



**COHERENT CORP.  
TERMS AND CONDITIONS OF SALE – JAPAN**

**1. LIMITS OF AGREEMENT.**

Coherent Corp. or the Coherent Affiliate named on the face of the quote/order acknowledgement (such entity, “Coherent”) hereby offers to sell to the buyer identified on the face of the quote/order acknowledgement (“Buyer”), or accepts the Buyer’s offer to purchase, any of the products (“Products”) or services (“Services”) set forth on the face of the applicable quote/order acknowledgement solely in accordance with both (a) the terms and conditions contained in these Coherent Terms and Conditions of Sale for Japan (the “Japan Terms”); and (b) the terms and conditions set forth on the face of the quote/order acknowledgement provided by Coherent to Buyer (the “Quote Terms,” together with the Japan Terms, the “Terms”). As used in the foregoing sentence, “Affiliates” shall mean any direct or indirect subsidiary or other entity which either controls, is controlled by, or is under common control with Coherent, where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of Coherent, whether through the ability to exercise voting power or direct operations as otherwise duly authorized by officers, directors or management personnel. Unless otherwise expressly stated in writing, with respect to any conflicts between the Japan Terms and the Quote Terms, the Quote Terms will control. All offers by Coherent to sell the Products or provide Services are expressly limited to the Terms, and the Terms shall take precedence over and void any additional, different, or conflicting terms or conditions presented to and/or accepted by Coherent in any electronic portal utilized by Buyer in connection with this transaction or Buyer’s general vendor registration process. If Buyer has ordered Products or Services from Coherent and such order is deemed by Coherent to be an offer by Buyer, Coherent’s acceptance of such offer is expressly conditioned on Buyer’s agreement to the Terms, to the exclusion of all other terms and conditions. Any additional, different, or conflicting terms or conditions proposed by Buyer in any offer, acceptance, or confirmation, including those set forth on any Buyer purchase order, specifications, or other documents issued by Buyer are considered by Coherent to be requests for material alterations of the Terms, are hereby rejected, and will not be binding in any way on Coherent. Buyer is hereby notified of Coherent’s objection to all such additional, different, or conflicting terms and conditions. No waiver or amendment of any of the Terms will be binding on Coherent unless made in a writing expressly stating that it is such a waiver or amendment and signed or sealed by an officer of Coherent. Buyer will have accepted (and will be deemed to have accepted) these Terms if Buyer does any of the following: (a) accepts the Terms in writing, (b) pays (in part or whole) for any Products or Services, or (c) receives delivery of any Products or Services. All Coherent offers are open for acceptance for no longer than the period stated on the face of the quote issued by Coherent, or, when no period is stated, thirty (30) days from the date of the offer, but any offer may be withdrawn or revoked by Coherent at any time prior to the receipt by Coherent of Buyer’s acceptance of such offer. No person, including any sales representative, order gatherer, or liaison officer for Coherent, is an agent for Coherent or has authority to extend or accept an offer on Coherent’s behalf.

**2. PRODUCTS AND SERVICES PROVIDED AND PRICE.**

(a) Unless otherwise specified on the quote/order acknowledgement provided by Coherent, Products pursuant to the Terms shall be newly manufactured products but may contain components which have been previously used in other product units that meet or exceed the Coherent’s specifications for newly manufactured components.

(b) The prices for Products and Services are those set forth on the face of the quote/order acknowledgement provided by Coherent. The cost of packaging for normal domestic shipment is included in the invoiced price for Products.

(c) Unless otherwise specifically set forth on the face of the quote/order acknowledgement provided by Coherent, prices and orders do not include national, municipal or local excise, sales, use or other taxes or customs duties, if applicable (excluding only taxes based on Coherent’s income), which are applicable to the Products and Services. Such tax and duties will be added by Coherent to the sales price when Coherent has the legal obligation to collect the same and Buyer will pay such taxes and duties unless Buyer provides Coherent with a proper tax exemption certificate for each jurisdiction in which taxes otherwise would be due. In the event Coherent is required to pay any such tax or duty at the time of sale or thereafter, Buyer will promptly reimburse Coherent for the total amount of any such tax or duties.

(d) Unless expressly agreed to in writing and or signed or sealed by Coherent, prices quoted are for the Products

and Services described on the face of the quote/order acknowledgement by Coherent only and do not include any technical data, proprietary rights of any kind, or patent rights.

(e) These Terms govern the purchase and sale of the Products or Services set forth on the face of the quote/order acknowledgement and are exhaustive as to the rights and benefits of both parties hereto. These Terms do not create any obligation by Coherent to provide Products or Services to Buyer except as set forth on the face of the quote/order acknowledgement. Products or Services which are not set forth on the face of the quote/order acknowledgement are outside of the scope of this transaction but may be purchased from Coherent at Coherent's sole discretion under a separate negotiated instrument.

(f) If the price of fuel, metals, raw materials, or other production costs increases significantly, Coherent will have the right to impose a reasonable surcharge for all affected Products or Services

### **3. PAYMENT TERMS.**

(a) Subject to credit approval by Coherent and unless otherwise specified by Coherent on the face of the quote/order acknowledgement provided by Coherent, all payments are due and payable in full thirty (30) days from the date of invoice. Coherent reserves the right to require alternative payment terms, including payment in advance. Without limiting the foregoing, Coherent reserves the right to require full or partial advance payment for Products, including custom or semi-custom Products, and such advance payment terms shall be stated on the face of the quote provided by Coherent. Coherent's ongoing performance shall be contingent upon timely receipt of all such advance payments from Buyer. Coherent may require the disclosure and evaluation of Buyer's financials to extend credit to Buyer. Coherent, at any time and its sole discretion, may change or withdraw Buyer's credit. All payments shall be made to Coherent by the method specified in the applicable quote/order acknowledgement provided by Coherent. Interest will accrue on overdue balances from the date following the original due date at the rate of 1.5% per month. Buyer is not entitled to any refund for payments made under progressive payment terms and may not withhold payment for any delay in installation due to a Buyer request or issue, or any delay in delivery of required documentation. If the face of the quote/order acknowledgement provided by Coherent specifies full or partial payment due upon installation, and such installation is delayed for ninety (90) or more days after delivery through no fault of Coherent, such payment shall become immediately due and payable on day ninety-one (91), regardless of whether installation is complete.

(b) Notwithstanding the foregoing, all orders are subject to, and the obligation of Coherent to make deliveries is subject to, the right of Coherent, in its sole discretion, to either (a) require of the Buyer payment for all or any part of the purchase price in advance of delivery; or (b) to make shipment C.O.D. If the Buyer fails to make advance payment when requested by Coherent, or if the Buyer is or becomes delinquent in the payment of any sum due Coherent (whether or not arising out of the same order) or refuses to accept C.O.D. shipment, then Coherent shall have the right, in addition to any other remedy to which it may be entitled in law or equity, to cancel the sales order, refuse to make further deliveries, or declare immediately due and payable all unpaid amounts for Products or Services previously delivered to the Buyer.

(c) In case that Products or Services covered by these Terms are not delivered or performed at one time, if Buyer accepts partial shipments in the applicable quote/order acknowledgement, such partial shipments made under any order will be treated as separate and independent transactions. However, in the event of any default by Buyer, Coherent may decline to make further shipments without in any way affecting its rights under such order.

(d) To secure any or all of its obligations under these Terms and the applicable quote/order acknowledgement, Buyer hereby grants and pledges to Coherent a first priority security interest in all of such Buyer's right, title and interest in and to any and all Products or proceeds of the foregoing, whether presently existing or hereinafter acquired. If Buyer defaults under any obligation under these Terms or the applicable quote/order acknowledgement, Coherent may pursue all remedies of a secured creditor provided under the UCC, Japanese law or other applicable law. If applicable, Buyer agrees that Coherent may file such financing statements and amendments thereto as Coherent deems necessary to protect its interest in the Products or proceeds thereof and to effectuate the purposes of this section. A copy of the invoice may be filed with appropriate authorities at any time as a financing statement. Upon Coherent's request, Buyer will execute and file any documents to perfect Coherent's security interest and/or mortgage in any Products.

#### **4. TRANSPORTATION; TITLE AND RISK OF LOSS, INSURANCE.**

(a) Unless otherwise stated in the applicable quote/order acknowledgement or agreed in writing mutually, all transportation will be at the expense of Coherent. Coherent reserves the right to select the means of transportation and routing. Unless otherwise set forth in the applicable quote/order acknowledgement, title and risk of loss or damage to Products will pass to Buyer upon delivery of the Products to Buyer at the place of delivery set forth in the applicable quote/order acknowledgement.

(b) Confiscation or destruction of, or damage to Products shall not release, reduce or in any way affect the liability of Buyer for such Products. Notwithstanding any defect or nonconformity, or any other matter, risk of loss will remain with Buyer until the Products are returned at Buyer's expense to such place (or places) as Coherent may designate in writing. Buyer, at its expense, shall fully insure Products against all loss or damage until Coherent has been paid in full therefore, or the Products have been returned, for whatever reason, to Coherent.

(c) Coherent will, at its own expense, with financially sound and reputable insurers, carry the following insurance: (i) commercial general liability in a sum no less than US\$1,000,000 for each occurrence; (ii) workers' compensation insurance in compliance with the applicable laws; and (iii) automobile (motor vehicle) insurance with limits of no less than US\$1,000,000.

#### **5. SHIPMENT.**

Coherent will use commercially reasonable efforts to meet shipment schedules. However, any shipment quote or forecast on an order acknowledgment is Coherent's best estimate of the time required to make shipment and Coherent will not assume liability, consequential or otherwise, because of any delay or failure to deliver all or any part of any order for any reason, including its negligence of any kind. Coherent reserves the right to allocate inventories and current production, reduce quantities to be delivered or Services to be performed, delay shipments, or allocate such Products or Services among customers in Coherent's sole discretion in any way it deems necessary. Should Coherent be unable to deliver Products or perform Services when estimated, Coherent will not be liable for failure to deliver or perform by such estimated dates unless expressly agreed to by Coherent in writing. Buyer may not cancel, push-out, or reschedule any purchase order placed with Coherent, except with Coherent's written consent. Coherent shall not be responsible for any delay in shipment or delivery attributable to Buyer providing incomplete or inaccurate shipping information.

#### **6. INSPECTION AND ACCEPTANCE.**

The Buyer will have the right to inspect Products within five (5) days of tender of delivery, however, such inspection right to inspect does not impair or impact the transfer of title as set forth in Section 4. Products will be deemed accepted upon tender of delivery as set forth in Section 4. Any errors, alleged defect or nonconformity discovered by Buyer in its inspection of Products shall be resolved in accordance with Section 9. Services will be deemed accepted by Buyer upon being rendered.

#### **7. FACTORY AND SITE TESTING.**

(a) **FAT.** If the Quote Terms provide for pre-shipment inspection or factory acceptance testing (FAT) at Coherent's site, Buyer shall schedule the FAT within thirty (30) calendar days after production is complete. FAT processes must be completed in a single day for remote tests or two (2) days for onsite tests, and shall be scheduled in accordance with Coherent's projected manufacturing timeline. Coherent may assess additional charges for FAT processes that exceed these limits. Coherent accepts no liability of any kind for late delivery related to FAT scheduling. Failure to schedule and complete the FAT within thirty (30) calendar days shall constitute a waiver of the FAT. If applicable, Buyer shall provide 'known good' test parts to be used in the FAT no less than ten (10) days prior to the scheduled FAT commencement date. Buyer may authorize shipping prior to FAT completion or waive its right to conduct the FAT, however, rights waived by Buyer prior to shipment shall be waived indefinitely and shall also include a waiver of any SAT provided for in the Quote Terms.

(b) **SAT.** If the Quote Terms provide for post-delivery inspection or site acceptance testing (SAT) at Buyer's site,

Buyer shall conduct the SAT within thirty (30) calendar days after delivery. Failure to complete the SAT within thirty (30) calendar days shall constitute a waiver of the SAT, and such rights shall be waived indefinitely. For the avoidance of doubt, the outcome of any SAT shall in no way impair or impact the transfer of title as set forth in Section 4. Coherent's sole obligation and Buyer's sole remedy for nonconformities demonstrated during a SAT is, at Coherent's sole option, a timely repair or replacement of the Products by Coherent as necessary to render the Product conforming with applicable specifications.

## **8. TERMINATIONS PRIOR TO DELIVERY OR PERFORMANCE.**

Buyer may not terminate any order without prior written agreement of Coherent, which may be granted or withheld in Coherent's sole discretion. Unless otherwise agreed by Coherent or as set forth in the quote/order acknowledgement provided by Coherent, any order for a Product that has been accepted by Coherent and terminated by Buyer shall be subject to a termination charge in an amount of Coherent's sole discretion of not less than twenty-five percent (25%). Without limiting the foregoing, Coherent reserves the right to deny termination of any order, including any order for custom or semi-custom Products. Without limiting the foregoing, terminations by mutual agreement for Products or Services are subject to the following conditions:

- (i) Buyer will pay, at applicable contract prices, for all Products which are completely manufactured and allocable to Buyer at the time of Coherent's receipt of notice of termination;
- (ii) Buyer will pay all costs, direct and indirect, which have been incurred by Coherent with regard to Products which have not been completely manufactured at the time of Coherent's receipt of notice of termination, plus a pro rata portion of the normal profit on the contract;
- (iii) Buyer will pay a termination charge on all other Products affected by the termination. Coherent's normal accounting practices shall be used to determine costs and other charges. To reduce termination charges, Coherent will use commercially reasonable efforts to divert completed parts, material or work-in-progress from terminated contracts to other customers whenever, in Coherent's sole discretion, it is practicable to do so. In the event of a termination, Buyer will have no rights in partially completed Product. Buyer may not reschedule the delivery date for any Products or Services without the prior written agreement of Coherent.

Without limiting the foregoing, in the case of termination by mutual agreement for custom or semi-custom Products, Coherent reserves the right to assess termination charges above and beyond those specified above, and may charge Buyer for Coherent's cost of raw materials, non-cancellable and non-refundable materials and finished goods.

All payments made pursuant to progressive or advance payment terms are nonrefundable. Notwithstanding anything to the contrary in this section and regardless of mutual agreement or timing of termination, Buyer is not entitled to any refund or credit for payments made prior to termination pursuant to progressive payment terms.

## **9. LIMITED WARRANTY—LIMITATION OF REMEDIES.**

(a) Coherent warrants to Buyer that the Products delivered under the Terms will (1) comply with either the applicable Coherent published specifications for the Products, or the specifications mutually agreed and confirmed in writing between Coherent and Buyer for 12 months from the date of shipment unless otherwise stated on the applicable quote/order acknowledgement or mutually agreed and confirmed on Coherent's quotation and (2) will be free from defects in material and workmanship under proper use, service and condition during the defined warranty period. If the Products include any service parts provided by Coherent pursuant to a service event, the warranty period for such service parts shall be ninety (90) days from the date of shipment or the remainder of the initial warranty period, whichever is shorter, unless otherwise expressly specified by Coherent on the face of Coherent's quote/order acknowledgement. Unless otherwise expressly specified by Coherent on the face of the quote/order acknowledgement, the warranty for any depot repairs of Products is ninety (90) days from the date of return shipment by Coherent or the remainder of the initial warranty period, whichever is shorter. Products or parts which are replaced or repaired under this warranty are warranted only for the remaining unexpired portion of the original warranty period applicable to the specific Product. Coherent represents to Buyer that it will provide any Services consistent with general industry standards. To the maximum extent permitted by and subject to applicable law, but

notwithstanding anything to the contrary in the Terms, all (i) Services performed under these Terms, (ii) Products, delivered as “samples”, “design verification units”, and/or “prototypes”, and (iii) Licensed Software (as defined below) are provided or sold “AS IS,” “WITH ALL FAULTS,” and with no warranty whatsoever.

(b) This warranty is the only warranty made by Coherent with respect to the Products and Services. No representative or person is authorized to bind Coherent for any warranty, obligation or liability, express or implied. This warranty provided in this Section 9 is made to the Buyer only at the original location and is nontransferable, and may only be modified or amended by a written instrument signed by a duly authorized officer of Coherent. Major sub-systems manufactured by other firms but integrated into Coherent’s system may be covered by the original manufacturer’s warranty and Coherent makes no warranty, express or implied regarding such sub-systems.

(c) No Product may be returned to Coherent without first obtaining Coherent’s prior written consent and issuance of a Returned Material Authorization form. If, and subject to the limitations of this Section 9 during an applicable warranty period, defective Products are returned to Coherent, DDP (Coherent’s dock at either (a) the location where manufactured or (b) the Coherent designated repair location) (Incoterms 2020), transportation costs prepaid and borne by Buyer accompanied by Coherent’s Returned Material Authorization form, Coherent will, at its sole option, either repair or replace such products. Buyer will return products in a clean, well-packaged condition. No credit allowance on Products will be made and no replacement for Products will be shipped, unless the Products are established to Coherent’s satisfaction, after suitable testing and inspection by Coherent, to be defective. Prior to any return of Products by Buyer pursuant to these Terms, Buyer will afford Coherent the opportunity to inspect such Products at Buyer’s location. The risk of loss of the goods shipped or delivered to Coherent’s plant or repair location for repair or replacement will be borne by Buyer.

(d) The remedies in this Section 9 are available only if Coherent is notified in writing by Buyer promptly upon discovery that a Product does not conform to this warranty, including a detailed description of such nonconformance and Buyer provides Coherent the purchase order number(s), approximate date of delivery, and any and all other identifying numbers (such as invoice number, date of invoice, etc.) within the warranty period for the individual Product, and Coherent’s examination of such Products discloses to Coherent’s satisfaction that such Products do not conform to this warranty and the Products have not been (i) repaired, worked on, or altered by persons not authorized by Coherent so as, in Coherent’s sole judgment, to injure the stability, reliability, or proper operation of such Products; (ii) subject to misuse, negligence or accident; or (iii) connected, installed, used or adjusted otherwise than in accordance with the instructions furnished by Coherent.

(e) If it is found that any Product has been returned without cause and is still serviceable, Buyer will be notified and the Product will be returned at Buyer’s expense. A charge for testing and examination may, in Coherent’s sole discretion, be made on Products so returned.

(f) The remedies in this Section 9 do not apply to Products and Services related to Buyer supplied parts provided to Coherent for coating and polishing work (hereinafter “Coat-Only Parts”). Buyer acknowledges and agrees that Coherent does not inspect incoming Coat-Only Parts for defects and will not be responsible for the received condition of Coat-Only Parts. Coherent assumes no obligation to pay for or replace Coat-Only Parts which become damaged or destroyed during processing. Additionally, if Buyer requests that Coat-Only Parts be re-coated, the cost of stripping, diamond machining, or repolishing will be borne by the Buyer. Coherent makes no guarantee that any Coat Only Parts submitted for custom designed coat-only Services will meet Buyer specifications. This Section 9(f) also applies to other limited Services (such as diamond turning or polishing only) of Buyer supplied components.

(g) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE WARRANTY REMEDY IN SECTION 9 CONSTITUTES COHERENT’S EXCLUSIVE LIABILITY AND OBLIGATION, AND BUYER’S EXCLUSIVE REMEDY FOR ANY PRODUCTS OR SERVICES COVERED BY THESE TERMS, INCLUDING ANY BREACH OF ANY WARRANTY OR OTHER DEFECT OR NONCONFORMITY OF THE PRODUCTS OR SERVICES COVERED BY THESE TERMS. THIS WARRANTY IS EXCLUSIVE, AND IN LIEU OF THE DEFECT LIABILITY UNDER THE CIVIL LAW AND THE COMMERCIAL CODE AND ALL OTHER WARRANTIES. COHERENT MAKES NO OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, OR THAT MAY ARISE FROM ANY COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE IN THE TRADE.

(h) OTHER THAN AS PROVIDED WITH RESPECT TO COHERENT'S EXPRESS WARRANTY OBLIGATIONS IN THESE TERMS, COHERENT IS NOT LIABLE FOR ANY COSTS ASSOCIATED WITH THE REPLACEMENT OR REPAIR OF ANY PRODUCT, INCLUDING LABOR, INSTALLATION, OR OTHER COSTS INCURRED BY BUYER AND, IN PARTICULAR, ANY COSTS RELATING TO THE REMOVAL OR REPLACEMENT OF ANY PRODUCT. UNDER NO CIRCUMSTANCES SHALL COHERENT HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR OTHER DAMAGES.

#### **10. COHERENT'S RIGHTS TO SUBCONTRACT.**

Coherent may subcontract any portion of the manufacture of Product, delivery of Service provided, or other work in accordance with these Terms as well as any of Coherent's obligations and rights under these Terms.

#### **11. BANKRUPTCY OR INSOLVENCY OF BUYER.**

If the financial condition of the Buyer at any time is such as to give Coherent, in its judgment, reasonable grounds for insecurity concerning Buyer's ability to perform its obligations under these Terms, Coherent may: (i) by notice in writing to Buyer, terminate the agreement with respect to the applicable quote/order acknowledgement under these Terms, without any requirement of judicial intervention or declaration of default of Buyer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to Coherent; and (ii) require full or partial payment in advance and suspend any further deliveries for continuance of the work to be performed by Coherent until such payment has been received.

#### **12. INDEMNITY.**

(a) Coherent will, at its own expense, defend or settle any suit that may be instituted by a third party against Buyer to the extent based on a claim that the Product in the form provided by Coherent to Buyer under these Terms, infringes such third party's Japan patent (excluding processes or methods claimed by such patent), trademark, or copyright if: (i) such alleged infringement is not based on an Excluded Claim (as defined in Section 12(b)); (ii) Buyer gives Coherent immediate notice in writing of any such suit; (iii) Buyer gives Coherent sole control over the defense and settlement of such suit; and (iv) Buyer gives Coherent all needed information, assistance and authority, at Coherent's expense, to enable Coherent to defend or settle such suit. In the case of a final award of damages in any such suit, Coherent will pay such award, but will not be liable for any settlement made without its prior written consent or legal fees incurred by Buyer in connection with any such settlement. In satisfaction of this Section 12(a), Coherent, at its sole discretion, may (i) replace or modify the allegedly infringing products with non-infringing products that are functionally equivalent; (ii) obtain a license for Buyer to continue to use or sell the allegedly infringing Products; or (iii) accept the return of allegedly infringing products and refund the amount paid by the Buyer for such returned Products.

(b) Coherent will have no liability for, and the obligations of Coherent under Section 12(a) will not apply to any claim arising from or related to (i) the use of Products as a part of or in combination with any other devices, parts, processes or methods; (ii) Coherent's compliance with any designs, specifications, or instructions provided by or for Buyer; (iii) the use of Products contrary to any instructions issued by Coherent or in breach of these Terms; (iv) modifications or alterations to the Products; (v) the practice of any process or method relating to Buyer's or its customers' use of the Products; or (vi) use of the Products after receiving notice of such third party claim or by Coherent (collectively, "**Excluded Claims**").

(c) THIS SECTION 12 STATES COHERENT'S SOLE AND EXCLUSIVE LIABILITY AND OBLIGATION AND BUYER'S SOLE AND EXCLUSIVE REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT BY ANY PRODUCTS OR SERVICES DELIVERED UNDER THESE TERMS, OR ANY PART THEREOF. THIS SECTION 12 IS IN LIEU OF AND REPLACES ANY OTHER EXPRESSED, IMPLIED OR STATUTORY WARRANTY AGAINST INFRINGEMENT. IN NO EVENT WILL COHERENT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR OTHER DAMAGES RESULTING FROM ANY SUCH INFRINGEMENT.

(d) Buyer will, at its own expense, indemnify and hold Coherent harmless from and against any liabilities, costs, damages, or losses resulting from any Excluded Claim, and will defend or settle at its own expense, including attorney's fees and costs, any suit brought against Coherent based on allegation arising from any Excluded Claim, provided that Coherent, (i) gives Buyer immediate notice in writing of any such suit, (ii) gives Buyer sole control over the defense or settlement of such suit; and (iii) gives Buyer all needed information, assistance and authority, at Buyer's expense, necessary for Buyer to defend or settle such suit.

### **13. NO PROPRIETARY RIGHTS.**

(a) Coherent certifies that it owns or holds a license to all intellectual property rights relating to the Products and Services. Coherent retains all rights in and to specifications, designs, engineering details, discoveries, inventions, patents, copyrights, trademarks, trade secrets and other intellectual and proprietary rights relating to the Products and Services. Sale of any Products by Coherent does not confer upon Buyer a license under any patents, trade secrets, trademarks or copyrights to combine any Product furnished under these Terms with any other product or to modify any Product furnished under these Terms

(b) The design, development or production of Products and provision of Services under these Terms will not be deemed to be a "work made for hire" or "commissioned work" and Coherent retains for itself all intellectual property and proprietary rights in and to all designs, engineering details, and other data and materials pertaining to any Products or Services supplied by Coherent and to all discoveries, inventions, patents and other proprietary rights arising out of the work done by Coherent in connection with the Products or Services or with any and all products developed by Coherent as a result thereof, including the sole right to manufacture any and all such products and Buyer covenants and warrants it will not manufacture or engage to have manufactured such products. All mask sets, design tapes, documentation, and other data generated by Coherent in the performance hereunder will remain the sole and exclusive property of Coherent. Any designs, cells, circuits, devices, processes or methods that are developed by Coherent concurrently with the work performed under these Terms will be the sole and exclusive property of Coherent, and Coherent reserves the right to use such designs, cells, circuits, devices, processes or methods for other customers, or license their use to others. Coherent will retain title to and possession of all tooling, material or equipment of any kind used in the manufacture, testing, or assembly of products furnished under these Terms

(c) Coherent may, from time to time, solicit or accept suggestions, comments, or feedback (collectively "Feedback") from Buyer regarding the Products or Services sold hereunder. Buyer hereby acknowledges and agrees that Coherent may use any such Feedback for any purpose without owing compensation or any other obligation to Buyer. Coherent shall be (and Buyer hereby acknowledges and agrees that Coherent is) the sole and exclusive owner of any and all changes, improvements, or enhancements to (or relating to) the Products and Services, and any new or alternative products, services, designs, specifications, engineering details, discoveries, inventions, patents, copyrights, trademarks, trade secrets, and other related intellectual and proprietary rights, regardless of whether or to what extent any such Feedback contributed to the creation thereof.

### **14. CONFIDENTIAL INFORMATION AND PERSONAL INFORMATION.**

(a) All information provided by Coherent to Buyer shall be deemed confidential information. All such confidential information of Coherent will be treated as confidential pursuant to the terms of the applicable nondisclosure agreement, if any, between Coherent and Buyer. If there is no nondisclosure agreement in place, all information that Buyer knows, or should know, is confidential to Coherent, including, but not limited to, pricing and lead-time information, will remain the property of Coherent and may be used, reproduced and disclosed by Buyer only to the extent necessary to use the applicable Products and Services purchased under and in accordance with these Terms and may not be used, reproduced, or disclosed for any other purpose. Buyer may not announce, describe, or otherwise confirm the existence of the transaction contemplated by these Terms or use the name, logo, trademark, or other symbol of Coherent in publicity releases or advertising without securing the prior written consent of Coherent.

(b) To the extent Buyer and Coherent are parties to a nondisclosure agreement that addresses the exchange of competitively sensitive information of Buyer, such nondisclosure agreement will govern. In the event the transaction between Buyer and Coherent includes the sale of CO2 laser optics, Coherent shall treat any customer competitively

sensitive information in accordance with the relevant Binding Unilateral Policy Statement which can be found at <https://www.coherent.com/company/investor-relations/coherent-transaction>.

(c) In connection with the transaction contemplated by these Terms, either party may disclose to the other certain information that identifies, relates to, describes, or is reasonably capable of being associated, or reasonably linked or linkable to a particular individual or device (“Personal Information”). The parties acknowledge and agree that such information is highly confidential and private in nature (especially with respect to information such as phone numbers and addresses, credit card information, Social Security numbers, or employee and/or customer account information) and agrees to protect such information in accordance with all applicable privacy, data protection, and security laws and regulations. Each party agrees that it will not use such information for any secondary business or commercial purposes beyond the purposes of performing its obligations hereunder, such as without limitation marketing, selling, or sharing such information.

## **15. SOFTWARE.**

Unless otherwise agreed to in a separate signed software license agreement between Coherent and Buyer, the following terms and conditions will apply to software and firmware in all forms, including any documentation provided by Coherent under these Terms (“**Licensed Software**”):

- (i) Coherent retains 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;
- (ii) For standalone Licensed Software, subject to and conditioned on these Terms, Coherent grants to Buyer a non-exclusive, nontransferable, non-sublicensable, limited license to internally use the Licensed Software as a development platform solely in connection with Coherent products;
- (iii) For Licensed Software embedded in Coherent products, subject to and conditioned on these Terms, Coherent grants to Buyer a non-exclusive, limited license to use and distribute the Licensed Software (in machine code only) solely as incorporated in Coherent products;
- (iv) Subject to mandatory applicable law, Buyer 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
- (v) Buyer will not remove or destroy any trademark, copyright markings, legends, or notices placed upon or contained within the Licensed Software.

## **16. EQUAL OPPORTUNITY.**

Coherent certifies that its US Affiliates have developed and have on file affirmative action programs as required by the rules and regulations of Executive Order 11246, as amended and 41 C.F.R. Chapter 60, issued by the Department of Labor. In addition, Coherent’s US Affiliates are in full compliance with section 503 of the Rehabilitation Act of 1973 and section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974.

## **17. ERRORS.**

Stenographic and clerical errors are subject to correction by Coherent.

## **18. APPLICABLE LAW; JURISDICTION AND VENUE.**

The validity, performance and construction of these Terms, and any disputes arising from or relating thereto, will be governed by the laws of Japan without reference to its conflict of laws principles. Tokyo District Court will have exclusive jurisdiction and venue over any dispute arising out of any claim, dispute, or controversy among the parties arising out of or relating to these Terms, including the breach of these Terms, and Buyer hereby consents to the jurisdiction of such courts. The United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG) shall not apply.

## 19. LIMITATION OF LIABILITY.

(a) Coherent will not be liable for any loss, damages or penalty resulting from delay in delivery of the products or performance of services when such delay is due to causes beyond the reasonable control of Coherent, including without limitation, supplier delay, force majeure, act of God, labor unrest, fire, explosion, earthquake, acts of civil or military authority, pandemics, epidemics, floods, riots, wars, terrorism, sabotage, labor disputes, yield problems, governmental actions, or inability to obtain materials, components, energy, manufacturing services or facilities, or transportation on commercially reasonable terms. In any such event, Coherent will utilize commercially reasonable efforts to notify Buyer of the delay, and the delivery date or date of performance will be deemed extended for a period equal to the delay or other longer reasonable time.

(b) COHERENT'S LIABILITY UNDER, FOR BREACH OF, OR ARISING OUT OF THE TERMS AND/OR SALE WILL BE LIMITED TO REPAIR OR REPLACEMENT OF ANY DEFECTIVE PRODUCTS (OR REPERFORMANCE OF THE SERVICES) OR A REFUND OF THE PURCHASE PRICE OF THE PRODUCTS OR SERVICES, AT COHERENT'S SOLE OPTION, AS SET FORTH IN SECTION 9 ABOVE.

(c) TO THE EXTENT PERMITTED UNDER APPLICABLE LAW AND NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THESE TERMS, IN NO EVENT WILL COHERENT BE LIABLE FOR COSTS OF PROCUREMENT OF SUBSTITUTED PRODUCTS OR SERVICES, NOR WILL COHERENT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR SPECIAL DAMAGES OR FOR LOST PROFITS OR LOSS OF BUSINESS WHETHER OR NOT COHERENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS HOWEVER CAUSED, UNDER ANY LEGAL THEORY WHETHER FOR BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OR OTHERWISE. THE ESSENTIAL PURPOSE OF THIS PROVISION IS TO LIMIT THE POTENTIAL LIABILITY OF COHERENT ARISING OUT OF OR RELATED TO THE TERMS AND/OR SALE, EVEN IF COHERENT IS APPRISED OF OR SHOULD HAVE KNOWN THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

(d) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THESE TERMS, IN NO EVENT WILL COHERENT'S TOTAL LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTION CONTEMPLATED HEREUNDER (INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR INDEMNITY CLAIMS), REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, TORT OR OTHERWISE, EXCEED THE TOTAL AMOUNT PAID BY BUYER TO COHERENT HEREUNDER FOR THE PRODUCTS OR SERVICES ACTUALLY GIVING RISE TO SUCH LIABILITY (DETERMINED AS OF THE DATE OF ANY FINAL JUDGMENT IN SUCH ACTION). THIS LIMITATION IS CUMULATIVE, WITH ALL PAYMENTS TO BUYER FOR CLAIMS OR DAMAGES BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT. THE EXISTENCE OF ONE OR MORE CLAIMS WILL NOT ENLARGE THE LIMIT. NO CLAIM, SUIT OR ACTION WILL BE BROUGHT AGAINST COHERENT MORE THAN ONE YEAR AFTER THE RELATED CAUSE OF ACTION HAS TRANSPIRED.

(e) BUYER ACKNOWLEDGES THAT COHERENT HAS SET ITS PRICES AND FEES AND AGREED TO SELL PRODUCTS AND SERVICES TO BUYER IN RELIANCE UPON THE LIMITATIONS OF LIABILITY, DISCLAIMER OF WARRANTIES, EXCLUSION OF DAMAGES AND EXCLUSIVE REMEDIES SET FORTH HEREIN, AND THAT THE SAME FORM AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES, WITHOUT WHICH COHERENT WOULD NOT HAVE AGREED TO SELL PRODUCTS AND SERVICES TO BUYER. BUYER AGREES THAT SUCH PROVISIONS WILL SURVIVE AND APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE.

(f) NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, COHERENT WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR EXCESS COSTS OF REPROCUREMENT.

## 20. BREACH.

Any one of the following acts by Buyer will constitute a material breach of Buyer's obligations under these Terms and the applicable quote/order acknowledgement: (a) Buyer fails to make payment for any Products or Services in full when due; (b) Buyer fails to accept conforming Products or Services supplied under these Terms; or (c) the

filing of either a voluntary or involuntary petition in bankruptcy with respect to Buyer, Buyer's insolvency or inability, or admission in writing of its inability, to pay its debts generally as they become due, Buyer's application for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of a substantial part of its property, Buyer's initiation of an out of court restructuring or wind down, or Buyer's dissolution or liquidation in full or in part or an assignment for the benefit of creditors of Buyer. In the event of Buyer's material breach, Coherent may (in addition to any other rights or remedies provided herein or at law or in equity), by written notice to Buyer, terminate its obligations or any part thereof, without incurring any liability; provided, however, that with respect to a material breach due to subsection (c) above, such termination shall be automatic and effective without notice to Buyer. Buyer will pay all costs, including reasonable attorney's fees, incurred by Coherent in any action brought by Coherent to collect payments owing or otherwise enforce its rights.

## **21. SUBSTITUTIONS, MODIFICATIONS, AND CHANGES.**

Coherent will have the right to make substitutions and modifications to the specifications of Products or Services sold by Coherent if such substitutions or modifications will not materially degrade overall performance. Coherent will also have the right to make changes or modifications to its manufacturing, testing, inspection, production, quality, and business processes at any time or for any reason, provided that such changes do not materially increase the instances where Products or Services sold by Coherent fail to conform with applicable specifications.

## **22. SAFETY-CRITICAL AND MILITARY APPLICATIONS.**

(a) Unless expressly specified by Coherent in writing in the specifications for the applicable Product, Coherent Products are not designed for and will not be used in connection with any applications where the failure of such Products would reasonably be expected to cause significant personal injury or death ("**Safety-Critical Applications**") without the specific written consent of an officer of Coherent. Safety-Critical Applications include, without limitation, life support devices and systems, equipment or systems for the operation of nuclear facilities and weapons systems. Buyer will fully defend (at Coherent's option), indemnify and hold Coherent harmless from and against any cost, loss, liability, or expense arising out of or related to use of Coherent Products in Safety-Critical Applications.

(b) Coherent Products are neither designed nor intended for use in military or aerospace applications or environments unless specifically designated by Coherent to meet military specifications or standards (MIL-SPEC or MIL-STD). Buyer acknowledges and agrees that any such use of Coherent Products which has not been designated as meeting military specifications is solely at Buyer's risk, and that Buyer is solely responsible for compliance with all legal and regulatory requirements in connection with such use.

## **23. GOVERNMENT END USER RIGHTS.**

All Products and Licensed Software were developed entirely at private expense and no part of the Products and Licensed Software was first produced in the performance of a Government contract. Accordingly, all Products and Licensed Software and any derivatives thereof are "**Commercial Items**" as defined in 48 C.F.R. 2.101. If the end-user is a U.S. Government agency, department, or instrumentality, then the use, duplication, reproduction, release, modification, disclosure or transfer of the Coherent commercial products and data, is restricted in accordance with 48 C.F.R. §12.211, 48 C.F.R. §12.212, 48 C.F.R. §227.7102-2, and 48 C.F.R. §227.7202, as applicable. Buyer may distribute the Products and Licensed Software to the U.S. Government or to U.S. Government end-users under U.S. Government contracts, if and only if, the Products and Licensed Software are licensed subject to these Terms. It is Buyer's responsibility to ensure that, consistent with 48 C.F.R. §12.211, 48 C.F.R. §12.212, 48 C.F.R. §227.7102-1 through 48 C.F.R. §227.7102-3, and 48 C.F.R. §§227.7202-1 through 227.7202-4, as applicable, the Products and Licensed Software are provided to U.S. Government end-users (i) only as Commercial Items, (ii) with only those rights as are granted to all other users pursuant to these Terms, and (iii) these Terms are incorporated into Buyer's contract with each Government end-user or otherwise agreed to by each Government end-user in a way that legally binds the U.S. Government to those terms. This Government End-User Rights clause is in lieu of, and supersedes, any Federal Acquisition Regulations ("**FAR**"), the Defense FAR Supplement ("**DFARS**"), or other clause or provision that addresses Government rights in computer software or technical data. Government procurement requirements and regulations will not be binding upon Coherent unless specifically agreed to by Coherent in a writing signed by an officer of Coherent.

## 24. OPTICAL COMPONENTS; NRC REGULATIONS

(a) As per United States Nuclear Regulatory Commission (“NRC”) regulation 10 C.F.R §40.13(c)(7), shaping, grinding, polishing or alteration of finished optical components containing uranium or thorium in the coating is prohibited. If altered, finished optical components are no longer considered Coherent manufactured optical components and will be subject to NRC distribution regulations if sold within the United States. Use of an optical component containing thorium in the coating in contact lenses, spectacles, eyepieces, binoculars or other similar optical instruments is prohibited.

(b) In order for finished optical components manufactured by Coherent and containing thorium to be distributed within the United States as authorized by NRC regulation 10 C.F.R. §40, the finished optical components must maintain the safety label placed by Coherent on the packaging of the optical component or include the following information either on a safety label or in a manual or safety instruction for the laser system incorporating such Coherent optical component:

- This laser system incorporates a Coherent optical component which contains a small amount of thorium fluoride, a type of source material (less than 10% by weight), and is exempt from United States Nuclear Regulatory Commission licensing regulations as an “unimportant quantity of source material” per 10 C.F.R §40.13(c)(7).
- Shaping, grinding, polishing or alteration of the optical component is prohibited.
- Use of this optical component in contact lenses, spectacles, eyepieces, binoculars or other similar optical instruments is prohibited.

(c) The requirements set forth in this section only apply to lenses and optics manufactured and distributed by Coherent. Distributing components or devices that contain lenses and optics manufactured by other companies and presenting or holding out such component or device as if it were manufactured by Coherent is not in compliance with NRC distribution requirements. Distribution within the United States of components or devices that contain lenses and optics manufactured by other companies which contain uranium and/or thorium requires an NRC distribution license. Only Coherent manufactured lenses and optics which contain thorium are covered by the Coherent distribution license.

## 25. COMPLIANCE WITH LAWS, GENERAL PROVISIONS.

(a) Buyer acknowledges that all or part of the Products may be developed, manufactured, tested, assembled or otherwise worked on, or delivered from any of Coherent’s or its contractors’ facilities, domestic, and foreign.

(b) Coherent represents that it complies with all applicable laws and regulations governing the activities contemplated by these Terms, including (i) labor laws; (ii) laws, regulations and requirements regarding the environment and the export, import or re-export of Products; (iii) laws, regulations and requirements regarding anticorruption and bribery; and (iv) data security, privacy and data protection laws and regulations.

(c) Buyer agrees that it will comply with all applicable laws, regulations, and administrative rules, including in connection with any transfer, resale, or integration and resale of the Products (collectively, “Reselling Actions”). Buyer acknowledges that it is solely responsible for compliance with all applicable laws, regulations, and administrative rules in connection with any Reselling Activities. Coherent may cancel or terminate any order immediately without further liability if Buyer is in violation of any applicable laws, regulations, or administrative rules. Buyer will provide any additional documentation required by Coherent for compliance with applicable laws, regulations, or administrative rules.

(d) Buyer represents itself to be knowledgeable as to United States, Japan and other relevant laws, regulations and requirements regarding the environment and the export, import or re-export of Products, whether tangible or intangible, from the United States of America, Japan or elsewhere, and agrees to conduct its activities in accordance with all United States, Japan and other environmental regulations and any similar or other rules, and import and export regulations (collectively, “Export Laws”). Buyer further represents itself to be knowledgeable as to United States, Japan and other relevant laws, regulations and requirements regarding anticorruption and bribery, and agrees to conduct its activities (including any Reselling Activities) in accordance with all applicable anticorruption

laws including, without limitation, the United States Foreign Corrupt Practices Act, regulations of the United States Departments of Commerce, Defense, State and Treasury, the United Kingdom Bribery Act of 2010, the Japanese Unfair Competition Prevention Act, anti-corruption Laws in Germany, the European Union, and other laws and regulations of the United States, Japan and any other applicable government or jurisdiction (collectively, "Anticorruption Laws").

(e) Buyer will, at its own expense, pay all fines, penalties, and/or sanctions to the extent that they relate to any breach of Export Laws or Anticorruption Laws by Buyer in connection with any Reselling Activities. Buyer acknowledges and agrees that it shall be solely liable for compliance with all Export Laws and Anticorruption Laws in connection with any Reselling Activities.

(f) Buyer may not assign any of its rights or delegate any of its obligations under these Terms, whether voluntarily, by operation of law, or otherwise without Coherent's prior written consent and any purported assignment or delegation without such consent will be null and void and of no force or effect. In addition, Buyer may not assign any of its rights or delegate any of its obligations to any entity controlled by, controlling or under common control with Buyer or in connection with Buyer's merger or the transfer or sale of all or substantially all of Buyer's assets or stock without Coherent's prior written consent and any purported assignment or delegation without such consent will be null and void and of no force or effect. Coherent may assign its rights and/or delegate its obligations under these Terms upon written notice to Buyer. Subject to the foregoing, these Terms will bind each party and its respective successors and permitted assigns.

(g) Any waiver by Coherent of any right it may have or default by Buyer will not be deemed to be a continuing waiver of such right or default or a waiver of any other right it may have under these Terms or other default, nor will any delay or omission by Coherent in exercising or availing itself of any right or remedy that it has or may have operate as a waiver of any right or remedy. No waiver by Coherent will be effective except pursuant to a writing signed by a duly authorized representative of Coherent.

(h) These Terms may not be superseded, cancelled, modified, or amended except in a writing stating that it is such a modification and signed by an officer of each party. No other act, document, usage, or custom will be deemed to supersede, cancel, modify or amend these Terms. If any provision of these Terms is determined to be invalid, illegal, or unenforceable, such provision will be enforced to the extent possible consistent with the stated intention of the parties and the remaining provisions will remain in full force and effect.

(i) These Terms, which include the documents incorporated by reference on the face of the quote/order acknowledgement provided by Coherent (but expressly does not include any of the terms and conditions attached to Buyer's purchase order, specifications or any similar document issued by Buyer) will constitute the entire agreement between Buyer and Coherent with regard to the Products or Services sold under these Terms, and expressly supersedes and replaces any prior or contemporaneous agreements, written or oral, relating to such Products or Services.

## **26. EXTENDED SERVICE CONTRACTS.**

In the event that Buyer is purchasing an extended service contract from Coherent, such as Advantage Plus or Productivity Plus, then in addition to the provisions of Sections 1-23 hereof, the following terms shall also apply: (a) Coherent's service contract will not cover (in addition to the exclusions set forth above under Section 9) any defect or damage resulting from (i) unauthorized components and accessories manufactured or provided by anyone other than Coherent, (ii) improper or inadequate maintenance, (iii) Buyer-supplied interfacing, (iv) operation outside the environmental specifications for the product, (v) improper site preparation and maintenance, (vi) unauthorized modification or misuse and (vii) damage as a result of external causes, such as force majeure type factors; (b) Replacement parts may be new or refurbished at Coherent's sole discretion; (c) Coverage shall only apply to the original purchaser of the Product at the physical location provided by the purchaser at the time such extended service contract is purchased; (d) Advantage Plus contracts may only be purchased in 12 month increments, up to a maximum of 36 months; (e) such extended service contract does not include any warranty and Services provided under such contract are provided "AS IS," "WITH ALL FAULTS," and with no warranty whatsoever; and (f) Extended service contracts are non-refundable to the maximum amount allowed by law.

## 27. TRAINING SERVICES.

In addition to all other terms and conditions set forth herein, this Section applies to paid training Services provided for any Products purchased under the Terms:

- (a) **Timing.** Paid training must be taken within one (1) year of the purchase of the laser system and training. Discounted training must be taken within six (6) months of the purchase of the applicable laser system and training service.
- (b) **Purchase Order.** When purchasing training independent of a Product or Service order, the purchase order must be submitted to Coherent at the time of registration (to hold the training date).
- (c) **Cancellation by Buyer.** There is no cancellation or rescheduling fee where Buyer cancels or reschedules a training session more than twenty (20) business days prior to the scheduled training date. Buyer will be charged a twenty-five percent (25%) fee for training services cancelled or rescheduled between ten (10) and twenty (20) business days prior to the scheduled training date, and a 100% fee for training services cancelled or rescheduled within nine (9) business days of the scheduled training date..
- (d) **Cancellation by Coherent.** There is a minimum required number of trainees per course. Courses not meeting the attendance requirement are subject to cancellation by Coherent. Coherent will notify trainees of a course cancellation no fewer than fifteen (15) business days prior to course start date. At that time, alternative course dates or a priority position on the laser training course waiting list will be provided to the trainee. In general, Coherent cannot guarantee that a course will proceed as scheduled. Plan travel accommodations accordingly. Coherent accepts no financial responsibility in the event that a training course is canceled.
- (e) **Certification.** Certifications awarded for course completion are valid until trainee's employment with Buyer terminates.