Standard Terms and Conditions of Sale and Services for
Coherent Israel Ltd.

§ 1
Application of Standard Terms and Conditions of Sale and Services (STCs); exclusion of other terms and conditions

(1) These Standard Terms and Conditions of Sale and Services (STCs) apply to all of our business relations with our customers regarding the sale of products and the provision of services, e.g. repair, maintenance, inspection and other services (Services) (see in particular for Services § 16).

(2) Our STCs apply to the exclusion of all other terms, even if we, despite being aware of the customer's terms and conditions, accept orders without reservation, provide products and services/Services, or directly or indirectly refer to correspondence, etc., which contains the terms and conditions of the customer or a third party. We shall not recognize conflicting, varying or additional terms and conditions of the customer unless we expressly agree to them in writing.

(3) Our STCs, as amended from time to time, shall automatically apply to all future products supplied, services/Services provided or offers to the same customer, without any requirement to refer to them repeatedly. We will notify the customer promptly of any amendments to our STCs.

§ 2
Formation and terms of agreement; written form requirement; representation

(1) Our offers are non-binding and subject to change unless they are expressly stipulated as binding or stipulate a specific period for acceptance.

(2) The customer's order constitutes a legally binding offer to enter into an agreement. Unless the order provides otherwise, we have the right to accept the order within 10 working days (Monday to Friday) from the date of receiving the order.

(3) After we have accepted the Order, the Order cannot be cancelled anymore by the customer.

(4) Our acceptance shall be in the form of a written notice (e.g., our order confirmation or our dispatch/collection notice). Legal declarations and notices made to us by the customer after formation of the agreement (e.g., stipulation of a grace period, default notice, notification about defects) must be executed in writing in order to be valid.

(5) Transmission by facsimile or by e-mail is sufficient in order to meet the written form requirement.

(6) If the customer acts in the course of a profession or business, Articles 6:227b (1) and 6:227c of the Netherlands Civil Code [Burgerlijk Wetboek - BW] shall not apply.

(7) With the exception of our managing directors, commercial attorneys-in-fact (gevolmachtigden) and other employees specifically in writing named as the customer's contact person (acting in their respective authorized capacities), our employees are not authorized to enter into agreements, agree to individual written or oral arrangements or make or accept other commitments or other statements; any such statements issued or accepted shall be disregarded and shall not be binding on us.

§ 3
Reservation of rights; confidentiality

(1) We reserve all title to, and copyright and intellectual property rights in all documents, materials and other items furnished to the customer by us (e.g., offers, catalogues, price lists, quotes, plans, sketches, images, calculations, details of production and lead time, product and Service descriptions and specifications, prototypes/samples, models and other physical and/or electronic documents, information and materials). For the products and Services themselves we reserve all copyright and intellectual property rights.

(2) Unless we give our prior written consent, the customer may not exploit, use, copy or modify documents, materials or other items furnished by us, or make them available to third parties as such or disclose their material substance to third parties. The customer may use them solely for the contractually permitted purposes and, at our request, must return them to us in their entirety and destroy (or delete) any copies (including digital copies), unless they are still required by the customer in the ordinary course of business or for compliance with statutory records retention duties. At our request, the customer shall confirm that it has returned, destroyed or deleted all documents, materials and items, or show which of the aforementioned documents, materials or items are still thought to be required and on what grounds.

(3) If we have entered into a separate non-disclosure agreement with the customer, the terms of that agreement will take precedence over the terms relating to confidentiality in these STCs. In any event, however, the documents, materials and other items furnished by us shall constitute confidential information within the meaning of the non-disclosure agreement.

§ 4
Software

Unless otherwise agreed to in a separate signed software license agreement between us and the customer, the following terms and conditions will apply to software and firmware in all forms, including any documentation provided by us under these STCs ("Licensed Software"): 

(1) We retain full rights, title, and ownership including all patents, copyrights, trade secrets, trade names, trademarks, and other intellectual property rights in and to the Licensed Software;
(2) For standalone Licensed Software, subject to and conditioned on these STCs, we grant to customer a non-exclusive, non-sublicenseable, limited license to internally use the Licensed Software (in machine code only) as a development platform solely in connection with our products;

(3) For Licensed Software embedded in our products, subject to and conditioned on these STCs, we grant to customer a non-exclusive, limited license to use and distribute the Licensed Software (in machine code only) solely as incorporated in our products;

(4) Subject to mandatory applicable law, customer agrees not to engage in, and to take all reasonable steps to prevent, unauthorized use and disclosure of, including without limitation any effort to reverse engineer, disassemble, de-compile, modify, or otherwise attempt to derive the source code of any Licensed Software or any portion thereof; and

(5) Customer will not alter, remove or destroy any trademark, copyright markings, legends, or notices placed upon or contained within the Licensed Software.

§ 5

"EXW Incoterms (2010)"; other Delivery details; acceptance

(1) Unless agreed otherwise, "EXW Incoterms (2010)" shall apply to all of our deliveries (with the products being available at the warehouse from which we make our deliveries in the specific case).

(2) Notwithstanding subsection § 5(1), and only if agreed with the customer, we will send the products to a location specified by the customer. This shall be done at the customer's expense. We may, at our due discretion, determine the mode of transport (particularly the selection of freight company and shipping method) and the type of packaging. In such cases, the risk shall pass to the customer upon the customer's receipt of our dispatch notice or, if the agreement does not provide for a dispatch notice, at the latest when the products are handed over to the carrier or freight company or other party responsible for transportation. The foregoing also applies to partial deliveries or if we have agreed to provide other services (e.g. transport or assembly). Subsection § 5(1) and the terms governing place of performance (§ 17 of these STCs) shall otherwise remain unaffected.

(3) "Delivery" in terms of these STC shall have the meaning of customer's receipt of our collection/dispatch notice or, if agreed, handing over of the products to the carrier or freight company or other party responsible for transportation.

(4) Where it has been expressly agreed that the customer's acceptance is required the products or the Services shall be deemed accepted, at the latest, regardless of whether or not a we actually suffered particular disadvantage due to a late complaint, when:

a) the Delivery and, where we have also agreed to assemble or provide a similar service (e.g. mounting, installation, putting into commision, set-up/settings) or another Service, the assembly or similar service/Service is complete;

b) we have advised the customer hereof promptly after completion and requested the customer's acceptance;

c) (aa) 15 working days have elapsed since Delivery or (if applicable) the completion of assembly or a similar service or Service; or (bb) the customer has started using the products (e.g. has put the delivered and (if applicable) assembled equipment into operation) and ten (10) working days have elapsed since Delivery or (if applicable) the completion of assembly or a similar service; and

d) the customer failed to accept the products, services/Services within the above period for a reason other than a defect of which we were notified, and which substantially impairs use of the products, services/Services or renders use of the products, services/Services impossible.

§ 6

Transfer of title

Title to the sold products shall pass to the customer upon the customer's receipt of our collect/dispatch notice or, if the agreement does not provide for a dispatch notice, at the latest when the products are handed over to the carrier or freight company or other party responsible for transportation.

§ 7

Export and import control

(1) In case export and import control rules apply to our products (including Licensed Software) or Services, in particular rules of the European Union (e.g. EC Dual Use Regulation) and the United States of America, customer shall immediately provide us with all information and documentation necessary for the compliance with such rules. This shall also apply to end use certificates. Obtaining an import permit shall always be customers' obligation.

(2) Products delivered by us (also in the context of provision of Services) may be subject to export restrictions, e.g. of the United States of America or the European Union. The customer is obliged to comply with said rules in case of resale. This shall apply mutatis mutandis for restrictions applicable to the provision of our Services or Licensed Software.

§ 8

Prices and payment terms

(1) Unless agreed otherwise, orders shall always be governed by the net prices (plus statutory value added tax (VAT)) applicable at the time of entering into the respective agreement; prices are specified "EXW Incoterms (2010)" (see § 5(1) of these STCs). Any insurance, transport and packaging costs (see § 5(2) of these STCs) and any additional taxes and duties shall be charged as extras unless agreed otherwise.
Unless agreed otherwise, our invoices must be paid in full within 30 days of the invoice date. The date on which payment is received determines whether payment was on time. We may attach our invoice to the dispatch notice as mentioned in § 5(3).

In case of late or incorrect payment, the customer shall be in default by operation of law, without any further notice of default being required, as from expiry of the payment term, as from which time the customer shall pay interest on the payable amount (including BTW) equal to the statutory interest for commercial agreements as referred to in Article 6:119a BW and 6:120 BW.

If the customer is in default in the performance of one or more of its obligations, all judicial and extrajudicial costs shall be payable by the customer, equal to the higher of 15% of the principal sum claimed (exclusive of interest) or the actual costs of collection.

We reserve the right, if so desired for any reason whatsoever, to require payment in advance, a Letter of Credit or immediate payment in cash. Security shall be provided by a bank of good standing and in accordance with the uniform rules of the International Chamber of Commerce (ICC) in Paris applicable to the relevant type of security (such as the "ICC Uniform Rules for Demand Guarantees" and the "ICC Uniform Customs and Practice for Documentary Credits"). If the customer fails to provide the security within the term set by us, we shall be entitled to suspend all or part of our obligations under the agreement or agreements, without prejudice to our other rights ensuing from the agreement and the STCs, until such time as the customer has performed its obligation to provide security. The foregoing suspension shall not affect the customer’s obligations.

If the customer is of the opinion that the amounts invoiced to it by us are incorrect, it shall object in writing within eight (8) days of the date of the invoice, specifying its objections, failing to object in time shall lead to customer to lose its right to object to the amount or composition of the invoice.

§ 9
Performance times, extensions; provisos for force majeure, deliveries from our suppliers etc.; partial deliveries; inspections and/or testing at our premises

Indicated lead times/delivery dates given by us for the delivery of products and provision of services/Services (performance times) shall always be regarded as approximate only and shall in no event be deemed to be deadlines, unless a fixed performance time was expressly agreed.

Performance times for the Delivery of products shall be deemed met if, by the time they expire, the customer has received our dispatch/collection notice or, where agreed, we have handed over the products to the party responsible for transportation.

As soon as we establish that an agreed delivery period will be exceeded, we shall contact the customer in that respect. The customer’s obligations shall remain unchanged. In no event shall the customer, however, be entitled to any penalty or damages vis-à-vis us.

We shall not be liable if the provision of our products or services is delayed or rendered impossible due to force majeure or other events beyond our control which were not foreseeable at the time the agreement was entered into (e.g. disruptions to operations of any kind, fire, natural disasters, weather events, floods, war, riots, acts of terrorism, transport delays, strikes, lawful lock-outs, a shortage of workers, energy or raw materials, delays in the issue of requisite regulatory approvals (e.g. import and export permits), regulatory action/sovereign acts; embargos).

Failure by our suppliers to supply us on time, correctly or at all, shall constitute such an event if we are not at fault for the failure and a corresponding supply commitment with our supplier was in place at the time the agreement was entered into with the customer. If such events occur, the performance times shall be automatically extended by the duration of the event, plus a reasonable time for resuming work. We also have the right to rescind the agreement if such events make it substantially more difficult or impossible for us to render performance and they are not merely temporary in nature.

Performance times shall be automatically extended by a reasonable time if the customer fails to comply with its contractual obligations or is in breach of any condition thereunder. In particular, the customer is responsible for ensuring that we timely receive any and all documents, information, prototypes, samples and other information and items to be provided by the customer and, if applicable, that technical, construction-related, staff and organisational requirements for the agreed assembly of products at the customer’s premises (if applicable) or for similar services are met (e.g. mounting, installation, putting into commission, set-up/settings).

If we default on providing products or services/Services or they become impossible to provide for whatever reason, any liability on our part shall be limited to damages in accordance with § 12 of these STCs.

The customer shall take delivery of the products delivered at the time of delivery.

If the customer fails to take delivery of the products at the time of delivery, the customer shall be in default, without any further notice of default being required, and we may store the products at the customer’s expense and risk. Furthermore, we shall be entitled to invoice the relevant products to the customer in accordance with the provisions of § 8(2) of these STCs and the customer shall be obliged to pay the relevant invoice. All costs ensuing from the foregoing circumstances, including but not limited to the costs of storage and possible decrease in revenue, shall be paid by the customer, just as the invoice referred to above, before any obligation can arise on our part to deliver the relevant products. The foregoing shall not affect any other rights that we may have.
§ 10
Warranty for defects

(1) Unless expressly agreed otherwise: (a) our products and services meet(ii) at the time of Delivery, and (ii) for twelve (12) months thereafter (continued warranty) solely the specifications agreed with the customer in writing (or, in the absence of any such agreement, the product specifications contained in our published product data sheets); and; (b) the customer is solely responsible for integrating the products in its existing technical, structural and organisational framework (customer's responsibility for system integration).

(2) Any documentation (including brochures), disclaimers and advice in respect of the use and properties of the products supplied, other advice and assistance shall be drawn up and/or provided by us to the best of its knowledge and ability. We do not warrant the correctness and completeness of the information thus obtained.

(3) All other (implied) conditions and warranties with respect to the quality of the products or their suitability for their intended use are expressly excluded, unless explicitly agreed otherwise in writing between the parties.

(4) The continued warranty (see § 10(1) (iii)) for twelve (12) months as of the time of Delivery is subject to the following requirements:
   a) The continued warranty is made only to our original customer and is non-transferable to third parties.
   b) The continued warranty does not apply to third-party products which are merely sold through us.
   c) The continued warranty does not apply for normal wear and tear and in situations in which the products are damaged due to any use not in compliance with the agreed upon (if no agreement: normal) use of the product and/or our instructions and recommendations published in the concrete product data sheets or in any other way.
   d) The continued warranty does furthermore not apply if the product was changed/adjusted, adjusted or repaired unless that change/alteration, adjustment or repair has been carried out by us or by persons authorized by us. This shall also apply if non-authorized accessories were integrated in or connected with our products.

(5) The determination of "defects" as referenced in these STCs shall be made on the basis of the subsections (1) and (4).

(6) Promptly upon taking Delivery of the products, the customer shall inspect the quantities and types of products, as well as the packing, for possible irregularities, shortages and/or damages, and inspect the products for possible defects and/or damage.

(7) The customer shall immediately state any complaints about quantities, types and packing of the products on the shipping document or delivery note; otherwise it shall lose its right to complain. Any visible defects of the products shall be reported in writing as soon as possible, but in any event within five (5) working days of Delivery of the products, accurately stating the nature of and reason for the complaints; if the customer fails to do so the products shall be deemed to be accepted, regardless of whether or not we actually suffered particular disadvantage due to a late complaint. Putting the products into operation shall be deemed to constitute acceptance.

(8) The provisions of paragraphs § 10(6) and § 10(7) shall not affect the customer’s rights in the event of hidden defects. The customer shall report any hidden defects in writing to us within five (5) work days after they have been, or could reasonably be, discovered.

(9) In the event of a complaint the customer shall keep the products complained about at our disposal for further inspection. Furthermore, the customer shall cooperate in our inspection of the products and grant access to its premises for that purpose.

(10) A complaint shall not entitle the customer to suspend its payment or other obligations vis-à-vis us and/or to invoke setoff.

(11) We assume no warranty and accept no other liability for defects if the customer has failed to properly inspect the products and/or report defects. This shall also apply for the continued warranty of twelve (12) months as of Delivery.

(12) The products may be returned only with our prior written consent. Unless otherwise agreed, the return procedure for products reported to be defective ("return products") shall be as follows: the customer shall send us, together with its notice of defects (see § 10(7) "Return Material Authorization Form" containing the information required in order to properly process the return, particularly the order number, invoice number, exact description (item number) and quantity of return products. The return products shall be sent back to us at our request, initially at the customer's expense. If the reported defect is legitimate, we will reimburse the customer for the costs of the cheapest shipping method; the foregoing shall not apply if the shipping costs are increased because the products are located somewhere other than the place of contractually agreed use. Subsection § 10(13) (allowing the necessary time and opportunity to examine reported defects and review other complaints) remains unaffected.

For warranty claims asserted during the period of twelve (12) months following Delivery (continued warranty), the customer shall bear the risk of return transportation unless the defect has already been there at the date of Delivery.

(13) The customer must always give us the time and opportunity required in order to examine reported defects and other complaints and effect subsequent performance (nakoming); this particularly includes furnishing us with the products in question for the aforementioned purposes or, if they have been permanently installed or similarly affixed at a certain location, providing access to the products. Subsection (12) (return at our request) remains unaffected.
If the products are in fact defective, we will cover the necessary expenses for the purpose of examining the products and effecting subsequent performance, particularly including transport, infrastructure, labor and material costs. Subsequent performance shall not include either dismantling and removing the defective item or re-installing a non-defective item if we had no installation obligation originally. However, if the customer's request to remedy a defect proves to be unjustified, we may require the customer to reimburse our costs.

If the delivered products are defective, we are authorized and obligated to effect subsequent performance as a first step, which, at our election (which must be made within a reasonable time), may take the form of remedying the defect (repair) or delivering a non-defective item (replacement). In the event of replacement, the customer must return the item requiring replacement in accordance with the relevant statutory provisions.

If it is not possible to effect subsequent performance or if the attempt to subsequent performance is unsuccessful, or if the reasonable period for effecting subsequent performance has expired without result or can be dispensed with according to statute, we may, at our election, rescind the purchase agreement. However, there is no right of rescision in the case of minor defects. The right to rescind the purchase agreement shall not apply for warranty claims asserted during the period of twelve (12) months following Delivery unless the defect has already been there at the date of Delivery.

Claims for damages other than those governed by § 12 of these STCs are excluded.

§ 11
Warranty for third-party intellectual property rights

Subject to the terms of § 11, we warrant that the manufacture of the products by us and their specifications at the time of Delivery are free from third-party intellectual property rights or copyright in the countries of the European Union and the United States of America. The parties will notify each other promptly in writing if they are sued for infringement of any such rights.

Claims for infringement of third-party intellectual property rights or copyright are excluded if the infringement was due to (i) the use of products in practice as a part of or in conjunction with any other products/devices, parts, processes or methods of the customer; (ii) instructions or requirements (regarding, _inter alia_, the specifications or design) laid down by the customer; (iii) the use of the products by the customer or its customers in practice in a manner inconsistent with the agreement or specifications; (iv) any unauthorized modification of the product; or (v) any use of the products after receiving notice of an (alleged) infringement or third-party intellectual property rights or copyright.

In the event the products are finally determined by the applicable court of law to infringe the intellectual property rights or copyright of any third party, we will, at our election and expense, modify or replace the products such that they no longer infringe third-party rights but still perform their agreed contractual function, or obtain a license enabling the customer to use the products. If we are unable to do either of these things within a reasonable time, we may rescind the agreement.

If we deliver products of other manufacturers or suppliers and such products infringe third-party rights, we will, at our election, sue the relevant manufacturer or supplier for breach of warranty for the account of the customer, or assign our respective claims to the customer.

Claims for damages other than those governed by § 12 of these STCs are excluded.

§ 12
Liability for damages, etc.

Our liability to the customer shall be limited to our obligations as set forth in §10 and 11.

Save in the event of intentional act or gross negligence, we shall in no event be liable for any damage suffered by the customer. Furthermore, any liability for indirect damage, consequential damage, non-material damage, business or environmental damage, or damage as a result of liability to third parties, is excluded.

If and to the extent that, despite the provisions of § 12(1) and § 12(2), we are still liable on any basis whatsoever, such liability shall be limited to the amount of the net invoice value of the products that caused the damage, provided that our liability shall at all times be limited to a maximum amount of EUR 250,000 (in words: two hundred and fifty thousand euros) per agreement.

The customer shall indemnify us against any third-party claims, by any title whatsoever, that may arise in connection with products delivered by the customer to such third parties, unless it is established in court that such claims are the result of product liability and the customer also demonstrates that it is not to blame in any whatsoever.

§ 13
Limitations period

The limitations period for claims based on defects shall be one (1) year from the date of Delivery (the provision of Services respectively).

Where acceptance has explicitly been agreed, the limitations period shall not commence at the time of Delivery but only as of the time the products are accepted.

During our examination of reported defects and other complaints (see § 10(7) and while a detected defect is remedied, the original warranty period shall not be suspended. Products or parts thereof which are replaced or repaired under the warranty are warranted only for the remaining unexpired portion of the original warranty period applicable to the specific product; none of our subsequent performances shall be considered as recommencement or suspension of the limitation period. Subsequent performances in no event constitute acknowledgment of any legal obligation to do so.
§ 14

Special right of rescission where payment is discontinued, etc.

We have a special right to rescind an agreement in the following cases: (a) the customer discontinues payments to its creditors; (b) the customer personally applies to have its assets administered in insolvency proceedings; (c) we or another creditor make a lawful application to institute insolvency proceedings against the customer; (d) insolvency proceedings (even interim proceedings) are instituted; or (e) the application for insolvency proceedings is rejected because the customer has insufficient assets.

§ 15

Notification requirement in the case of regulatory or own action

The customer shall notify us promptly in writing if regulatory action is taken at the customer's premises or against the customer in connection with our products (e.g. an order for withdrawal or recall is made or other measures associated with market surveillance are taken) or the customer itself intends to take such action.

§ 16

Service Conditions

(1) In addition to the other provisions set forth in these STCs, the following provisions apply to all repairs, maintenance, inspection and other services according to separate service agreements entered into with the customer (Services). Those separate service agreements shall prevail over the provisions of this § 16 and the STCs in general.

(2) The scope and the price of the Services are set forth in the service agreements, e.g. service object, time, material input, service exclusions, costs and expenses etc. In case it turns out during the provision of the Services that additional works, expenses, materials, spares etc. are required but were not included in the service agreement, we are entitled to charge these works, expenses, materials, spares etc. separately on the basis of the price lists in effect at the time of provision of the Services.

(3) The customer is obliged to cooperate with us as agreed in the service agreement. § 9(5) shall apply accordingly.

(4) Unless set forth hereinafter otherwise or additionally, the relevant statutory provisions shall govern the customer's rights in the case of defects in quality or defects in title of the provision of Services.

a) The customer is obliged to promptly inspect the Services and to report to us any defects promptly after a defect is identified.

b) § 10(13) through § 10(16) apply accordingly in case of defects in quality or defects in title of the Services.

c) Claims for damages other than those governed by § 12 of these STCs are excluded.

(5) For our "Productivity Plus" and "Advantage Plus" Services, the following provisions shall apply in addition to the provisions set forth in these STCs.

a) We shall have the right to refuse the performance of the Services or to invoice them separately in case the service object was or is operated outside the specifications of the applicable data sheet. The data sheet current at the time of the purchase of the service object shall be applicable.

b) Defects and damages are excluded from the Services and can be invoiced separately resulting from (i) use of components and accessories not delivered by us or not authorized by us, respectively, (ii) improper or inadequate maintenance, (iii) wrong installed load, (iv) operations outside the environmental specifications for the product, (v) improper site preparation, (vi) unauthorized modification or non-observance of advices and instructions for the proper use, (vii) external causes, such as force majeure type factors.

c) Replacement parts may be new or refurbished at our sole discretion.

(6) Limitation periods for claims in connection with the Services are subject to § 13 of these STCs.

§ 17

Place of performance

The place of performance for our deliveries is the warehouse from which we make our deliveries. If we have also agreed to assemble or provide similar services (e.g. mounting, installation, putting into commission, set-up/SETTINGS) or Services, the place of performance shall be the place stipulated in the agreement as the place where this is required to occur.

§ 18

Choice of law and jurisdiction


(2) Any disputes in connection with our business relations with the customer shall be decided by the court in Amsterdam, the Netherlands, without prejudice to our right to submit a dispute to the court in the country where the customer is based.
§ 19
Severability

If terms of these STCs are or become void or invalid, whether in whole or in part, this shall not affect the validity of the remaining terms.

§ 20
Language

The STCs are drafted in Dutch and in English. In the event of any discrepancies between the Dutch and English version, only the Dutch version shall apply.

§ 21
Data Protection

(1) Any information related to an identified or identifiable natural person ("Personal Data") which (i) either party received from the other party; and/or (ii) is processed by the customer as part of providing or receiving Services under an agreement shall be processed by that party only in strict compliance with applicable data protection laws.

(2) The customer shall inform its affected personnel about processing of their Personal Data by us for the purposes of the respective agreement so that we comply with our information obligations under applicable data protection laws; where the customer is reasonably missing details to provide complete information, we will provide such information to the customer upon request. Where appropriate we may transfer Personal Data to Coherent Inc. in accordance with applicable data protection laws. Any such transfer is based on the EU-US Privacy Shield (https://www.privacyshield.gov).