

Terms and Conditions of Sale

All orders received by II-VI Incorporated ("II-VI") are expressly conditioned upon the following conditions of sale:

1) Acceptance

Any additional or different terms set forth in any purchase order or other communication from Buyer are objected to and not binding upon II-VI unless and until accepted in writing by an authorized representative of II-VI.

2) Standard Warranty

II-VI warrants to the Buyer of each product of II-VI's own manufacture ("Product") that each Product will be free from defects in materials and workmanship subject to the following conditions:

The obligations of II-VI under this Standard Warranty shall be limited to either, at the option of II-VI: (1) the replacement or repair of any Product upon the shipment of such Product, freight prepaid by Buyer to the II-VI factory; or (2) the provision to Buyer of a credit against future purchases in an amount equal to the purchase price of the defective Product.

IN NO EVENT WILL II-VI BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF BUYER. THE FOREGOING REMEDIES ARE THE SOLE AND EXCLUSIVE REMEDY OF BUYER FOR ANY BREACH OF WARRANTY UNDER THIS CONTRACT.

All claims under this Standard Warranty must be made within ONE (1) YEAR after the date on which the Product was delivered to Buyer. In the case of a replacement or repair of a Product, Buyer shall only ship a defective Product to II-VI after an authorized representative of II-VI has provided a Return Authorization (RA) number for such warranty claim. Returns will be subject to a 15% restocking fee.

With respect to such returns, Buyer is solely responsible for properly packaging any Product to be returned to II-VI under this Standard Warranty. Products must be packaged in their original manufacturer's packaging or equivalent. Products must be packaged in separate shipping containers with Return Authorization (RA) numbers clearly marked on the outside of the shipping containers. If there are questions regarding proper packaging and shipping, contact II-VI for guidelines. II-VI will not be responsible for replacing or repairing any Product damaged while in transit to II-VI due to faulty or deficient packaging.

This Standard Warranty shall be void and shall not apply with respect to any Product which, upon inspection by II-VI, shows evidence of damage as a result of abuse, misuse, mishandling, accidental damage, alteration, negligent handling, or improper installation or application, or as a result of alteration or other causes beyond the control of II-VI.

This Standard Warranty shall not apply to goods or parts included in or supplied with Products; such goods or parts carry only such warranties, if any, as are provided by the manufacturers of such goods or parts, which warranties may be more restrictive than the Standard Warranty provided by II-VI.

With respect to any previously-purchased Product, II-VI shall have no obligation to install updates or upgrades to any components in such Product, even if the exclusion of such updates or upgrades of such components renders such Product obsolete when compared to a new Product of a substantially similar type.

THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN. THIS WARRANTY VOIDS AND EXCLUDES ANY AND ALL OTHER WARRANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED OR ARISING UNDER ANY LAW, RELATING TO THE GOODS, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR ANY PARTICULAR PURPOSES.

NO PERSON, FIRM, OR CORPORATION IS AUTHORIZED TO ASSUME ON BEHALF OF II-VI ANY ADDITIONAL OBLIGATION OR LIABILITY NOT EXPRESSLY PROVIDED HEREIN, EXCEPT IN A WRITING DULY EXECUTED BY AN OFFICER OF II-VI.

3) Limitation of Liability

In no event shall II-VI be liable for any incidental or consequential damages. The liability of II-VI on any claim of any kind shall in no event exceed the price of the Product which gives rise to the claim. Except as to title, all such liability shall terminate upon expiration of the warranty period of the Product. The invalidity of any of the previous paragraphs shall not affect the remainder of this paragraph or any other paragraph in this section.

4) Patent Infringement

Buyer shall hold II-VI harmless against any expense or loss resulting from infringement of patents or trademarks arising from compliance with Buyer's designs or specifications.

5) Delivery and Title

Delivery dates are approximate and are based upon prompt receipt of all necessary information from Buyer. Under no circumstances does II-VI guarantee date of shipment.

Unless otherwise specified by II-VI, shipment will be made and title will pass F.O.B. point of shipment. II-VI shall ship Products as it deems appropriate unless instructed otherwise in writing by Buyer.

6) Risk of Loss

Risk of loss or damage shall pass to Buyer upon shipment. Loss or damage that occurs during shipping by a carrier selected by Buyer is Buyer's responsibility.

7) Uncontrollable Delays

II-VI shall not be liable for delivery delays due to causes beyond its reasonable control including, but not limited to, acts of God, acts of Buyer, acts of military authority, governmental priorities, labor strikes, and transportation delays.

8) Financial Conditions

If II-VI determines in good faith that the financial condition of Buyer at any time does not justify the continuation of production or shipment on the terms of payment originally specified, II-VI may require full or partial payment in advance. In the event of Buyer bankruptcy or insolvency, II-VI shall be entitled to cancel any outstanding order and shall receive reimbursement for its cancellation charges.

9) Payment Terms

Unless terms are specifically set forth on the Order Acknowledgement, Buyer shall pay at such time and such terms as specified in II-VI's original invoice. Any quotations shall be valid for the period stated on the quotation.

10) Cancellation

Buyer may not cancel its order after shipment has been made. Buyer may cancel its order prior to shipment only upon written notice and consent of II-VI. If II-VI consents to any such cancellation, Buyer may be required to pay cancellation charges which include lost profits and all expenses incurred in connection with the cancelled order.

11) NRC Exemption License for Optical Components

For optical component Products:

As per Nuclear Regulatory Commission ("NRC") regulation 10 CFR 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

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no longer considered II-VI manufactured optical components and will be subject to U.S. NRC distribution regulations if sold in the U.S.

Use of this optical component containing thorium in the coating in contact lenses, spectacles, or in eyepieces in binoculars or other similar optical instruments is prohibited.

In order for finished optical components manufactured by II-VI and containing thorium to be distributed in the US as authorized by U.S. NRC regulation 10 CFR 40, they must maintain the same safety label that II-VI placed on the packaging for the optical component, or include the following information either on a safety label or in any manuals or safety instructions for the laser system that incorporates a II-VI optical component:

- This laser system incorporates an II-VI optical component.
- This optical component contains a small amount of thorium fluoride, a type of source material (less than 10% by weight).
- It is exempt from U.S. NRC licensing regulations as an "unimportant quantity of source material" per 10 CFR 40.13(c)(7).
- Shaping, grinding, polishing, or alteration of the optical component is prohibited.
- Use of this optical component in contact lenses, spectacles, or in eyepieces in binoculars or other similar optical instruments is prohibited.

This II-VI requirement only applies to lenses and optics manufactured and distributed by II-VI. Distributing components or devices that contain lenses and optics manufactured by other companies as if it were manufactured by II-VI is not in compliance with U.S. NRC distribution requirements.

U.S. distribution 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 II-VI manufactured lenses and optics which contain thorium are covered by the II-VI distribution license.

12) Jurisdiction

The validity, performance, and all matters relating to the interpretation and effect of this agreement shall be governed by the laws of the Commonwealth of Pennsylvania.