

1. **Acceptance.** This purchase order is nLight's offer to Seller to purchase the goods and services identified on the face of the purchase order and is not binding until accepted. Acceptance of this order is conditional upon Seller's acceptance of nLight's terms and conditions. Seller shall be deemed to have accepted all of the provisions of this purchase order upon the first of the following to occur: (a) Seller acknowledges this purchase order in writing; (b) Seller notifies nLight by issuing a confirmation or other communication that Seller intends to commence performance of this purchase order; or (c) Seller commences performance of this purchase order and communicates such to nLight. Seller's acceptance is strictly limited to agreement of all terms and conditions in this purchase order. nLight may cancel this purchase order without any liability or cost at any time prior to Seller's acceptance. nLight objects to Seller's terms and conditions in Seller's quote, confirmation or acknowledgement to the extent that they differ from and are additional to these terms and conditions. nLight rejects any terms or conditions of sale provided by Seller.
2. **Shipment / Delivery.** Shipment and delivery of goods or timing of services shall be in accordance with the schedule, quantities, and other requirements of the purchase order. Seller shall immediately notify nLight of delays in schedule. nLight reserves the right to cancel this purchase order in whole or in part if Seller should fail to ship or deliver in accordance with the purchase order, and to purchase elsewhere and may charge Seller with any loss incurred. No partial delivery or delivery of added quantities shall be made unless approved in writing by nLight.
3. **Packaging and packing.** Seller shall be responsible for proper packing and packaging to prevent damage and/or deterioration and shall comply with all carrier tariffs. All goods shall be prepared and packed in a commercially accepted manner. All packages shall be marked and labeled appropriately and an itemized packing list must accompany the shipment.
4. **Invoices: Payment Terms.** Invoices shall contain purchase order number, a description of Items, quantities, unit prices, extended totals, applicable taxes and any other information specified by Buyer. Payment of an invoice shall not constitute acceptance of Items and shall be subject to adjustment for errors, shortages, defects, or other affiliated companies to Buyer. Payment in connection with any discount term will be calculated from: (a) scheduled delivery date, (b) actual delivery date, or (c) the date an acceptable invoice is received, whichever is latest; payment under a discount term is deemed made on the date of mailing of Buyer's check. If payment is made electronically, payment shall be deemed made when the Supplier's depository institution receives or has control of the payment.
5. **Inspection.** All goods received are subject to inspection and acceptance. Defective goods or goods not in accordance with nLight's specifications may be returned at Seller's expense. Payment for goods on this purchase order does not constitute an acceptance of goods nor will acceptance remove Seller's responsibility for defects and noncompliance. Supplier accepts all risks of loss, damage, or destruction to items until final acceptance by nLight. If rejected or required to be repaired, items shall be replaced or corrected by and at the expense of supplier as directed by nLight.
6. **Rejection.** nLight may reject and/or refuse acceptance of any goods that do not comply with the requirements of this purchase order. No goods returned as defective shall be replaced without a new purchase order or schedule for delivery. If the Seller fails or refuses to correct the non-conformance, nLight may: (a) retain any or all of such goods for repair; (b) retain any and all of such goods without correction; (c) return any or all such goods with or without direction for correction from the Seller. No acceptance of goods shall be construed to result from any inspections or tests or from any delay to inspect or test, up to 30 days.
7. **Warranty.** Seller warrants (a) that all goods shipped are free from defects in design, material, and workmanship; (b) that seller has good title to the goods; (c) that the goods purchased conform to the applicable specifications and are fit for use; (d) all goods will not infringe the patent, copyright, or intellectual property right of a third party; (e) that all materials are new and suitable for their intended purposes. Supplier warrants that all Items, the sales of Items by Supplier, and the use of resale of Items by Buyer are and will be free from liability for infringement of, or claim of royalties for, patent rights, copyright, trademark, trade secrets or confidential or proprietary intellectual property rights, mechanic's liens and other encumbrances of any person (collectively "Rights and Encumbrances"). Seller shall repair or replace all goods not meeting these requirements. The foregoing warranties are in addition to all other warranties, expressed or implied, and survive delivery, inspection, acceptance or payment by nLight.
8. **Indemnity by Supplier.** Supplier shall defend, indemnify and hold harmless Buyer (and its officers, directors, agents and representatives) from and against any and all claims, suits, losses, penalties, damages (whether actual, punitive, consequential or otherwise) and associated costs and expenses (including attorney's fees, expert's fees, and costs of investigation) and all liabilities that are caused in whole or in part by: (a) any actual or alleged infringement of any Rights and Encumbrances; (b) any breach by Supplier of this Agreement; (c) any negligent, grossly negligent or intentional act, error or omission by Supplier, its employees, officers, agents or representatives in the performance of this Agreement; (d) or that are for, in the nature of, or that arise under warranty, strict liability or products liability with respect to or in connection with the Items.
9. **Force Majeure.** A failure by either party to perform due to causes beyond control of and without the fault or negligence of such party is deemed excusable during the period in which such cause of failure continues. Such causes may include act of God, acts of government, fire, flood, strike, and freight embargo. When Supplier becomes aware of any actual or potential force majeure condition, Supplier shall notify nLight of condition.
10. **Changes and reschedules.** nLight may at any time make changes in the quantities or schedules or in the drawings, designs or specifications which shall be effective when written notice of the change is received by the Seller. If any changes affect the cost or schedule an equitable adjustment shall be made to this purchase order provided the Seller notifies nLight within 15 days from the date Seller received notification of the change. Seller shall not make changes to form, fit or function based on specification, process or material changes without written approval from nLight. Seller shall notify nLight of all proposed changes and nLight reserves the right to accept or reject any change recommendation.
11. **Cancellations / Termination.** nLight may cancel this purchase order in whole or in part at any time by written, e-mail, facsimile notice in the event that Seller (a) fails to comply with any terms or conditions with this purchase order; (b) merges with or is acquired by a third party without nLight's prior consent in writing; (c) Seller appoints a receiver or trustee in bankruptcy; (d) assigns any of its rights or obligations to a third party without written consent from nLight. nLight may terminate this order in whole or in part at any time for any reason upon written notification to Seller. Upon receipt of such notification, Seller will terminate all work associated with this order. There shall be no charges to nLight for goods for which there are alternate customers. For nonstandard goods, there will be no charges for material or labor outside of ninety days from the date of the termination request. Seller shall provide to nLight written accounting of all costs associated with the termination request. nLight is entitled to all goods, materials and work in process for which it paid. nLight is not liable for any incidental or consequential damages or costs associated with this purchase order.
12. **Assignment.** Seller shall not assign nor delegate its duties or obligations without written consent from nLight. Any violation to this condition constitutes a breach of contract and nLight may cancel this purchase order at any time.
13. **Proprietary Information.** A. General Buyer's "Proprietary Information" shall include, without limitation, samples, schematics, drawings, specifications, manuals, and other technical, business, trade secret, proprietary and confidential information provided to Supplier by Buyer (including the terms and existence of this Agreement) during the term of, or in connection with the performance of this Agreement. Buyer grants to Supplier the right to use the Proprietary Information solely for the purpose of providing Items to Buyer. Supplier will not disclose, use or use any Proprietary Information for any other purpose including, without limitation: (1) developing, designing, manufacturing, engineering, reverse engineering, refurbishing, selling or offering for sale Items, parts or components of Items, derivatives of or equivalents to Items, or (2) assisting any third party in any manner to perform such activity. Proprietary Information shall be clearly marked by Supplier as Buyer's property and returned to Buyer promptly upon request. Supplier shall use reasonable care to protect the Proprietary Information, and in no event less than the care Supplier uses to protect its own like information. B. Equitable Relief Supplier agrees that Buyer would suffer irreparable harm, for which monetary damages are an inadequate remedy, and that equitable relief is appropriate if Supplier were to breach or threaten to breach any obligation regarding Proprietary Information. C. Further Information On request, and in any event, upon termination of this Agreement, Supplier will provide to Buyer current and complete specifications, designs and drawings for each Item produced for Buyer, and any other information that is based on or incorporates Buyer's Proprietary Information or its patents, copyrights or trade or service marks. All such information shall be the sole property of Buyer. Supplier, as partial consideration for this Agreement, grants to Buyer an irrevocable, non-exclusive, paid-up, world-wide right and license to make, have made, use, and sell any inventions, derivative works, improvements, enhancements, patents, copyrightable works or other intellectual property conceived, made or reduced to practice by or for Supplier in the performance of this Agreement ("Inventions"). Buyer shall also be entitled to grant licenses to its customers to use such Inventions as related to the operation of Buyer's products.
14. **Remedies.** nLight's rights and remedies shall be cumulative and shall be in addition to any other rights or remedies provided by law. If nLight breaches this purchase order, the Seller's only remedy shall be the recovery of the goods only from nLight. nLight shall not be liable for incidental damages.
15. **Arbitration.** Arbitration. The parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein released, shall be subject to binding arbitration in Clark County, Washington before the American Arbitration Association, or by a judge to be mutually agreed upon. The parties agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The parties agree that the prevailing party in any arbitration shall be awarded its reasonable attorney's fees and costs. Customer agrees to hereby waive right to a jury trial as to matters arising out of the terms of this Agreement and any matters herein released. The parties acknowledge that the terms of this arbitration provision, including the selection of the location of the arbitration, were subject to negotiation. The parties expressly consent to Clark County as the location for arbitration in exchange for the mutual promises made herein.
16. **Import Requirements.** Upon request, Seller shall provide to nLight appropriate certification stating the country of origin for goods sufficient to satisfy (a) U.S. Customs authorities and, (b) any applicable export licensing regulation. If goods are imported, Seller shall when possible, make nLight importer of record. If nLight is not the importer of record and Seller obtains duty drawback rights to the goods, Seller shall upon nLight's request provide nLight with documents required by the customs authorities of the country of receipt to prove importation and to transfer duty drawback rights to nLight.
17. **Disclaimer and Limitation of Liability for Damages.** IN NO EVENT SHALL BUYER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR CONTINGENT DAMAGES FOR ANY REASON, WHETHER OR NOT BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- 18. Government Contract Terms.** For orders under a U.S. Government contract, if not otherwise exempt, the following clauses from the Federal Acquisition Regulations (FAR) [clauses beginning with '52...'] and Defense Federal Acquisition Regulation Supplement (DFARS) [clauses beginning with '252...'] are incorporated by reference.

For orders > \$10,000 or totaling \$10,000 within the 12 months preceding this order:

- a. Prohibition of Segregated Facilities 52.222-21
- b. Equal Opportunity 52.222-26
- c. Affirmative Action for Workers with Disabilities 52.222-36

For orders > \$100,000:

- d. Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans 52.222-35
- e. Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans 52.222-37
- f. Compliance with Veterans' Employment Reporting Requirements 52.222-38
- g. Small Business (if order recipient is not a Small Business) 52.219-8

For orders where the prime contract is a DoD contract:

All orders:

- a. Subcontracts for Commercial Items 252.244-7000