

II-VI LASER ENTERPRISE GMBH

STANDARD TERMS AND CONDITIONS OF PURCHASE

In the terms and conditions below, II-VI Laser Enterprise GmbH shall be referred to as "Laser Enterprise". The company supplying Products or services under this purchase order (the "Purchase Order") shall be referred to as the "Seller". The Products and services described in and provided pursuant to this Purchase Order are referred to as "Products" or "Services", as the case may be. If a formal written agreement exists between Laser Enterprise and the Seller for the purchase of such Products and Services, then the terms of such written agreement shall supersede any contrary terms contained in this Purchase Order.

1. Acknowledgement and Acceptance. Acceptance of this Purchase Order by Seller constitutes acceptance of all of the terms and conditions stated herein. To the extent that any quotation, order acceptance, confirmation, invoice or other document of Seller contains conflicting, differing or additional terms from these terms and conditions, these terms and conditions will control and all such conflicting, differing or additional terms are rejected by Laser Enterprise and shall have no effect unless expressly agreed to in writing by Laser Enterprise. Seller's signed acknowledgement of the Purchase Order, or Seller's shipment of, or acceptance of payment for, Products or Services shall conclusively affirm Seller's assent to these terms and conditions. If this Purchase Order is not signed and returned to Laser Enterprise, either by mail or fax, within ten (10) days from the date hereof, Laser Enterprise, at its option, may cancel this Purchase Order.

2. FOB; Damage During Delivery. Delivery of Products under this Purchase Order shall be by FOB (Incoterms 2010): Laser Enterprise, Zurich, Switzerland, and, unless otherwise agreed and / or stated in this Purchase Order, the risk of loss or damage shall remain with the Seller until actual delivery to Laser Enterprise. Seller shall be responsible for damages sustained during delivery. Any resulting claims against carriers shall be the responsibility of the Seller. Replacement of any damaged Products shall be the sole responsibility of Seller.

3. Terms. Terms of payment shall be as outlined in this Purchase Order. All invoices for payment shall include the Purchase Order number, and shall include a summary of the total Purchase Order value, total value of Products provided or Services performed to date of the invoice, total value of invoicing to date and value of the current invoice. Invoices for payment not including such information will be returned to the Seller without payment.

4. Packaging. All packages, cases, crates, etc., are to be marked with the Seller's name and the applicable Laser Enterprise Purchase Order number. A packing list must

accompany each shipment of Products. Laser Enterprise shall not be liable for any packaging charges, unless otherwise agreed to in advance.

5. Delivery. The delivery and performance requirements and specified dates of this Purchase Order shall be strictly adhered to and shall not be changed or modified without the prior written acceptance of Laser Enterprise. In the event of failure to deliver or perform by the dates specified in a Purchase Order, Laser Enterprise reserves the right to cancel such Purchase Order in total or any unexecuted part of such Purchase Order. Products not shipped in time to meet the delivery requirements and dates under a Purchase Order, at Laser Enterprise's option, shall be delivered at the fastest means available, at the sole expense of the Seller.

6. Delay in Supply. In the event of failure by the Seller to deliver any Products or perform any Services contained in this Purchase Order, other than as a result of Acts of God, *force majeure*, civil commotions, fire, war, perils of the sea, delay in transit and other causes beyond the Seller's control, Laser Enterprise shall have the right to cancel all or any remaining part of this Purchase Order, without payment of compensation, and obtain delivery or performance from other sources. Any and all increased costs and expenses thereby incurred by Laser Enterprise in obtaining such delivery or performance shall be setoff against any moneys due or to become due to the Seller or shall be recoverable as damages hereunder.

7. Changes. Except as otherwise provided herein, this Purchase Order may not be amended, modified, supplemented, cancelled or discharged, except in writing signed by Laser Enterprise and Seller.

8. Indemnity; Insurance. Seller shall indemnify, defend and hold Laser Enterprise harmless from any claim, cause of action, or liability incurred by Laser Enterprise arising from third party claims for personal injury, death, or damage to tangible property to the extent caused by Seller's acts or negligence. Seller may not settle any indemnified claim without the written consent of Laser Enterprise. This indemnification shall survive delivery of the Products or Services to Laser Enterprise and any subsequent sale or other transfer of the Products or Services to a third party. Seller shall maintain such insurance coverage as is necessary in order to adequately protect Laser Enterprise from such damages, liabilities, claims, losses and expenses (including reasonable attorneys' fees), including but not limited to general liability, completed operations, products liability, automobile (including non-owned automobile liability), worker's compensation and employer's liability insurance. As applicable, Seller shall have Laser Enterprise

II-VI LASER ENTERPRISE GMBH

STANDARD TERMS AND CONDITIONS OF PURCHASE

added as an additional insured on such insurance policies. Seller shall upon request provide Laser Enterprise with certificates evidencing such insurance coverage.

9. Quality Requirements. The Seller shall provide and maintain an inspection system acceptable to Laser Enterprise covering the inspection of Products provided under this Purchase Order, and Seller shall tender to Laser Enterprise for acceptance only such Products that have been inspected in accordance with such inspection system and that have been determined by the Seller to conform with the Purchase Order requirements. However, all Products provided under this Purchase Order are subject to final inspection and acceptance within a reasonable time after actual delivery and Laser Enterprise shall have the right to reject any defective or non-conforming Products despite any prior inspection by the Seller. Acceptance in accordance with this Section 9 does not limit Laser Enterprise's rights under Section 16.

10. Return of Defective Products. All Products supplied under this Purchase Order that do not meet with the approval of Laser Enterprise's Quality Assurance Department, that are shipped contrary to Purchase Order instructions or that are in excess of the quantity or quantities ordered under this Purchase Order, will be returned to Seller or held pending a mutual agreement between Laser Enterprise and Seller regarding their disposition, subject to the Seller's risk of loss and sole expense.

11. Tooling and Materials. Unless otherwise agreed to by Laser Enterprise, all special purpose tooling or materials used by Seller to fulfill this Purchase Order shall be the property of Laser Enterprise, shall be removable at any time without additional cost upon demand by Laser Enterprise, shall be used only in filling orders from Laser Enterprise, shall be kept separate from other tools and materials, and shall be clearly identified as the property of Laser Enterprise.

12. Purchase Order. Purchase orders sent via fax serves as an official intent of purchase by Laser Enterprise. Only authorized personnel of Laser Enterprise will be allowed to issue purchase orders.

13. Chemicals and Hazardous Substances. A Material Safety Data Sheet (MSDS), as prescribed by Laser Enterprise ("Data Sheet"), addressed to the attention of the Laser Enterprise Hazard Communication Coordinator, shall accompany all chemicals & hazardous substances provided under a Purchase Order. The Sellers shall maintain a catalog of any and all applicable Data Sheets that are provided in connection with the Seller's performance of work under a Purchase Order at a Laser Enterprise site.

14. Conflict Minerals. Seller shall deliver to Laser Enterprise under this Purchase Order only Products that are DRC Conflict Free, as defined by and consistent with the U.S. Securities and Exchange Commission's final rule on Conflict Minerals, 17 C.F.R. Parts 240 and 249(b), promulgated pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Seller certifies and warrants that all Products that have been or will be delivered to Laser Enterprise by Seller under this Purchase Order are DRC Conflict Free. Seller agrees that it shall furnish to Laser Enterprise such information as may be reasonably requested by Laser Enterprise to support Seller's representations and obligations under this Section.

15. Equal Employment Clause. Seller is on notice that Laser Enterprise may utilize Products or Services purchased under this Purchase Order in the transaction of business with the United States Government. The Seller, therefore, represents and warrants that it shall comply with Executive Order 11246 and any amendments thereto, pertaining to non-discrimination in employment. Seller also represents and warrants to Laser Enterprise that the Seller is in compliance and shall comply with Section 503 of the Rehabilitation Act of 1973 and the Vietnam Readjustment Act of 1974. Upon request, the Seller shall supply Laser Enterprise with copies of compliance reports and any other information necessary to demonstrate compliance therewith.

16. Warranty and Warranty Period. Seller warrants all materials and services delivered hereunder to be free from defect of material or workmanship and to conform strictly to the specifications, drawings, or sample specified or furnished. This warranty shall survive any inspection, delivery, acceptance, or payment by Laser Enterprise of the materials or services. The warranty period for Products and Services shall be twenty-four (24) months from the date of Delivery, unless otherwise stated in the Purchase Order. If, during the warranty period, any Products are found by Laser Enterprise not to function as warranted, or if any of the Services are not as warranted, then in addition to any other remedies available at law, Laser Enterprise may elect to require Seller to (i) make the Products or Services conform to the specifications, drawings, or sample specified or furnished, or (ii) replace the Products or Services with

II-VI LASER ENTERPRISE GMBH

STANDARD TERMS AND CONDITIONS OF PURCHASE

equivalent conforming Products and/or Services. Any replacement Products shall conform to the applicable specification and shall be equivalent to the original exchanged Products in all respects.

17. Bankruptcy. In the event of any proceedings, voluntary or involuntary, in bankruptcy by or against Seller, the inability of Seller to meet its debts as they become due, or in the event of the appointment, with or without Seller's consent, of an assignee for the benefit of creditors or of a receiver, then Laser Enterprise shall be entitled, at its sole option, to cancel any unfilled part of this Purchase Order without any liability whatsoever.

18. Assignment. Seller shall not delegate any duties, nor assign any rights or claims under this Purchase Order, or for the breach hereof, without the prior written consent of Laser Enterprise, and any such attempted delegation or assignment shall be void.

19. Set-Off and Counterclaims. All claims for moneys due or to become due from Laser Enterprise shall be subject to deduction by Laser Enterprise for any set-off or counterclaim arising out of this or any other of Laser Enterprise's purchase orders with Seller.

20. Governing Law. This Purchase Order and the acceptance of it shall be governed by and construed under the laws of Switzerland, without giving effect to conflicts of law principles, and excluding the application of the United Nations Convention on Contracts for the International Sale of Products.

21. Arbitration. All disputes arising out of or in connection with this Purchase Order, including any question regarding its existence, validity or termination, shall, unless amicably settled between the parties through negotiation and/or mediation within sixty (60) days after such dispute arises, be submitted to final, binding resolution by arbitration under the Rules of the International Chamber of Commerce. The tribunal shall consist of three arbitrators. Within fifteen (15) days after the commencement of arbitration, each party shall appoint one person to act as arbitrator and, within ten (10) days after the latest day upon which each such arbitrator shall have been appointed, the two selected arbitrators shall appoint a third arbitrator. If the arbitrators appointed by the parties are unable to or fail to agree upon the third arbitrator, the third arbitrator shall be appointed in accordance with the Rules of the International Chamber of Commerce. The place of the arbitration shall be Zurich, Switzerland. The language of the arbitration shall be English. Each party shall be entitled to seek necessary and appropriate injunctive relief to maintain the status quo depending on the outcome of the arbitration or any other temporary measures from the courts

of competent jurisdiction to enjoin the other party from taking certain actions which may infringe on the rights of the party bringing such claim; *provided* that any proceedings and decisions as to the merits of the dispute, including permanent injunctions, are exclusively governed and resolved by arbitration in accordance with this Section.

22. Intellectual Property Infringement. With respect to the Products or Services provided under this Purchase Order, Seller shall defend, indemnify and hold harmless Laser Enterprise, its directors, officers, employees, agents and affiliates for and against any and all liabilities, claims, damages, expenses and costs (including legal fees and expenses) arising from or related in any way to a violation or infringement of any patent, copyright, trademark, trade dress, and trade secret, or any other contractual right, proprietary right or intellectual property right, of any third party.

23. Confidential Disclosure. Seller agrees to take adequate protective actions to secure information provided and stamped or marked "II-VI Laser Enterprise GmbH proprietary" including, but not limited to, designs, processes, drawings, specifications, reports, data and other technical or business information in order to prevent improper disclosure. Unless otherwise provided herein or authorized by Buyer in writing, Seller shall use such information and items and the features thereof only in the performance of this purchase order. Seller shall not make copies; take pictures or videotapes of any items stated above. The Seller shall keep all items stated above in a secure area. " II-VI Laser Enterprise GmbH proprietary" items are to be returned to Laser Enterprise upon request or when no longer required by the Seller.