

SURFACE OPTICS CORPORATION STANDARD TERMS & CONDITIONS OF QUOTATION & PURCHASE ORDERS

These Standard Conditions of Quotation apply to the attached Quotation between Surface Optics Corporation (hereinafter "SOC") and Customer. Each or both of which may be referred to as "Party" or "Parties," as the case may be.

FORMATION OF CONTRACT

The Quotation is an offer to sell Customer the equipment, materials and services described in the Quotation. Any purchase order in response to this quotation, and its terms and conditions, shall incorporate by reference this quotation as well as the terms and conditions and purchaser acknowledges that the quotation, and the terms and conditions are an essential part of any offer of sale. These terms and conditions shall prevail, unless otherwise mutually agreed to in writing.

NOTE: SOC's acceptance of Customer's order is expressly made conditional on Customer's assent to all of SOC's terms. No prior proposals, statements, course of dealing or usage of the trade will be part of the contract.

PRICE, TAXES AND UPGRADES

The price(s) to Customer is stated in the Quotation. The price includes only the items specifically itemized in the Quotation. Prices do not include any applicable taxes, import/export duties, and surcharges applicable to New, Repaired, Leased, and/or Demo Products (including without limitation sales, use, value added, excise, property, customs and similar taxes or duties), or additional services such as expediting or special packaging, all of which shall be separately stated on SOC's invoice and paid by Customer in addition to the prices quoted.

State sales tax can only be waived with a valid state tax exemption certificate which is acceptable to the taxing authorities.

PAYMENT

Domestic

For orders over \$1000, payment terms are N30 on approved credit. A credit application should be submitted for approval. For orders \$1000 and under, payment in advance is required (check, wire, and credit cards accepted). A 3% fee will be added to all credit card purchases. All software, repair evaluations, service plans, leases, and extended warranty purchases must be accompanied by payment in full. Partial shipments are billed as made and payable on the terms above.

International

All prices are listed in United States Dollars. Unless specified otherwise in writing, a payment of 100% (wire or credit cards accepted), 100% Letter of Credit on sight of shipping documentation or 50% down upon receipt of Purchase Order, 50% upon shipping is

required via wire transfer, for all International orders. A 3% fee will be added to all credit card purchases.

Payments must be made in U.S. Dollars. Any Customer outside the United States must furnish at SOC's request a Letter of Credit at a reputable world bank subject to SOC approval or cash prepay of the full amount of the Quotation.

If any payment depends on an event (e.g. installation) which is delayed for a reason for which Customer is responsible, Customer will make the payment when the event was first scheduled to occur.

If any payment depends on an event which is delayed for a reason for which SOC is responsible, Customer will make the payment when the event is rescheduled to occur. Payment terms shall not be affected by any delay in delivery, installation or acceptance. Credit limits and extensions are subject to review and approval by SOC in its sole discretion, and SOC may change its terms of sale or require prior payment, letter of credit or COD when, in the opinion of SOC, the financial condition or previous payment record of Customer so warrants. SOC shall not be obligated to extend credit to any Customer. Should Customer become delinquent in any payment due, SOC at its own discretion may institute credit hold procedures on all open orders. Future orders will not be confirmed until Customer's account is brought current, including outstanding interest charges, if any.

FINANCE CHARGES AND COLLECTION EXPENSES

Any amounts due to SOC that are not paid on the due date shall bear interest, from the date due until paid in full, at a rate equal to the lower of 2% per month or the highest legal rate, compounded monthly. If SOC deems it necessary or appropriate to refer an account to an agent or attorney for collection, all costs and expenses of collection (including, without limitation, reasonable attorneys' fees) will be charged to Customer's account and will accrue interest at the rate stated above. SOC may set off against any sum otherwise due from SOC to Customer or its affiliates any sums or amounts then due from Customer and its affiliates to SOC and its affiliates.

PURCHASE MONEY SECURITY INTEREST

Customer hereby grants to SOC a purchase money security interest in all Products purchased hereunder, and all proceeds received by Customer with respect thereto, as security for the payment of all amounts due from Customer to SOC. Upon request by SOC at any time, Customer agrees to execute and file such financing statements or other documents as may be required to evidence and perfect such security interest in any jurisdiction.

ACCEPTANCE AND CANCELLATION OF ORDERS

Orders must be presented in writing or via electronic means acceptable to SOC and will not be binding upon SOC until accepted by written or electronic confirmation or by shipment of the Products ordered. SOC reserves the right, at its option and without liability, to refuse any order, in whole or in part, or to specify an alternate delivery schedule if orders from all sources exceed SOC's inventory or ability to deliver. SOC may allocate available inventory

and production in its sole discretion. SOC reserves the right to accept any cancellation request made in writing. A 20% cancellation fee will apply to stock items. Special order, customized products, and services already performed cannot be canceled.

DELIVERY

Lead time is calculated as calendar days after acceptance of order (AAO) and does not include transportation time. Delivery dates are approximate and subject to product availability and receipt of prior orders. SOC is not responsible for delays in performance or delivery due to a cause beyond its reasonable control. These causes include, without limitation, any delay of sources to supply materials and equipment, government priorities and labor or transportation problems. If such a delay occurs, SOC may extend the performance or delivery date or payment date for a period of time equal to the length of the delay.

TRANSPORTATION, TITLE AND RISK OF LOSS

Unless otherwise specified in the Quotation, SOC shall deliver the equipment ordered by Customer, F.O.B. Origin (domestic) or EXW San Diego (International), to a carrier or freight forwarder selected by SOC unless otherwise agreed to by the Parties. Title, possession and risk of loss shall pass to Customer upon delivery of the equipment to the designated carrier or freight forwarder. The customer shall be responsible for all freight handling and insurance charges.

Customer shall inspect all Products upon arrival and provide written notice to SOC, within five (5) business days of any claim for shortage or other nonconformance. Any claim for loss or damage in transit should be made directly to the delivering carrier. If Customer fails to give timely notice, the Products as delivered shall be deemed to conform to all terms of Customer's order.

SITE PREPARATION, INSTALLATION AND CERTIFICATIONS

If the attached Quotation includes installation services, Customer is responsible for making the location where the equipment will be installed ready for installation in compliance with the written specifications attached to the Quotation including at a minimum any permits, licenses or other regulatory requirements specific to the installation site and providing the electrical and signal outlets required as noted in the Quotation. Customer must provide and maintain any local government permits and approvals needed for installation and use of the equipment and materials delivered per the Quotation.

SAFEGUARDING COVERD DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

In order to comply with any purchase order or contract award containing DFAR 252.204-7012, the buyer must clearly identify the "Covered Defense Information" upon the issuance of said purchase order or contract award.

WARRANTY

SOC warrants that the following Products manufactured by SOC, not including Research and Development units, are free from defects in materials and workmanship and perform in

accordance with the applicable data sheet or agreed upon specifications when operated within the temperature and all other operating condition limitations set forth therein under normal use for a period of twelve (12) months from date of shipment. Such warranties will be effective, and SOC will be obligated to honor such warranties, only upon Customer's receipt of payment in full for the Product(s) to be warranted.

Applicable products with above stated twelve (12) month warranty: 710-VP, 710-E, 710-SWIR, 410-DHR, 410-Solar, ET-100, ET-10, SOC-100, SOC-210, LVIRA (SOC716-VIS), MIDWAVE (SOC-750), DUOCHROME, and SOC716-UV.

The warranty is void if failure of the Product has resulted from accident, abuse, misapplication, misuse or act of God, or if the Product has been repaired, disassembled or altered by someone other than SOC or its authorized repair agent, or if any event in SOC's STANDARD TERMS & CONDITIONS OF QUOTATION & PURCHASE ORDERS or specific SOC Quotation that would render warranty void has occurred. SOC's warranties do not cover any damage or defect due to relocation, accident, negligence, failure of electrical power, tampering, or failure to follow SOC's handling, operating and maintenance instructions.

SOC's entire liability and exclusive remedy shall be the repair or replacement, at SOC's sole discretion, of the Products which do not meet the limited warranty, and which are returned freight prepaid by Customer, to SOC, or its authorized repair agent. Products must be shipped in original containers. If the original container is not available, the customer shall contact SOC to make arrangements for a suitable shipping container. Any replacement Products are warranted for the remainder of the original warranty period or for ninety (90) days, whichever is longer.

THE WARRANTY AS SET FORTH HEREIN IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Prior to returning any Product, Customer must obtain a Returned Material Authorization (RMA) number from SOC. Product returned shall be shipped F.O.B. Destination, freight prepaid by Customer. Returned Products shipped from SOC to Customer will be shipped F.O.B. Origin. If deemed a warranty repair, SOC will bear the cost of the return shipping (excluding any custom duties or taxes) to the original customer. If product was purchased by a reseller, SOC reserves the right to only bear the cost of return shipping on warranty repairs to the reseller's location.

LIMITED WARRANTIES AND DISCLAIMER IN NO EVENT WILL EITHER PARTY BE LIABLE FOR (I) SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, OR (II) ANY DAMAGES RESULTING FROM INACCURATE OR LOST DATA OR LOSS OF USE OR PROFITS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE FURNISHING OF SERVICES, OR THE USE OR PERFORMANCE OF PRODUCTS, EVEN IF INFORMED OF SUCH DAMAGES. IN NO EVENT WILL SOC'S TOTAL LIABILITY FOR ANY DAMAGES IN ANY ACTION BASED ON OR ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT EXCEED THE TOTAL AMOUNT PAID TO SOC PURSUANT TO THE AGREEMENT.

POST WARRANTY SERVICE AGREEMENT

At the expiration of the standard warranty period, SOC may have available ongoing service contracts for consideration, which, if available, could be purchased prior to the expiration of the existing Warranty. To receive more information on service agreements, contact Support@surfaceoptics.com.

RETURN POLICY

SOC adheres to the following Return Policy. Products may be returned for refund or credit only with advance written approval and a Returned Materials Authorization (RMA) number obtained from SOC's Customer Service department. All returns must be made within (30) thirty days of purchase and must be in the same condition as when they were shipped by SOC, in their original, unopened packaging. All returned merchandise must be sent by Buyer freight prepaid and properly boxed to prevent damage in transit. SOC will inspect returned products upon receipt. NO returns of any type will be accepted without an RMA Number. A 20% restocking fee will apply to all stock item returns. Special Order and customized products (items that are not stock items at SOC) are not returnable, exchangeable or refundable under any circumstances.

After thirty (30) days, all sales are final.

RMAs issued by SOC are valid for thirty (30) days only, product must be returned within this time frame. RMAs cannot be extended or re-issued.

Any merchandise found to be defective within the warranty period can be returned for repair under SOC's warranty provision. All defective merchandise must be returned with an RMA Number within thirty (30) days of receipt of an RMA.

To obtain an RMA number send an email to SOC's Customer Service department at myorders@surfaceoptics.com or call Customer Service at 858-675-7404. A customer service representative will assign the RMA # and assist with any questions you may have.

Please have the following information on hand when calling for an RMA #: customer name, PO or invoice number, serial number and the nature of the problem.

Please note that the following products cannot be returned:

- Customized Parts
- Special order items
- Items for which manufacturers will not accept returns
- Items not purchased through Surface Optics Corporation
- Parts modified after purchase
- Any part returned in an unsuitable resale condition

RMA SERVICE POLICY

Instruments for repair or service can be returned with the purchase of a repair evaluation or service plan. Instruments may be returned for service only with advance written approval and a Returned Materials Authorization (RMA) number obtained from SOC's Customer Service department. All instruments returned for repair or service must be sent by Buyer

freight prepaid and properly boxed to prevent damage in transit. NO instruments for repair or services of any type will be accepted without an RMA Number.

A shipping account must be provided prior to returning the instrument. Instruments cannot be held for longer than thirty (30) days from receipt of a quotation for repair. If an instrument remains longer than thirty (30) days, a storage fee of \$50.00 per day, to be paid prior to shipment of the instrument, will be assessed for each day that the instrument remains at SOC.

RMAs issued by SOC are valid for thirty (30) days only, instruments for repair or service must be returned within this time frame. RMAs cannot be extended or re-issued.

CONFIDENTIAL INFORMATION

Customer acknowledges that the Products and all related software, documentation and technology are based upon and embody various confidential and/or proprietary technology, processes, methods, information, and trade secrets of SOC and its suppliers. Customer shall maintain the confidentiality of all such confidential and proprietary information and trade secrets, including SOC's Product designs, software, specifications, schematics, drawings, documentation, sourcing, materials, components, processes, and pricing (Confidential Information) using the same degree of care used to protect its own similar confidential information, but not less than reasonable care. Customer shall disclose SOC's Confidential Information only to those employees, contractors, and agents having a need therefor in connection with the purchase covered hereby and bound by written agreement to maintain the confidentiality thereof, and Customer shall be responsible for any breach by those to whom it provides such information. It is agreed that any breach of this Section may cause SOC irreparable harm for which monetary damages would be inadequate; accordingly, SOC shall be entitled to apply to any court of competent jurisdiction to enjoin any violation, threatened or actual, of this article, even if monetary damages are available and readily quantifiable, and without proof of actual damage.

PROPRIETARY RIGHTS AND SOFTWARE LICENSING

SOC hereby grants Customer a nonexclusive, non-transferable license to use the Firmware and/or Software and its accompanying documentation ("Licensed Materials"). This license is subject to the following limitations: (i) Licensed Materials may be used only in conjunction with the Products; (ii) Licensed Materials may be copied into any machine-readable or printed form for backup or archival purposes to support use of the Products; (iii) Licensed Materials and license may be transferred to another party, but only when transferred with Products in which the Licensed Materials are used, and only if the other party agrees to accept the terms and conditions of the License Agreement. The specific terms and conditions of such license that govern the use of such software are as set forth in the license agreement, located in the user manual. Customer may not use, copy, or modify Licensed Materials, in whole or in part, except as expressly provided for in this Agreement.

Except as otherwise expressly authorized hereunder, neither Customer nor any end user may: (i) make any copies or duplicates of Software; (ii) reverse translate, decompile, disassemble, or reverse engineer the Products, or use the Confidential Information for competitive analysis; and (iii) remove any Product identification or notices of any proprietary or copyright restrictions from the Products. Further, Customer agrees not to translate, and to restrict any end user from translating, any portion of the Software or associated documentation into any other format or

language without SOC's prior written consent. SOC shall exclusively own all ideas, inventions, technology, patents, patent applications, copyrights, trademarks, trade names, trade secrets, know-how and other intellectual property and proprietary rights and interests used or embodied in the Products, drawings, designs, specifications, documentation, and software furnished by SOC to Customer. Customer shall not remove, alter, or obscure any copyright, trademark, trade name, logo, government restricted rights, or other proprietary or confidentiality notices or legends from any Products, software, documentation, or other materials provided by SOC, and shall not, directly or indirectly, take, authorize or permit any action, or use any procedure or process in any jurisdiction, to assert, register, file, publish, confirm, perfect or claim any right in any intellectual property or proprietary rights of SOC.

LEASING

Any leased, or loaned instrument will require a fully executed Lease Agreement. The customer must adhere to the terms of the Lease Agreement for all leased or loaned instruments. 50% of lease can be applied towards purchases made within twelve (12) months.

EXPORT PACKING & DOCUMENTS

Prices include Surface Optics Corporation's standard commercial export packaging. Customer shall bear any additional expenses required to satisfy customer's specifications. All shipments hereunder are subject to compliance with the Export Administration Act, as amended, the regulations there under and all other U.S. laws and regulations concerning exports. Customer agrees to comply with all such laws and regulations concerning the use, disposition, re-export and sale of the goods or service provided hereunder.

FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS

SOC prohibits trafficking in persons including the trafficking-related activities of forced labor, employee recruitment fees, fraudulent practices during recruitment, and/or sex trafficking. Any suspected violations shall be immediately reported to Ethics Office@surfaceoptics.com.

COMPLIANCE WITH LAWS

All activities of Customer under or pursuant to these terms and conditions shall comply with all applicable laws, rules and regulations. Customer shall (1) comply with such U.S. Laws and Regulations ("Known or Advised U.S. Laws and Regulations"); (2) maintain the necessary records to comply with such Known or Advised U.S. Laws and Regulations; (3) NOT re-export any Products except in compliance with such Known or Advised U.S. Laws and Regulations, (4) obtain all governmental approvals and licenses necessary to import the Products into the Territory; (5) NOT sell, transfer or otherwise dispose of the Products in violation of Known or Advised U.S. Laws and Regulations and (6) indemnify and hold harmless SOC from any and all fines, damages, losses, costs and expenses (including reasonable attorneys' fees) incurred by SOC as a result of any breach of this section by Customer.

KNOWN OR ADVISED U.S. LAWS AND REGULATIONS

These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to US law prohibited. Reference Section 15 of the Code of Federal Regulations, Parts 730-774 at <https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>

You may only export, re-export, or transfer items intended for civil end-uses. You may not export, re-export, or transfer items that would make a direct and significant contribution to the military capabilities such as, but not limited to, the major weapons systems described in Supplement No. 7 to Part 742 of the EAR. Military end-use also includes the proliferation of weapons of mass destruction (e.g., nuclear, biological, chemical) and the missiles to deliver them. Please refer to Part 744 of the EAR.

GENERAL MATTERS

Assignment. Any assignment of the Quotation or these Standard Conditions of Quotation will be void without SOC's prior written consent, which will not be unreasonably withheld.

Validity. If any part of the Quotation or these Standard Conditions of Quotation is found invalid, the remaining parts will remain in full force and effect.

Governing Law. The Quotation and these Standard Conditions of Quotation are to be interpreted in accordance with, and its administration and performance governed by, the laws of the State of California without regard for conflicts of law.

Entire Agreement. The Quotation and these Standard Conditions of Quotation contain the entire agreement between the Parties relating to the subject. All prior agreements and all prior negotiations, representations and communications relating to the same subject are superseded by the Quotation and these Standard Conditions of Quotation. The Quotation and these Standard Conditions of Quotation may not be modified other than by a written document signed by each Party's duly authorized representatives.

Order of Precedence. The documents listed below are hereby incorporated by reference. In the event of an inconsistency or conflict between or among the provisions of this Quotation, the inconsistency shall be resolved by giving precedence in the following order:

- 1) The Quotation.
- 2) Surface Optics Corporation Standard Terms & Conditions of Quotation (this document).