reasonable opportunity to inspect and test the first article. No further deliveries shall be made until Buyer shall have approved of the first article. With the delivery of the first article, Vendor shall deliver to Buyer a full copy of its inspection data. Time is Of the Essence as to delivery dates in the Order. If Buyer accepts a late delivery, it is not waiving its rights to reject future late deliveries. Vendor shall immediately notify Buyer in writing of any anticipated delay in deliveries. If the goods are to be shipped late (with Buyer's prior written approval), Buyer may require Vendor, at Vendors cost to ship by expedited method to minimize the delay. Receipt of such notification by Buyer shall not limit the rights and remedies of Buyer arising from late delivery.

6. Delivery, Terms and Risk of Loss, Acceptance

Unless otherwise specified in the Order, delivery is FOB Buyer's factory. If required certifications are not delivered with the good the goods are deemed not delivered. The risk of loss shall remain with Vendor until delivery is acknowledged. The goods shall not be deemed accepted until after a reasonable period for testing shall have expired and the goods are retained by Buyer without qualification.

7. Non-Conforming Goods

If any goods are delivered that do not conform to specifications, drawings, and/or samples, or are otherwise not in compliance with the Order the Buyer, in addition to any other rights it may have under law, may (a) hold the same for a reasonable period of time to determine whether to accept or reject same, (b) return the goods to Vendor with instructions to repair and/or replace same, (c) accept the goods subject to an equitable reduction in price, (d) repair or replace the goods and charge to Vendor the costs thereof, (d) recover by offset or independent claim or otherwise all

losses and expenses resulting from such actions, or (e) declare a default by Vendor and terminate the Order.

8. Invoices and Payment

Vendor's invoices shall contain all copies of all certifications required by the Order and shall include the invoice date, the Order number, as well as a complete breakout of the prices by line item for the goods or services encompassed by the invoice. Unless otherwise stated in the Order, the price for all goods or services provided by Vendor is all-inclusive and encompasses any and all federal, state, local or foreign taxes and duties that may be applicable and any other cost of every kind and description associated with Vendor's work.

Buyer shall pay Vendor after receipt of Vendor's proper invoices for goods or services delivered and accepted, less any deductions provided for in this Order or permitted under these Standard Terms . Unless otherwise agreed in writing and stated on the face of the Order, payment terms are net sixty (60) days from (i) delivery of the goods or completion of the services, or (ii) receipt of invoice, whichever is later. Buyer shall be entitled at all times to set-off any amount owing at any time from Vendor to Buyer against any amount payable at any time by Buyer to Vendor.

9. Quality Control and Inspection

Vendor shall maintain quality and inspection systems according to industry standards and satisfactory to Buyer. Buyer, Buyer's customers and Regulatory agents, on reasonable notice, shall have the right to inspect the portions of Vendor's premises, where work on the goods is being performed to determine and verify the quality of work, records and material. Vendor shall provide all reasonable facilities for the safety and convenience of the inspectors. Vendor shall furnish to the inspectors all information and data as may be reasonably required to perform their inspections. This provision shall flow down to Vendor's subcontractors and sub tier Vendors

Buyer (and Buyer's customer, if applicable) through any authorized representatives, has the right at all reasonable times and places to inspect and test the goods or services being supplied under this Order, including those provided by Vendor's suppliers and to inspect production and quality records in connection therewith. Buyer assumes no contractual obligation to perform any inspection or test unless otherwise specifically set forth in the Order. Buyer's failure to inspect or test any goods or services shall not relieve Vendor from responsibility for any defective or nonconforming goods or services. If any inspection or evaluation is made by Buyer or its customer or their authorized representatives on the premises of Vendor or any of Vendor's suppliers, Vendor or its suppliers shall provide at no additional charge reasonable access to facilities, including technical and quality records, and provide assistance for the safety and convenience of the personnel conducting any inspection or test. Vendor shall maintain proper inspection records, which shall be made available to Buyer upon request.

10. Packing, Marking and Shipping

Vendor shall pack, mark and ship the goods as stated in the Order. If the Order does state such items, then Vendor shall (a) pack the goods in compliance with transportation regulations and good commercial practice for protection thereof to protect against damage, deterioration, corrosion and other risks generally incurred during transportation and handling, (b) mark the shipping label to show the Order number and the part number and packing slips shall be included, and (c) ship the goods by the most advantageous transportation service available to ensure timely undamaged delivery. No separate or additional charges are payable by Buyer for these services. All packaging must comply with 7 CFR 319 regarding wood packaging materials and required markings. Goods are not deemed delivered if this section is not complied with.

11. Termination for convenience, for Cause or for Cancellation of Customer Order

Buyer may terminate the Order (a) for convenience in which event Buyer shall only be liable for (i) finished goods produced under the Order and ready to be shipped (ii) open invoices for goods

delivered and (ii) costs incurred by Vendor for materials acquired by it for fulfillment of the Order and for labor during the 30 days preceding notice of termination which have not been incorporated in prior invoices. Buyer shall have no liability for incidental or consequential damages, or (b) for cause (that is by reason of Vendor's default, bankruptcy or insolvency) in which event Buyer shall have all rights available to it under these Standard Terms and under applicable law. Buyer shall have the right to require Vendor (or its trustee) to deliver all completed and partially completed goods, materials, parts tools, dies, plans, drawings and/or other manufacturing materials that Vendor has in its possession for the performance of the Order. Buyer may, without penalty or charge, cancel or defer delivery dates of all or any part of an Order if Buyer's customer has cancelled or delayed delivery of the Product.

12. Vendor's Warranties

Vendor warrants that the goods (a) will conform to Buyer's specifications, drawings, samples or other descriptions furnished by Buyer, (b) will be fit and sufficient for their intended purpose, (c) will be merchantable, of good unused material and free from defects in materials or workmanship and (d) free from defects in design unless Buyer has provided product specifications to Vendor. Such warranties shall survive inspection, testing, acceptance and payment and shall run to Buyer and its customers. At Buyer's option any Goods delivered not complying with these warranties shall be immediately repaired or replaced by Vendor or Buyer may obtain replacement Goods from another source. Vendor shall be liable for all costs and damages incurred by Buyer by reason of a breach of Vendor's warranties.

13. Intellectual Property, Non-disclosure

All proprietary rights in designs, drawings, specifications, or other intellectual property provided by Buyer or developed by Vendor as part of its performance under the Order shall be the sole property of Buyer and Vendor shall execute such documents as Buyer may request to evidence such title in Buyer. Vendor shall not disclose such information to any other party nor use the same for its own benefit or for the benefit of any third party except in the course of performing its obligations to Buyer under the Order. If Vendor becomes the subject of a bankruptcy or insolvency proceeding, or defaults in its obligations under the Order, then Buyer shall have a license to use any Vendor's intellectual property necessary to complete such Order.

14. Buyer Furnished Property

If any property is furnished to Vendor by Buyer in connection with Vendor's performance under the Order, title thereto shall remain in Buyer, Vendor shall mark the property to show it is the property of Buyer and Buyer is authorized to file a Filing Statement under the Uniform Commercial Code. Buyer and its representatives are authorized, at any time during business hours, to enter Vendor's premises to re-take possession of such property.

15. Independent Contractor

Vendor's relationship to Buyer Order is that of an independent contractor.

16. Indemnity and Insurance

Vendor shall defend, indemnify and hold harmless Buyer and Buyer's directors, officers, managers, employees, and agents from any personal injury or property damage claim, or product liability claim affecting the subject matter of the Order. Vendor shall maintain general liability, property damage, product liability and workman's compensation insurance in such amount as will reasonably protect Vendor and Buyer from any such claims and will, on request, provide Vendor a certificate of such insurance (excluding workmen's compensation insurance) showing Buyer as a named insured thereon.

17. Limitation on Liability

Buyer's maximum liability in connection with the Order shall not exceed the purchase price of the Order or any unpaid balance thereof. Vendor shall not be entitled to any special or consequential damages resulting from any alleged breach by Buyer of its obligations under the Order.

18. Order of Precedence

In the event of any inconsistency between the Order, these Standard Terms and Conditions, and any document incorporated by reference in the Order, then the following order of priority shall apply: (i) the Order (ii) the documents incorporated by reference in the Order, (iii) these Standard Terms and Conditions including any Supplement hereto.

19. Continuation During Dispute

During the term of any dispute, whether being resolved judicially, through arbitration or otherwise, Vendor shall continue to manufacture and sell to Buyer the goods under the Order and any payment due from one party to the other shall be made at the time of the determination of the dispute.

20. Confidentiality

Vendor shall not disclose to any third party nor use for its own purposes, other than complying with the Order, any drawings, specifications, or other information provided by Buyer to Vendor other than information in the public domain. Vendor shall not disclose that Buyer and Vendor have entered into the Order or the fact that Vendor has furnished or contracted to furnish any goods to Buyer.

21. Non-Solicitation.

During the term of the Order and for a period of two (2) years thereafter, Vendor agrees not to solicit the business of any customer of Buyer to whom the goods under the Order are being sold or to w Order and for a term of five (5) years thereafter Vendor agrees not to retain the services of any employee, salesperson or consultant of Buyer. This restriction shall also apply to any entity owned or controlled by the principals of Vendor. Without limiting Buyer's rights and remedies under law, in the event of any breach or threatened breach of the obligations hereunder or in section 19, the parties acknowledge that monetary damages will be insufficient and Buyer shall be entitled to injunctive relief.

22. Notices

All notices required to be given under law under or under these Standard Terms shall be given by fax or electronic mail followed the same day by mailing a copy of such communication to the other party at the address shown on the Order, certified mail, return receipt requested and by e-mail at the address shown on the Order.

23. Violation of Laws

If Buyer incurs any costs, damages or penalties as a result of a violation of any applicable laws or regulations by Vendor, its directors, officers, employees, agents, suppliers or subcontractors at any tier, Buyer may, in addition to any rights or remedies available at law or in equity, make a corresponding reduction of any amounts due under this Order or demand payment thereof from Vendor.

24. Applicable law, Jurisdiction

Any dispute arising under or related to the Order or these Standard Terms and Conditions shall be determined in accordance with the laws of the State of Florida and shall be brought exclusively in the courts of competent jurisdiction in the County of Pasco, State of Florida.

25. Disputes relating to Government Contracts

If the Contracting Officer of a Government prime contract, under which this Order is a sub contact or a sub-tier contract, by a final decision interprets any provision or requirement of the prime contract, and the same or substantially similar provision or requirement is contained in this Order, such interpretation shall be binding between Buyer and Vendor

Any claims or disputes involving the Government will be governed solely by federal law. Except as may be expressly set forth with the Contracting Officer's prior written consent, the Vendor shall not acquire any direct claim or direct course of action against the Government. Any

reference to the “Disputes” clause in any applicable FAR or DFARS Clause incorporated into this Order shall be interpreted consistently with this Article 24.

26. Restriction on Assignment or Change of Control

Vendor may not assign any of its obligations or subcontract any part of its performance under the Order without the prior written approval of Vendor. A change in management control of Vendor shall be deemed an assignment of the Order.

27. Export Control, Special Provisions.

Vendor agrees that it will not export or re-export, directly or indirectly, any Hardware, Software, Defense Service, information or Technical Data provided by, though, or with the cooperation of Buyer, to any Foreign Person, including persons employed by or associated with, or under contract with, Vendor or Vendor’s lower-tier suppliers without the prior written consent of Buyer and without first obtaining any required export license or other approval. (Capitalized terms in this section shall have the same meaning given thereto in in 22 C.F.R. Part 120)

If Vendor participates in the performance of this Order at Buyer’s facilities, Vendor shall inform Buyer in advance in writing of the country of citizenship (or countries, in the case of dual citizenship) of each Foreign Person employee, agent, or representative of Vendor or of Vendor’s suppliers prior to such person being allowed access to Buyer’s facilities. Vendor’s Foreign Person employees, suppliers, agents, or representatives shall not participate in the performance of this Order at Buyer’s facilities without Buyer’s prior written consent, and such consent may be subject to any applicable security or export license approvals.

The following provision relates only to non-U.S. Vendors to which Buyer has sent Technical Data pursuant to an ITAR license: Technical Data pursuant to ITAR license shall be used only to manufacture the Product under this Order. It will not be disclosed to any other party. Vendor is not acquiring any rights to the data, there shall be no subcontracts for this product. Upon fulfillment of this order, the data will be destroyed. The product will be delivered only to Global Photonics, Inc.

28. Waiver, Severability

The failure or delay of either party to insist on performance of any provision of this Order, or to exercise any right or remedy available hereunder, shall not be construed as a waiver of that provision, right, or remedy in any later instance. Further, if any provision of this Order is or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable. Unless otherwise expressly stated herein, the rights and remedies of both parties hereunder shall be in addition to their rights and remedies available at law or in equity; provided, however, that in no event shall Buyer be liable to Vendor for any anticipatory profits or for any special (including multiple or punitive), indirect, incidental, or consequential damages howsoever arising.

29. Cyber Security, NIST and CMMC.

By accepting this Order Vendor certifies that it complies with FAR 52.204-21 “Basic Safeguarding of Covered Contractor Information Systems”, DFARS 252.204-7008, “Safeguarding Covered Defense Information”, DFARS 252.204-7009 and 7012 regarding cyber incident information reporting, DFARS 252.239-7009 and 7010 regarding cloud computing, and DFARS 252.204-7019 and 7020 regarding NIST SP 800-171 Assessment requirements. By accepting this Order Vendor certifies that it complies or will comply with DFARS 252.204-7021 Cybersecurity Maturity Model Certification (CMMC).

30. Counterfeit Materials Detection and Prevention Program.

has established and will maintain compliance with a Counterfeit Materials Detection and Prevention Program, providing for avoidance, detection, mitigation and proper disposition of

counterfeit goods. This program shall meet the requirements of SAE AS 5553. A copy of this Program shall be delivered to Buyer at its request. Vendor shall only purchase electronic parts to be delivered or incorporated in the Goods to Buyer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or through an OCM/OEM authorized distribution chain

31. Foreign Body Contamination Prevention Management

Vendor has established and will maintain compliance with a Foreign Body Contamination and Prevention Management Program to remove or ameliorate the hazard of contamination of foreign body and ensure the risk of contamination of its products by foreign bodies is as low as is practicably possible. The Program will include controls, monitoring and reporting processes and a copy of this Program shall be delivered to Buyer at its request.

32. Conflict Minerals

Consistent with the U.S. public policy underlying the enactment of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the Vendor recognizes the significant risks associated with sourcing tin, tantalum, tungsten and gold (hereinafter the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries (the "Conflict Region"). Vendor shall not knowingly provide any Goods containing Conflict Minerals from the Democratic Republic of the Congo and adjoining countries ("Conflict Region". Vendor shall adopt (or already have in place) policies and processes to (i) conduct a reasonable inquiry into the country of origin of any Conflict Minerals incorporated into any Goods provided under the Order, (ii) conduct due diligence of its supply chain, as necessary, to determine if any Conflict Minerals from the Conflict Region are incorporated into any Goods provided under the Order, and (iii) promptly notify Buyer if any Conflict Minerals from the Conflict Region are incorporated into any Goods provided under the Order. The Vendor shall fully cooperate (at no cost to Buyer) with any inquiries conducted by Buyer or its customers to ensure compliance with this Article including, but not limited to, completing any applicable disclosure forms or surveys.

33. Survival.

Vendor's warranties, indemnities, and obligations relating to inspections, Intellectual Property and non-disclosure, non-solicitation, law and jurisdiction, disputes relating to government contracts and restrictions relating to exports and ITAR shall survive any termination of this Agreement.

34. Equal Employment Opportunity

As applicable, the provisions of the Equal Opportunity Clauses pursuant to Section 202 of Executive Order 11246, as amended, and 41 CFR Section 60-1.40; as well as 29 CFR Part 471, Appendix A to Subpart A, are herein incorporated by reference. Further, if Vendor (1) is not otherwise exempt as provided by 41 CFR 60-1.5, (2) has 50 or more employees, and (3) has a contract, subcontract or Order amounting to \$50,000 that is necessary to the completion of a federal contract or subcontract, Vendor is hereby notified of its obligations to file EEO Standard Form 100 and to prepare an affirmative action plan(s) as required under the regulations set forth above. Buyer and Vendor shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

35. Shelf Life, Special Processes

If the goods delivered under the Order have an expiration date, the expiration date shall not be less than one year from the date of delivery. If the goods delivered under the Order were subject to a "special process" as defined by the Performance Review Institute, Vendor, if requested will provide a NADCAP certification for the special processes it performs.

36. Incorporation of Supplemental Terms and Conditions

If this Order is placed under a Government Contract the clauses set forth by citation in the Supplemental Terms and Conditions for Government Contracts , attached as Supplement 1 are incorporated by reference into this Order with the same force and effect as though set out in full text herein.