

NLE-194 PO Terms, Conditions, and Quality Agreements – Effectivity 10/26/2017

1. ACCEPTANCE: These Terms and Conditions, and the terms of the applicable Purchase Order, which are expressly incorporated herein, (together, the " Agreement"), consist of an offer by Northeast Laser Engraving, Inc. ("NLE"), to the Seller with respect to the Products ("Products") and Services ("Services") provided set forth herein, and shall become a binding contract upon acceptance either by acknowledgement or performance by Seller. The Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes and replaces all prior agreements, understandings, writings and discussions between the Parties relating to said subject matter unless a separate Supply Agreement has been executed by the Parties, in which case the Supply Agreement terms shall supersede any terms in this Agreement. Additional or different terms communicated to NLE before the commencement of performance by Seller or in an acceptance by Seller shall be void and of no effect and will not become part of this Agreement unless agreed to in writing by NLE. In the event of a conflict between the terms of NLE's Purchase Order and the Terms and Conditions set forth herein, these Terms and Conditions shall govern. The Agreement may only be amended by a written amendment executed by both Parties.

2. CHANGES: NLE shall have the right, by written notice, to suspend work at any time before completion of the order, or to make changes in quantities, drawings, specifications, delivery schedules and methods of shipment and packaging. If such suspension or changes causes an increase or decrease in the cost or the time required for performance, an equitable adjustment shall be negotiated promptly and the order shall be modified in writing accordingly. Any claim for adjustment must be asserted by the Seller in writing within fifteen (15) days from the date the order is changed. Requested adjustments shall not be binding upon NLE unless evidenced by a revised Purchase Order issued in writing from NLE. The Seller agrees not to change specifications, materials, part numbers, size or description of requested items or Services without notification prior to implementation and written authorization from NLE.

3. PRICE: In the case that the price specified includes the payment of or allowance for any transportation charges by Seller, which shall be itemized separately in each invoice, NLE shall be charged with any increase or credited with any decrease in such transportation charges caused by changes in the rates for such transportation in effect on the date of shipment. No increase in price shall be effective without the prior written approval of NLE. Seller warrants that the prices quoted in this order are not greater than those currently charged any other buyer for similar quantities of Products or Services. Any price reduction extended to others by Seller prior to delivery shall also be extended to NLE. All local, state and federal excise, sales and use taxes, when applicable, shall be stated separately on Seller's invoice.

4. DELIVERY: Seller shall be responsible for safe packing of Products so that they arrive at NLE undamaged. No charges will be allowed for packing, crating, freight, express or cartage unless specified. Seller shall comply with any special instructions as to routings, shipping, and destinations as given to Seller by NLE. Time, rate and manner of deliveries are of the essence of this Purchase Order. Products shall be shipped in accordance with the F.O.B. terms stated on the Purchase Order and shall be delivered to a location designated by NLE in the Purchase Order by a carrier selected by NLE unless otherwise specified by NLE in the Purchase Order. Seller shall include in each shipment of Product to NLE, a certificate stating that it has complied with the specifications provided by NLE as required. NLE also reserves the right to refuse shipments not conforming to the schedule of deliveries appearing on the face of the Purchase Order. Product shipped in excess of the quantity designated may be returned at Seller's expense. Seller shall notify NLE immediately if and when any delay in performance has occurred or will occur in connection with any Purchase Order.

5. QUALITY: Seller agrees to participate in NLE's supplier quality and development program(s) including, but not limited to, on site audits and Corrective Action Requests. Seller agrees to reply to Corrective Action requests within thirty (30) days of receipt. Seller will promptly notify NLE of any regulatory, notified body, or certification body inspection or audit findings that impact the safety, effectiveness, conformity, or availability of product or service. Upon NLE request, Seller agrees to provide qualification records of personnel performing work directly related to product or service conformity.

6. INSPECTION: NLE shall have the right to inspect and test any Products before acceptance and reserves the right to reject and receive full credit for any Products or Services which are, upon delivery, defective as to material, workmanship, fabrication, quality or which is not in conformity with the specifications, drawings, or sample approved by NLE or Seller's representations or warranties, express or implied. Seller shall keep records of inspection and testing to prove conformance to NLE's requirements for a minimum of 15 years and agrees to offer records to NLE prior to disposal. NLE may charge Seller for the cost of inspecting and/or rework of rejected Products and all related transportation charges. Seller will immediately, upon receipt of written instructions by NLE (i) replace all rejected materials, including material damaged because of unsatisfactory packing by Seller, (ii) re-perform all rejected Services, or (iii) cure all defects in Products or Services, all at Seller's expense. Rejected Products may be returned to Seller, or held by NLE at Seller's risk and expense. Payment for any Products shall not be deemed acceptance of the Products. The Seller will facilitate verification at the Seller's premise where verification is requested to be performed by NLE or NLE's customer.

7. OUTSOURCED PROCESSES: Where applicable, Seller agrees to (i) provide NIST traceable calibration services both off-site and on NLE premises and (ii) provide auditors with Exemplar Global Lead Auditor Certification.

8. RECALLS: In the event any governmental agency having jurisdiction requests or orders any corrective action with respect to any Product (or any finished product containing or contained in any Product), including any recall, corrective action or market action (collectively "Recall"), Supplier shall immediately notify the NLE in writing and shall advise NLE of the reasons underlying its determination that a Recall may be warranted. In addition, NLE may require Supplier to undertake a Recall. The Parties shall consult with each other as to any action to be taken regarding such Recall and NLE may audit Supplier pursuant to Section 8. Supplier shall pay NLE for the costs associated with a Recall that was occasioned by the failure of the Product(s) to meet Specifications including any remedies available to NLE as provided by law.

9. INSTALLATION: In the event that any Products ordered require, in connection with the installation thereof, the Services of a supervisor, expert or other employee connected with or employed by Seller, Seller agrees to furnish the same, without charge. Such supervisor, expert or other employee shall not be deemed an agent or employee of NLE, and Seller assumes full responsibility for his acts and omissions and exclusive liability for any payroll taxes or contributions imposed by any Federal or State law.

10. **INSURANCE:** Seller shall obtain and keep in force for three years after the last delivery under this Purchase Order, general comprehensive liability insurance covering each occurrence of bodily injury and property damage in an amount equal to the volume of annual sales to NLE or one million dollars (\$1,000,000.00), whichever is greater, combined single limit with special endorsements providing coverage for; a) products and completed Operations Liability; b) Blanket Broad Form Vendors Liability; and Blanket Contractual Liability. If Services are performed under this order on NLE's premises, Seller shall also obtain Premises-Operations, Personal Injury and Independent Contractors Protective Liability endorsements, and shall further obtain Workers' compensation, Employer's Liability, and Automobile Liability Insurance coverage in amounts acceptable to NLE. Seller shall have an ongoing obligation to finish NLE with a Certificate of Insurance evidencing the required insurance coverage for all periods covered by this Purchase Order.

11. **WARRANTY:** Seller expressly warrants that the Products or Services provided shall be merchantable, shall conform to the Purchase Order, to specifications, drawings, and other descriptions referred in the Purchase Order, and to any accepted samples; shall be free from defects in materials and workmanship; shall be free from defects in design, and shall be fit and safe for the intended purposes. Seller warrants that it has clear title to the Products delivered to NLE and that the Products and Services shall be delivered free of liens and encumbrances. Seller also warrants that, if applicable, the Products: i) are not adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act as amended, or within the meaning of any applicable statute or municipal law in which the definitions of "adulteration" and "misbranding" are substantially identical with those contained in the Act; ii) are not Products which may not, under the provisions of Sections 404, 505, 515, or 516 of the Act be introduced into interstate commerce, or which may not, under substantially similar provisions of any state or municipal law, be introduced in commerce; iii) are in full compliance with all applicable laws and regulations, and iv) produced under a quality system that is compliant with ISO 9001 and, if applicable, ISO 13485. All of these warranties and other warranties as may be prescribed by law shall extend to NLE, its successors, assigns, and customers and to users of the Products or Services and shall run through any expiration date stated on the Products, or, if no expiration date is stated, then for a period of five years after delivery.

12. **INGREDIENTS DISCLOSURE AND SPECIAL WARNINGS AND MARKINGS:** If requested by NLE, Seller shall promptly furnish to NLE: (a) a list of all ingredients in the Products purchased hereunder; (b) the amount of one or more ingredients; and (c) information concerning any changes from time to time in or additions to such ingredients. Prior to and also with all shipments, Seller shall furnish to NLE clear warning and notice in writing (including appropriate labels on Products, containers and packing) of any hazardous material which is an ingredient or a part of any of the Products, together with such special handling instructions as may be necessary to advise carrier, NLE, and their respective employees of how to avoid bodily injury or property damage in the handling, transportation, processing, use, or disposal of the Products, containers and packaging shipped to NLE.

13. **CONFIDENTIALITY AND OWNERSHIP:** Seller shall not use, reproduce, or appropriate for or disclose to anyone other than NLE, any material, tooling, dies, drawings, designs, or other property or information furnished by NLE ("Material") without NLE's prior written approval. NLE shall retain title at all times, and where practicable the Material shall be clearly marked or tagged to indicate this ownership. Seller shall bear the risk of loss or damage to the Material until it is returned to NLE. All Material, whether or not spoiled or used, shall be returned to NLE at termination or completion of this order unless NLE shall otherwise direct. Upon completion of deliveries hereunder, or upon termination or expiration of this order, any and all such proprietary materials, including all copies or derivatives thereof; shall be promptly delivered to NLE. Except to the extent required by law, Seller shall make no reference, advertisement, or promotion regarding NLE or NLE's purchase or use of the Products or Services covered by this order without the prior written consent of NLE.

14. **TERMINATION:** NLE may terminate this order, in whole or in part, without liability: if NLE anticipates Seller's breach of this order and Seller does not provide adequate assurance of its performance within fifteen (15) days of NLE's requests; if deliveries are not made at the time, or in the quantities specified; or in the event of a breach or failure by Seller to meet any other terms of this order. This right shall be in addition to any other remedies provided by law. NLE may terminate this order, in whole or in part, at any time for convenience by notice to Seller in writing unless otherwise agreed upon by the parties in writing. Seller's sole compensation for such termination shall be payment by NLE of the percentage of the total order price corresponding to the proportion of work completed in filling the order prior to such notice, plus any reasonable expenses incurred by Seller in terminating orders and work in progress. Such termination claim must be submitted to NLE within sixty (60) days of the date of materials, work-in-progress, finished products, plans, drawings, specifications, information, special tooling and any other items for which Seller may submit a claim shall vest in NLE, and Seller shall promptly deliver these items to NLE and take all necessary action to protect such property prior to such delivery.

15. **INSOLVENCY:** NLE may immediately cancel this Purchase Order without liability to Seller in the event of the happening of any of the following or any other comparable event: (a) insolvency of the Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of an involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; (e) or execution of an assignment for the benefit of creditors by Seller.

16. **CONTINGENCIES:** Neither party hereto shall be liable for default or delay in performing its obligations if caused by fire, strike, riot, war, act of God, delay of carriers, governmental order or regulation, complete or partial plant shut down due to the insufficiency of raw materials or power, and/or any other similar occurrence providing it is beyond the reasonable control of the party so defaulting or delaying. In the event of such a failure to perform, NLE shall have the option to terminate this Purchase Order, without liability to the Seller (except for raw materials specifically purchased by Seller for NLE), if such failures to perform shall continue for more than thirty (30) business days or such other time period as agreed upon by the parties in writing. In the event that a recall of the Products delivered by Seller hereunder is necessitated by a defect, a failure to conform to the specifications, applicable laws, or any other reason within Seller's control Seller shall bear all costs and expenses of such recall, including without limitation, costs of notifying customers, customer refunds, costs of returning Products, lost profits, and other expenses incurred to meet obligations to third parties.

17. **REMEDIES:** The rights and remedies of NLE set forth in this order are not exclusive and are in addition to all other rights and remedies of NLE, whether at law or equity. Any counterclaim against Seller or any of its related entities, by NLE or any of its related entities, which arise out of this or any other transactions may be set against any money due Seller under this order.

18. SET-OFF: Seller agrees that NLE shall have the right to set-off against any amounts which may become payable by NLE to Seller under this order or otherwise, any amounts which Seller may owe NLE, whether arising under this order or otherwise.

19. INDEMNIFICATION: Seller shall defend, indemnify and hold NLE, its successors, assigns, employees, customers, and users of the Products or Services, harmless with respect to all claims, liability, damage, loss and expenses, including attorney's fees, incurred relating to or caused by: a) actual or alleged patent, copyright, or trademark infringement or violation of other proprietary right, arising out of the purchase, sale or use of the Products or Services covered by this order, including any violation of nondisclosure obligations; b) actual or alleged defects in the Services or in the design (if applicable), manufacture, or material of the Products (unless supplied by NLE); c) actual or alleged breach of warranty; d) failure of the Seller to deliver the Products or Services on a timely basis; e) any material breach of the material terms of any Supply Agreement, any Purchase Order, or these Terms and Conditions; or f) failure of the Products or Services to meet the requirements of applicable law, including without limitation the following statutes: Federal Food, Drug, and Cosmetic Act; Federal Hazardous Substances Act; Fair Packaging and Labeling Act; Federal Trade Commission Improvement Act; Occupational Safety and Health Act of 1970; Fair Labor Standards Act; and the Equal employment Opportunity Act. In the event of a claim under this paragraph, NLE may, at its option, terminate this order or defer acceptance of the balance of the Products or Services ordered until the claim is resolved. If NLE is enjoined from use of the Products, Seller shall, at NLE's option, either procure for NLE the right to continue using the Products, replace the Products with substantially equivalent Products, or modify the Products so as to be non-infringing and usable by NLE, or repurchase the Products at the price set forth in this order. This paragraph shall not be construed to indemnify NLE for any loss to the extent it is attributable to NLE's design, specification, or negligence. Further, Seller agrees to maintain the confidentiality of any such specifications provided by NLE, and indemnifies NLE against any loss, damages or costs incurred by reason of the breach of such obligation of confidentiality.

20. LIMIT OF LIABILITY: NLE shall not be liable for any special, incidental, punitive, exemplary or consequential losses, damages or expenses directly or indirectly arising from the Services furnished or Products purchased and used by NLE, or from any cause related thereto; with the exception of any personal injury or death that is the direct result of NLE's negligence or intentionally wrongful acts or omissions. In no event shall NLE be liable under any legal theory or for any cause whatsoever, whether based upon warranty, contract, tort, negligence or other theory, even if advised of the possibility thereof, for any amount in excess of the price, fee or charge paid by NLE for the Products or Services provided herein.

21. GRATUITIES: Seller warrants that it has not offered or given and will not offer or give to any employee, or representative of NLE any gratuity with a view toward securing any business from NLE or influencing such person with respect to the terms, conditions, or performance of any contract with NLE. Any breach of this warranty shall be a material breach of this contract.

22. ASSIGNMENT, SUBCONTRACTS AND WAIVER: Seller agrees that it will not assign this order or subcontract any of the completed Products or Services required by this order, without prior written approval of NLE. NLE may assign this order to any entity it controls, is controlled by or that is under common control with, now or in the future, or which succeeds to its business through a sale, merger or other corporate transaction. No waiver by either party of any breach of any of these Terms or Conditions shall be construed as a waiver of any subsequent breach of any other term or condition set forth herein.

23. COMPLIANCE WITH LAW: Seller warrants that the Products to be furnished under this shall be manufactured, sold and used in compliance with all relevant Federal, State and local laws and regulations, including, but not limited to, the following: a) Executive Order 11246 as amended, which provides in part that Seller will take affirmative action with regard to recruiting and retaining minorities in all levels of its workplace, including all requirements set forth in Section 202 of the Executive Order which are incorporated by reference; b) laws prohibiting discrimination on the basis of an applicant's or employee's protected status; c) the affirmative action and nondiscrimination requirements provided by 41 CFR 60-250.4(m) and 41 CFR 60-741.4(f) protecting the interests of handicapped workers and disabled and Vietnam-era veterans, and d) any applicable provisions of the U. S. FDA, EN/IS 13485 (EU and International), CMDR (Canada) and MHLW 169 of the Japanese Pharmaceutical Affairs Law (Japan) and all regulations and requirements thereunder, whether or not NLE so stipulates.

24. GOVERNING LAW: These Terms and Conditions, in conjunction with the terms of the Purchase Order are considered to be a Connecticut contract, entered into in Connecticut, and shall be governed and viewed under the laws of Connecticut without reference to its conflict of laws provisions. The Seller and NLE specifically agree that any action relating to the relationship between the Parties, these Terms and Conditions, or the products provided, purchased or licensed hereunder, shall be brought and tried in the (i) Superior Court for the Judicial District of Fairfield in Connecticut or (ii) the United States District Court for the District of Connecticut. Seller hereby waives all objections to, and consents to the jurisdiction of these courts. All litigation shall be resolved by a judge, and the Parties hereby waive all rights to a trial by jury. The provision of this paragraph does not imply a waiver of NLE to submit any controversy to the Courts and under the Laws of the domicile of the Seller and/or NLE local entity—at the exclusive discretion of NLE, when the domicile of Seller and/or the NLE local entity is located outside the United States of America.