



1. COMPLETE AGREEMENT

This Order will become a binding agreement between Carl Zeiss Industrial Metrology, LLC ("ZEISS") and the SELLER named on the sections of this Order describing the actual subject of purchase ("Front") upon SELLER's acknowledgment accepting this Order ("Order") or starting performance of this Order, whichever occurs first. SELLER and ZEISS are referred to together as the "Parties". This Order, together with the specifications, drawings and documents referred to herein, and any other documents agreed to in writing by ZEISS and SELLER are a part of the agreement between the Parties and supersedes all other prior documents, discussions, etc., relating to this Order. Any reference to SELLER's quotation, bid or proposal does not imply acceptance of any term, condition or instruction that isn't expressly incorporated in this Order. Specific information on the Front will supersede the general terms of this Order. If this Order references a (US Government) Prime Contract, then it is considered a subcontract and SELLER must perform and comply with the contractual obligations, regulations, and laws applicable to subcontractors under the Prime Contract.

SELLER's communications (e.g.: acknowledgement forms) in connection with this Order will be construed to be for record and accounting purpose only. Any terms and conditions in such communications will not apply to this Order and are excluded. Trade custom and trade usage are superseded by this Order and will not be applicable in the interpretation of this Order. If there are ambiguities, express conflicts or discrepancies in the specifications, drawings or other documents which are a part of this Order, SELLER will immediately submit the matter to ZEISS for its determination and will comply with ZEISS's determination. All headings in this Order are for reference only and not for interpretation.

2. TITLE

SELLER warrants and provides to ZEISS full and unrestricted title to all Goods ("Goods") and Services ("Services") which SELLER furnishes under this Order, free and clear of all liens, restrictions, security interests and encumbrances. If ZEISS makes progress payments to SELLER under this Order, title to the Goods passes to ZEISS when SELLER identifies the Goods for this Order. SELLER will clearly identify the Goods as ZEISS's property by visible marking or tagging and ZEISS may, at its option, inspect and verify that the Goods have been identified as ZEISS's property. Care, custody and control of such Goods remain with the SELLER until such time as ZEISS takes physical possession or otherwise agrees in writing by change order to this Order. All shop drawings, patterns, tools or other items made in connection with the production of any Goods are ZEISS's property and upon demand will be delivered to ZEISS.

3. RESERVATION OF RIGHTS

The inspection or lack of inspection of, or payment for, the Goods covered by this Order will not impair ZEISS's right to reject nonconforming or defective Goods or be deemed to constitute acceptance by ZEISS of the Goods or Services, or affect in any way SELLER's obligations under this Order notwithstanding ZEISS's opportunity to inspect the Goods or Services. ZEISS's knowledge of the nonconformity or defect, its substantiality or the ease of its discovery or ZEISS's failure to earlier reject the Goods or Services.

4. WAIVER

Either party's failure to insist on the performance of any term, conditions or instruction, or failure to exercise any right or privilege or its waiver of any breach, will not constitute a waiver of the same in the future.

5. PRICE

This Order may not be filled at prices higher than shown on the Front without ZEISS's prior written approval. If no price is shown on this Order, SELLER will furnish Goods / Services at a price no higher than the last purchased, or will notify and obtain the written approval of ZEISS before proceeding with this Order.

6. CASH DISCOUNTS

Cash discounts, if any, will be computed as commencing with the receipt of the invoice or of the Goods/Services, whichever is received later.

7. TAXES

SELLER will pay all taxes now or hereafter imposed by law on or on account of the production, sale, shipment or use of any Goods covered by this Order, excepting such taxes arising from ownership of the Goods.

8. EXTRAS

ZEISS's Purchasing Department must give prior written approval for charges for extra items to the Goods/Services.

9. PACKING SLIPS

Separate packing slips will be included in each shipment showing order number, quantity, part number and description of the Goods being delivered.

10. PACKING AND TRANSPORTATION CHARGES

Charges for packing, boxing, cartage, rigging, insurance or transportation must be specifically stated to be payable under this Order.

11. INSPECTION

Goods/Services are subject to ZEISS's reasonable inspection, testing and approval at ZEISS's destination. Notwithstanding prior payment, if inspection or the use of the Goods are not in accordance with this Order or SELLER's representations or warranties, ZEISS may, reject or revoke acceptance, return any Goods for full credit or cash refund at its option and cancel any remaining unshipped portion of this Order without obligation. If it is impractical to make an inspection at the time of receipt, the foregoing will apply whenever inspection may reasonably be made. Goods rejected as nonconforming will be returned at SELLER's expense, including transportation and handling.

12. WARRANTY

In addition to any specific SELLER warranties, SELLER warrants that: (i) the Goods ordered will be merchantable, will conform to this Order and to specifications, drawings and other descriptions referenced in this Order, and to any accepted samples will be free from defects in materials and workmanship, will be free from defects in design unless ZEISS provided the design, and will be fit for sale or use for the intended purposes to the extent SELLER knows of ZEISS's intended use, and (ii) the Services will be provided in at least a competent, professional (workmanlike) manner, pursuant to the highest relevant industry standards. SELLER further warrants that all Goods and their packaging materials will be produced, packaged, marked and labeled in compliance with applicable state and federal laws and regulations, including without limitation state laws relating to packaging requirements for heavy metals, and that SELLER has obtained the necessary government approvals and certifications. SELLER also represents and warrants that any Goods and Services do not infringe any United States or foreign patent, trademark, trade secret or copyright, or any proprietary, intellectual property, industrial property, contract or other right held by any third party. SELLER will, at its expense including, without limitation costs of removal, packing, transportation and reinstallation, promptly, at ZEISS's option, either repair or replace or refund the purchase price paid for any Goods and Services furnished to ZEISS which within 12 months after operational startup or within 18 months after shipment, whichever occurs first, fail to conform to the requirements of this Order. If ZEISS gives SELLER notice of a failure or defect and SELLER fails to take reasonably prompt and effective action to correct the failure or defect, ZEISS may effect repairs and SELLER will pay for the cost of the same. Except for additional specific SELLER warranties, these warranties are in lieu of all other warranties, express or implied.

13. RECALL

If a recall of the Goods is required by a defect, a failure to conform to specifications, applicable laws or any other reason within SELLER's control, SELLER will bear all cost and expenses of such recall, including without limitation, costs of notifying customers, customer refunds, cost of returning Goods, and other expenses incurred to meet its obligations to third parties.

14. INDEMNIFICATION

This section shall not be construed to indemnify ZEISS for any loss to the extent it is attributable to ZEISS's design, specification or negligence. SELLER will defend and hold harmless ZEISS, its successors, assigns, employees, customers and users of the Goods or Services, with respect to all claims, liability, damage, loss, and expenses, including reasonable attorney's fees, incurred relating to or caused by: (a) actual or alleged claim of infringement of patent, copyright, trademark or other rights, misappropriation of trade secrets, breach of confidential relationships or violation of other property right arising out of the purchase, sale or use of the Goods or service covered by this Order; (b) actual or alleged defects in the Goods or in the design, manufacture or material of the Goods or provision of Services; (c) actual or alleged breach of warranty, (d) failure of SELLER to deliver the Goods or Services on a timely basis, (e) failure of the Goods or Services to meet the requirements of all federal, state or local laws, or (f) a breach of the obligations of section 20 of this Order.

If there is a claim under this Section, ZEISS may, at its option, terminate this Order or defer acceptance of the balance of the Goods or Services ordered until the claim is resolved. If ZEISS is enjoined from the use of the Goods, SELLER will, at ZEISS's option, either procure for ZEISS the right to continue to use the Goods, replace the Goods with substantially equivalent Goods, modify the Goods so as to be useable by ZEISS or repurchase the Goods at the price set forth in this Order (or at a prorated price if the event occurs more than 3 years from end of the warranty).

15. INSURANCE

SELLER will maintain general comprehensive liability insurance covering each occurrence of bodily injury and property damage in an amount of not less than \$1 million (or any other amount ZEISS may indicate in this Order) combined single limit with special endorsements providing coverage for (a) Products and Completed Operations Liability; (b) Blanket Broad Form Vendor's Liability, and (c) Blanket Contractual Liability; during and for three years after the last delivery made under this Order.

If Services are performed under this Order on ZEISS'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 Automotive Liability Insurance coverage in amounts acceptable to ZEISS. If requested, SELLER shall furnish ZEISS with a certificate evidencing the required insurance.

16. RISK OF LOSS

SELLER bears the risk of loss or damage to the Goods covered by this Order until are delivered to and accepted by ZEISS.

17. BUYER FURNISHED MATERIAL

SELLER may not use, reproduce or appropriate for anyone other than ZEISS any material, tooling, dies, drawing, designs or other property or information furnished by ZEISS ("Material") without ZEISS's prior written approval. Title to all Material shall remain in ZEISS 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 is returned to ZEISS. All Material, whether or not spoiled or used, shall be returned to ZEISS at termination or completion of this Order unless ZEISS shall otherwise direct. SELLER agrees to hold in confidence and to use only for the benefit of ZEISS all methods, processes, techniques, shop practices, formulas, compounds, compositions, equipment, designs, drawings, blueprints, specifications, research data, marketing and sales information, customers lists, plans and information provided or know-how and trade secrets owned by ZEISS or in ZEISS's possession and disclosed to SELLER as a result of this Order. Until such information has been lawfully published or disclosed to the general public, SELLER agrees not to use or disclose such information others and then only with ZEISS's prior written consent.

18. REFERENCES TO BUYER

Except as required by law, SELLER shall make no reference, advertisement or promotion regarding ZEISS or ZEISS's purchase or use of the Goods or Services without ZEISS's prior written consent.

19. USE OF SELLER'S INFORMATION

All information disclosed to ZEISS by SELLER in connection with this Order is furnished as part of the consideration for ZEISS's placement of this Order. This information is not to be treated as confidential or proprietary, and no claim will be asserted against ZEISS, its assigns or customers for its disclosure or use.

20. NONDISCLOSURE

(Applicable when Seller and ZEISS do not have an existing agreement for protection of proprietary information)

In performing this Order, ZEISS may be required to make available to SELLER certain information which ZEISS may consider Proprietary and/or Confidential (either ZEISS, its affiliates, or its customers or business partners), or which may be considered Proprietary and/or Confidential to the United States government ("Government") or other third parties, including (without limitation), information related to patents, research, development, computer software, designs or processes, pricing, trade secrets, customer lists and technical and business information and know-how of ZEISS, its customers and/or of the Government ("Confidential Information"). SELLER will safeguard and hold in strictest confidence all Confidential Information. Confidential Information will remain ZEISS's property (or the Government or third party, as the case may be). No right or license, express or implied, is granted by this Order in any Confidential Information except to the limited extent required to provide the Goods or Services. If SELLER is provided access to ZEISS's information systems (e.g.: e-mail, internet, intranet) (collectively or severally computer business systems - "CBS"), then SELLER will treat information received from CBS as Confidential Information. Access to these computer business systems may be withdrawn at any time, with or without reason, with or without notice. ZEISS may monitor SELLER's use of its CBS. SELLER will use ZEISS's CBS in an appropriate manner, consistent with any standards required by ZEISS, and will not violate the security of proprietary/confidential information of ZEISS and the Government, and only as required to fulfill this Order. SELLER must inform its employees who are given access to ZEISS CBS of the restrictions contained in this paragraph and must obtain such employees' written agreement that they will be bound by the restrictions contained in this paragraph. At ZEISS's request, SELLER will provide ZEISS copies of its employees' written agreements.

SELLER's violation of this Article may give rise to irreparable injury to ZEISS, inadequately compensable in damages, and that, accordingly, ZEISS may immediately terminate this Order for default, in whole or in part, and seek and obtain reasonable, injunctive relief from the breach of SELLER's obligations under this Article, in addition to any other legal remedies which may be available. SELLER agrees not to make use of nor disclose to third parties any Confidential Information except in performance hereunder or as expressly authorized in writing by ZEISS or, where the Government's Confidential Information is being used or disclosed, by ZEISS and the Government. SELLER's obligations under this provision regarding Confidential Information shall survive until such time as the Confidential Information is within the public domain, through no fault of SELLER. SELLER's obligations under the terms of this provision as it relates to ZEISS, Government or third party Confidential Information, shall survive indefinitely beyond the expiration or termination of this Order or such shorter period as specified by the Government, ZEISS or third party.

SELLER shall, require its lower-tier subcontractors or consultants to execute a subcontract or a nondisclosure agreement which contains language substantially similar, as applicable, to that set forth in this Article, when Confidential Information is to be disclosed to lower-tier subcontractors or consultants. SELLER shall comply with any stricter non-disclosure/safeguarding-of-information obligations in a Prime Contract, or as may become necessary in performance of this Order.

21. INTELLECTUAL PROPERTY

If this Order arises under a Prime Contract, then SELLER acknowledges applicable Government rights in data, inventions and computer software, and computer software documentation. Unless agreed otherwise, SELLER grants to ZEISS an unlimited, irrevocable, fully paid up, royalty-free right to use, make, have made, sell, offer for sale, reproduce, display, perform, distribute copies to the public, prepare derivative works, and authorize others to do so, in any and all, inventions, discoveries, improvements, mask works, patents as well as any and all data, reports, information, copyrights and works of authorship, which are conceived, developed, generated or delivered in performance of this Order. SELLER shall not deliver, and shall not incorporate into any deliverable, any third party data protected by copyright or similar right (including Open Source Software, unless previously discussed with ZEISS and warranted to be used in a manner which doesn't impede or expose ZEISS to copyleft requirements). The Parties agree that all original works of authorship fixed in any tangible form, including software improvements, enhancements, derivative works and mask works, whether specially ordered or commissioned, made by SELLER alone or jointly with others in connection with this Order, are hereby assigned, conveyed and transferred to ZEISS. Without any additional consideration, the author of the work agrees to execute all necessary documents to transfer and assign all right, title and interest, including all copyrights, in said works to ZEISS.

22. CANCELLATION FOR DEFAULT

If SELLER is adjudged bankrupt, make a general assignment for the benefit of its creditors, or if a receiver shall be appointed on account of ZEISS's insolvency or if SELLER is in default of any provisions or requirement of this Order, or if SELLER fails to make progress so as to endanger performance of the Prime Contract, or SELLER or its employees or agents engage in conduct in violation of laws applicable to fraud or public contracting in performance of this Order, or if SELLER is suspended or debarred by the Government, ZEISS may, by written notice to SELLER, without prejudice to any other rights or remedies which ZEISS may have at law or equity, and without further liability or obligation to SELLER, cancel further performance by SELLER under this Order and ZEISS may complete the performance of the Order by such means as ZEISS selects, and SELLER shall be responsible for any additional costs incurred by ZEISS in doing so. SELLER shall deliver or assign to ZEISS any work-in-progress, and any amounts due SELLER for Goods and Services completed by SELLER in full compliance with this Order prior to such cancellation shall be subject to set off of ZEISS's additional costs of completing the Order and other damages incurred by ZEISS as a result of SELLER's default. Waiver by ZEISS of any default of SELLER shall not be considered to be a waiver by ZEISS of any provision of this Order or of any subsequent SELLER default.

24. TERMINATION FOR CONVENIENCE

ZEISS may terminate for its convenience further performance of all separable part of this Order at any time by written notice to SELLER. On the date of termination stated in the notice, SELLER shall discontinue all work pertaining to this Order, SELLER shall place no additional material or component orders supporting this Order, and SELLER shall preserve and protect materials on hand purchased for or committed to this Order, work in progress, and completed work both in SELLER's and SELLER's supplier's plants pending ZEISS's instructions, and shall dispose of same in accordance with ZEISS's instructions. Payment to SELLER or refund to ZEISS, if any, shall be promptly and mutually agreed to by ZEISS and SELLER based on that portion of work satisfactorily performed to the date of cancellation, including reimbursement for reasonable and necessary expenses resulting from the termination, as substantiated by documentation satisfactory to and verified by ZEISS, disposition of work and materials on hand and amounts previously paid by ZEISS. SELLER shall not be entitled to any loss of prospective profits, contribution to overhead or incidental, consequential or other damages because of such termination. Payment made under this clause will constitute ZEISS's only liability and SELLER's exclusive remedy if ZEISS terminates this Order for convenience. Such payment by ZEISS shall not exceed the contract price for the Goods/Services that are the subject of ZEISS's termination for convenience.

25. SET-OFF

ZEISS may set off money due SELLER under this Order against any good-faith counter claim against SELLER or its related entities which arise out of this Order.

26. DELAYS

Time is of the essence for this Order. SELLER shall promptly notify ZEISS of any actual or anticipated delay in delivery and take all reasonable steps to avoid or end delays without additional cost to ZEISS. Where the delay is caused by acts of God, acts of civil or military authority, epidemics, war, riot, strikes or similar cause beyond SELLER's control and which SELLER could not have reasonably foreseen or provided against, ZEISS shall have the right to either (a) terminate by written notice to SELLER all or part of this Order; or (b) extend SELLER's performance for a period equal to the duration of the delay, but SELLER shall not be entitled to any extra compensation for such delay. SELLER shall not be excused from performance hereunder where alternate sources of supply of materials, Goods, or Services are not available. Strikes, fires, accidents or any other causes beyond the reasonable control of ZEISS that affect the ZEISS's ability to receive and use or sell the Goods or Services ordered shall constitute valid ground for ZEISS's suspension of performance or cancellation of this Order, upon written notification to the SELLER and without penalty to ZEISS.

27. ASSIGNMENT

This Order (or any portion hereof) may not be assigned or delegated without ZEISS's prior written consent and any such assignment or delegation will be void. ZEISS reserves the right to assign this Order to ZEISS's affiliates.

28. CHANGES

ZEISS may at any time prior to the delivery date by written direction to make changes in the specifications, drawings, packaging, quantities (if reasonable), time, place and method of delivery, for Goods or Services covered by this Order. If SELLER believes that such change effects the price or delivery date for such Goods or Services, SELLER shall so notify ZEISS in writing (with adequate supporting documentation) within 2 calendar days after receipt of said direction. SELLER shall suspend performance of the change unless thereafter released in writing by ZEISS to perform such change, and ZEISS and SELLER shall mutually agree in writing upon an equitable adjustment in the price and/or delivery date to reflect the effect of such change. SELLER's request for any adjustments shall be deemed waived unless submitted in writing within 2 calendar days after SELLER receives direction to make such changes. SELLER shall not suspend performance of the unaffected portion of this Order while ZEISS and SELLER are in the process of making such changes and any related adjustments or at any time thereafter unless so instructed in writing by ZEISS. If released in writing by ZEISS, SELLER shall comply with and perform such change in accordance with this Order during the time SELLER and ZEISS require to mutually agree upon an equitable adjustment. No substitutions shall be made in this Order without prior written authority of ZEISS. No agreement or understanding modifying the terms and condition of this Order shall be binding upon ZEISS nor will extra compensation be paid by ZEISS unless the agreement or understanding is made in writing.

29. LAWS AND REGULATIONS

SELLER warrants that the manufacturing, packaging, pricing, sale and delivery of all Goods and performance of Services supplied pursuant to this Order will comply with all applicable laws, ordinances and regulations and further SELLER shall provide all permits, certificates and licenses which may be required for the performance of the Order.

30. GOVERNING LAW

This Order and the performance under it shall be controlled and governed by the internal laws of the State of New York, excluding its conflicts of laws provisions and also excluding the U.N. Convention on International Sales of Goods. The jurisdiction of the state and federal courts of New York county, New York for purposes of resolving any dispute arising from this Agreement or the performance thereof. Notwithstanding the foregoing, provisions of this Order relating to the United States Government as the customer of ZEISS, or relating to a prime contract between ZEISS and the Government, shall be governed by and construed in accordance with the law of the United States Government contracts as set forth by statute and regulations, and decisions by the appropriate courts and Board of Contract Appeals.

If this Order is pursuant to a Prime Contract or Subcontract between ZEISS and the Government, the Prime Contract is subject to the Contract Disputes Act of 1978 (Public Law 95-563) and contains Federal Acquisition Regulation (FAR) clause 52.233-1 Disputes. All disputes between ZEISS and SELLER relating in any manner to the terms and performance of the Prime Contract shall therefore be resolved between ZEISS and SELLER in a manner consistent with the disputes mechanism of the Prime Contract. If a final decision is issued by the Contracting Officer under the Prime Contract "Disputes" clause and the decision relates to this Order, and is binding upon ZEISS under the Prime Contract, it shall also be binding upon SELLER and ZEISS with respect to this Agreement. However, if the SELLER is affected by such decision, and if ZEISS elects not to appeal such decision under the "Disputes" clause of the Prime Contract, ZEISS shall notify SELLER of such decision promptly. After receipt of such notice by ZEISS, SELLER may submit a timely request to ZEISS to appeal such decision. If ZEISS elects to appeal the Government's decision, whether at its election or at

SELLER's request, any decision upon such appeal, if binding upon ZEISS under the Prime Contract, shall be binding upon ZEISS and SELLER under this Order. If ZEISS takes or brings such appeal or suit, SELLER shall assist ZEISS in its prosecution thereof in every reasonable manner. SELLER shall pay all costs and expenses incurred by ZEISS in prosecuting any suit or appeal brought at SELLER's request. To the extent requested by ZEISS, SELLER shall prosecute for ZEISS any appeal or suit taken or brought at SELLER's request. SELLER shall pay all costs and expenses incurred by SELLER and ZEISS in prosecuting any appeal or suit brought at SELLER's request, and shall indemnify and hold ZEISS harmless from any and all damages, claims, investigations or other losses arising from SELLER's prosecution of any claim or appeal for ZEISS. The rights and obligations specified in this Article shall survive completion of and final payment under this Agreement.

31. SAFETY AND HEALTH

SELLER shall comply with "The Federal Occupational Safety and Health Act of 1970" as amended and all standards and regulations issued there under and any other rules or regulations issued by bodies having jurisdiction over this class of work.

32. EQUAL EMPLOYMENT OPPORTUNITY

The Equal Employment Opportunity provisions in section 202, paragraphs 1 through 7 of Executive Order 11246, as amended, Executive Order 11701 relative to equal employment opportunity and the employment of veterans, the Rehabilitation Act of 1973, as amended, relative to equal employment of handicapped individuals, and the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, relative to equal employment of disabled veterans, special disabled veterans, veterans of the Vietnam Era, recently separated veterans, and other protected veterans, and the implementing rules and regulations there under are incorporated herein by specific reference and SELLER shall comply with the provisions as applicable to this Order. During the performance of this Order, the SELLER agrees to comply with all federal, state, and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, requirements set out at 41 CFR §60-1.4(a); 41 CFR §60-300.5(a); 41 CFR §60-741.5(a) and 29 CFR Part 471, Appendix A to Subpart A. Contractor/vendor must abide by non-segregation regulations at 41 CFR §60-1.8 and any applicable affirmative action obligations as required by 41 CFR §60-1.40(a)(2). **All Parties shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.** SELLER shall comply with all applicable provisions of Executive Order 13201 and related rules, regulations, and orders of the Secretary of Labor, requiring non-exempt federal contractors and subcontractors to post notices informing their employees that they have certain rights related to union membership and use of union dues and fees, which provisions are incorporated herein by reference.

33. UTILIZATION OF SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

It is the policy of the United States that small business and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts set by any federal agency; (b) SELLER hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. SELLER further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the contractor's compliance with this clause; (c) As used in this contract, the terms "small business concern" shall mean a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto the terms "small business concern owned and controlled by socially and economically disadvantaged individuals" hereafter referred to as disadvantage business shall mean a small business concern, which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business at least 51 percent of the stock is owned by one or more socially and economically disadvantaged individuals, and whose management and daily business operations are controlled by one or more such individuals. SELLER shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans (such as American Indians, Eskimos, Aleuts, and Native Hawaiians), or any other individuals found to be disadvantaged by the Administration pursuant to section 8(a) of the Small Business Act.; (d) SELLER acting in good faith may rely on written representations by its subcontractors regarding their status either as small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

34. EXPORT CONTROL COMPLIANCE FOR FOREIGN PERSONS

The subject technology of this Order (together including data, Services, and hardware provided hereunder), if any, may be controlled for export purposes under the International Traffic in Arms Regulations (ITAR) controlled by the U.S. Department of State or the Export Administration Regulations ("EAR") controlled by the U.S. Department of Commerce. ITAR controlled technology may not be exported without prior written authorization and certain EAR technology requires a prior license depending upon its categorization, destination, end-user and end-use. Exports or re-exports of any U.S. technology to any destination under U.S. sanction or embargo are forbidden. Access to certain technology ("Controlled Technology") by Foreign Persons (working legally in the U.S.), as defined below, may require an export license if the Controlled Technology would require a license prior to delivery to the Foreign Person's country of origin. SELLER is bound by U.S. export statutes and regulations and shall comply with all U.S. export laws. SELLER shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Agreement. SELLER hereby certifies that all SELLER employees who have access to the Controlled Technology are U.S. citizens, have permanent U.S. residency or have been granted political asylum or refugee status in accordance with 8 U.S.C. 1324b(a)(3). Any non-citizens who do not meet one of these criteria are "Foreign Persons" within the meaning of this clause but have been authorized under export licenses to perform their work hereunder.

36. STANDARDS OF BUSINESS ETHICS & CONDUCT

ZEISS believes in fair and open competition and is committed to conducting its business fairly, impartially and in an ethical and proper manner. These characteristics make it imperative that ZEISS employees adhere to a particularly high ethical standard. Employee ownership both demands and fosters highly ethical conduct because ZEISS can be successful only when employees look after long-term interests of the company and resist pressures to compromise ZEISS standards. ZEISS's expectation is that SELLER also will conduct its business fairly, impartially and in an ethical and proper manner. SELLER acknowledges and, to the extent applicable, agrees to be bound to the principles and obligations set out in the ZEISS Code of Conduct. When requested, SELLER shall complete and provide to ZEISS the Representations and Certifications as found at <https://www.sam.gov/portal> or using ZEISS forms if SELLER can't access SAM.gov. The Representations and Certifications will be updated annually by SELLER and provided to ZEISS. Upon request from ZEISS, SELLER shall cause to be executed such other certifications as may be required under applicable law. SELLER further agrees to insert provisions that shall conform to the language of this clause, including this paragraph, in any subcontract, teaming or consultant agreement hereunder.

37. ORGANIZATIONAL CONFLICTS OF INTEREST

SELLER warrants that, to the best of its knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest, as defined in Federal Acquisition Regulations (FAR) Subpart 9.5, or that it has disclosed all such relevant information in writing to the ZEISS. SELLER agrees that if an actual or potential organizational conflict of interest is discovered after award, it shall make full disclosure in writing to ZEISS no later than three (3) working days after such discovery. This disclosure shall include a description of actions that the SELLER has taken or proposes to take, after consultation with ZEISS, to avoid, mitigate, or neutralize the actual or potential conflict. ZEISS may terminate this Agreement, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. If SELLER was aware, or should have been aware, of a potential organizational conflict of interest prior to award or discovered an actual or potential conflict after award and did not disclose, or misrepresented relevant information, to ZEISS, and ZEISS was not aware of such information prior to the execution of this Agreement, ZEISS may terminate the Agreement for default and pursue such other remedies as may be permitted by law. Parties shall take all reasonable steps necessary to ensure compliance with the Office of Federal Procurement Policy Act concerning Procurement Integrity and all applicable implementing regulations.

38. ANTI-KICKBACK

The Anti-Kickback Enforcement Act of 1986 as referenced in FAR 52.203-7 is hereby incorporated into this Order as a condition of acceptance. If there are reasonable grounds to believe that a violation, as described in paragraph (b) of FAR 52.203-7 may have occurred, or, if any influence or exchange of value other than as stated in this Order has been provided, this suspected violation should be reported to the Carl ZEISS Hotline at 1 800 537 4769. Suspected violations may be reported anonymously.

39. NOTICES

All notices, consent requests, instructions, approvals and other communications hereunder shall be in writing and be given by personal delivery or by facsimile and by registered and certified mail, return receipt requested to the address of ZEISS or SELLER as shown on this Order or to such other address as any party hereto may, from time to time, designate in writing. Notices shall be deemed to be effectively given upon receipt by the receiving party.

40. SEVERABILITY OF PROVISIONS

If any part of this Order is invalid or unenforceable in any jurisdiction, the remainder of this Agreement will remain effective and the Parties will work together in good faith to revise that invalid or unenforceable part so as to best accomplish its original intent within the bounds of the law.

41. SOCIAL RESPONSIBILITY

ZEISS's goal is to have supply chain partners that are both informed and capable of working with us to meet our shared goals of environmental and social responsibility. ZEISS expects that SELLER will operate with lawful, ethical, and social responsibility. SELLER's workers are not only all of lawful age and working status but are also treated with respect and dignity. SELLER's manufacturing and other processes are environmentally responsible. In addition to all obligations imposed by law or contract, where applicable ZEISS expects SELLER to commit to the principles of social and environmental responsibility EICC Code, which is located at: <http://www.eicc.info/>.

- A. **Compliance:** SELLER will ensure their operations and the products and Services supplied to ZEISS comply with all national and other applicable laws and regulations.
- B. **Environmental Management:** For operations, products or Services provided to ZEISS, SELLER must understand and if possible, reduce their environmental impact. For example, promoting efficient use of energy, resources, recycling and waste reduction, minimizing hazardous materials, and reducing emissions.
- C. **REACH:** SELLER warrants that all chemical substances contained in the Goods and Services (including substances which SELLER does not make or import) comply in all respects with the provisions of (i) the European Regulation (EC) n° 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals entered into force on June 1st 2007 (the "REACH Regulation"), including, if and when applicable, being submitted for registration to the European Chemicals Agency according to statutory registration deadlines and (ii) the European Regulation (EC) n° 1272/2008, concerning the Classification, Labelling and Packaging entered into force on 20th January, 2009. SELLER will provide certification and relevant information to confirm the foregoing upon ZEISS's request.

- E. **RoHS:** SELLER is responsible for compliance of Goods or Services with any applicable rules and regulations on restriction of hazardous substances ("RoHS") (e.g.: Directive 2002/95/EC as of 27 January 2003 and Directive 2011/65/EU as of 8 June 2011, as applicable, ("EU RoHS"), the Administrative Measures on the Control of Pollution Caused by Electronic Information Goods as of 28 February 2006 ("China RoHS"), etc.) and all national or local regulations issued in execution of RoHS. All Goods or Services will be fit for RoHS compliant production and sale. SELLER will, as reasonably requested, complete and sign ZEISS's standard Declaration of RoHS Compliance at the part number level, use appropriate systems and processes to ensure the accuracy of these determinations and maintain appropriate records to allow traceability of all Goods. If Goods or Services are not supplied in accordance with the RoHS requirements, ZEISS may cancel blanket or single orders at SELLER's expense. SELLER will promptly inform ZEISS of any changes affecting RoHS compliance. If SELLER is proven to violate national or international RoHS regulations, SELLER will hold ZEISS harmless from any claim, liability, loss, damage, judgment and external responsibility, irrespective their legal ground.
- F. **WEEE:** As required by law, SELLER shall be responsible for the collection, treatment, recovery or disposal of (i) the Goods or any part thereof when they are deemed by law to be 'waste' and (ii) any items for which the Goods or any part thereof are replacements. If SELLER is required by applicable law, including waste electrical and electronic equipment legislation, European Directive 2002/96/EC (WEEE) and related legislation in EU Member States, to dispose of 'waste' Goods or any part thereof, SELLER shall dispose of such Goods entirely at its own cost (including all handling and transportation costs).
- G. **Conflict Minerals:** SELLER will take reasonable measures to ensure compliance to the Dodd-Frank Act requirements regarding conflict minerals, so that materials supplied to ZEISS are DRC conflict-free (i.e., do not contain metals derived from "conflict minerals" (columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten), or derivatives, that do not directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of the Congo or an adjoining country). SELLER will establish policies, due diligence frameworks, and management systems, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- H. **Management Systems:** SELLER is expected to maintain management systems that integrate environmental, occupational health and safety, human rights and labor policies, and ethics into their business and decision-making processes. Effective management systems will include the means for analysis, review and continuous improvement.
- I. **Information:** SELLER will provide ZEISS with timely, truthful, clear reporting regarding SELLER's efforts under the foregoing provisions upon request.

42. ADDITIONAL TERMS FOR ORDERS SUPPORTING GOVERNMENT CONTRACTS OR SUBCONTRACTS

If this Order is in support of a U.S. Government contract or subcontract, SELLER shall comply with all of the following Federal Acquisition Regulations (FAR) provisions (see <http://www.arnet.gov/far/current/html/FARTOCP52.html#wp372482> for full text of references), as applicable to this Order. SELLER further shall ensure that all agreements with subcontractors, vendors or suppliers for Services or products pursuant to this Order (and if applicable the Prime Contract) contain these provisions, and all other terms of this Order that are necessary to ensure SELLER's compliance with the Prime Contract and this Order. The clauses in FAR Subpart 52.2 referenced below, in effect on the effective date of this Order, are incorporated herein and made a part of this Order. To the extent that an earlier version of any such clause is included in the Prime Contract (or subcontract) under which this Order is issued, the date of the clause as it appears in such Prime Contract or higher-tier subcontract shall be controlling and said version shall be incorporated herein. In all such clauses, unless the context of the clause requires otherwise, the term "Contractor" shall mean SELLER, the term "Contract" shall mean this Order, and the terms "Government," "Contracting Officer" and equivalent phrases shall mean ZEISS and ZEISS's Representative, respectively. It is intended that the referenced clauses shall apply to SELLER in such manner as is necessary to reflect the position of SELLER as a subcontractor to ZEISS, to insure SELLER's obligations to ZEISS and to the United States Government, and to enable ZEISS to meet its obligations under its Prime Contract or higher-tier Subcontract.

- 52.203-7 Anti-Kickback Procedures (Except subparagraph (c) (1)) (Note: Only if Order exceeds simplified acquisition threshold.)
- 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Note: Only if Order exceeds simplified acquisition threshold.)
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (Note: Only if Order exceeds simplified acquisition threshold.)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Note: Only if Order exceeds \$100,000)
- 52.203-13 Contractor Code of Business Ethics and Conduct (Dec 2008) (Note: See FAR 3.1004(a) for applicability)
- 52.203-14 Display of Hotline Poster(s) (Note: Only if Order for noncommercial items exceeds \$5,000,000, unless performed entirely outside of the U.S.)
- 52.204-4 Printed or Copied Double-Sided on Recycled Paper (Note: Only if Order exceeds simplified acquisition threshold.)
- 52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Note: Only if Order exceeds \$30,000)
- 52.215-2 Audit and Records – Negotiation (Note: Only if Order for non-commercial items exceeds simplified acquisition threshold.)
- 52.215-11 Price Reduction for Defective Cost or Pricing Data - Modifications (Note: Rights and obligations under this clause shall survive completion of the Work and final payment under this Order) (Note: Only if Order exceeds threshold for cost or pricing data at FAR 15.403-4, unless exemption at FAR 15.403-1 applies.)
- 52.215-13 Subcontractor Cost or Pricing Data Modifications (Note: Only if Order exceeds threshold for cost or pricing data at FAR 15.403-4, unless exemption at FAR 15.403-1 applies.)
- 52.219-8 Utilization of Small Business Concerns (May 2004)
- 52.222-3 Convict Labor
- 52.222-21 Prohibition of Segregated Facilities (Feb 1999)
- 52.222-26 Equal Opportunity (Mar 2007)
- 52.222-35 Equal Opportunity for Disabled Veterans and Veterans of the Vietnam Era (Sept 2006) (Note: Applies if Order price equals or exceeds \$100,000)
- 52.222-36 Affirmative Action for Workers with Disabilities (June 1998) (Note: Applies if Order price equals or exceeds \$10,000)
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Note: Only if Subcontract exceeds \$100,000)
- 52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (Note: Applies if Order price equals or exceeds the "simplified acquisition threshold" as defined at FAR 2.101)
- 52.222-41 Service Contract Act of 1965 (Nov 2007) (Note: Applies if SELLER is providing Services under this Order for the Government where the Prime Contract requires this provision)
- 52.222-50 Combating Trafficking in Persons (Feb 2009)
- 52.222-54 Employment Eligibility Verification (Jan 2009) (Note: See FAR 22.1803 for applicability of this provision)
- 52.223-6 Drug Free Workplace (Note: Only if Subcontract exceeds simplified acquisition threshold.)
- 52.223-18 Contractor Policy to Ban Text Messaging While Driving
- 52.225-13 Restrictions on Certain Foreign Purchases
- 52.244-6 Subcontracts for Commercial Items
- 52.247-64 Preference for Privately Owned U.S-Flag Commercial Vessels (FEB 2006) (Note: See FAR 47.507(a) for applicability of this provision) If this Order is in support of a U.S. Government Defense contract or subcontract, in addition to compliance with the above referenced FAR provisions, SELLER and all of its suppliers, vendors or subcontractors shall comply with all of the following Defense Federal Acquisition Regulations Supplement (DFARS) provisions (see <http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html> for full text of references), as applicable to this Order:
 - 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (Note: See DFAR 225.7003-5(a)(1) for applicability)
 - 252.246-7003 Notification of Potential Safety Issues (Note: See DFAR 246.371(a) for applicability)
 - 252.247-7023 Transportation of Supplies by Sea (Note: Applies if Order price equals or exceeds the "simplified acquisition threshold" as defined at FAR 2.101 and the provision otherwise is applicable as described in 252.247-7023(b)(2))

SELLER shall also comply with any other FAR or DFARS provisions expressly made applicable to this Order by ZEISS.

Connecticut General Statutes §4a-60(a)(I) and §4a-60a(a)(I), as amended in State of Connecticut Public Act 07-245 and sections 9(a)(I) and 10(a)(I) of Public Act 07-142.