

1. **ACCEPTANCE:** These terms and conditions, along with any purchase orders submitted by Coherent ("Purchase Orders") is a binding agreement between Coherent and Supplier, effective upon the earlier of Supplier's written acceptance or commencement of performance of any Purchase Order. No change in, modification of or revision of these terms and conditions or any Purchase Order shall be valid unless in writing and signed by Coherent's authorized representative. Any term or condition proposed by Supplier, which is inconsistent with or in addition to the terms and conditions contained herein shall be considered objected to by Coherent without further notice and shall not be binding on the Coherent.
2. **DELIVERY SCHEDULE:** Unless otherwise agreed in writing, Supplier shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Coherent's delivery schedule. It is Supplier's responsibility to comply with this schedule but not to anticipate Coherent's requirements. Goods shipped to Coherent in advance of schedule may be returned to Supplier at Supplier's expense. In the event a blanket Purchase Order is initiated, Coherent reserves the right to schedule deliveries over a twelve month period. The total blanket Purchase Order quantity represents Coherent's best estimated usage and is not a commitment to purchase. Supplier is not authorized to manufacture the total blanket Purchase Order quantity at once. Supplier is authorized to manufacture only quantities released by Coherent via written releases from a blanket Purchase Order. Blanket order scheduled delivery dates and quantities are based on forecast and may be subject to a change or cancellation by Coherent. In the event of schedule changes Coherent reserves the right to reschedule or cancel blanket Purchase Order release with written notice 30 days prior to delivery date. If the quantities estimated in a blanket Purchase Order are not consumed by Coherent (due to no fault of Supplier) by an expiration date of a blanket Purchase Order, Coherent reserves the right to extend duration of a blanket Purchase Order for an additional 90 days. In the event estimated quantities are not consumed upon expiration of additional 90 days, Supplier has the option to renegotiate the price for future Coherent's purchases based on the actual quantities delivered during an effective period of a blanket Purchase Order. . All shipments shall be made in accordance with Coherent's Routing Guide (reference Coherent's Supplier Portal; <http://www.coherent.com/supplierportal>).
3. **PRICES:** Supplier represents that prices quoted to or paid by Coherent shall not exceed current prices charged to any other customer of Supplier for items which are the same or substantially similar to the articles ordered by Coherent ("Articles") taking into account the quantity ordered, and Supplier shall forthwith refund any amounts paid by Coherent in excess of such price. Coherent shall be entitled at all times to set-off any amount owing at any time from Supplier to Coherent and any of its divisions or affiliated companies against any amount payable at any time to Supplier by Coherent and any of its divisions or affiliated companies.
4. **NOTICE OF DELAYS:** Whenever an actual or potential cause of delay occurs or threatens to delay the performance of the work, Supplier shall immediately notify Coherent in writing. Supplier shall keep Coherent advised of all relevant information concerning such cause of delay, its effects on the schedule and of measures being taken to remove or avoid it.
5. **CHANGES:** Coherent shall have the right to make changes in any Purchase Order. If such changes affect the cost of or the time required for performance of a Purchase Order, Supplier shall notify Coherent immediately and negotiate an equitable adjustment. Coherent will not pay any additional charges for such changes unless such additional charges have been approved in advance and in writing by Coherent. Supplier shall proceed with the work as changed without interruption and without delay.
6. **INDEMNITY:** Supplier shall indemnify, defend and hold harmless Coherent and its successors, assigns, customers and agents from all claims, suits, demands, damages, liabilities, expenses (including attorneys fees and costs), judgments, settlements and penalties of every kind ("Claims") based on (a) personal injury, death, or property damage to the extent any of the foregoing is proximately caused by either any Article provided by Supplier, any product or process used by Supplier in the performance of a Purchase Order, or by the negligent or willful acts or omissions of Supplier, its officers, agents, employees or contractors, or (b) strict liability in tort or products liability of any other kind in connection with any Articles provided by Supplier. The foregoing indemnity shall not apply in the case of Claims which arise solely from the negligence, misconduct or other fault of Coherent, or to claims covered in whole by Section 7. It shall apply, however, if a Claim is the result of joint negligence, joint misconduct, or joint fault of Coherent and Supplier, but in such case the amount of the Claim for which Coherent is entitled to indemnification will be limited to that portion of such Claim attributable to the negligence, misconduct or other fault of Supplier.
7. **INTELLECTUAL PROPERTY:** Each party ("Indemnitor") shall indemnify, defend and hold harmless the other party ("Indemnitee") and its officers, employees, shareholders, customers, agents, successors and assigns from and against Claims alleging that the manufacturing or supply of Articles hereunder infringes upon, misappropriates or violates any intellectual property rights throughout the world of any third party, due to materials, processes or Articles provided by such Indemnitor (which, in the case of Coherent will be any detailed Article design specifications, and in the case of Supplier will be all other materials, processes and information incorporated into, used in or for the manufacture of the Articles), to the extent that such Claims arise from use or provision of the Indemnitor's materials, processes or Articles, provide that Indemnitee (a) promptly notifies Indemnitor, in writing, of any notice or claim of such alleged infringement or misappropriation involving the Products of which it becomes aware; and (b) permit Indemnitor to control the defense, settlement, adjustment or compromise of any such claim using counsel reasonably acceptable to Indemnitor. Indemnitor may employ counsel, at its own expense (provided that if such counsel is necessary because of a conflict of interest of either Indemnitor or its counsel or because Indemnitor does not assume control, Indemnitor will bear such expense), to assist it with respect to any such claim. Indemnitor shall not enter into any settlement that affects Indemnitee's rights or interests without Indemnitee's prior written approval.
8. **INFORMATION:** Any knowledge, information or drawings which Supplier may have disclosed, or may hereafter disclose to Coherent incident to the placing and filling of a Purchase Order, shall not unless otherwise specifically agreed upon in writing by Coherent, be deemed to be confidential or proprietary information and accordingly shall be provided free from any restrictions on use or disclosure.
9. **WARRANTY:** Supplier warrants that all Articles will be new, merchantable, free from defects in materials or workmanship, free from any encumbrance or lien, and conform to and perform in accordance with all applicable specifications, drawings, descriptions and samples for a period of three years after delivery to Coherent unless otherwise agreed in writing executed by both parties. Unless manufactured pursuant to detailed design furnished by Coherent, Supplier assumes design responsibility and warrants the Articles to be free from design defect and suitable for the purposes intended by Coherent. Supplier's warranties together with its service guarantees shall run to Coherent and its customers or users of the Articles and shall not be deemed to be exclusive remedies. Coherent's inspection approval, acceptance, use of or payment for all or any part of the Articles shall in no way affect its warranty rights whether or not a breach of warranty had become evident at the time.
10. *[Section intentionally omitted]*
11. **NON-ASSIGNMENT:** Assignment of a Purchase Order or any interest therein or any payment due or to become due thereunder, without the written consent of Coherent, shall be void.
12. **DEFAULT AND EXCUSABLE DELAYS:** Coherent may cancel Purchase Orders in the event of a default by Supplier of any of these

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terms and conditions. Supplier shall reimburse Coherent for any additional cost incurred by Coherent if Coherent purchases from third parties articles substantially similar and in the same quantity as the Articles in the event of cancellation of a Purchase Order. Supplier however shall not be in default to the extent that performance of its obligations is prevented by reason of a Force Majeure event, which is a cause beyond the control and without the fault or negligence of Supplier, such as fire, flood, earthquake, riots, acts of God, war, terrorism and public disorder.

13. **INSPECTION, TESTING AND EXPEDITING:** All materials and workmanship entering into the performance of Purchase Orders may be inspected, tested and expedited at all times and places either before, during or after manufacture by representatives designated by Coherent. The exercise of this right to inspect, test and expedite however shall in no way relieve Supplier of its obligation to furnish all articles or materials in strict accordance with the specifications and all terms and conditions set forth herein and in any applicable Purchase Order. If inspection, testing and expediting are made on the premises of Supplier or its supplier, Supplier shall furnish without additional charges all reasonable facilities and assistance for the safety and convenience of the Coherent's representatives in the performance of their duties. The right of final inspection and acceptance or rejection of the goods at Coherent's plant or at such other place of receipt as may be specified in Purchase Orders is reserved to Coherent. In case any of the goods are found to be defective in material or workmanship, or otherwise not in conformity with the specifications and requirements of any applicable Purchase Order, Coherent shall have the right to reject the same or require that such goods be corrected or replaced promptly with satisfactory materials or workmanship at Supplier's expense (including transportation charges to and from Coherent's plant) or such other place of receipt as may be specified in applicable Purchase Orders, or pursue such other remedies as may be provided by law.
14. **TOOLS AND MATERIALS:** Title to and the right of immediate possession of all tooling, equipment or materials furnished or paid for by Coherent directly or indirectly for use hereunder (collectively, "Supplies") shall be and remain in Coherent. Coherent does not guarantee or warrant the accuracy of any tooling furnished by it. Supplier shall (a) be responsible for all loss or damage to the Supplies while in its possession and insure its risk in this respect with adequate fire and extended coverage insurance (b) clearly mark the Supplies as belonging to Coherent keep the Supplies separate from other tooling, equipment and materials in Supplier's plant (c) maintain the confidentiality of the Supplies as set forth in Section 15 (d) keep the Supplies in good operating condition and (e) use the Supplies exclusively for the performance of work for Coherent and not for production of larger quantities than specified or in advance of normal production schedules except with Coherents written consent. All taxes assessments and similar charges levied with respect to or upon any such items owned by Coherent while in Supplier's possession or control and for which no exemption is available shall be borne by Supplier. Upon completion of work to be performed under applicable Purchase Orders, all Supplies shall be disposed of as Coherent directs.
15. **CONFIDENTIAL INFORMATION:** "Confidential Information" means any information disclosed by Coherent to Supplier, either directly or indirectly, in writing, orally or by inspection of tangible objects, including without limitation drawings, documents, specifications, samples, prototypes and designs. Confidential Information shall include all information relating to Articles and may include third party information. Confidential Information shall not include information that (a) was publicly known and made generally available in the public domain prior to the time of disclosure by Coherent to Supplier, (b) becomes publicly known and made generally available in the public domain after disclosure to Supplier by Coherent through no action or inaction of Supplier, or (c) is in the possession of Supplier, without confidentiality restrictions, at the time of disclosure by Coherent to Supplier, as evidenced in Supplier's files and records in existence immediately prior to the time of Coherent's disclosure. Supplier shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information.

Without limiting the foregoing, Supplier shall take at least those measures that it takes to protect its own most highly confidential information. Supplier shall make no copies of the Confidential Information unless the same are previously approved in writing by Coherent. Supplier shall reproduce Coherent's proprietary rights notices on any such approved copies in the same manner in which such notices were set forth on the original. Supplier shall not use any Confidential Information for any purpose other than to perform its obligations under the applicable Purchase Order. Supplier shall not disclose Confidential Information to any third party unless authorized in advance in writing. Supplier shall not reverse engineer, disassemble or decompile any prototypes, software or other tangible objects that embody Coherent's Confidential Information. Supplier shall immediately notify Coherent in the event of any unauthorized use or disclosure of the Confidential Information. (reference the Nondisclosure Agreement in Coherent's Supplier Portal <http://www.coherent.com/supplierportal>).

16. **GRATUITIES:** Supplier warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to any of Coherent's employees, agents or representatives and complies with Coherent's Supplier Code of Conduct (reference Coherent's Supplier Portal <http://www.coherent.com/supplierportal>). If Coherent, in its sole determination, believes in good faith that Supplier or any of its employees, agents or representatives has offered or given any gratuities to Coherent's employees, agents or representatives for purposes relating to securing purchase orders or contracts from Coherent or securing favorable treatment with respect thereto, Coherent may cancel this Purchase Order upon written notice to Supplier, as set forth in Section 17.
17. **TERMINATION FOR CAUSE**
- (a) Either party may terminate any applicable Purchase Order in the event that the other party materially defaults in the performance of any material term or condition, thirty days after the defaulting party's receipt of written notice of material default, provided that the defaulting party has not cured such default within such thirty day period.
- (b) Either party may terminate any or all outstanding Purchase Orders immediately upon written notice to the other in the event that the other party becomes insolvent, is unable to pay its debts when due, files for bankruptcy, has a receiver appointed to it, or if it undergoes a sale of all or substantially all of its assets relating to such Purchase Orders.
18. **TERMINATION AT WILL:**
- (a) Coherent may terminate work under a Purchase Order in whole or in part at any time by written notice to Supplier specifying the effective date and the extent of such termination Coherent shall have such right of termination. For the avoidance of doubt, Supplier shall not be liable under default and delays due to a Force Majeure event, as set forth in Section 12.
- (b) Upon receipt of such notice of termination and except as otherwise directed by Coherent, Supplier shall promptly
- (1) stop work under such Purchase Order on the date and to the extent specified in such notice of termination;
 - (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portions of the work under a terminated Purchase Order which, by its nature, cannot be terminated without incurring substantial costs, losses or other liability;
 - (3) terminate all orders and subcontracts relating to the performance of any work to be performed under such terminated Purchase Order;
 - (4) settle all claims arising out of any terminated orders and subcontracts relating to such terminated Purchase Order, subject to the approval or ratification of Coherent.
 - (5) transfer title and deliver on Coherent's instruction all fabricated and unfabricated parts, work in process, completed work, supplies and other materials produced as a part of, or acquired in respect of the performance of the

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work to be performed under such terminated Purchase Order; and

- (6) take any necessary action to protect property in Supplier's possession in which Coherent has or may acquire an interest.
- (c) If the parties cannot agree on the amount of fair compensation to Supplier for such termination within a reasonable time, Coherent will pay to Supplier without duplication the following amounts:
 - (1) The contract price for Articles, which have been completed
 - (2) The actual costs incurred by Supplier, which are properly allocable, or apportionable under recognized commercial accounting practices to the terminated portion of a Purchase Order.
 - (3) such allowance for profit on the work performed as may be reasonable under the circumstances.

The total sum to be paid Supplier under items (1), (2) and (3) of the paragraph (c) shall not exceed the total contract price specified in the Purchase Order, reduced by (i) the amount of payments already made and (ii) the contract price of work not terminated.

Supplier will promptly transfer title and deliver on Coherent's instructions any property the cost of which is reimbursed under item (2) in this paragraph (c) or with Coherent's approval may retain same at an agreed price or sell at any price approved by Coherent and credit the amount so agreed or received as Coherent directs. Nothing contained in this paragraph 18 shall impair the right of Coherent to cancel Purchase Orders pursuant to paragraph above. Coherent may audit all elements of any termination claim.

- 19. COMPLIANCE WITH LAWS.** Supplier represents and warrants that it will comply with any and all applicable federal, state or local governmental laws, regulations and orders, as well as any governmental flow-down provisions, applicable to any Purchase Order, including without limitation the Bribery Bill and all other applicable anti-corruption, bribery and related laws.

- (a) Supplier agrees, if applicable, to comply with Directive 2002/95/EC on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, (Jan. 27, 2003) as implemented by the various member states of the European Union (the "RoHS Directive"), Directive 2002/96/EC on Waste Electrical and Electronic Equipment, (Jan. 27, 2003) as implemented by the various member states of the European Union (the "WEEE Directive"), the Administrative Measure on the Control of Pollution Caused by Electronic Information Products effective March 1, 2007 (also referred as "China RoHS"), and the 1979 Sale of Goods Act.
- (b) Supplier represents, warrants and covenants that it does and will comply with all requirements, obligations, standards, duties and responsibilities under REACH that apply to or affect the Products, including any Substances or Preparations comprising the Products or otherwise provided to Coherent. Supplier further specifically represents, warrants and covenants the following:
 - (i) No Substance contained in any Product is intended to be released under normal and reasonably foreseeable conditions of use, as such phrase is defined and interpreted pursuant to REACH;
 - (ii) No Substance present in any Product in a concentration at or above 0.1% by weight (w/w), as such concentration is defined and interpreted pursuant to REACH, is on the Candidate List;
 - (iii) No Substance present in any Product or otherwise provided to Coherent by Supplier, on its own or in a Preparation, otherwise requires registration or notification under Articles 6 or 7 of REACH (or any corresponding amended provisions); and
 - (iv) In the event that Supplier becomes aware that any representation or warranty set forth in sub-sections i, ii or iii above is not accurate, or ceases to be accurate, Supplier shall (a) promptly notify Coherent, (b) ensure that such Substance is registered and/or notified to the European Chemicals Agency, as applicable, pursuant to REACH, and that such registration and/or notification includes Coherent's use of

such Substance and (c) use best efforts to ensure, if applicable, that authorization for Coherent's use of each such Substance is granted pursuant to REACH.

- (c) Definitions:
 - (i) Candidate List means the list of identified Substances referred to in Article 59(1) of REACH (or any corresponding amended provisions), as such list may be updated from time to time.
 - (ii) Preparation has the meaning ascribed to that term pursuant to REACH.
 - (iii) Product means any component, part, sub-assembly, assembly or other commodity provided to Coherent by Supplier, including any packaging materials or containers.
 - (iv) REACH means Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals, 2006 O.J. (L 396) 1, as amended from time to time, any similar laws in Switzerland or the European Economic Area or similar or related substance restriction, disclosure, registration, notification or authorization laws and interpretive guidance (including European Chemicals Agency guidance documents), national or local implementation and enforcement policies relating to any of the foregoing.
 - (v) Substance has the meaning ascribed to that term pursuant to REACH.
20. Additionally, Supplier agrees that this purchase order will include all applicable governmental requirements provided in Coherent's Supplier Portal (reference Coherent's Supplier Portal <http://www.coherent.com/supplierportal>) COHERENT
21. **GOVERNING LAW.** This agreement is made governed by and shall be construed under the laws England.