

## Standard Terms and Conditions of Purchase of

### O.R. Lasertechnologie GmbH

#### § 1

##### Application and exclusivity; terms of contract; written form requirement; representation

- (1) These Standard Terms and Conditions of Purchase (STCs) apply exclusively to our business relations with suppliers. However, they only apply if the supplier is an entrepreneur (Unternehmer) as defined in § 14 of the German Civil Code (Bürgerliches Gesetzbuch – BGB), a legal entity under public law (juristische Person des öffentlichen Rechts) or a special fund under public law (öffentlich-rechtliches Sondervermögen). They shall also apply to any and all future business relations with a given supplier without any requirement to refer to them repeatedly.
- (2) We shall not recognize conflicting, varying or additional terms and conditions of the supplier unless we expressly agree to them in writing. This applies specifically in those cases where, even in the knowledge of such other terms and conditions, we accept goods or services, effect payments or refer to documents of the supplier without reservation.
- (3) The written contract (including these STCs) constitutes the entire agreement with the supplier relating to the subject matter addressed therein. Prior oral agreements are not binding and shall be superseded in full by the written contract unless they expressly indicate their continued application.
- (4) Any individual (including oral) agreements shall take precedence over these STCs. A written contract or our written confirmation shall however provide evidence of their terms.
- (5) Transmission by facsimile or by e-mail is sufficient in order to meet the written form requirement.
- (6) With the exception of our managing directors, commercial attorneys-in-fact (Prokuristen) and other persons specifically named as the supplier's contact person as well as any employee of our purchasing department, our employees are not authorized to place purchase orders, enter into contracts, agree to individual written or oral arrangements, make commitments or otherwise issue or accept binding statements on our behalf; any such statements issued or accepted shall be disregarded and shall not be binding on us.

#### § 2

##### Offers, purchase orders etc.; price

- (1) Suppliers' offers shall be submitted at no charge, even in those cases where they are prepared at our request.
- (2) Only our written purchase orders or order confirmations (see Section 1.5) shall be binding. If our purchase orders and related documents contain any obvious mistakes (such as typographical or mathematical errors) or are incomplete, the supplier shall advise us of this fact prior to acceptance in order to allow us to correct or complete the mistake or omission; otherwise no contract shall be formed.
- (3) We must receive the supplier's written confirmation within five (5) work days (Mondays - Fridays) following supplier's receipt of our purchase order. Such confirmations are deemed to be unconditional.
- (4) Legal declarations and notices served on us by the supplier after formation of the contract (e.g., stipulation of a grace period, default notice, notice of rescission) must be executed in writing in order to be valid.
- (5) The prices indicated in our purchase orders are binding and constitute fixed prices. Prices are "DDP Incoterms (2010)" (see Section 9.1) and, unless already indicated otherwise in the order, net of statutory VAT. To the extent not otherwise agreed between the parties, prices include all services and ancillary services and costs, taxes (re VAT, see above), customs and other duties.

#### § 3

##### No references or advertising

The supplier is prohibited from using our requests for quotes, purchase orders and contracts with the supplier, including the related written correspondence and information, as well as the existence of the business contact as such for reference or advertising purposes without our prior written consent.

#### § 4

##### Rights in documents, materials and other items; confidentiality

- (1) We reserve all title to, and copyright and intellectual property rights in all documents, materials and other items furnished to the supplier by us (e.g., order documents, plans, sketches, images, calculations, product

descriptions, prototypes, models and other physical and/or electronic documents, information and materials). We shall also hold such rights in those items which the supplier develops in the course and for the specific purpose of providing any service to us; the supplier hereby transfers to us all such rights therein, however at a minimum a transferable, exclusive, irrevocable, perpetual and unlimited, worldwide license therein, which is compensated by the consideration paid (and thus, in particular, the right to publish, copy, modify or edit and further exploit them (in whole or in part) for follow-up contracts with third parties). Unless we give our prior written consent, the supplier may not exploit, use, copy or modify said items, or make them available to third parties as such or disclose their material substance to third parties. The supplier may use them solely for the purposes permitted under the contract and, at our request, must return or surrender them to us in their entirety and destroy (or delete) any copies (including digital copies) and multiple originals, unless they are still required by the supplier in the ordinary course of business or for compliance with statutory records retention duties.

- (2) The items within the meaning of paragraph (1) as well as any and all other information obtained by the supplier in connection with the cooperation pertaining to our internal operations shall constitute confidential information which the supplier may not disclose. The foregoing duty of confidentiality shall survive the termination of the respective contract for a period of three (3) years.

- (3) In the event a separate non-disclosure agreement is entered into with the supplier, the terms of that agreement regarding confidentiality and non-disclosure shall apply exclusively from then on. 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.

#### § 5

##### Conduct on company premises

The supplier shall ensure that any of its personnel entering our premises comply with our work rules and existing regulations concerning entering, leaving and conduct on our company property. We will provide the supplier with these rules and regulations in due time. We assume no liability for accidents suffered by such persons for failure to comply with the rules

#### § 6

##### Supplied items

- (1) We shall retain title in any items supplied by us to the supplier (in particular for finishing and maintenance work). Any processing, alteration, combining, mixing or blending shall be done on our behalf as manufacturer in our name and for our account; otherwise we shall acquire co-title or full title to such items in accordance with the statutory provisions.
- (2) Upon delivery, the risk of loss for supplied items shall pass to the supplier.

#### § 7

##### Delivery time; advance and installment deliveries

- (1) The delivery time (delivery date or period) indicated in our purchase order shall be binding. The supplier shall notify us in writing if and for what reason it anticipates being unable to meet any scheduled delivery time and how long it expects the delay to last.
- (2) If the supplier fails to render performance by the scheduled delivery time, or at all, it shall be in default, in which case our rights, specifically with regard to rescission and compensatory damages, shall be governed by statutory provisions.
- (3) Advance deliveries which the supplier intends to make more than three (3) days before the delivery date specified in the purchase order require our prior written consent. In such cases, the supplier must request our consent as soon as possible.
- (4) Section 7.3 shall apply, mutatis mutandis, to installment deliveries.

#### § 8

##### Postponement of acceptance due to force majeure and similar events

- (1) In cases of force majeure or other events beyond our control which were not foreseeable at the time the contract was entered into (e.g. disruptions to operations of any kind, fire, natural disasters, weather events, floods, war, riots, acts of terrorism, strikes, lawful lock-outs, a shortage of workers, sovereign acts (e.g. import restrictions) or embargos), we may postpone receipt/acceptance for the duration of the event plus a reasonable time for resuming work and this shall not create any rights or claims on the part of the supplier.

## § 9

### Shipping; Incoterm 2010 "DDP"; differing provisions

- (1) To the extent not otherwise provided in our purchase order, all items shall be shipped to us "DDP (to the delivery address indicated in our purchase order) Incoterms (2010)".
- (2) If a mode of shipping/transport has been agreed which differs from the Incoterm described above, for which we are assuming the costs but which the supplier itself is responsible for arranging, the supplier must use one of our approved transportation firms (information about the transportation firms are provided by us upon supplier's request) or otherwise bear any additional costs incurred by using its chosen mode of shipping/transport.

## § 10

### Payment terms, rights of set-off and retention

- (1) Our payment terms are payment in full within 30 calendar days following (i) full delivery of goods and services (and any agreed acceptance in the meaning of section 640 BGB) and (ii) receipt of a due and proper invoice. Payment within 14 calendar days of receipt shall entitle us to a 3% cash discount on the net invoice amount.
- (2) Our rights of set-off and of lien/retention as well as to plead the defense of non-performance of contract shall apply as given by statutory law. In particular, we have the right to withhold payments due for as long as we hold claims against the supplier for incomplete or defective goods or services.
- (3) The supplier may only exercise rights of lien/retention or rights of set-off if its counterclaims are uncontested, ripe for adjudication, or have been declared final and binding by a court of law.

## § 11

### Transfer of risk; notice of defects

- (1) Risk shall pass to us upon delivery to the address indicated in our purchase order. However, if the parties have agreed that our acceptance (in the meaning of section 640 BGB) is required, the risk shall not pass to us until actual acceptance.
- (2) Our merchant's duty to inspect deliveries and give notice of defects shall be governed by statutory provisions (section 377, section 381 of the German Commercial Code (Handelsgesetzbuch - HGB)) subject to the following stipulations: Our duty to inspect shall be limited to defects which are outwardly apparent upon visual examination of the incoming goods and the shipping documents (e.g., damage during shipping, incorrect quantities, missing merchandise). No duty to inspect applies if it has been agreed that our acceptance (in the meaning of section 640 BGB) is required. Our duty to give notice of defects subsequently discovered shall remain unaffected. In the case of outwardly apparent defects, we shall be deemed to have given prompt notification of defects if we give you notice within eight (8) work days from date of receipt of goods; in the case of subsequent discovery, the time period for giving prompt notice shall be three (3) work days from the date of discovery.

## § 12

### Product specifications, Supplier Requirements, REACH RoHS etc., Supplier Code of Conduct

- (1) The supplier warrants that its products are state-of-the-art, that they comply with statutory provisions and the agreed product specifications. These also include, each where applicable, provisions of the German Product Safety Act (Produktsicherheitsgesetz - ProdSG), rules relating to CE marking, the German Electrical and Electronic Equipment Act (Elektro- und Elektronikgerätegesetz - ElektroG), the German Regulation on Hazardous Substances in Electrical and Electronic Equipment (Elektro- und Elektronikgeräte-Stoff-Verordnung - ElektroStoffV), Directives 2011/65/EU (RoHS Directive) and 2002/96/EC (WEEE Directive) as well as the REACH Regulation (EC No. 1907/2006), the CLP Regulation (EC No. 1272/2008) and other statutes, regulations and provisions adopted for purposes of their implementation into German law, as well as provisions on environmental law.
- (2) The supplier must comply with our "Supplier Requirements, Anforderungen an Lieferanten" and, to the extent applicable in the given case, "RoHS Compliance – Supply Chain Requirements" and "Hazardous Substance Compliance Specifications" (all of which are available at <http://www.coherent.com/supplierportal>). Upon our request, the supplier shall also issue the "RoHS Guidance and Certificate of Compliance, Supplier EU RoHS Certificate of Compliance (CoC)" statement (also available at the above URL) and shall on its own initiative inform us immediately in writing about any changes with respect to its products. The same applies to declarations and information in connection with requirements resulting

from the REACH Regulation; the supplier shall inform us immediately on its own initiative.

- (3) The supplier shall comply with the "Coherent Supplier Code of Conduct" (also available at the above URL).

## § 13

### Import control

Supplier shall comply with all export and import rule applicable to the delivered good or the provided services, in particular rules of the Federal Republic of Germany (e.g. Foreign Trade Law ("AWG"), German Foreign Trade Regulations ("AWV")), European Union (e.g. EC Dual Use Regulation) and the United States of America. In case we are obliged to obtain an export and/or import permit, the effectiveness of the contract shall be subject to the condition precedent of the granting of an export and/or import permit. Supplier shall be responsible to obtain an import permit. Supplier shall furthermore immediately upon our request provide us with all information and documentation necessary for obtaining permits or for compliance with other export and import rules.

## § 14

### Rights in the event of defects in quality and defects in title and other breaches of duty

- (1) Our rights in the event of defects in quality and defects in title and other breaches of duty by the supplier shall be governed without limitation by the relevant statutory provisions in addition to the following provisions of these STCs.
- (2) If the goods are defective, we may require the supplier to effect subsequent performance (Nacherfüllung), which at our election, may take the form of remedying the defect (repair) or delivering a non-defective item (replacement). If the supplier fails to satisfy its duty to subsequent performance within a reasonable period to be set by us, we may remedy the defect ourselves and require that the supplier cover our necessary expenses and pay us an advance for such purpose. If the supplier's attempt to subsequent performance is unsuccessful or if there are special circumstances which would make it unreasonable for us to accept subsequent performance (e.g., because of special urgency, risk to company's safety or the threat of unreasonably extensive damage), no (where applicable, no new) grace period need to be set; we will notify the supplier without undue delay of any such circumstances, where possible prior to remedying the defect ourselves.
- (3) The supplier shall bear the costs required for examining reported defects and effecting cure, which also include any expenses for dismantling or installation, even if it should emerge that there was, in fact, no defect. Our liability for damages in the case of unjustified requests to remedy defects shall remain unaffected; however we shall only be liable in those cases where we recognized or were grossly negligent in failing to recognize, that there was, in fact, no defect.
- (4) To the extent not expressly agreed between the parties otherwise, the supplier shall bear the procurement risk for its goods and services.
- (5) We expressly reject any provisions limiting the supplier's liability.

## § 15

### Third-party intellectual property rights; indemnification

- (1) In accordance with the stipulations in the paragraph below, the supplier represents and warrants that the products delivered including any use thereof do not infringe the intellectual property rights of any third parties in the member states of the European Union (EU), the European Economic Area (EEA), in Switzerland, the USA, Canada, China, South Korea, Japan, Taiwan or any other countries in which it manufactures products or has products manufactured. Our claims based on defects in title shall remain unaffected.
- (2) The supplier shall indemnify us against any and all claims asserted against us by third parties for the infringement of intellectual property rights as set out in paragraph (1) above and shall reimburse all our necessary expenses in connection with any such claims. The supplier's obligation to indemnify shall arise upon our first demand. The claims under sentence 1 shall not apply to the extent the supplier can show that it was neither at fault for the infringement of intellectual property rights nor could it, exercising the due care of prudent businessman, have reasonably known of the infringement at the time of delivery.
- (3) The obligation to indemnify shall not apply in those cases where the supplier has manufactured its goods or performed its services in strict accordance with our written specifications and the intellectual property rights infringement is based solely on such specifications. If the supplier has concerns that any intellectual property rights might be infringed, it shall notify us without undue delay once it receives our corresponding specifications.

## § 16

### Limitation

- (1) To the extent not otherwise provided below, claims shall become time-barred in accordance with statutory provisions.
- (2) Notwithstanding section 438 (1) no. 3 of the German Civil Code (Bürgerliches Gesetzbuch - BGB), the general limitation period for contractual claims based on defects in quality and defects in title shall be three (3) years from date of delivery to us at the place of performance. Where acceptance (in the meaning of section 640 BGB) has been agreed between the parties, the limitations period shall not commence until the goods are accepted.
- (3) Any non-contractual claims based on defects in quality and defects in title shall be subject to the default statutory limitation period pursuant to section 195 and section 199 of the BGB; however, if the limitation period for contractual claims (paragraph (2)) is long-er, the longer period shall apply.

## § 17

### Product and manufacturer's liability; indemnification

- (1) If claims are asserted against us by any third party for personal injury or property damage based on product and/or manufacturer's liability and if such injury or damage is due to a product of the supplier, the supplier (to the extent it is itself liable vis-à-vis third parties) shall indemnify us against any such claims. The supplier's obligation to indemnify shall arise upon our first demand.
- (2) If we are required to recall a product due to the fact that one of the supplier's products poses a risk of personal injury and/or property damage, the supplier shall be liable for all costs associated with such recall. The foregoing shall apply notwithstanding any further statutory claims. Insofar as feasible and reasonable, we shall notify the supplier as soon as possible about any recall action and give it the opportunity to issue a statement thereon.
- (3) If the supplier has reason to suspect that it might become necessary to recall one of its products, which we have ordered, it shall notify us without undue delay and provide us with the relevant documents.
- (4) The supplier shall at its own expense take out and maintain the standard product liability insurance with coverage of at least €1 million per event of personal injury or property damage, which however need not cover the risk of recall or punitive or similar damages. At our request, the supplier shall submit proof of such coverage by providing us confirmation of insurance and/or other policy documents.

## § 18

### Supplier's retention of title; further processing of goods delivered to us; tools, etc.

- (1) Title in the goods shall transfer to us upon delivery unconditionally and without regard to whether or not we have paid the purchase price. However, if in the individual case any retention of title on the part of the supplier has been agreed between the parties, an (a) expanded, (b) extended for resale, processing or modification, or (c) assigned retention of title shall be excluded, such that the retention of title shall apply only until the goods delivered to us in the given case have been paid and only with respect to the respective goods delivered.
- (2) Where the goods delivered to us are subject to processing, alteration, combining, mixing or blending, we shall be deemed the manufacturer of such goods and shall by virtue of such action acquire co-title or full title to the end product in accordance with statutory provisions.

## § 19

### Notification requirement in the case of regulatory action

The supplier shall notify us without undue delay in writing if regulatory action is taken at the supplier's premises or against the supplier in connection with products purchased or even just ordered by us.

## § 20

### German Minimum Wage Act / German Employees Assignment Act

- (1) The supplier warrants that it complies with the requirements of the German Minimum Wage Act (Mindestlohngesetz - MiLoG) and the German Employees Assignment Act (Arbeitnehmer-Entsendegesetz - AEntG).
- (2) The supplier assumes a corresponding warranty for any subcontractors engaged by it in the individual case subject to sentence 2. The engagement of subcontractors, being subject to a request of the supplier, requires our express prior written consent. The supplier shall attach documents to its request which allow for a plausibility check of the subcontractor's offer and indicate that the subcontractor fully complies with the provisions of the

German Minimum Wage Act and the German Employees Assignment Act. If such consent is granted, the supplier shall impose all of its obligations of this § 20 referring to the German Minimum Wage Act and the German Employees Assignment Act accordingly on the subcontractor.

- (3) The supplier shall indemnify us against any and all claims asserted against us by the supplier's employees or employees of any subcontractors engaged in the individual case which are based on the infringement of the German Minimum Wage Act and the German Employees Assignment Act. The supplier shall bear any damages and costs - including any necessary legal defense costs - which arise from such disputes. The claims under sentence 1 shall not apply to the extent the supplier can show that it was not at fault for the infringement. The supplier's obligation to indemnify shall arise upon our first demand. Section 774 BGB (statutory passing of claims) remains unaffected.
- (4) On request, the supplier shall without undue delay provide us with records of wages and salaries (documents pursuant to section 17 German Minimum Wage Act) for the hours worked by staff deployed for purposes of performance under the respective order or delivery. This shall not affect the provisions of the German Federal Data Protection Act (Bundesdatenschutzgesetz - BDSG) or any other applicable data protection provisions.
- (5) In case the supplier violates its obligations according to § 20 paragraphs (1), (2) or (4) and if such violation could constitute claims of the supplier's employees or employees of any subcontractors engaged in the individual case or could lead to the initiation of administrative offence proceedings (Ordnungswidrigkeitenverfahren) against us, we shall have the right to withdraw from the respective individual contract.

## § 21

### Place of performance; jurisdiction; choice of law; severability

- (1) The place of performance for all goods and services is the delivery address specified in our purchase order.
- (2) Exclusive (and international) place of jurisdiction for any and all disputes arising out of or in connection with our business relation with the supplier shall be Frankfurt/Main, Federal Republic of Germany. However, we may also sue the supplier in the place of its domicile or the place of performance (paragraph (1)). Mandatory statutory provisions governing places of exclusive jurisdiction shall remain unaffected.
- (3) Our business relations with the supplier are governed exclusively by the laws of the Federal Republic of Germany. The United Nations Convention on the International Sale of Goods (CISG) shall not apply.
- (4) 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. Where terms have not been incorporated into the contract or are invalid, the terms of the contract shall be determined by the relevant statutory provisions (section 306 (2) of the BGB). Only in other cases, and to the extent that construction of contract culminating in implied terms (ergänzende Vertragsauslegung) does not take precedence or is impossible, the parties shall agree on a valid term that most closely reflects the commercial intent of the void or invalid term.

## § 22

### Language

The STCs are drafted in German and in English. The English version is for information purposes only and not part of the STCs. Therefore, in the event of any discrepancies between the German and English version, only the German version shall apply.

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