Terms and Conditions

**Exclusive Terms:** OPTIKOS CORPORATION ("OPTIKOS" OR THE "COMPANY") SELLS ITS PRODUCTS TO BUYER EXCLUSIVELY ON THE TERMS AND CONDITIONS SPECIFIED BELOW, AND NO ADDITIONAL OR DIFFERENT TERMS OR CONDITIONS, WHETHER STATED IN BUYER’S PURCHASE ORDER FORM, BUYER’S TERMS OR CONDITIONS, OR ELSEWHERE, SHALL BE APPLICABLE TO ANY SALE TRANSACTION UNLESS SPECIFICALLY AGREED TO IN A SEPARATELY SIGNED, WRITTEN INSTRUMENT BY AN OFFICER OF THE COMPANY.

Typographical or stenographic errors are subject to correction. Conditions not specified herein shall be governed by established trade customs.

**Period:** Unless otherwise stipulated or a purchase order is signed and accepted by the Company, all proposals and quotations issued by the Company become void forty-five [45] days from the date of submission to Buyer.

**Taxes:** All applicable sales, use, excise, value added, gross receipts, or other similar taxes (excluding only taxes on the net income of the Company) are the responsibility of Buyer, and Buyer shall promptly pay or reimburse the Company for payment of any such taxes on demand. If Buyer claims an exemption from such taxes, an active exemption certificate must be furnished to the Company.

**Prices:** Prices are based on costs and conditions existing on date of quotation and are subject to change by the Company before final acceptance. Buyer agrees to accept either average of shortage not in excess of ten percent [10%] to be charged pro-rata. All quotations and agreements are subject to change based upon strikes, accidents, fires, availability of materials, government directives, interruptions in transportation, national, state or local emergencies, acts of God and all other causes beyond the Company’s control.

**Payment:** Net 30 – Subject to Credit Approval by the Company, payment is due in full after issuance of the invoice. Accounts not paid within Terms are subject to a 10% per annum finance charge applied daily.

**Export:** Buyer and the Company will complete Forms US Department of Commerce BIS –711, Statement of Ultimate Consignee and Purchaser, the Company’s End User Form and End User Certificates within 30 days of contract execution. Buyer and any Intermediate Consignee engaged by Buyer agree to comply with all export regulations of the US Government with respect to this purchase. Optikos is not responsible for any delays associated with compliance with US Government export regulations. In the event this document(s) contains "technical data" as defined in the International Traffic in Arms Regulations ITAR (22 CFR 120-130) or "technology" as defined in the Export Administration Regulations (15 CFR 730-774), it is subject to the export control laws of the government of the United States of America (the "U. S. Government"). Transfer of this data or technology by any means to a foreign person or foreign national, whether in the United States or abroad, without a required export license or other approval from the U. S. Government, is prohibited.

**Shipment:** All shipments are CPT Destination (Incoterms 2020). All insurance, tariffs, customs and freight charges will be added to each invoice in the absence of specific instructions from the Buyer. Optikos retains the right to ship prior to the scheduled delivery date. Tax exemption certificates are the responsibility of the Buyer and any applications for such exemptions shall be submitted to the Company with the signed Purchase Order. The Company’s sale of the products and/or services that are the subject of this quotation and terms and conditions may be conditioned upon the issuance of an export license by the U. S. Government. Optikos does not make any representation or warranty that an export license will be granted for any particular export, and Optikos shall not have any liability for its inability to obtain such a license.

**Purchase Orders:** The Company will begin work only after receipt of a confirmed purchase order signed by Buyer and the Company which reflects the Quote number on the first page of this document and these terms and conditions of sale. The Company must approve all changes or cancellation of the purchase order in writing. In the event of cancellation of a confirmed purchase order without prior authorization, the Buyer shall pay a cancellation fee to be determined by the Company and in no case shall such a fee be less than twenty-five percent [25%] of the total purchase order value. For Custom Products, all deposit payments are non-refundable, and additional charges may apply.

**Acceptance:** Acceptance criteria and performance criteria will be mutually agreed upon by the Company and Buyer, prior to acceptance of any purchase order by the Company. Unless otherwise agreed upon, the acceptance criteria shall be subject to and provided in accordance with the Company’s standard quality test procedures and performance criteria and the Company’s written specifications which may be published on the Company’s website from time to time, and all of which shall be interpreted by the Company in the Company’s sole discretion.

**Delivery:** The quoted delivery period will begin upon the Company’s written acceptance of the purchase order unless the Company specifies another date. Any shipping date quoted by the Company represents the Company’s best estimate for shipment at the time the Company accepts the purchase order, but remains subject to adjustment by the Company from time to time. The Company shall not incur any liability, penalty or damages, of any kind whatsoever for failure to timely complete a purchase order or to ship on a particular date. Risk of loss shall pass to Buyer when the goods are placed in the possession of a common carrier. Claims against the carrier shall be the responsibility of Buyer. Claims against the Company for latent defects, errors, or shortages must be made in writing to the Company within fifteen [15] days of receipt of the goods, or such claims shall be deemed to have been waived by Buyer.

**Buyer furnished materials:** When a quotation specifies materials or equipment to be furnished by Buyer (Buyer Furnished Materials (“BFM”) or Buyer Furnished Equipment (“BFE”)), ample allowance must be made by Buyer to provide excess BFM and/or BFE product for unexpected damage, and such BFM or BFE must be of suitable quality and specifications to facilitate efficient production. Buyer shall prepay all shipping charges, duties, taxes, and fees for all BFM and BFE. Buyer assumes all risk and responsibility for (i) all BFM and BFE while at the Company, or in the Company’s possession or control, or in transit to and from the Company, (ii) for the condition of, and any liability arising from the condition of the BFM and BFE; (iii) providing clear and correct instructions; (iv) making the BFM and BFE available in time, completely and in a useful way; (v) providing complete, correct and valid documentation, and (vi) clear instructions on exact documentation required to release freight.. Buyer is encouraged to supply the proper handling and operational instructions. The Company makes no representations regarding the suitability or fitness of such materials for any specific purpose and reserves the exclusive right to reject such materials or equipment as unsuitable for any specific project. Rejected materials or equipment will be returned to Buyer at Buyer’s expense. In the event of damage to BFM or BFE while at the Company, the Company will immediately notify...
Buyer. Buyer, in its sole discretion, will have the opportunity to replace or repair the damaged components, and if requested by Buyer, provide the Company with specific handling instructions included the destination to which such damaged product should be shipped. In the absence of specific instructions, such damaged product will be returned directly to Buyer. In all cases, Buyer has the responsibility to determine the cause of the failure. The remedies for any failure of the Company’s products. Company shall not be liable for any loss or damage, incomplete or otherwise inadequate delivery, non-delivery, missed pickup, penalties, expenses, or delays, caused in whole or in part by: (i) the act, default or omission of any shipper, consignee or any other party claiming an interest in or involved in the shipment of the BFM or BFE to Company; (ii) the nature of the shipment, defect, or inherent defect in the BFE or BFM, for any reason or however caused, (iii) failure of the shipper, consignee or any other party to observe any requirements or obligations contained in these Terms and Conditions, including but not limited to, improper or insufficient packaging, securing, marking or handling of any shipment; (iv) acts of God, weather, conditions, environmental or dangerous goods, incidents, perils of the air, public enemies, public authorities acting with actual or apparent authority, acts or omissions of customs officials, authority of law, quarantine, riots, strikes, work stoppages or slowdowns or other labor disputes or disturbances, local or national disruptions in ground or air transportation networks or systems due to events beyond the Company’s reasonable control, disruption or failure of communication and information systems, disruption or failure of utilities, civil commotions or hazards incident to a state of war, acts of assailing thieves, hijackings, mechanical delay of aircraft, ship, ground transportation or other equipment failure for all international shipments, and all other causes beyond the Company’s control. (hereinafter collectively “Force Majeure Events”).

Limited Warranty: All products manufactured by the Company (but expressly excluding any BFE or BFM used in such products) are warranted to be free from defects in materials and workmanship under normal use and service, for a period of twelve (12) months from the date of shipment by the Company. Component products and materials (including but not limited to BFM and BFE) purchased and resold and incorporated in such Company product without further processing by the Company are not covered by the Company’s warranty provided herein, but the Company will pass onto the Buyer all manufacturer’s warranties the Company receives from the manufacturer of such BFE or BFM products. Subject to the foregoing provisions, the Company will repair or replace, at its option, Company products which prove to be defective within the warranty period. Ex-Works its facility in Wakefield, Massachusetts. The Company shall not be liable to replace any BFM or BFE provided by Buyer, but will repair, repair and/or rebuild product, at Buyer’s costs to the extent the same is necessary because of defective BFM or BFE. The Company’s warranty shall be automatically voided by (i) any repair, alteration or modification by persons other than the employees of the Company, or those expressly authorized by the Company to make such repairs, alterations or modifications, and (ii) any abuse, misuse, or neglect of the products, or use that is not in compliance with the Company’s published operating instructions. The remedies for any failure of the Company’s products to meet its warranty specified herein shall be those remedies stated herein and no others; these remedies being Buyer’s sole and exclusive remedy in the event of all sales, EXCEPT AS PROVIDED IN THIS PARAGRAPH, THE COMPANY MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY OR FITNESS OF ANY DESIGN AND/OR ITS ASSOCIATED SOFTWARE FOR ANY SPECIFIC PURPOSE. OPTIKOS PRODUCTS AND SERVICES ARE SOLD “AS IS” AND THE BUYER ASSUMES ALL RISK ASSOCIATED WITH THE POSSESSION AND OPERATION OF SAID PRODUCTS. IN NO EVENT WILL THE COMPANY BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, COMPENSATORY OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY DEFECT IN ANY OPTIKOS PRODUCT, ITS SOFTWARE OR ITS DOCUMENTATION, even if advised of the possibility of such damages. In particular, the Company shall have no liability for any programs or data stored in or used with or in Company products, including the costs of recovering such programs or data or for any BFE, BFE or third-party products incorporated in or used with the Company’s products. THE REMEDIES SET FORTH ABOVE IN THIS PARAGRAPH ARE EXCLUSIVE FOR ANY BREACH OF ANY WARRANTY OR REPRESENTATION SET FORTH IN THESE TERMS AND CONDITIONS. AND SUPERSEDE ALL OTHER REPRESENTATIONS AND WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED.

Returns: All claims under warranty must be received within the applicable warranty period by the Company and shall be subject to the terms and conditions stated herein. Such claims should include the product serial number, the date of receipt of the equipment or product at the Buyer’s facility, and a full description of the circumstances giving rise to the claim. Any product returned to the Company or its agents not properly represented to the Company for examination and/or warranty repair shall be sent pre-paid via the means of transportation indicated as acceptable by the Company. The Company reserves the right to reject any warranty claim on any item that has not been pre-approved or has been shipped by non-approved means of transportation. Prior to returning any product, the Buyer will obtain a Return Merchandise Authorization (RMA) number from the Company and mark the outside of all packages with the RMA number. When any product is returned for examination and inspection or for any other reason, the Buyer and its shipping agency shall be responsible for all damages resulting from improper packing or handling, or for loss or damage in transit, notwithstanding any defect or non-conformity in the product. In all cases, the Company has sole responsibility for determining the cause and nature of the failure. Once warranty service has been completed, all return shipments to the Buyer will be shipped freight collect. Returns of products for replacement, credit or refund shall be at the sole discretion of the Company and shall be subject to acceptance of such return by the Company. All returns for replacement, credit or refund shall be subject to a twenty-five percent (25%) restocking charge due to the Company when the product or equipment is sent back to the Company for replacement and the Buyer shall prepay all shipping charges, duties, taxes, and fees to send the product back to the Company for return or replacement and if so replaced, for return to the Buyer.

Damages: In addition to any other rights and remedies available to Company at law, in equity or herein, if Buyer defaults under or breaches any of these Terms and Conditions or any other agreement with the Company, or if Company at any time in its sole judgment shall not be satisfied with Buyer’s financial condition or payment record hereunder or under any other agreement, Company may immediately declare all amounts hereunder to be due and payable immediately, to suspend deliveries hereunder or under any agreement until such default or condition is remedied, or to decline to make further deliveries or terminate any relationship or agreement with Buyer.

Rights Reserved: Company shall have the right to increase any or all of the prices stated in any purchase order, contract or statement of work with Buyer prior to notice to Buyer. Such price or prices shall be paid for all Company products shipped hereunder on or after the date the increase becomes effective.

SD-03, Standard Terms and Conditions – Domestic Sales 2 of 4
945632.2
Rev - A
**Damage Litigation:** Under no circumstances, shall the Company be liable for any lost profits or other direct, indirect, special, incidental, punitive, compensatory, or consequential damages of any kind for any reason whatsoever with respect to its products, its software, its documentation, or the transactions by which its products are sold. In particular, the Company shall have no liability for any programs or data stored in or used with the Company’s products, including the loss of such programs or data or the costs of recovering such programs or data. If any data provided by the Company or its products are used in any type of legal action enacted by the Buyer, the Company will be compensated for the time and materials necessary for support of those efforts at the Company’s then prevailing rates for such services.

**Software:** Any software separately created by the Company or embodied within the Company’s products may be intellectual property created by the Company and shall constitute confidential, proprietary information of the Company and are hereby licensed solely and exclusively to the Buyer for the sole and exclusive purpose to permit Buyer to operate the Company’s products sold to Buyer. To the extent the software used to operate any Company products include any off-the-shelf licensed products, the right to use such licensed products are hereby transferred to Buyer for the sole purpose of permitting Buyer the licensed rights to operate the systems used to operate the Company products. To the extent any third-party software may be governed by a separate license agreement(s), such agreements will be furnished to the Buyer at the time of delivery if required. Under no circumstances shall title to the software, or proprietary rights associated with the software created by the Company, pass or be transferred to the Buyer. Any such software comprises proprietary information and technology of the Company. In all events, such software and proprietary information shall be subject to the provisions in the following paragraph.

**Buyer Covenants, Representations and Warranties:** Buyer hereby covenants, represents and warrants that Buyer shall (a) use commercially reasonable efforts to prevent unauthorized access to or use of the Company products or the Company’s confidential and proprietary information, including without limitation, all rights in any software used with or incorporated in the Company’s products; (b) promptly notify the Company of any violation of these Terms and Conditions, and take commercially reasonable actions to resolve such violation as soon as reasonably possible; (c) use and require all employees, agents, contractors, and any other person or entity acting on or for Buyer to use the Company products only for the purposes permitted by this Agreement, and in accordance with all applicable laws and regulations; (d) not permit any unauthorized person or entity to access or use the Company’s products; and (e) except as otherwise permitted herein or by law, not (or permit any person or entity, including without limitation, any employee, agent, or contractor acting by, through, under, or for Buyer, to, (i) sell, resell, rent or lease the Company products, (ii) interfere with or disrupt the integrity or performance of the Company products or any third party parts, technology, or data contained therein or used in connection with the Company products, (iii) attempt to copy, download or modify any software or third party vendor technology incorporated in or used with the Company products, (iv) reverse engineer, de-compile, translate, disassemble or prepare derivative works of all or any portion of the Company products or any software or vendor technology incorporated in or used by the Company with the Company products, or (v) license, distribute, or disclose the Company products or any part thereof, to any person or entity.

**Excuse:** In no event shall the Company be liable for any loss or damage resulting from any delay or failure in shipment, or other failure to perform with respect to its products where such delay, failure, loss, or damage is the proximate result of any act or directive of any governmental authority, revolution, riot, civil disorder or disturbance, or act of enemies, delay or default in transportation, strike, dispute among or between labor unions or other labor disputes; loss, death, illness, national pandemic, or unavailability of key personnel; inability to obtain materials or facilities from normal sources; or fire, flood, act of God, or any other causes not within the reasonable control of the Company, whether of the class of causes enumerated or otherwise. Without limiting the generality of the foregoing, the Company may, without causing a breach or incurring liability, allocate goods which are in short supply, irrespective of the reasons therefore, among buyers in any manner which the Company in its sole discretion deems advisable.

**Intellectual Property:** The Company grants no rights or license under any data, research, inventions, designs, developments, schematics, mock-ups, prototypes, engineering, mask works, ideas, concepts, techniques, devices, discoveries, formulae, processes, improvements, writings, records, original works of authorship, all related know-how, patents, patent applications, trademarks or trade secrets and any other intellectual property, whether or not patentable, registrable, or protectable under patent, copyright, trade secret or other laws, which it may now or hereafter create, own, acquire or have the right to use or use in the products or technology furnished to the Buyer (collectively, the "Company Intellectual Property"). The Company owns the Company Intellectual Property whether or not the same is developed exclusively during the performance of any contract or purchase order with Buyer and retains the right to seek, at its own expense, protection for all Company Intellectual Property performed or created whether non-exclusively or exclusively for the Buyer by Company employees and independent contractors during the period of the contract and purchase orders with Buyer. Notwithstanding the foregoing, the Buyer shall assume all liability and shall indemnify, defend and hold the Company harmless for any claims for patent, copyright and any other intellectual property infringement when goods are made by the Company to the Buyer’s specifications.

**Cessation of Production; Termination:** The Company reserves the right, from time to time and at any time, in its sole and absolute discretion, without thereby incurring any liability to Buyer or to any third party, to cease selling or offering for sale any product or to alter the design, composition, price or specifications of any product. The Company also reserves the right, from time to time, and at any time, upon thirty (30) days prior written notice, in its sole and absolute discretion to terminate any relationship with the Buyer and to terminate any contract, purchase order, and statement of work by, under, or acting by or for Buyer. The Company shall perform any services it can perform up to the effective date of such termination and shall refund any monies paid in advance for services or Product that will not be provided to Buyer by the effective date of such termination.

**Conflict:** To the extent these Terms and Conditions conflict with the terms of any contract, purchase order, statement of work, or any other written agreement between the Company and Buyer, then, unless the written contract purchase order, statement of work or agreement provides otherwise, the terms of the signed contract, purchase order, statement of work or written agreement will control and shall supersede these Terms and Conditions. No terms, conditions or amendments stated by Buyer in any purchase order, acceptance, acknowledgment or other written form will become part of these Terms and Conditions of sale or binding upon the Company unless accepted by the Company in writing. The Company objects to and rejects any additional or different terms in Buyer’s purchase order, acceptance, acknowledgement, any Buyer’s terms and conditions, or any other forms.

**Amendment; No Waiver.** In its sole and absolute discretion the Company may modify these Terms and Conditions by providing modified terms and conditions to Buyer. No failure of the
Company or Buyer to enforce these Terms and Conditions shall constitute a waiver by that party of its right to subsequently enforce the same or any other provision hereof. No waiver of any provision of these Terms and Conditions shall be effective unless in writing signed by the party claimed to have waived such provision.

Assignments: The rights and duties of the Buyer hereunder shall not be assignable by the Buyer without the prior written consent of the Company.

Severability: The terms and conditions contained herein are separate and severable and the invalidity or unenforceability of one or more of such terms and conditions shall be enforced to the maximum extent possible and shall not affect the validity or enforceability of any other term or condition.

Dispute Resolution: Company and Buyer shall attempt in good faith to resolve any disputes arising under any purchase order, agreement, statement of work or these Terms and Conditions, or a breach thereof, by negotiations between representatives of the parties authorized to resolve such disputes. All negotiations pursuant to this provision shall be confidential and shall be treated as compromise and settlement negotiations for all purposes of applicable rules of evidence, and not as evened or admission of liability. In the event the Company and Buyer fail to reach a negotiated settlement within a period of sixty (60) days, then by written notice delivered by either party to the other, any such dispute, controversy or claim arising out of or relating to these Terms and Conditions, any agreement, purchase order or statement of work or any other agreement between the Company and Buyer, including the formation, interpretation, breach or termination thereof, including whether the claims asserted are arbitrable, will be referred to and finally determined by binding and mandatory arbitration in accordance with the rules of the American Arbitration Association (the “AAA”), then currently in effect, by a sole arbitrator. If the parties fail to agree on an arbitrator within thirty (30) days of the commencement of the arbitration, then the parties will allow the AAA to select the neutral arbitrator pursuant to the rules of the AAA then currently in effect. The arbitrator will not be permitted to award punitive damages against any party. The place of arbitration will be Boston, Massachusetts. The language to be used in the arbitral proceedings will be English. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C., §§1 et seq., and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The procedures specified in this paragraph shall be the sole and exclusive procedures for the resolution of any and all disputes between the parties relating to these Terms and Conditions, any purchase order or any statement of work, unless a written contract specifies otherwise. The requirements of this paragraph shall not be deemed a waiver of any right of termination under these Terms and Conditions.

Notices: Any notice, request, demand or other communication to be given to the Company hereunder shall be in writing and either (i) personally delivered; or (ii) sent by a national or internationally recognized overnight courier service; to: Optikos Corporation, 107 Audubon Road, Building #3, Wakefield, MA 01880; Attn: President. Any notice, request, demand or other communication to be given to the Buyer hereunder shall be in writing and either (i) personally delivered; or (ii) sent by a national or internationally recognized overnight courier service; to Buyer at the address provided by Buyer to the Company, or such address on Buyer’s written communications (including an email signature block).

Survival: Termination or expiration of the purchase order, statement of work, or agreement between Company and Buyer for any reason shall not release either party from any liability or obligations: (i) that the parties have expressly agreed shall survive such termination or expiration; (ii) which remains to be performed; or (iii) by their nature would be intended to be applicable following any such termination or expiration.

Governing Law; Forum: Transactions with respect to the supply of products and goods by the Company shall be governed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws principles, and any action arising out of any such transaction shall be brought exclusively in courts seated in Suffolk County, Massachusetts or the Federal District Court for the Commonwealth of Massachusetts, and the Buyer’s agreement to such exclusive jurisdiction and venue is a condition of sale.