

LIGHTPATH TECHNOLOGIES, INC. (and subsidiaries)
TERMS AND CONDITIONS OF SALE

These Terms and Conditions of Sale (“Agreement”) constitute the entire understanding between you (“Customer”) and LightPath Technologies, Inc., a Delaware corporation, and its wholly owned subsidiaries, Geltech Incorporated, Horizon Photonics, Inc. and ISP Optics Corporation (collectively, “LightPath”). LightPath will not be bound by any terms or conditions of Customer’s purchase order, unless specifically agreed to in writing by an authorized officer of LightPath. Only written acknowledgement of the Customer’s order or actual commencement of performance by LightPath shall be deemed valid acceptance of the Customer’s order. Any acceptance of a purchase order by LightPath is expressly conditioned on the Customer’s acceptance of this Agreement. Customer is deemed to have accepted the terms of this Agreement upon accepting delivery of any LightPath Products.

1. Products. “Products” shall mean any products offered by LightPath now or in the future, which are identified in LightPath (i) catalogs or price lists, (ii) written proposals or quotations, or (iii) sales orders or invoices. Alterations to any Product which LightPath deems necessary to comply with Customer specifications, changed safety standards or governmental regulations, to make a Product non-infringing with respect to any intellectual property or third party proprietary interest, or to otherwise improve a Product, may be made at any time by LightPath without prior notice to, or consent of, Customer and such altered Product shall be deemed fully conforming.

2. Purchase Orders. Customer shall purchase Products by issuing a written purchase order signed by an authorized representative, indicating specific Products, quantity, price, total purchase price, shipping instructions, requested delivery dates, bill-to and ship-to addresses, tax exempt certifications (if applicable), and any other special instructions. Any contingencies contained on Customer’s order are not binding on LightPath, unless specifically agreed to in writing by an authorized officer of LightPath. All purchase orders are subject to express acceptance by LightPath. Every purchase order issued by Customer to LightPath shall be governed by this Agreement. LightPath reserves the right to over ship or under ship for cancellation charges in accordance with Cancellations Section 5a) below. Customer acknowledges that LightPath will place binding orders to purchase raw and/or processed materials or components having procurement lead times that cause the lead time for the Products to exceed to Committed Purchases window (the Long Lead Time Materials) at such times, and in such quantities, as may be required to meet the quantities and delivery dates set forth in Customers blanket purchase order and/or then-current Forecast. Further, if volume-based pricing has been quoted by LightPath for the Products, Customer acknowledges that to achieve reduced costs for materials or components in order to extend such volume-based pricing to Customer, LightPath will place binding orders for raw and/or processed materials or components in quantities corresponding to the applicable volume-based pricing level (the Batch Material Purchases). Customer shall be responsible for such Long Lead Time Materials and Batch Material Purchases in accordance with Cancellations Section 5a) below.

3. Pricing. All prices are (i) firm for 30 days from the date of LightPath’s written quotation, (ii) Free Carrier (FCA) LightPath facility (shipping costs and risk of loss from the FCA point of shipment are the responsibility of Customer) and (iii) exclusive of Taxes and other Charges (as defined below). All sales are final. Title to Products shall pass from LightPath to Customer upon delivery to the shipping carrier at the FCA point. For Products shipped freight prepaid or insured, LightPath will bill the Customer for such fee. Any Tax or other Charge shall be charged to the Customer as a separate line item on the invoice. For purposes of this Agreement, “Taxes” include any tax or other charge, which LightPath is liable to collect on behalf of any governmental authority as a result of the sale, use or delivery of Products, including, without limitation, duties, value added and withholding taxes. “Charges” includes all handling or other costs, including, without limitation, insurance, brokerage, transportation or packaging fees.

3a) Pricing Adjustments. Unless otherwise stated in the LightPath quote and/or order acknowledgment, the volume-based prices quoted for the Products are based upon, and subject to, receipt from Customer of blanket purchase order(s) for the applicable quantities of Products to be delivered over a period not to exceed twelve (12) months. The twelve (12) month period shall commence on the first date of shipment of Products under such purchase order. If Customer does not receive and pay for the quantity of Products within such twelve (12) month period, LightPath reserves the right to require payment from Customer of (a) any unearned discounts, pursuant to the discount schedule reflected in the quote and/or order acknowledgment, based upon the actual quantities of Products

delivered during the twelve (12) month period, and (b) an inventory carrying charge equal to one and one-half percent (1.5%) per month of LightPaths cost of all dedicated raw material, work in process and finished goods. [L] [SEP]

4. Payment Terms. Terms of payment shall be cash upon delivery or, at the option of LightPath, net 30 days from the date of shipment (upon credit approval by LightPath). LightPath reserves the right to require alternative payment terms, including, without limitation, letter of credit or payment in advance. LightPath reserves the right to change its credit terms and/or suspend performance under any order when, in the opinion of LightPath, Customer's financial condition or record of payment so warrants. All payments shall be in U.S. Dollars. If at any time Customer is delinquent in the payment of any invoice or is otherwise in breach of this Agreement, LightPath may, at its discretion, (i) withhold shipment (including partial shipments) of any order and/or (ii) require Customer to pre-pay for further shipments. At LightPath's sole discretion, all payments not received when due shall be subject to an additional charge of one and one half percent (1.5%) per month of the unpaid amount or the maximum rate permitted by law, whichever is less, until the date of payment. In addition, if collection proceedings are necessary, the payment amount shall include LightPath's costs of collection, including attorney fees and expenses. In exchange for LightPath extending credit to the Customer under the terms of this Agreement, Customer hereby grants LightPath a continuing security interest in all Products purchased under this Agreement to secure payment. If requested by LightPath, Customer agrees to execute financing statements or other reasonably necessary documents to perfect this security interest. There is no set-off right for the Customer.

5. Performance. LightPath will schedule shipments according to Customer's reasonable requests. LightPath may make partial shipments unless Customer's order specifically objects. Performance and shipping dates specified or communicated by LightPath to the Customer are best and approximate dates based on information, conditions, and raw material availability at the time of the order. Delivery shall be deemed made upon transfer of Product to the carrier at the FCA point. All claims for shortage of Products ordered or for incorrect charges must be presented to LightPath within ten days after receipt by Customer of the relevant shipment. Unless given written instruction, LightPath shall select the carrier. LightPath shall not be liable for damages or penalty for delay in delivery or for failure to give notice of any delay, and the carrier shall not be deemed an agent of LightPath. LightPath shall not be liable for any delay or failure to deliver where, in LightPath's sole discretion, such performance is rendered commercially impracticable, or where such failure to perform is on account of an act of God, act of governmental authorities, fire, earthquake or other natural disasters, labor disputes of any nature, shortage of supplies or raw materials, accident, insurrection, or other causes beyond the reasonable control or without the fault of LightPath or which would cause LightPath to incur unreasonable expense to avoid. Requests for proof of delivery must be received in writing within 30 days after receipt of the invoice for the Product. The failure to give LightPath such written notice within the 30-day-period shall be considered acceptance of the invoice and a waiver by Customer of all claims for shortages

5a) Cancellations.

- 1.) Cancellation with Prior Approval. Any order for Custom Products or for Standard Products may be cancelled only upon LightPath's prior written approval and will be subject to the cancellation charges set forth below. LightPath must receive Customer's cancellation request at least thirty (30) days prior to the scheduled shipment date of any such order. Orders may not be cancelled within thirty (30) days of the scheduled shipment date. [L] [SEP]
- 2.) Cancellation Charges and Responsibility for Materials. In the event that (i) Customer cancels an order pursuant to above section, or (ii) Customer fails [L] [SEP] to take delivery of the Committed Purchases within the time period agreed upon, Customer shall pay to LightPath the following amounts with respect to all cancelled Products and Committed Purchases (without duplication): (a) the contract price of all Products completed prior to such cancellation for which payment has not been made; (b) the burdened cost of all raw materials in LightPath's possession or on order, which were acquired or ordered by LightPath in order to timely deliver the cancelled Products and/or the Committed Purchases; (c) the burdened cost of all raw materials incorporated into, and all labor applied to, work in process in order to timely deliver the cancelled Products and/or the Committed Purchases, plus profit thereon in accordance

with LightPath's published margins; and (d) other reasonable cancellation charges, including, but not limited to, non-recurring engineering expenses, cancellation costs payable by LightPath to its suppliers, and any other costs incurred by LightPath relating to such cancellation. In addition, Customer shall at all times be responsible for the following until consumed: (1) LightPath's burdened cost of all Long Lead Time Materials and Batch Material Purchases ordered in order to meet Customers Forecast or extend volume-based pricing to Customer, and (2) any additional stock of Products which Customer has requested to maintain in inventory in order to meet Customer's requirements, and LightPath reserves the right to require that Customer pay for and take delivery of such items upon cancellation of an order for the Products. LightPath will use commercially reasonable efforts to reduce the cancellation costs by re-allocating materials to other projects and/or returning surplus material to its suppliers. In no event shall the Customer be liable for more than the contract price (subject to any adjustment pursuant to Section 3a).

5b) Product Changes. Customer may request changes to the specifications for a Custom Product with LightPath's written approval. LightPath reserves the right to modify the price or delivery date for such Custom Product, and to charge Customer a processing fee for such change. Customer shall approve the adjusted price and delivery schedule relating to the requested change prior to commencement of work. Such change will not affect any Products that are scheduled for delivery at the time the request is approved by LightPath. Customer and LightPath shall mutually agree on a time schedule for implementing such change. All such changes to product specifications, prices and delivery schedule, and the schedule for implementing such changes, shall be evidenced by a written change form signed by both parties. Customer shall be responsible for all costs associated with such change, including but not limited to the burdened costs of all raw materials, work in process and finished goods inventory on-hand or ordered which are impacted by such change and will be invoiced accordingly. For Standard Products, LightPath reserves the right to make changes or improvements to specifications, designs and/or manufacturing processes for the Standard Products or substitute other functionally equivalent Standard Products (provided that such changes or improvements do not adversely affect the form, fit or function of the Products) without notice and without any obligation to incorporate such changes or improvements in any Products previously delivered to Customer.

5c) Title and Risk of Loss. All Products shall be delivered EXW (Ex Works) LightPath's designated factory (INCOTERMS 2010). Delivery shall occur, title to the Products shall pass from LightPath to Customer, and Customer shall assume all risk of loss, upon delivery of the Products to the carrier, unless otherwise agreed to by both parties in writing. In no event shall LightPath be liable for any delay in delivery (provided that LightPath timely delivers such Products to the carrier as provided above), or assume any liability in connection with shipment, nor shall the carrier be deemed an agent of the LightPath.

5d) Inspection and Acceptance. Products will be subject to inspection for conformance with the applicable specifications at Customers receiving facilities within a reasonable time, but in no event more than ten (10) days after receipt. Customer will notify LightPath promptly of defective or nonconforming Products and, to the extent reasonably feasible, the nature of the defect. In the event that LightPath does not receive a written notice of defect or nonconformity within ten (10) days after receipt by Customer such Products shall be deemed accepted by Customer, provided, that such deemed acceptance shall not relieve LightPath of its warranty obligations hereunder. In the event that any Product is properly rejected by Customer within the inspection period, Customer may return the Product to LightPath, and LightPath shall repair or replace any Product found to be defective or non-conforming, and shall deliver to Customer a repaired or replacement Product EXW LightPath's designated facility. LightPath shall be responsible for payment of all shipping charges in connection therewith.

6. Hazardous Applications. LightPath does not warrant that the Products will be free from defects or failures or suitable for use in connection with any product or application requiring fail-safe performance, such as the operation of nuclear power facilities, air traffic control or navigation systems, fire or rescue equipment, weapons control systems, medical equipment including life support systems, or any other system whose failure could lead to injury, death, environmental damage or mass destruction ("Hazardous Applications"). Customer is responsible for determining whether the Products are suitable for use in particular Hazardous Applications and for providing fault-tolerant design implementation of Products when they are so used. Customer will defend, indemnify and hold harmless LPTHCORP-1515, Rev A Page 3 of 5

LightPath from and against any claim by a third party based on death, personal injury or property damage as a result of any alleged defect or failure of a Product used by Customer in any Hazardous Application, regardless of whether or not the Product was defective or met LightPath's warranties or other obligations hereunder.

7. Limited Warranty. Notwithstanding anything to the contrary contained in this Agreement or otherwise, LightPath's sole and exclusive obligations to the Customer for any Product made and sold by LightPath to the Customer are to (i) repair returned Product or (ii) provide replacement Product, at LightPath's sole option, for any Product which has been returned to LightPath under the RMA procedure (as defined below) and which, in the reasonable opinion of LightPath, is determined to be defective in workmanship, material, or not in compliance with the mutually agreed written applicable specification and has in fact failed under normal use on or before 30 days from the Product's original shipment date. All Products that are experimental, prototypes, or Products used in field trials or qualification testing, are not warranted. All third parties' Products (including software) sold by LightPath carry only the original manufacturer's warranty applicable to the Customer. LightPath will only accept for repair, replacement or credit under warranty Products made by third parties if expressly authorized to do so by the relevant third party. Any Product repaired or replaced under warranty is only warranted for the period of time remaining in the original warranty for the Product. LightPath reserves the right, at its sole option, to issue a credit for any defective Product as an alternative to repair or replacement. This warranty covers Product which has proved defective and has failed through normal use, but excludes and does not cover Product (or parts thereof) which has been accidentally damaged, disassembled, modified, misused, used in applications which exceed the Product specifications or ratings or which are inconsistent with its design intent, neglected, improperly installed or otherwise abused or used in hazardous activities. Customer must make a claim under this warranty in writing not later than 30 calendar days after the claimed defect is discovered. The Customer must make all claims under this warranty and no claim will be accepted from any third party.

8. RMA Procedure. LightPath will only accept Products returned under the LightPath Return Materials Authorization ("RMA") process and shipped pursuant to the RMA Shipping and Packaging Instructions. Failure to comply with RMA Shipping and Packaging Instructions shall render the Product warranty null and void. Customer shall obtain an RMA number from LightPath prior to returning any Product and return the Product, shipping prepaid and insured, to LightPath at the FCA point. LightPath will designate one RMA number per part number. Any part number not covered by the applicable RMA number will be returned to Customer immediately at Customer's expense. RMAs must be accompanied by any and all test printouts, photos, photomicrographs, and any other results or characterization conducted by Customer which Customer contends set forth defects in workmanship, material, or in non-compliance with the mutually agreed written applicable specification *and* has in fact failed under normal use on or before 30 days from the date of original shipment. Any Product which has been returned to LightPath but which is found to meet the applicable specification for the Product and not defective in workmanship and material, shall be subject to LightPath's regular and customary labor, materials, and administrative charges which shall be charged to the Customer. Where any Product is returned without an itemized statement of claimed defects, LightPath will not evaluate the Product but will return it to the Customer at the Customer's expense. The warranty of a repaired product shall be the balance of the standard warranty from the date of repair. LightPath reserves the right to test a representative sample of returned Product only and to make its return authorization for the entire requested quantity based on that sample. Alternatively, and at LightPath's sole and absolute discretion, returned Product may be replaced in part or in its entirety with new Product that meets the original Product specifications.

9. Limitation of Liability. Except for the specific warranties set forth in this agreement, no warranty, condition or representation, express, implied, oral or statutory, is provided to the customer or any third party, including, without limitation, any warranty, condition, or representation: (a) of merchantability, fitness for a particular purpose, satisfactory quality, or arising from a course of dealing, usage, or trade practice; or (b) that the products will be free from infringement or violation of any rights, including intellectual property rights, of third parties. This disclaimer and exclusion shall apply even if the express warranty herein fails of its essential purpose. The customer's sole and exclusive remedies and LightPath's sole and exclusive liabilities are expressly limited to the terms of this agreement. LightPath shall not be liable to the customer, or any third party, for any other special, consequential, incidental, exemplary, punitive, or indirect costs or damages, including without limitation, litigation costs, installation and removal costs, loss of data, damages resulting from use or malfunction of the products, production, profit, or revenues, or cost of replacement products, arising from any cause whatsoever, regardless of the form of the action, whether in contract, tort (including negligence), strict liability or otherwise, even if advised in advance of the possibility of such costs or damages. For purposes of this provision, LightPath includes

LightPath's directors, officers, employees, agents, representatives, sub-contractors and suppliers. In no event shall the total collective cumulative liability of LightPath, its employees, officers, agents, and directors exceed the amount paid to LightPath for products from which such liability arose during the twelve-month-period preceding the date of the most recent claim.

10. Export Restrictions. Customer shall obtain all licenses, permits and approvals required by any government and shall comply with all applicable laws, rules, policies and procedures of the applicable government and other relevant authorities. Customer will indemnify and hold LightPath harmless for any violation or alleged violation by Customer of such laws, rules, policies or procedures. Customer shall not transmit, export, or re-export, directly or indirectly, separately or as part of any system, the Product or any technical data (including processes and services) received from LightPath, without first obtaining any and all licenses required by the applicable government, including without limitation, the U.S. government and/or any other applicable authority. Customer also certifies that none of the Products or technical data supplied by LightPath under this Agreement will be sold or otherwise transferred to, or made available for use by or for, any entity that is engaged in the design, development, production, or use of nuclear, biological or chemical weapons or missile technology. If Customer resells or otherwise disposes of any Product or technical data purchased from LightPath, it will comply with any export restrictions applicable to such transfer. LightPath shall have no liability for delayed delivery or non-delivery resulting from denial, revocation, suspension or governmental delay in issuance, of any necessary export license or authority.

11. Intellectual Property Rights. All right, title and interest in and to any inventions, discoveries, improvements, methods, ideas, computer and other apparatus programs and related documentation, works of authorship fixed in any tangible medium of expression, mask works, or other forms of intellectual property, whether or not subject to statutory protection, which are made, created, developed, written, conceived, or first reduced to practice by LightPath solely, jointly or on its behalf, in the course of, arising out of, or as a result of work performed under a Customer order, and any related tooling set-up, fitting-up and preparation charges, whether or not invoiced, shall belong to and be the sole and exclusive property of LightPath. Customer agrees not to reverse engineer all or any portion of any Product nor allow or assist others to do so. Customer agrees not to remove, alter, erase, deface or cover over any markings on the Product or its packaging.

12. General Provisions. The validity, interpretation and performance of this Agreement shall be governed by and construed under the applicable laws of the State of Florida and the United States of America, as if performed wholly within the state and without giving effect to the principles of conflict of laws. The parties specifically disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods. If litigation is commenced by either party to enforce this Agreement or any related activity, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, both at trial and on appeal. Waiver by LightPath of any provision of this Agreement must be in writing and shall not be deemed to be a waiver of any other provision. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. In the event that any of the terms of this Agreement become or are declared unenforceable by any court of competent jurisdiction, such terms shall be null and void and shall be deemed deleted from this Agreement. All remaining terms of this Agreement shall remain in full force and effect. Neither party has the right or authority to, and shall not, assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever. LightPath neither assumes nor authorizes any third party, person or entity to assume or accept any liability or obligation, or to make any commitment for LightPath, with regard to LightPath services or the Products. This Agreement constitutes the entire understanding between LightPath and the Customer concerning the subject matter of this Agreement, apart from existing non-disclosure agreements, and there are no understandings, agreements, representations, conditions, warranties, or other terms, express or implied, which are not contained herein. This Agreement may only be modified by a written document executed by an authorized officer of LightPath and the Customer.