

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2023

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from _____ to _____.

Commission File Number: 001-39375

COHERENT CORP.

(Exact name of registrant as specified in its charter)

Pennsylvania

25-1214948

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

375 Saxonburg Boulevard

16056

Saxonburg, PA

(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: 724 - 352-4455

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	COHR	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At February 2, 2024, 151,813,356 shares of Common Stock, no par value, of the registrant were outstanding.

COHERENT CORP.

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Coherent Corp. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

(\$000)	December 31, 2023	June 30, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 856,255	\$ 821,310
Restricted cash, current	177,077	12,023
Accounts receivable - less allowance for doubtful accounts of \$ 11,039 at December 31, 2023 and \$ 8,005 at June 30, 2023	856,098	901,531
Inventories	1,291,634	1,272,333
Prepaid and refundable income taxes	23,578	28,271
Prepaid and other current assets	216,961	216,530
Total Current Assets	3,421,603	3,251,998
Property, plant & equipment, net	1,849,119	1,782,035
Goodwill	4,566,010	4,512,700
Other intangible assets, net	3,704,692	3,814,684
Deferred income taxes	47,787	37,748
Restricted cash, non-current	787,358	4,233
Other assets	286,311	307,735
Total Assets	\$ 14,662,880	\$ 13,711,133
Liabilities, Mezzanine Equity and Equity		
Current Liabilities		
Current portion of long-term debt	\$ 74,569	\$ 74,836
Accounts payable	504,052	405,308
Accrued compensation and benefits	186,739	175,564
Operating lease current liabilities	37,788	38,271
Accrued income taxes payable	112,357	74,488
Other accrued liabilities	272,268	310,281
Total Current Liabilities	1,187,773	1,078,748
Long-term debt	4,137,009	4,234,962
Deferred income taxes	813,970	780,307
Operating lease liabilities	143,123	140,748
Other liabilities	234,781	247,402
Total Liabilities	6,516,656	6,482,167
Mezzanine Equity		
Series B redeemable convertible preferred stock, no par value, 5 % cumulative; issued - 215,000 shares at December 31, 2023 and June 30, 2023; redemption value - \$ 2,368,075 and \$ 2,309,966 , respectively	2,302,168	2,241,415
Shareholders' Equity		
Series A preferred stock, no par value, 6 % cumulative; issued - 0 and 2,300,000 shares at December 31, 2023 and June 30, 2023, respectively	—	445,319
Common stock, no par value; authorized - 300,000,000 shares; issued - 167,307,654 shares at December 31, 2023; 154,719,413 shares at June 30, 2023	4,786,076	3,781,211
Accumulated other comprehensive income	206,374	109,726
Retained earnings	789,138	944,416
	5,781,588	5,280,672
Treasury stock, at cost; 15,548,608 shares at December 31, 2023 and 15,135,711 shares at June 30, 2023	(310,686)	(293,121)
Total Coherent Corp. Shareholders' Equity	5,470,902	4,987,551
Noncontrolling interests (NCI)	373,154	—
Total Equity	5,844,056	4,987,551
Total Liabilities, Mezzanine Equity and Equity	\$ 14,662,880	\$ 13,711,133

Coherent Corp. and Subsidiaries
Condensed Consolidated Statements of Earnings (Loss) (Unaudited)
(\$000, except per share data)

	Three Months Ended December 31,	
	2023	2022
Revenues	\$ 1,131,434	\$ 1,370,285
Costs, Expenses, and Other Expense (Income)		
Cost of goods sold	780,793	959,097
Internal research and development	111,163	128,791
Selling, general and administrative	209,163	274,151
Restructuring charges (recoveries)	(1,570)	—
Interest expense	74,678	70,904
Other (income) expense, net	(5,386)	3,696
Total Costs, Expenses, & Other Expense	1,168,841	1,436,639
Loss Before Income Taxes	(37,407)	(66,354)
Income Tax Benefit	(8,932)	(21,282)
Net Loss	(28,475)	(45,072)
Net Loss Attributable to Noncontrolling Interests	(1,484)	—
Net Loss Attributable to Coherent Corp.	(26,991)	(45,072)
Less: Dividends on Preferred Stock	30,580	35,889
Net Loss Available to the Common Shareholders	\$ (57,571)	\$ (80,961)
Basic Loss Per Share	\$ (0.38)	\$ (0.58)
Diluted Loss Per Share	\$ (0.38)	\$ (0.58)

See Notes to Condensed Consolidated Financial Statements.

Coherent Corp. and Subsidiaries
Condensed Consolidated Statements of Earnings (Loss) (Unaudited)
(\$000, except per share data)

	Six Months Ended December 31,	
	2023	2022
Revenues	\$ 2,184,517	\$ 2,714,855
Costs, Expenses, and Other Expense (Income)		
Cost of goods sold	1,526,981	1,860,093
Internal research and development	224,651	249,875
Selling, general and administrative	420,860	554,165
Restructuring charges	1,448	—
Interest expense	147,936	132,793
Other (income) expense, net	(11,655)	35,301
Total Costs, Expenses, & Other Expense	2,310,221	2,832,227
Loss Before Income Taxes	(125,704)	(117,372)
Income Tax Benefit	(29,695)	(33,602)
Net Loss	(96,009)	(83,770)
Net Loss Attributable to Noncontrolling Interests	(1,484)	—
Net Loss Attributable to Coherent Corp.	(94,525)	(83,770)
Less: Dividends on Preferred Stock	60,753	71,466
Net Loss Available to the Common Shareholders	\$ (155,278)	\$ (155,236)
Basic Loss Per Share	\$ (1.03)	\$ (1.14)
Diluted Loss Per Share	\$ (1.03)	\$ (1.14)

See Notes to Condensed Consolidated Financial Statements.

Coherent Corp. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
(\$000)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Net Loss	\$ (28,475)	\$ (45,072)	\$ (96,009)	\$ (83,770)
Other Comprehensive Income (Loss):				
Foreign currency translation adjustments	226,788	232,035	118,885	99,664
Change in fair value of interest rate swap, net of taxes of \$(2,194) and \$(3,471) for the three and six months ended December 31, 2023, respectively; and \$(92) and \$ 3,360 for the three and six months ended December 31, 2022, respectively	(8,013)	(334)	(12,675)	12,270
Change in fair value of interest rate cap, net of taxes of \$(5,290) and \$(3,145) for the three and six months ended December 31, 2023, respectively; and \$(1,208) and \$ 4,232 for the three and six months ended December 31, 2022, respectively	(19,316)	(4,543)	(11,716)	15,921
Pension adjustment, net of taxes of \$ 0 for the three and six months ended December 31, 2023 and December 31, 2022	57	403	348	442
Comprehensive Income	171,041	182,489	(1,167)	44,527
Comprehensive Loss Attributable to Noncontrolling Interests	(1,484)	—	(1,484)	—
Foreign Currency Translation Adjustments Attributable to Noncontrolling Interests	1,065	—	1,065	—
Comprehensive Income Attributable to Coherent Corp.	<u>\$ 171,460</u>	<u>\$ 182,489</u>	<u>\$ (748)</u>	<u>\$ 44,527</u>

See Notes to Condensed Consolidated Financial Statements.

Coherent Corp. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
(\$000)

	Six Months Ended December 31,	
	2023	2022
Cash Flows from Operating Activities		
Net loss	\$ (96,009)	\$ (83,770)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	132,210	129,227
Amortization	144,168	187,968
Share-based compensation expense	72,465	88,952
Amortization of discount on convertible debt and debt issuance costs	8,803	8,276
Non-cash restructuring charges	2,639	—
Loss on disposal of property, plant and equipment	238	—
Unrealized (gains) losses on foreign currency remeasurements and transactions	(1,835)	3,988
Loss (earnings) from equity investments	301	(740)
Deferred income taxes	(96,683)	(86,232)
Loss on debt extinguishment	—	6,835
Increase (decrease) in cash from changes in (net of effect of acquisitions):		
Accounts receivable	53,428	12,647
Inventories	(3,164)	96,084
Accounts payable	62,998	(82,042)
Contract liabilities	(31,451)	12,078
Income taxes	26,877	24,098
Accrued compensation and benefits	11,175	(24,231)
Other operating assets and liabilities	(20,189)	6,930
Net cash provided by operating activities	265,971	300,068
Cash Flows from Investing Activities		
Additions to property, plant & equipment	(153,667)	(245,854)
Purchases of businesses, net of cash acquired	—	(5,488,556)
Other investing activities	(1,978)	(2,261)
Net cash used in investing activities	(155,645)	(5,736,671)
Cash Flows from Financing Activities		
Sale of shares to noncontrolling interests	1,000,000	—
Proceeds from borrowings of Term A Facility	—	850,000
Proceeds from borrowings of Term B Facility	—	2,800,000
Proceeds from borrowings of Revolving Credit Facility	—	65,000
Proceeds from issuance of Series B Preferred Shares	—	1,400,000
Payments on existing debt	(107,457)	(1,065,217)
Payments on borrowings under Revolving Credit Facility	—	(65,000)
Payments on convertible notes	—	(3,561)
Debt issuance costs	—	(126,516)
Equity issuance costs	(31,840)	(42,000)
Proceeds from exercises of stock options and purchases of stock under employee stock purchase plan	16,143	7,749
Payments in satisfaction of employees' minimum tax obligations	(17,566)	(50,516)
Cash dividends paid	—	(13,800)
Other financing activities	(531)	(582)
Net cash provided by financing activities	858,749	3,755,557
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	14,049	16,769

Net increase (decrease) in cash, cash equivalents, and restricted cash	983,124	(1,664,277)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	837,566	2,582,371
Cash, Cash Equivalents, and Restricted Cash at End of Period	\$ 1,820,690	\$ 918,094
Supplemental Information		
Cash paid for interest	\$ 159,538	\$ 127,039
Cash paid for income taxes	\$ 38,142	\$ 31,853
Additions to property, plant & equipment included in accounts payable	\$ 71,806	\$ 47,060
Non-Cash Investing and Financing Activities		
Conversion of Series A preferred stock to common stock	\$ 445,319	\$ —

See Notes to Condensed Consolidated Financial Statements.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same amounts shown in the Condensed Consolidated Statements of Cash Flows. At December 31, 2023, we had \$ 964 million of restricted cash.

	December 31,	
	2023	2022
Cash and cash equivalents	\$ 856,255	\$ 896,641
Restricted cash, current	177,077	16,645
Restricted cash, non-current	787,358	4,808
Total cash, cash equivalents, and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	<u>\$ 1,820,690</u>	<u>\$ 918,094</u>

Coherent Corp and Subsidiaries
Condensed Consolidated Statements of Equity and Mezzanine Equity (Unaudited)
(\$000, including share amounts)

	Common Stock		Preferred Stock		AOCI	Retained Earnings	Treasury Stock		NCI	Total	Mezzanine Equity	
	Shares	Amount	Shares	Amount			Shares	Amount			Pref Shares	Amount
Balance - June 30, 2023	154,721	\$ 3,781,211	2,300	\$ 445,319	\$ 109,726	\$ 944,416	(15,137)	\$ (293,121)	\$ —	\$ 4,987,551	215	\$ 2,241,415
Share-based and deferred compensation activities	1,804	60,748	—	—	—	—	(366)	(13,932)	—	46,816	—	—
				(445,319)								
Conversion of Series A preferred stock	10,240	445,319	(2,300)	—	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	(67,534)	—	—	—	(67,534)	—	—
					(107,903)							
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	(107,903)	—	—
Change in fair value of interest rate swap, net of taxes of \$(1,277)	—	—	—	—	(4,662)	—	—	—	—	(4,662)	—	—
Change in fair value of interest rate cap, net of taxes of \$2,145	—	—	—	—	7,600	—	—	—	—	7,600	—	—
Pension adjustment, net of taxes of \$0	—	—	—	—	291	—	—	—	—	291	—	—
Dividends	—	—	—	—	—	(30,173)	—	—	—	(30,173)	—	30,173
								(307,053)		4,831,986		2,271,588
Balance - September 30, 2023	166,765	\$ 4,287,278	—	\$ —	\$ 5,052	\$ 846,709	(15,503)	\$ —	\$ —	\$ —	215	\$ —
Share-based and deferred compensation activities	544	25,184	—	—	—	—	(47)	(3,633)	—	21,551	—	—
Net loss	—	—	—	—	—	(26,991)	—	—	(1,484)	(28,475)	—	—
Foreign currency translation adjustments	—	—	—	—	225,723	—	—	—	1,065	226,788	—	—
Change in fair value of interest rate swap, net of taxes of \$(2,194)	—	—	—	—	(8,013)	—	—	—	—	(8,013)	—	—
Change in fair value of interest rate cap, net of taxes of \$(5,290)	—	—	—	—	(19,316)	—	—	—	—	(19,316)	—	—
Pension adjustment, net of taxes of \$0	—	—	—	—	57	—	—	—	—	57	—	—
Dividends	—	—	—	—	—	(30,580)	—	—	—	(30,580)	—	30,580
Sale of shares to noncontrolling interests, net of issuance costs and taxes	—	473,614	—	—	2,871	—	—	—	373,573	850,058	—	—
					206,374			(310,686)	373,154	5,844,056		2,302,168
Balance - December 31, 2023	167,309	\$ 4,786,076	—	\$ —	\$ —	\$ 789,138	(15,550)	\$ —	\$ —	\$ —	215	\$ —

	Common Stock		Preferred Stock		Accumulated Other Comprehensive Income (Loss)		Treasury Stock			Mezzanine Equity Preferred	
	Shares	Amount	Shares	Amount		Retained Earnings	Shares	Amount	Total	Shares	Amount
		2,064,552				1,348,125		(239,354	3,616,475		
Balance - June 30, 2022	120,923	\$	2,300	\$445,319	\$ (2,167)	\$	(13,973)	\$)	\$	75	\$ 766,803
Share-based and deferred compensation activities	2,398	61,431	—	—	—	—	(830)	(40,860)	20,571	—	—
Coherent acquisition	22,588	1,207,591	—	—	—	—	—	—	1,207,591	—	—
Convertible debt conversions	7,181	337,940	—	—	—	—	—	—	337,940	—	—
Net loss	—	—	—	—	—	(38,698)	—	—	(38,698)	—	—
Foreign currency translation adjustments	—	—	—	—	(132,371)	—	—	—	(132,371)	—	—
Change in fair value of interest rate swap, net of taxes of \$ 3,452	—	—	—	—	12,604	—	—	—	12,604	—	—
Change in fair value of interest rate cap, net of taxes of \$ 5,440	—	—	—	—	20,464	—	—	—	20,464	—	—
Pension adjustment, net of taxes \$ 0	—	—	—	—	39	—	—	—	39	—	—
Issuance of Series B shares	—	—	—	—	—	—	—	—	—	140	1,358,000
Dividends	—	—	—	—	—	(35,577)	—	—	(35,577)	—	28,677
		3,671,514				1,273,850		(280,214	5,009,038		2,153,480
Balance - September 30, 2022	153,090	\$	2,300	\$445,319	\$ (101,431)	\$	(14,803)	\$)	\$	215	\$
Share-based and deferred compensation activities	779	32,745	—	—	—	—	(266)	(9,551)	23,194	—	—
Net loss	—	—	—	—	—	(45,072)	—	—	(45,072)	—	—
Foreign currency translation adjustments	—	—	—	—	232,035	—	—	—	232,035	—	—
Change in fair value of interest rate cap, net of \$(1,208)	—	—	—	—	(4,543)	—	—	—	(4,543)	—	—
Change in fair value of interest rate swap, net of taxes of \$(92)	—	—	—	—	(334)	—	—	—	(334)	—	—
Pension adjustment, net of taxes \$ 0	—	—	—	—	403	—	—	—	403	—	—
Dividends	—	—	—	—	—	(35,931)	—	—	(35,931)	—	28,992
		3,704,259				1,192,847		(289,765	5,178,790		2,182,471
Balance - December 31, 2022	153,869	\$	2,300	\$445,319	\$ 126,130	\$	(15,069)	\$)	\$	215	\$

See Notes to Condensed Consolidated Financial Statements.

Coherent Corp. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1. Basis of Presentation

The condensed consolidated financial statements of Coherent Corp. ("Coherent", the "Company", "we", "us" or "our") for the three and six months ended December 31, 2023 and 2022 are unaudited. In the opinion of management, all adjustments considered necessary for a fair presentation for the periods presented have been included. All adjustments are of a normal recurring nature unless disclosed otherwise. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K dated August 18, 2023. The condensed consolidated results of operations for the three and six months ended December 31, 2023 are not necessarily indicative of the results to be expected for the full fiscal year. The Condensed Consolidated Balance Sheet information as of June 30, 2023 was derived from the Company's audited consolidated financial statements.

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Noncontrolling Interests

The Company accounts for noncontrolling interests in accordance with ASC Topic 810-10-45, which requires the Company to present noncontrolling interests as a separate component of total shareholders' equity on the Condensed Consolidated Balance Sheets and the consolidated net income (loss) attributable to its noncontrolling interests be clearly identified and presented on the face of the Condensed Consolidated Statements of Earnings (Loss) and Condensed Consolidated Statements of Comprehensive Income (Loss). See Note 11. Noncontrolling Interests for further information on the noncontrolling interests in our Silicon Carbide LLC subsidiary.

Note 2. Recently Issued Financial Accounting Standards

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is evaluating the impact this will have on the Company's condensed consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, on either a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-09 on its consolidated financial statements and related disclosures.

Note 3. Revenue from Contracts with Customers

We believe that disaggregating revenue by end market provides the most relevant information regarding the nature, amount, timing, and uncertainty of revenues and cash flows.

The following tables summarize disaggregated revenue by market (\$000):

	Three Months Ended December 31, 2023				Six Months Ended December 31, 2023			
	Networking	Materials	Lasers	Total	Networking	Materials	Lasers	Total
Industrial	\$ 14,746	\$ 137,128	\$ 271,494	\$ 423,368	\$ 30,711	\$ 270,331	\$ 526,660	\$ 827,702
Communications	499,350	20,984	—	520,334	945,624	34,236	—	979,860
Electronics	1,453	87,279	—	88,732	3,177	175,344	—	178,521
Instrumentation	8,686	8,287	82,027	99,000	17,572	18,407	162,455	198,434
Total Revenues	\$ 524,235	\$ 253,678	\$ 353,521	\$ 1,131,434	\$ 997,084	\$ 498,318	\$ 689,115	\$ 2,184,517

	Three Months Ended December 31, 2022				Six Months Ended December 31, 2022			
	Networking	Materials	Lasers	Total	Networking	Materials	Lasers	Total
Industrial	\$ 15,926	\$ 149,454	\$ 284,851	\$ 450,231	\$ 34,619	\$ 293,537	\$ 583,092	\$ 911,248
Communications	579,393	20,662	—	600,055	1,142,914	42,539	—	1,185,453
Electronics	3,003	196,952	—	199,955	6,825	373,574	—	380,399
Instrumentation	10,358	15,328	94,358	120,044	20,870	28,390	188,495	237,755
Total Revenues	\$ 608,680	\$ 382,396	\$ 379,209	\$ 1,370,285	\$ 1,205,228	\$ 738,040	\$ 771,587	\$ 2,714,855

Contract Liabilities

Payments received from customers are based on invoices or billing schedules as established in contracts with customers. Contract liabilities relate to billings in advance of performance under the contract. Contract liabilities are recognized as revenue when the performance obligations have been satisfied. During the six months ended December 31, 2023, we recognized revenue of \$ 48 million related to customer payments that were included as contract liabilities in the Condensed Consolidated Balance Sheet as of June 30, 2023. We had \$ 119 million of contract liabilities recorded in the Condensed Consolidated Balance Sheet as of December 31, 2023. As of December 31, 2023, \$ 78 million of deferred revenue is included within other accrued liabilities, and \$ 41 million is included within other liabilities on the Condensed Consolidated Balance Sheet.

Note 4. Inventories

The components of inventories were as follows (\$000):

	December 31, 2023	June 30, 2023
Raw materials	\$ 437,259	\$ 462,436
Work in progress	604,634	549,992
Finished goods	249,741	259,905
Total inventories	\$ 1,291,634	\$ 1,272,333

Note 5. Property, Plant and Equipment

Property, plant and equipment consists of the following (\$000):

	December 31, 2023	June 30, 2023
Land and improvements	\$ 70,229	\$ 69,639
Buildings and improvements	800,954	780,204
Machinery and equipment	1,967,852	1,879,136
Construction in progress	375,405	287,990
Finance lease right-of-use asset	25,000	25,000
	3,239,440	3,041,969
Less accumulated depreciation	(1,390,321)	(1,259,934)
Property, plant, and equipment, net	\$ 1,849,119	\$ 1,782,035

Note 6. Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill were as follows (\$000):

	Six Months Ended December 31, 2023			
	Networking	Materials	Lasers	Total
Balance-beginning of period	\$ 1,036,204	\$ 247,695	\$ 3,228,801	\$ 4,512,700
Foreign currency translation	696	1,595	51,019	53,310
Balance-end of period	<u>\$ 1,036,900</u>	<u>\$ 249,290</u>	<u>\$ 3,279,820</u>	<u>\$ 4,566,010</u>

We test goodwill for impairment annually during the fourth quarter, or more frequently when events or changes in circumstances indicate that fair value is below carrying value.

As part of our annual assessment in the fourth quarter of fiscal 2023, we determined that the estimated fair value of our Lasers reporting unit exceeded its carrying value by approximately 10 %. As of December 31, 2023, the carrying amount of goodwill within this reporting unit was \$ 3.3 billion. The reporting unit's estimated fair value is sensitive to changes in the significant assumptions used in the analysis including forecasted revenues and related gross margins. If the reporting unit does not perform to expected levels and realize the expected benefit from the multi-year synergy and site consolidation plans, or there are adverse changes in certain macroeconomic factors, the related goodwill may be at risk for impairment in the future.

The gross carrying amount and accumulated amortization of our intangible assets other than goodwill were as follows (\$000):

	December 31, 2023			June 30, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Technology	\$ 1,674,038	\$ (334,746)	\$ 1,339,292	\$ 1,661,263	\$ (270,786)	\$ 1,390,477
Trade Names	438,471	(8,471)	430,000	438,470	(8,279)	430,191
Customer Lists	2,359,417	(424,017)	1,935,400	2,333,360	(339,344)	1,994,016
Total	<u>\$ 4,471,926</u>	<u>\$ (767,234)</u>	<u>\$ 3,704,692</u>	<u>\$ 4,433,093</u>	<u>\$ (618,409)</u>	<u>\$ 3,814,684</u>

Note 7. Debt

The components of debt as of the dates indicated were as follows (\$000):

	December 31, 2023	June 30, 2023
Term A Facility, interest at adjusted SOFR, as defined, plus 1.750 %	\$ 796,875	\$ 818,125
Debt issuance costs, Term A Facility and Revolving Credit Facility	(15,865)	(18,149)
Term B Facility, interest at adjusted SOFR, as defined, plus 2.750 %	2,482,624	2,566,625
Debt issuance costs, Term B Facility	(57,914)	(63,977)
1.30 % Term loan	1,037	1,697
Facility construction loan in Germany	21,228	22,340
5.000 % Senior Notes	990,000	990,000
Debt issuance costs and discount, Senior Notes	(6,407)	(6,863)
Total debt	4,211,578	4,309,798
Current portion of long-term debt	(74,569)	(74,836)
Long-term debt, less current portion	<u>\$ 4,137,009</u>	<u>\$ 4,234,962</u>

Senior Credit Facilities

On July 1, 2022 (the "Closing Date"), Coherent entered into a Credit Agreement by and among the Company, as borrower (in such capacity, the "Borrower"), the lenders, and other parties thereto, and JP Morgan Chase Bank, N.A., as administrative agent and collateral agent, which provides for senior secured financing of \$ 4.0 billion, consisting of a term loan A credit facility (the "Term A Facility"), with an aggregate principal amount of \$ 850 million, a term loan B credit facility (the "Term B Facility" and, together with the Term A Facility, the "Term Facilities"), with an aggregate principal amount of \$ 2,800 million, and a revolving credit facility (the "Revolving Credit Facility"), in an aggregate available amount of \$ 350 million, including a letter of credit sub-facility of up to \$ 50 million. On March 31, 2023, Coherent entered into Amendment No. 1 to the Credit

Agreement, which replaced the adjusted LIBOR-based rate of interest therein with an adjusted SOFR-based rate of interest. As amended, the Term A Facility and the Revolving Credit Facility each bear interest at an adjusted SOFR rate subject to a 0.10 % floor plus a range of 1.75 % to 2.50 %, based on the Company's total net leverage ratio. The Term A Facility and the Revolving Credit Facility borrowings bear interest at adjusted SOFR plus 1.75 % as of December 31, 2023. As amended, the Term B Facility bears interest at an adjusted SOFR rate (subject to a 0.50 % floor) plus 2.75 %. In relation to the Term Facilities, the Company incurred interest expense, including amortization of debt issuance costs and the benefit of the interest rate cap and swap, of \$ 62 million and \$ 122 million in the three and six months ended December 31, 2023, respectively, and \$ 58 million and \$ 106 million in the three and six months ended December 31, 2022, respectively, which is included in interest expense in the Condensed Consolidated Statements of Earnings (Loss). On July 1, 2023, our interest rate cap became effective, which together with our interest rate swap, reduced interest expense by \$ 12 million and \$ 23 million during the three and six months ended December 31, 2023, respectively, and \$ 5 million and \$ 6 million during the three and six months ended December 31, 2022, respectively. The amortization of debt issuance costs included in interest expense was \$ 5 million and \$ 8 million in the three and six months ended December 31, 2023, respectively, and \$ 5 million and \$ 8 million in the three and six months ended December 31, 2022, respectively. Debt issuance costs are presented as contra-debt within the long-term debt caption in the Condensed Consolidated Balance Sheets.

On the Closing Date, the Borrower and certain of its direct and indirect subsidiaries provided a guaranty of all obligations of the Borrower and the other loan parties under the Credit Agreement and the other loan documents, secured cash management agreements and secured hedge agreements with the lenders and/or their affiliates (subject to certain exceptions). The Borrower and the other guarantors have also granted a security interest in substantially all of their assets to secure such obligations.

Proceeds of the loans borrowed under the Term Facilities on July 1, 2022, together with other financing sources (including the net proceeds from Coherent's offer and sale of its 5.000 % Senior Notes due 2029 (the "Senior Notes") and cash on hand) were used to fund the cash portion of the Merger consideration, the repayment of certain indebtedness (including the repayment in full of all amounts outstanding under the Prior Credit Agreement as defined below), and certain fees and expenses in connection with the Merger and otherwise for general corporate purposes.

As of December 31, 2023, the Company was in compliance with all covenants under the Senior Credit Facilities.

Prior Senior Credit Facilities

Through June 30, 2022, the Company had senior credit facilities (the "Prior Credit Agreement") with Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders party thereto. On July 1, 2022, the Company terminated the Prior Credit Agreement and repaid all amounts outstanding thereunder. Debt extinguishment costs related to the termination of the Prior Credit Agreement of \$ 17 million were expensed in other expense (income), net in the Condensed Consolidated Statement of Earnings (Loss) during the six months ended December 31, 2022.

Bridge Loan Commitment

Subject to the terms of an amended and restated commitment letter entered into in connection with Coherent entering into the Merger Agreement to complete its acquisition of Coherent, Inc. (the "Merger"), the commitment parties thereto committed to provide, in addition to the Term Facilities and the Revolving Credit Facility, a senior unsecured bridge loan facility in an aggregate principal amount of \$ 990 million (the "Bridge Loan Commitment"). As a result of the issuance of the Senior Notes, the Bridge Loan Commitment was terminated. During the six months ended December 31, 2022, the Company incurred expenses of \$ 18 million, related to the termination of the Bridge Loan Commitment, which is included in other expense (income) in the Condensed Consolidated Statement of Earnings (Loss).

Debt Assumed through Acquisition

We assumed the remaining balances of three term loans with the closing of the Merger. The aggregate principal amount outstanding is \$ 22 million as of December 31, 2023. The term loans assumed consisted of the following: (i) 1.3 % Term Loan due 2024, (ii) 1.0 % State of Connecticut Term Loan due 2023 (and repaid prior to June 30, 2023), and (iii) Facility construction loan in Germany due 2030. For the Facility construction loan, on December 21, 2020, Coherent LaserSystems GmbH & Co. KG entered into a loan agreement with Commerzbank for borrowings of up to 24 million Euros, which were drawn down by October 29, 2021, to finance a portion of the construction of a new facility in Germany. The term of the loan is 10 years, and borrowings bear interest at 1.55 % per annum. Payments are made quarterly.

5.000 % Senior Notes due 2029

On December 10, 2021, the Company issued \$ 990 million aggregate principal amount of Senior Notes pursuant to the indenture, dated as of December 10, 2021 (the "Indenture"), between the Company and U.S. Bank National Association, as trustee. The Senior Notes are guaranteed by each of the Company's domestic subsidiaries that guarantee its obligations under the Senior Credit Facilities. Interest on the Senior Notes is payable on December 15 and June 15 of each year, commencing on June 15, 2022, at a rate of 5.000 % per annum. The Senior Notes will mature on December 15, 2029.

On or after December 15, 2024, the Company may redeem the Senior Notes, in whole at any time or in part from time to time, at the redemption prices set forth in the Indenture, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date. In addition, at any time prior to December 15, 2024, the Company may redeem the Senior Notes, at its option, in whole at any time or in part from time to time, at a redemption price equal to 100 % of the principal amount of the Senior Notes redeemed, plus a "make-whole" premium set forth in the Indenture, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date. Notwithstanding the foregoing, at any time and from time to time prior to December 15, 2024, the Company may redeem up to 40 % of the aggregate principal amount of the Senior Notes using the proceeds of certain equity offerings as set forth in the Indenture, at a redemption price equal to 105.000 % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date.

In relation to the Senior Notes, the Company incurred interest expense of \$ 13 million and \$ 25 million in the three and six months ended December 31, 2023, respectively, and \$ 13 million and \$ 25 million in the three and six months ended December 31, 2022, respectively, which is included in interest expense in the Condensed Consolidated Statements of Earnings (Loss).

The Indenture contains customary covenants and events of default, including default relating to, among other things, payment default, failure to comply with covenants or agreements contained in the Indenture or the Senior Notes and certain provisions related to bankruptcy events. As of December 31, 2023, the Company was in compliance with all covenants under the Indenture.

Aggregate Availability

The Company had aggregate availability of \$ 345 million under its Revolving Credit Facility as of December 31, 2023.

Note 8. Income Taxes

The Company's year-to-date effective income tax rate was 24 % at December 31, 2023 compared to 29 % for the period ending December 31, 2022. The variations between the Company's effective tax rate and the U.S. statutory rate of 21 % were due to tax rate differentials between U.S. and foreign jurisdictions.

U.S. GAAP prescribes the accounting for uncertainty in income taxes recognized in an enterprise's financial statements which includes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As of December 31, 2023 and June 30, 2023, the Company's gross unrecognized income tax benefit, excluding interest and penalties, was \$ 115 million. The Company has classified the uncertain tax positions as non-current income tax liabilities, as the amounts are not expected to be paid within one year. If recognized, \$ 91 million of the gross unrecognized tax benefits at December 31, 2023 would impact the effective tax rate. The Company recognizes interest and penalties related to uncertain tax positions in the income tax provision in the Condensed Consolidated Statements of Earnings (Loss). The amount of accrued interest and penalties included in the gross unrecognized income tax benefit was \$ 7 million and \$ 6 million at December 31, 2023 and June 30, 2023, respectively.

Fiscal years 2018 and 2020 to 2023 remain open to examination by the Internal Revenue Service, fiscal years 2019 to 2023 remain open to examination by certain state jurisdictions, and fiscal years 2011 to 2023 remain open to examination by certain foreign taxing jurisdictions. The Company is currently under examination for certain subsidiary companies in Vietnam for the years ended June 30, 2017 through September 30, 2021; Singapore for the year ended September 30, 2020; Korea for the year ended September 30, 2021; Italy for the year ended September 30, 2019; Spain for the years ended September 30, 2020 through September 30, 2022; and Germany for the years ended September 30, 2011 through June 30, 2022. The Company believes its income tax reserves for these tax matters are adequate.

Note 9. Leases

We determine if an arrangement is a lease at inception for arrangements with an initial term of more than 12 months, and classify it as either finance or operating.

Finance leases are generally those that allow us to substantially utilize or pay for the entire asset over its estimated useful life. Finance lease assets are recorded in property, plant and equipment, net, and finance lease liabilities within other accrued liabilities and other liabilities on our Condensed Consolidated Balance Sheets. Finance lease assets are amortized in operating expenses on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term, with the interest component for lease liabilities included in interest expense and recognized using the effective interest method over the lease term.

Operating leases are recorded in other assets and operating lease liabilities, current and non-current on our Condensed Consolidated Balance Sheets. Operating lease assets are amortized on a straight-line basis in operating expenses over the lease term.

Our lease liabilities are recognized based on the present value of the remaining fixed lease payments, over the lease term, using a discount rate of similarly secured borrowings available to the Company. For the purpose of lease liability measurement, we consider only payments that are fixed and determinable at the time of commencement. Any variable payments that depend on an index or rate are expensed as incurred. We account for non-lease components, such as common area maintenance, as a component of the lease, and includes it in the initial measurement of our leased assets and corresponding liabilities. Our lease terms and conditions may include options to extend or terminate. An option is recognized when it is reasonably certain that we will exercise that option.

Our lease assets also include any lease payments made, and exclude any lease incentives received prior to commencement. Our lease assets are tested for impairment in the same manner as long-lived assets used in operations.

The following table presents lease costs, which include leases for arrangements with an initial term of more than 12 months, lease term, and discount rates (\$000):

	Three Months Ended December 31, 2023	Six Months Ended December 31, 2023
Finance lease cost		
Amortization of right-of-use assets	\$ 417	\$ 833
Interest on lease liabilities	263	531
Total finance lease cost	680	1,364
Operating lease cost	12,764	25,707
Total lease cost	<u>\$ 13,444</u>	<u>\$ 27,071</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from finance leases	\$ 263	\$ 531
Operating cash flows from operating leases	12,264	24,539
Financing cash flows from finance leases	384	763
Weighted-Average Remaining Lease Term (in Years)		
Finance leases	8.0	
Operating leases	7.3	
Weighted-Average Discount Rate		
Finance leases	5.6 %	
Operating leases	6.0 %	
	Three Months Ended December 31, 2022	Six Months Ended December 31, 2022
Finance lease cost		
Amortization of right-of-use assets	\$ 417	\$ 833
Interest on lease liabilities	284	572
Total finance lease cost	701	1,405
Operating lease cost	13,045	26,311
Total lease cost	<u>\$ 13,746</u>	<u>\$ 27,716</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from finance leases	\$ 284	\$ 572
Operating cash flows from operating leases	12,354	25,052
Financing cash flows from finance leases	346	688

Note 10. Equity and Redeemable Preferred Stock

As of December 31, 2023, the Company's amended and restated articles of incorporation authorize our board of directors, without the approval of our shareholders, to issue 5 million shares of our preferred stock. As of December 31, 2023, 2.3 million shares of mandatory preferred convertible shares have been authorized, none are outstanding; 75,000 shares of Series B-1

convertible preferred stock, no par value, have been issued and are outstanding; and 140,000 shares of Series B-2 convertible preferred stock, no par value, have been issued and are outstanding.

Mandatory Convertible Preferred Stock

In July 2020, the Company issued 2.3 million shares of Mandatory Convertible Preferred Stock.

All outstanding shares of Mandatory Convertible Preferred Stock were converted to 10,240,290 shares of Company Common Stock on July 3, 2023, at a conversion ratio of 4.4523, and no shares of Mandatory Convertible Preferred Stock are currently issued and outstanding.

Preferred dividends are presented as a reduction to retained earnings on the Condensed Consolidated Balance Sheets.

The following table presents dividends per share and dividends recognized:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Dividends per share	\$ —	\$ 3.00	\$ —	\$ 6.00
Mandatory Convertible Preferred Stock dividends (\$000)	—	6,900	—	13,800

Series B-1 Convertible Preferred Stock

In March 2021, the Company issued 75,000 shares of Series B-1 Convertible Preferred Stock, no par value per share ("Series B-1 Preferred Stock"), for \$ 10,000 per share, resulting in an aggregate purchase price of \$ 750 million.

The shares of Series B-1 Preferred Stock are convertible into shares of Coherent Common Stock as follows:

- at the election of the holder, at an initial conversion price of \$ 85 per share (as it may be adjusted from time to time, the "Conversion Price") upon the delivery by Coherent to the holders of the Series B-1 Preferred Stock of an offer to repurchase the Series B-1 Preferred Stock upon the occurrence of a Fundamental Change (as defined in the Statement with Respect to Shares establishing the Series B Preferred Stock as defined below); and
- at the election of the Company, any time following March 31, 2024, at the then-applicable Conversion Price if the volume-weighted average price of Coherent Common Stock exceeds 150 % of the then-applicable Conversion Price for 20 trading days out of any 30 consecutive trading days.

The issued shares of Series B-1 Preferred Stock currently have voting rights, voting as one class with the Coherent Common Stock and the Series B-2 Preferred Stock (as defined below), on an as-converted basis, subject to limited exceptions.

On or at any time after March 31, 2031:

- each holder has the right to require the Company to redeem all of their Coherent Series B-1 Preferred Stock, for cash, at a redemption price per share equal to the sum of the Stated Value (as defined in the Statement with Respect to Shares establishing the Series B Preferred Stock) for such shares plus an amount equal to all accrued or declared and unpaid dividends on such shares that had not previously been added to the Stated Value (such price the "Redemption Price," and such right the "Put Right"); and
- the Company has the right to redeem, in whole or in part, on a pro rata basis from all holders based on the aggregate number of shares of Series B-1 Preferred Stock outstanding, for cash, at the Redemption Price.

In connection with any Fundamental Change (as defined in the Statement with Respect to Shares establishing the Series B Preferred Stock), and subject to the procedures set forth in the Statement with Respect to Shares establishing the Series B Preferred Stock, the Company must, or will cause the survivor of a Fundamental Change to, make an offer to repurchase, at the option and election of the holder thereof, each share of Series B-1 Preferred Stock then-outstanding at a purchase price per share in cash equal to (i) the Stated Value for such shares plus an amount equal to all accrued or declared and unpaid dividends on such shares that had not previously been added to the Stated Value as of the date of repurchase plus (ii) if prior to March 31, 2026, the aggregate amount of all dividends that would have been paid (subject to certain exceptions), from the date of repurchase through March 31, 2026.

If the Company defaults on a payment obligation with respect to the Series B-1 Preferred Stock and such default is not cured within 30 days, the dividend rate will increase to 8 % per annum and will be increased by an additional 2 % per annum each quarter the Company remains in default, not to exceed 14 % per annum.

The Series B-1 Preferred Stock is redeemable for cash outside of the control of the Company upon the exercise of the Put Right, and upon a Fundamental Change, and is therefore classified as mezzanine equity.

The Series B-1 Preferred Stock is initially measured at fair value less issuance costs, accreted to its redemption value over a 10 -year period (using the effective interest method) with such accretion accounted for as deemed dividends and reductions to Net Earnings (Loss) Available to Common Shareholders.

Series B-2 Convertible Preferred Stock

On July 1, 2022, the Company issued 140,000 shares of Series B-2 Convertible Preferred Stock, no par value per share ("Series B-2 Preferred Stock" and, together with the Series B-1 Preferred Stock, the "Series B Preferred Stock"), for \$ 10,000 per share and an aggregate purchase price of \$ 1.4 billion.

The shares of Series B-2 Preferred Stock are convertible into shares of Coherent Common Stock as follows:

- at the election of the holder the Conversion Price upon the delivery by Coherent to the holders of the Series B-2 Preferred Stock of an offer to repurchase the Coherent Series B-2 Convertible Preferred Stock upon the occurrence of a Fundamental Change (as defined in the Statement with Respect to Shares establishing the Series B Preferred Stock); and
- at the election of the Company, any time following July 1, 2025 at the then-applicable Conversion Price if the volume-weighted average price of Coherent Common Stock exceeds 150 % of the then-applicable Conversion Price for 20 trading days out of any 30 consecutive trading days.

The issued shares of Series B-2 Convertible Preferred Stock currently have voting rights, voting as one class with the Coherent Common Stock and the Series B-1 Preferred Stock, on an as-converted basis, subject to limited exceptions.

On or at any time after July 1, 2032:

- each holder has the right to require the Company to redeem all of their Series B-2 Preferred Stock, for cash, at a redemption price per share equal to the sum of the Stated Value for such shares (as defined in the Statement with Respect to Shares establishing the Series B Preferred Stock) plus an amount equal to all accrued or declared and unpaid dividends on such shares that had not previously been added to the Stated Value (such price the "Redemption Price," and such right the "Put Right"); and
- the Company has the right to redeem, in whole or in part, on a pro rata basis from all holders based on the aggregate number of shares of Series B-2 Preferred Stock outstanding, for cash, at the Redemption Price.

In connection with any Fundamental Change, and subject to the procedures set forth in the Statement with Respect to Shares establishing the Series B Preferred Stock, the Company must, or will cause the survivor of a Fundamental Change to, make an offer to repurchase, at the option and election of the holder thereof, each share of Series B-2 Preferred Stock then-outstanding at a purchase price per share in cash equal to (i) the Stated Value for such shares plus an amount equal to all accrued or declared and unpaid dividends on such shares that had not previously been added to the Stated Value as of the date of repurchase plus (ii) if prior to July 1, 2027, the aggregate amount of all dividends that would have been paid (subject to certain exceptions), from the date of repurchase through July 1, 2027.

If the Company defaults on a payment obligation with respect to the Series B-2 Preferred Stock and such default is not cured within 30 days, the dividend rate will increase to 8 % per annum and will be increased by an additional 2 % per annum each quarter the Company remains in default, not to exceed 14 % per annum.

The Series B-2 Preferred Stock is redeemable for cash outside of the control of the Company upon the exercise of the Put Right, and upon a Fundamental Change, and is therefore classified as mezzanine equity.

The Series B-2 Preferred Stock is initially measured at fair value less issuance costs, accreted to its redemption value over a 10-year period (using the effective interest method) with such accretion accounted for as deemed dividends and reductions to Net Earnings (Loss) Available to Common Shareholders.

Preferred stock dividends are presented as a reduction to retained earnings on the Condensed Consolidated Balance Sheets.

The following table presents dividends per share and dividends recognized:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Dividends per share	\$ 142	\$ 135	\$ 283	\$ 268
Dividends (\$000)	29,235	27,821	58,109	55,298
Deemed dividends (\$000)	1,345	1,168	2,644	2,368

Note 11. Noncontrolling Interests

On December 4, 2023, Silicon Carbide LLC ("Silicon Carbide"), one of the Company's subsidiaries, completed (i) the sale of 16,666,667 Class A Common Units to Denso Corporation ("Denso") for \$ 500,000,000 pursuant to an Investment Agreement, dated as of October 10, 2023, by and between Silicon Carbide and Denso and (ii) the sale of 16,666,667 Class A Common Units to Mitsubishi Electric Corporation ("MELCO") for \$ 500,000,000 pursuant to an Investment Agreement, dated as of October 10, 2023, by and between Silicon Carbide and MELCO (collectively, the "Equity Investments").

As a consequence of the Equity Investments, the Company's ownership interest in the Class A Common Units of Silicon Carbide LLC was reduced to approximately 75 %. Denso and MELCO each, individually, own approximately 12.5 % of the Class A Common Units of Silicon Carbide LLC.

The Equity Investments in Silicon Carbide will enable Coherent to increase its available free cash flow to provide greater financial and operational flexibility to execute its capital allocation priorities, as the aggregate \$ 1 billion investment, net of transaction costs, will be used to fund future capital expansion of Silicon Carbide.

The following table presents the activity in noncontrolling interests in the Company's Silicon Carbide subsidiary, as discussed above (\$000s).

	Six Months Ended December 31,	
	2023	2022
Beginning balance	\$ —	\$ —
Sale of shares to noncontrolling interests	373,573	—
Share of foreign currency translation adjustments	1,065	—
Net loss	(1,484)	—
Ending balance	\$ 373,154	\$ —

Note 12. Earnings (Loss) Per Share

Basic earnings (loss) per common share is computed by dividing net earnings (loss) available to common shareholders by the weighted-average number of shares of common stock outstanding during the period.

Diluted earnings (loss) per common share is computed by dividing the diluted earnings (loss) available to common shareholders by the weighted-average number of shares of common stock and potentially dilutive shares of common stock outstanding during the period. For the three and six months ended December 31, 2023 and December 31, 2022, as the Company was in a net loss position, there were no dilutive shares.

Potentially dilutive shares whose effect would have been anti-dilutive are excluded from the computation of diluted earnings (loss) per common share. For the three and six months ended December 31, 2023, diluted earnings (loss) per share excluded the potentially dilutive effect of the performance and restricted shares, calculated based on the average stock price for each fiscal period, using the treasury stock method, as well as the shares of Coherent Common Stock issuable upon conversion of the Series B Convertible Preferred Stock (under the If-Converted method), as their effects were anti-dilutive.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings (loss) per share computations (000, except per share data):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Numerator				
Net loss attributable to Coherent Corp.	\$ (26,991)	\$ (45,072)	\$ (94,525)	\$ (83,770)
Deduct Series A preferred stock dividends	—	(6,900)	—	(13,800)
Deduct Series B dividends and deemed dividends	(30,580)	(28,989)	(60,753)	(57,666)
Basic loss available to common shareholders	\$ (57,571)	\$ (80,961)	\$ (155,278)	\$ (155,236)
Diluted loss available to common shareholders	\$ (57,571)	\$ (80,961)	\$ (155,278)	\$ (155,236)
Denominator				
Diluted weighted average common shares	151,564	138,623	150,946	135,951
Basic loss per common share	\$ (0.38)	\$ (0.58)	\$ (1.03)	\$ (1.14)
Diluted loss per common share	\$ (0.38)	\$ (0.58)	\$ (1.03)	\$ (1.14)

The following table presents potential shares of common stock excluded from the calculation of diluted net earnings (loss) per share, as their effect would have been anti-dilutive (000):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Common stock equivalents	1,956	2,827	2,146	2,295
Convertible Notes	—	—	—	2,237
Series A Mandatory Convertible Preferred Stock	—	10,697	—	10,149
Series B Convertible Preferred Stock	27,516	26,184	27,346	26,022
Total anti-dilutive shares	29,472	39,708	29,492	40,703

Note 13. Segment Reporting

The Company reports its business segments using the "management approach" model for segment reporting. This means that we determine our reportable business segments based on the way the chief operating decision-maker organizes business segments within the Company for making operating decisions and assessing financial performance.

We report our financial results in the following three segments: (i) Networking, (ii) Materials, and (iii) Lasers. Our chief operating decision maker receives and reviews financial information based on these three segments. We evaluate business segment performance based upon segment operating income, which is defined as earnings before income taxes, interest and other income or expense. The segments are managed separately due to the market, production requirements and facilities unique to each segment.

The accounting policies are consistent across each segment. To the extent possible, our corporate expenses and assets are allocated to the segments.

The following tables summarize selected financial information of our operations by segment (\$000):

Three Months Ended December 31, 2023					
	Networking	Materials	Lasers	Unallocated & Other	Total
Revenues	\$ 524,235	\$ 253,678	\$ 353,521	\$ —	\$ 1,131,434
Inter-segment revenues	9,979	96,042	1,205	(107,226)	—
Operating income (loss)	47,488	9,771	(25,374)	—	31,885
Interest expense	—	—	—	—	(74,678)
Other income (expense), net	—	—	—	—	5,386
Income tax benefit	—	—	—	—	8,932
Net loss	—	—	—	—	(28,475)
Net loss attributable to Coherent Corp.	—	—	—	—	(26,991)
Depreciation and amortization	40,771	25,410	71,838	—	138,019
Expenditures for property, plant & equipment	36,374	54,511	585	—	91,470
Segment assets	3,383,786	3,085,302	8,193,792	—	14,662,880
Goodwill	1,036,900	249,290	3,279,820	—	4,566,010

Three Months Ended December 31, 2022					
	Networking	Materials	Lasers	Unallocated & Other	Total
Revenues	\$ 608,680	\$ 382,396	\$ 379,209	\$ —	\$ 1,370,285
Inter-segment revenues	17,630	85,844	917	(104,391)	—
Operating income (loss)	90,039	81,472	(163,265)	—	8,246
Interest expense	—	—	—	—	(70,904)
Other income (expense), net	—	—	—	—	(3,696)
Income tax benefit	—	—	—	—	21,282
Net loss	—	—	—	—	(45,072)
Depreciation and amortization	40,241	28,035	101,633	—	169,909
Expenditures for property, plant & equipment	30,383	61,474	15,007	—	106,864

Six Months Ended December 31, 2023

	Networking	Materials	Lasers	Unallocated & Other	Total
Revenues	\$ 997,084	\$ 498,318	\$ 689,115	\$ —	\$ 2,184,517
Inter-segment revenues	22,866	183,784	1,844	(208,494)	—
Operating income (loss)	63,805	16,953	(70,181)	—	10,577
Interest expense	—	—	—	—	(147,936)
Other income (expense), net	—	—	—	—	11,655
Income tax benefit	—	—	—	—	29,695
Net loss	—	—	—	—	(96,009)
Net loss attributable to Coherent Corp.	—	—	—	—	(94,525)
Depreciation and amortization	81,207	50,697	144,474	—	276,378
Expenditures for property, plant & equipment	53,867	95,023	4,777	—	153,667

Six Months Ended December 31, 2022

	Networking	Materials	Lasers	Unallocated & Other	Total
Revenues	\$ 1,205,228	\$ 738,040	\$ 771,587	\$ —	\$ 2,714,855
Inter-segment revenues	36,370	180,898	1,083	(218,351)	—
Operating income (loss)	181,021	156,807	(287,106)	—	50,722
Interest expense	—	—	—	—	(132,793)
Other income (expense), net	—	—	—	—	(35,301)
Income taxes	—	—	—	—	33,602
Net earnings	—	—	—	—	(83,770)
Depreciation and amortization	83,015	54,562	179,618	—	317,195
Expenditures for property, plant & equipment	74,213	136,372	35,269	—	245,854

Note 14. Share-Based Compensation
Stock Award Plans

The Company's Board of Directors amended the Coherent Corp. 2018 Omnibus Incentive Plan, which originally was approved by the Company's shareholders at the Annual Meeting in November 2018, as the Coherent Corp. Omnibus Incentive Plan (as amended and restated, the "Plan"). The Plan was approved at the Annual Meeting in November 2023. The Plan provides for the grant of stock options, stock appreciation rights, restricted shares, restricted share units, deferred shares, performance shares and performance share units to employees, officers and directors of the Company. The maximum number of shares of Coherent Common Stock authorized for issuance under the Plan is limited to 13,450,000 shares of Coherent Common Stock, not including any remaining shares forfeited under the predecessor plans that may be rolled into the Plan. Certain awards under the Plan have certain vesting provisions predicated upon the death, retirement or disability of the grantee.

On the Closing Date, the Company assumed the Coherent, Inc. Equity Incentive Plan ("Legacy Coherent Plan") and the Legacy Coherent unvested restricted stock units ("Converted RSUs") that are generally subject to the same terms and conditions that applied to the Converted RSUs immediately prior to the Closing Date. After the Closing Date, the Company granted restricted stock units under the Legacy Coherent Plan through August 28, 2023. No additional awards will be granted under the Coherent Legacy Plan.

The Company has an Employee Stock Purchase Plan whereby eligible employees may authorize payroll deductions of up to 10 %, or such other percentage up to 15 % that the Company determines, of their regular base salary to purchase shares at the lower of 85 % of the fair market value of the common stock on the date of commencement of the offering or on the last day of the six-month offering period.

Share-based compensation expense for the periods indicated was as follows (\$000):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Stock Options and Cash-Based Stock Appreciation Rights	\$ 803	\$ 601	\$ (254)	\$ 160
Restricted Share Awards and Cash-Based Restricted Share Unit Awards	20,923	28,818	51,988	73,470
Performance Share Awards and Cash-Based Performance Share Unit Awards	2,985	3,242	13,830	10,331
Employee Stock Purchase Plan	2,541	2,256	6,212	4,159
	<u>\$ 27,252</u>	<u>\$ 34,917</u>	<u>\$ 71,776</u>	<u>\$ 88,120</u>

Note 15. Fair Value of Financial Instruments

The FASB defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous markets for the asset and liability in an orderly transaction between market participants at the measurement date. We estimate fair value of our financial instruments utilizing an established three-level hierarchy in accordance with U.S. GAAP. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date as follows:

- Level 1 – Valuation is based upon unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurements.

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement.

We entered into an interest rate swap with a notional amount of \$ 1,075 million to limit the exposure to our variable interest rate debt by effectively converting it to a fixed interest rate. Through February 28, 2023, we received payments based on the one-month LIBOR and made payments based on a fixed rate of 1.52 %. We received payments with a floor of 0.00 %. The interest rate swap agreement had an effective date of November 24, 2019, with an expiration date of September 24, 2024. The initial notional amount of the interest rate swap decreased to \$ 825 million in June 2022, and will remain at that amount through the expiration date. On March 20, 2023, we amended our \$ 825 million interest rate swap ("Amended Swap"), effective as of February 28, 2023, to replace the current reference rate (LIBOR) with SOFR, to be consistent with Amendment No. 1 to the Credit Agreement. See Note 7. Debt for further information. Under the Amended Swap, we receive payments based on the one-month SOFR and make payments based on a fixed rate of 1.42 %. We receive payments with a floor of 0.10 %. We designated this instrument as a cash flow hedge, and deemed the hedge relationship effective at inception of the contract and the amended contract.

The fair value of the interest rate swap of \$ 21 million and \$ 37 million is recognized in the Condensed Consolidated Balance Sheet within prepaid and other current assets as of December 31, 2023 and June 30, 2023, respectively. Changes in fair value are recorded within accumulated other comprehensive income (loss) on the Condensed Consolidated Balance Sheets and reclassified into the Condensed Consolidated Statements of Earnings (Loss) as interest expense in the period in which the underlying transaction affects earnings. Cash flows from hedging activities are reported in the Condensed Consolidated Statements of Cash Flows in the same classification as the hedged item, generally as a component of cash flows from operations. The fair value of the interest rate swap is determined using widely accepted valuation techniques and reflects the contractual terms of the interest rate swap including the period to maturity, and while there are no quoted prices in active markets, it uses observable market-based inputs, including interest rate curves. The fair value analysis also considers a credit valuation adjustment to reflect nonperformance risk of both the Company and the single counterparty. The interest rate swap is classified as a Level 2 item within the fair value hierarchy.

On February 23, 2022, we entered into an interest rate cap (the “Cap”) with an effective date of July 1, 2023. On March 20, 2023, we amended the Cap to replace the current reference rate (LIBOR) with SOFR, to be consistent with Amendment No. 1 to the Credit Agreement. See Note 7. Debt for further information. The Cap manages our exposure to interest rate movements on a portion of our floating rate debt. The Cap provides us with the right to receive payment if one-month SOFR exceeds 1.92 %. Beginning in July 2023, we began to pay a fixed monthly premium based on an annual rate of 0.853 % for the Cap. The Cap will carry a notional amount ranging from \$ 500 million to \$ 1,500 million. The fair value of the interest rate cap of \$ 32 million and \$ 46 million is recognized in the Condensed Consolidated Balance Sheet within prepaid and other current assets and other assets as of December 31, 2023 and June 30, 2023, respectively.

The Cap, as amended, is designed to mirror the terms of the Credit Agreement as amended on March 31, 2023. We designated the Cap as a cash flow hedge of the variability of the SOFR based interest payments on the Term Facilities. Every period over the life of the hedging relationship, the entire change in fair value related to the hedging instrument will first be recorded within accumulated other comprehensive income (loss). Amounts accumulated in accumulated other comprehensive income (loss) are reclassified into interest expense in the same period or periods in which interest expense is recognized on the Credit Agreement, or its direct replacement. The fair value of the Cap is determined using widely accepted valuation techniques and reflects the contractual terms of the Cap including the period to maturity, and while there are no quoted prices in active markets, it uses observable market-based inputs, including interest rate curves. The fair value analysis also considers a credit valuation adjustment to reflect nonperformance risk of both the Company and the single counterparty. The Cap is classified as a Level 2 item within the fair value hierarchy.

We estimated the fair value of the Senior Notes based on quoted market prices as of the last trading day prior to December 31, 2023; however, the Senior Notes have only a limited trading volume and as such this fair value estimate is not necessarily the value at which the Senior Notes could be retired or transferred. We concluded that this fair value measurement should be categorized within Level 2. The carrying value of the Senior Notes is net of unamortized discount and issuance costs. See Note 7. Debt for details on our debt facilities.

The fair value and carrying value of the Senior Notes were as follows (\$000):

	December 31, 2023		June 30, 2023	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Senior Notes	\$ 941,292	\$ 983,593	\$ 895,950	\$ 983,137

Our borrowings, including our lease obligations and the Senior Notes, are considered Level 2 among the fair value hierarchy and their principal amounts approximate fair value.

Cash and cash equivalents are considered Level 1 among the fair value hierarchy and approximate fair value.

At December 31, 2023, total restricted cash of \$ 964 million includes \$ 959 million of cash in Silicon Carbide LLC that is restricted for use only by that subsidiary and \$ 5 million of cash restricted for other purposes in other entities. At June 30, 2023, total restricted cash of \$ 16 million consisted of cash restricted for other purposes in other entities. The restricted cash is invested in money market accounts and time deposits, with maturities of one year or less, that are held-to-maturity, are considered Level 1 among the fair value hierarchy and approximate fair value. Restricted cash that is expected to be spent and released from restriction after 12 months is classified as non-current on the Condensed Consolidated Balance Sheets.

We, from time to time, purchase foreign currency forward exchange contracts that permit us to sell specified amounts of these foreign currencies for pre-established U.S. dollar amounts at specified dates that represent assets or liabilities on the balance sheets of certain subsidiaries. These contracts are entered into for the purpose of limiting translational exposure to changes in currency exchange rates and which otherwise would expose our earnings, on the revaluation of our aggregate net assets or liabilities in respective currencies, to foreign currency risk. At December 31, 2023, we had foreign currency forward contracts recorded at fair value. The fair values of these instruments were measured using valuations based upon quoted prices for similar assets and liabilities in active markets (Level 2) and are valued by reference to similar financial instruments, adjusted for credit risk and restrictions and other terms specific to the contracts. Realized gains related to these contracts for the three and six months ended December 31, 2023 were \$ 14 million and \$ 3 million, respectively, and the three and six months ended December 31, 2022 were \$ 28 million and \$ 5 million, respectively, and were included in other expense (income), net in the Condensed Consolidated Statements of Earnings (Loss).

Note 16. Share Repurchase Programs

In August 2014, the Company's Board of Directors authorized the Company to purchase up to \$ 50 million of its common stock through a share repurchase program (the "Program") that calls for shares to be purchased in the open market or in private transactions from time to time. The Program has no expiration and may be suspended or discontinued at any time. Shares purchased by the Company are retained as treasury stock and available for general corporate purposes. We did not repurchase any shares pursuant to this Program during the quarter ended December 31, 2023. As of December 31, 2023, we have cumulatively purchased 1,416,587 shares of Coherent common stock pursuant to the Program for approximately \$ 22 million.

Note 17. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income (loss) ("AOCI") by component, net of tax, for the six months ended December 31, 2023 were as follows (\$000):

	Foreign Currency Translation Adjustment	Interest Rate Swap	Interest Rate Cap	Defined Benefit Pension Plan	Total Accumulated Other Comprehensive Income (Loss)
AOCI - June 30, 2023	\$ 53,355	\$ 19,484	\$ 36,628	\$ 259	\$ 109,726
Other comprehensive income (loss) before reclassifications	117,820	3,443	(5,451)	348	116,160
Amounts reclassified from AOCI	—	(16,118)	(6,265)	—	(22,383)
Net current-period other comprehensive income (loss)	117,820	(12,675)	(11,716)	348	93,777
Reclass related to sale of shares to noncontrolling interests	2,871	—	—	—	2,871
AOCI - December 31, 2023	<u>\$ 174,046</u>	<u>\$ 6,809</u>	<u>\$ 24,912</u>	<u>\$ 607</u>	<u>\$ 206,374</u>

Note 18. Restructuring and Synergy and Site Consolidation Plans**Restructuring Plan**

On May 23, 2023, the Board of Directors approved the Company's May 2023 Restructuring Plan which includes site consolidations, facilities moves and closures, as well as the relocation and requalification of certain manufacturing facilities. These restructuring actions are expected to be accompanied by other cost reductions, and are intended to realign our cost structure as part of a transformation to a simpler, more streamlined, resilient and sustainable business model. We evaluate restructuring charges in accordance with ASC 420, Exit or Disposal Cost Obligations (ASC 420), and ASC 712, Compensation-Nonretirement Post-Employment Benefits (ASC 712).

In the three months ended December 31, 2023, these activities resulted in \$ 2 million of net recoveries primarily for adjustments to employee termination costs partially offset by acceleration of depreciation and site move costs. In the six months ended December 31, 2023, these activities resulted in \$ 1 million of charges primarily for employee termination costs as well as site move costs, write-off of property and equipment and acceleration of depreciation. In fiscal 2023, these activities resulted in \$ 119 million of charges primarily for employee termination costs and the write-off of property and equipment, net of \$ 65 million from reimbursement arrangements. We expect the restructuring actions to be substantially completed by the end of fiscal 2025. However, the actual timing and costs associated with these restructuring actions may differ from our current expectations and estimates and such differences may be material.

The following table presents our current and non-current liability as accrued for restructuring charges on our Condensed Consolidated Balance Sheets. The table sets forth an analysis of the components of the restructuring charges and payments and other deductions made against the accrual for the first two quarters in fiscal 2024 (\$000):

	Severance	Asset Write-Offs	Other	Total Accrual
Balance - June 30, 2023	\$ 64,379	\$ —	\$ —	\$ 64,379
Restructuring charges	2,050	269	699	3,018
Payments	(7,930)	—	—	(7,930)
Asset write-offs and other	—	(269)	(699)	(968)
Balance - September 30, 2023	58,499	—	—	58,499
Restructuring charges (recoveries)	(4,848)	54	3,224	(1,570)

Payments	(2,103)	—	—	(2,103)
Asset write-offs and other	—	(54)	(3,224)	(3,278)
Balance - December 31, 2023	\$ 51,548	\$ —	\$ —	\$ 51,548

At December 31, 2023, \$ 13 million and \$ 38 million of accrued severance related costs were included in other accrued liabilities and other liabilities, respectively, and are expected to result in cash expenditures through fiscal 2028. The current year severance related costs are primarily comprised of severance pay for employees being terminated due to the consolidation of certain manufacturing sites, with severance recorded in accordance with ASC 712. At December 31, 2023, a \$ 20 million receivable under a reimbursement arrangement is recorded in prepaid and other current assets.

By segment, for the three and six months ended December 31, 2023, \$ 2 million and \$ 7 million, respectively, of restructuring costs were incurred in the Materials segment, partially offset by \$ 3 million and \$ 5 million, respectively, of restructuring recoveries in the Networking segment. Restructuring charges and recoveries are recorded in Restructuring Charges in our Condensed Consolidated Statements of Earnings (Loss).

Synergy and Site Consolidation Plan

On May 20, 2023, the Company announced that it has accelerated some of the actions planned as part of its multi-year synergy and site consolidation efforts following the acquisition of Coherent, Inc., including site consolidations and relocations to lower cost sites. These relocations and other actions are expected to result in the Company achieving its previously announced \$250 million synergy plan, which includes savings from supply chain management, internal supply of enabling materials and components, operational efficiencies in all functions due to scale, global functional model efficiencies and consolidation of corporate costs. We evaluate severance and other site consolidation costs in accordance with ASC 420 and ASC 712. In the three and six months ended December 31, 2023, the acceleration of these activities resulted in \$ 9 million and \$ 16 million, respectively, of charges primarily for overlapping labor related to transition of manufacturing operations to other sites, shut down costs, accelerated depreciation, and employee termination costs. In fiscal 2023, the acceleration of these activities resulted in \$ 20 million of charges primarily for employee termination costs, the write-off of inventory for products that are being exited and shut down costs.

At December 31, 2023, \$ 6 million and \$ 5 million of accrued severance related costs were included in other accrued liabilities and other liabilities, respectively, and are expected to result in cash expenditures through fiscal 2025. The current year severance related costs are primarily comprised of severance pay for employees being terminated due to the exit or consolidation of certain manufacturing sites.

For the three and six months ended December 31, 2023, the \$ 9 million and \$ 16 million, respectively, of synergy and site consolidation costs were incurred in the Lasers segment. Costs related to the synergy and site consolidation efforts are recorded in cost of goods sold (\$ 7 million and \$ 13 million) and IR&D (\$ 2 million and \$ 3 million) in three and six months ended December 31, 2023, respectively, in our Condensed Consolidated Statements of Earnings (Loss).

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to provide a reader of Coherent's financial statements with a narrative from the perspective of management. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and related notes included under Item 1 of this quarterly report. Coherent's MD&A is presented in seven sections:

- Forward-Looking Statements
- Overview
- Restructuring and Site Consolidation
- Silicon Carbide Investment
- Critical Accounting Estimates
- Results of Operations
- Liquidity and Capital Resources

Forward-looking statements in Item 2 may involve risks and uncertainties that could cause results to differ materially from those projected (refer to Part II Item 1A for discussion of these risks and uncertainties).

Forward-Looking Statements

Certain statements contained in the MD&A are forward-looking statements as defined by Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding projected growth rates, markets, product development, financial position, capital expenditures and foreign currency exposure. Forward-looking statements are also identified by words such as "expects," "anticipates," "intends," "believes," "plans," "projects" or similar expressions.

Although our management considers the expectations and assumptions on which the forward-looking statements in this Quarterly Report on Form 10-Q are based to have a reasonable basis, there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and global economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to: (i) the failure of any one or more of the expectations or assumptions on which such forward-looking statements are based to prove to be correct; and (ii) the risks relating to forward-looking statements and other "Risk Factors" discussed in Item 1A in this Quarterly Report on Form 10-Q, the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 and in the Company's other reports filed with the Securities and Exchange Commission. The Company disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events or developments, or otherwise.

In addition, we operate in a highly competitive and rapidly changing environment; new risk factors can arise, and it is not possible for management to anticipate all such risk factors, or to assess the impact of all such risk factors on our business or the extent to which any individual risk factor, or combination of risk factors, may cause results to differ materially from those contained in any forward-looking statement. The forward-looking statements included in this Quarterly Report on Form 10-Q are based only on information currently available to us and speak only as of the date of this Report. We do not assume any obligation, and do not intend, to update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required by the securities laws. Investors should, however, consult any further disclosures of a forward-looking nature that the Company may make in its subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, or other disclosures filed with or furnished to the SEC.

Investors should also be aware that, while the Company does communicate with securities analysts from time to time, such communications are conducted in accordance with applicable securities laws. Investors should not assume that the Company agrees with any statement, conclusion of any analysis, or report issued by any analyst irrespective of the content of the statement or report.

Overview

Coherent Corp. ("Coherent", the "Company," "we," "us" or "our"), a global leader in materials, networking and lasers, is a vertically integrated manufacturing company that develops, manufactures and markets engineered materials, optoelectronic components and devices, and lasers for use in the industrial, communications, electronics, and instrumentation markets. Headquartered in Saxonburg, Pennsylvania, Coherent has research and development, manufacturing, sales, service, and distribution facilities worldwide. Coherent produces a wide variety of lasers, along with application-specific photonic and electronic materials and components, and deploys them in various forms, including integrated with advanced software to enable its customers.

We generate almost all of our revenues, earnings and cash flows from developing, manufacturing and marketing a broad portfolio of products and services for our end markets. We also generate revenue, earnings and cash flows from externally-funded research and development contracts relating to the development and manufacture of new technologies, materials and products.

Our customer base includes original equipment manufacturers; laser end-users; system integrators of high-power lasers; manufacturers of equipment and devices for industrial, optical communications, electronics, and instrumentation markets.

As we grow, we are focused on scaling our Company and deriving the continued benefits of vertical integration as we strive to be a best-in-class player in all of our highly competitive markets. We may elect to change the way in which we operate or are organized in the future to enable the most efficient implementation of our strategy.

Restructuring and Site Consolidation

Restructuring Plan

On May 23, 2023, the Board of Directors approved the Company's May 2023 Restructuring Plan which includes site consolidations, facilities moves and closures, as well as the relocation and requalification of certain manufacturing facilities. These restructuring actions are expected to be accompanied by other cost reductions and are intended to realign our cost structure as part of a transformation to a simpler, more streamlined, resilient and sustainable business model. In the three and six months ended December 31, 2023, these activities resulted in a net recovery of \$2 million and charges of \$1 million, respectively, primarily for employee termination costs and accelerated depreciation. In fiscal 2023, these activities resulted in \$119 million of charges primarily for employee termination costs and the write-off of property and equipment, net of \$65 million from reimbursement arrangements. We expect the restructuring actions to be substantially completed by the end of fiscal 2025. However, the actual timing and costs associated with these restructuring actions may differ from our current expectations and estimates and such differences may be material. See Note 18. Restructuring and Synergy and Site Consolidation Plan to the Company's Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q for further information.

Synergy and Site Consolidation Plan

On May 20, 2023, the Company announced that it has accelerated some of the actions planned as part of its multi-year synergy and site consolidation efforts following the acquisition of Coherent, Inc., including site consolidations and relocations to lower cost sites. These relocations and other actions are expected to result in the Company achieving its previously announced \$250 million synergy plan, which includes savings from supply chain management, internal supply of enabling materials and components, operational efficiencies in all functions due to scale, global functional model efficiencies and consolidation of corporate costs. In the three and six months ended December 31, 2023, the acceleration of these activities resulted in \$9 million and \$16 million, respectively, of charges primarily for employee termination, overlapping labor related to transition of manufacturing operations to other sites, shut down costs and accelerated depreciation. In fiscal 2023, the acceleration of these activities resulted in \$9 million of charges primarily for employee termination costs, the write-off of inventory for products that are being exited and shut down costs. See Note 18. Restructuring and Synergy and Site Consolidation Plan to the Company's Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information.

Silicon Carbide Investment

On May 10, 2023, the Company announced that it has commenced a review of strategic alternatives for its Silicon Carbide business. On December 4, 2023, Silicon Carbide LLC ("Silicon Carbide"), one of the Company's subsidiaries, completed the sale of Class A Common Units to Denso Corporation ("Denso") and Mitsubishi Electric Corporation ("MELCO"), under which they collectively invested an aggregate of \$1 billion in Silicon Carbide LLC (collectively, the "Equity Investments"). As a consequence of the Equity Investments, the Company's ownership interest in the Class A Common Units of Silicon Carbide LLC was reduced to approximately 75%. Denso and MELCO each, individually, own approximately 12.5% of the Class A Common Units of Silicon Carbide LLC. The Equity Investments in Silicon Carbide will enable Coherent to increase its available free cash flow to provide greater financial and operational flexibility to execute its capital allocation priorities, as the aggregate \$1 billion investment will be used to fund future capital expansion of Silicon Carbide. See Note 11. Noncontrolling Interests included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information on the noncontrolling interests in our Silicon Carbide LLC ("Silicon Carbide") subsidiary.

Critical Accounting Estimates

The preparation of financial statements and related disclosures are in conformity with accounting principles generally accepted in the United States of America and the Company's discussion and analysis of its financial condition and results of operations require the Company's management to make judgments, assumptions and estimates that affect the amounts reported in its condensed consolidated financial statements and accompanying notes.

Note 1 of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K dated August 18, 2023 describes the significant accounting policies and methods used in the preparation of the Company's consolidated financial statements.

New Accounting Standards

See Note 2. Recently Issued Financial Accounting Standards to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on our consolidated financial statements.

Results of Operations (\$ in millions, except per share data)

The following tables set forth select items from our Condensed Consolidated Statements of Earnings (Loss) for the three and six months ended December 31, 2023 and 2022 (\$ in millions):

	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
		% of Revenues			% of Revenues	
Total revenues	\$ 1,131	100 %	\$	1,370	100 %	
Cost of goods sold	781	69		959	70	
Gross margin	350	31		411	30	
Operating expenses:						
Internal research and development	111	10		129	9	
Selling, general and administrative	209	18		274	20	
Restructuring recoveries	(2)	—		—	—	
Interest and other, net	69	6		75	5	
Loss before income taxes	(37)	(3)		(66)	(5)	
Income taxes	(9)	(1)		(21)	(2)	
Net loss	(28)	(3)	\$	(45)	(3)	
Net loss attributable to noncontrolling interests	(1)	—		—	—	
Net loss attributable to Coherent Corp.	<u>\$ (27)</u>	<u>(3) %</u>	<u>\$</u>	<u>(45)</u>	<u>(3) %</u>	
Diluted loss per share	<u>\$ (0.38)</u>		<u>\$</u>	<u>(0.58)</u>		

	Six Months Ended December 31, 2023		Six Months Ended December 31, 2022	
		% of Revenues		% of Revenues
Total revenues	\$ 2,185	100 %	\$ 2,715	100 %
Cost of goods sold	1,527	70	1,860	69
Gross margin	658	30	855	31
Operating expenses:				
Internal research and development	225	10	250	9
Selling, general and administrative	421	19	554	20
Restructuring charges	1	—	—	—
Interest and other, net	136	6	168	6
Loss before income taxes	(126)	(6)	(117)	(4)
Income taxes	(30)	(1)	(34)	(1)
Net loss	(96)	(4)	(84)	(3)
Net loss attributable to noncontrolling interests	(2)	—	—	—
Net loss attributable to Coherent Corp.	\$ (95)	(3) %	\$ (84)	(3) %
Diluted loss per share	\$ (1.03)		\$ (1.14)	

Consolidated

Revenues. Revenues for the three months ended December 31, 2023 decreased 17% to \$1,131 million, compared to \$1,370 million for the same period last fiscal year. Revenues decreased in all four markets, with the largest declines of \$111 million (56%) in the electronics market, primarily in the consumer electronics vertical, and \$80 million (13%) in the communications market, primarily due to decreased demand in the telecom vertical. In addition, revenues decreased in the industrial market by \$27 million, or 6%, due to decreases in the precision manufacturing and semiconductor capital equipment vertical and by \$21 million, or 18%, in the instrumentation market due to decreases in the scientific instrumentation vertical. Materials decreased \$129 million year-over-year, primarily due to lower demand for sensing products and other consumer applications in the consumer electronics vertical within the electronics market. Networking revenues decreased \$84 million year-over-year, with decreases from the telecom vertical in our communications market. Lasers revenue for the three months ended December 31, 2023 decreased \$26 million, due to lower demand from the scientific instrumentation vertical in the instrumentation market and semiconductor and display capital equipment and precision manufacturing vertical in the industrial end market.

Revenues for the six months ended December 31, 2023 decreased 20% to \$2,185 million, compared to \$2,715 million for the same period last fiscal year. Revenues decreased in all four markets, with the largest decline, \$206 million (17%), in the communications market, primarily due to decreased demand in the telecom vertical. Electronics market revenues decreased \$202 million (53%), primarily in the consumer electronics vertical. In addition, revenues decreased in the industrial market by \$84 million, or 9%, due to decreases in precision manufacturing and semiconductor capital equipment verticals and by \$39 million, or 17%, in the instrumentation market due to decreases in the life sciences vertical. Materials decreased \$240 million year-over-year, primarily due to lower demand for sensing products and other consumer applications in the consumer electronics vertical within the electronics market. Networking revenues decreased \$208 million year-over-year, with decreases from the telecom vertical in our communications market. Lasers revenue for the six months ended December 31, 2023 decreased \$82 million, due to lower demand in the semiconductor and display capital equipment and precision manufacturing verticals in the industrial end market and the life sciences vertical in the instrumentation market.

Gross margin. Gross margin for the three months ended December 31, 2023 was \$351 million, or 31% of total revenues, compared to \$411 million, or 30% of total revenues, for the same period last fiscal year, an increase of 100 basis points. The increase as a percent of revenue for the three months ended December 31, 2023 included the favorable impact of \$112 million lower expense related to the fair value adjustment on acquired inventory from the acquisition of Coherent, Inc. ("Merger") and the unfavorable impact of \$16 million higher amortization expense related to technology acquired in the Merger. Gross margins, excluding the lower fair value adjustment on acquired inventory and higher amortization, decreased 570 basis points for the three months ended December 31, 2023 compared to the prior year period primarily due to lower revenues, higher cost product built and capitalized in prior periods being expensed, less favorable sales mix especially in the datacom vertical in the communications market, underutilized operating capacity in several plants, shut down costs related to site consolidations, higher costs related to product lines that are being exited, and the unfavorable foreign exchange rates.

Gross margin for the six months ended December 31, 2023 decreased to \$658 million, or 30% of total revenues, compared to \$855 million, or 31% of total revenues, for the same period last fiscal year, and decreased as a percent of revenue year-over-year by 140 basis points. The decrease as a percent of revenue for the six months ended December 31, 2023 included the favorable impact of \$158 million lower expense related to the fair value adjustment on acquired inventory from the Merger. Gross margins, excluding the lower fair value adjustment on acquired inventory, decreased 719 basis points for the six months ended December 31, 2023 compared to the prior year period primarily due to lower revenues, higher cost product built and capitalized in prior periods being expensed, less favorable sales mix especially in the datacom vertical in the communications market, underutilized operating capacity in several plants, shut down costs related to site consolidations, higher costs related to product lines that are being exited, and the unfavorable foreign exchange rates.

Internal research and development. Internal research and development ("IR&D") expenses for the three months ended December 31, 2023 were \$111 million, or 10% of revenues, compared to \$129 million, or 9% of revenues, for the same period last fiscal year. IR&D for the six months ended December 31, 2023 decreased 10% to \$225 million, or 10% of revenues, compared to \$250 million, or 9% of revenues, for the same period last fiscal year. The decrease for the three and six months ended December 31, 2023 was in all three segments and was driven by lower costs due to the consolidation of sites and our efforts to control costs. The IR&D expenses are primarily related to our continued investment in new products and manufacturing processes across all of our businesses, including significant investments in indium phosphide semiconductor lasers, silicon carbide materials, devices for both power electronics and wireless devices, and lasers for display processing and semiconductor capital equipment.

Selling, general and administrative. Selling, general and administrative ("SG&A") expenses for the three months ended December 31, 2023 were \$209 million, or 18% of revenues, compared to \$274 million, or 20% of revenues, for the same period last fiscal year. SG&A expenses for the six months ended December 31, 2023 were \$421 million, or 19% of revenues, compared to \$554 million, or 20% of revenues, for the same period last fiscal year. The decrease in SG&A as a percentage of revenue for the three months ended December 31, 2023 compared to the same period last fiscal year was the result of lower amortization expense of \$50 million resulting both from the Merger and lower amortization for tradenames impaired in the fourth quarter of fiscal 2023, and \$6 million lower share-based compensation as well as lower costs due to the consolidation of sites and our efforts to control costs, partially offset by the impact of lower revenues. The decrease in SG&A as a percentage of revenue for the six months ended December 31, 2023 compared to the same period last fiscal year was the result of lower amortization expense of \$43 million resulting from both the Merger and lower amortization for tradenames impaired in the fourth quarter of fiscal 2023, lower charges related to the Merger, including \$39 million lower transaction fees and financing, lower one-time expense of \$18 million related to share-based compensation resulting from the Merger, and \$12 million lower severance and integration consulting costs as well as lower costs due to the consolidation of sites and our efforts to control costs, partially offset by the impact of lower revenues.

Restructuring charges. Restructuring charges related to our Restructuring Plan for the three and six months ended December 31, 2023 were a net recovery of \$2 million and net charges of \$1 million, respectively, and consist of severance (including cumulative adjustments resulting in a current period recovery), move costs, equipment write-offs and accelerated depreciation due to the consolidation of certain manufacturing sites. See Note 18. Restructuring and Synergy and Site Consolidation Plan included in Item 1 of this Quarterly Report on Form 10-Q for further information.

Interest and other, net. Interest and other, net for the three months ended December 31, 2023 was expense of \$69 million, compared to expense of \$75 million for the same period last fiscal year, a decrease of \$6 million. Included in interest and other, net, were interest expense on borrowings, foreign currency gains and losses, amortization of debt issuance costs, equity gains and losses from unconsolidated investments, and interest income on excess cash balances. For the three months ended December 31, 2023, the decrease of \$6 million in comparison to the same period last fiscal year was driven by \$7 million incremental interest income due to increases in interest rates earned on investments as well as the increase in restricted cash balances, and lower foreign exchange losses partially offset by \$4 million incremental interest expense due to higher interest rates on our Term facilities. Interest and other, net for the six months ended December 31, 2023 was expense of \$136 million, compared to expense of \$168 million for the same period last fiscal year, a decrease of \$32 million. The decrease of \$32 million in comparison to the same period last fiscal year was driven by \$35 million incurred in the prior year related to financing of the Merger and \$10 million incremental interest income due to increases in interest rates earned on investments as well as the increase in restricted cash balances. The decreases were partially offset by \$15 million incremental interest expense due to higher interest rates on our Term facilities.

Income taxes. The Company's year-to-date effective income tax rate at December 31, 2023 was 24% compared to an effective tax rate of 29% for the same period in 2022. The variations between the Company's effective tax rate and the U.S. statutory rate of 21% were due to tax rate differentials between U.S. and foreign jurisdictions.

Net loss attributable to noncontrolling interests. Net loss attributable to noncontrolling interests for the three and six months ended December 31, 2023 was \$1 million and represents the noncontrolling interest holders' shares of losses of Silicon Carbide LLC after the close of the transaction on December 4, 2023. See Note 11. Noncontrolling Interests included in Item 1 of this Quarterly Report on Form 10-Q for further information.

Segment Reporting

Revenues and operating income for the Company's reportable segments are discussed below. Operating income differs from net earnings in that operating income excludes certain operational expenses included in other expense (income) – net as reported. Management believes operating income to be a useful measure for investors, as it reflects the results of segment performance over which management has direct control and is used by management in its evaluation of segment performance. See Note 13. Segment Reporting, to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information on the Company's reportable segments and for the reconciliation of the Company's operating income to net earnings, which is incorporated herein by reference. We report our financial results in the following three designated segments: (i) Networking, (ii) Materials, and (iii) Lasers.

Networking (\$ in millions)

	Three Months Ended December 31,		% Increase (Decrease)	Six Months Ended December 31,		% Increase (Decrease)
	2023	2022		2023	2022	
Revenues	\$ 524	\$ 609	(14)%	\$ 997	\$ 1,205	(17)%
Operating income	\$ 47	\$ 90	(47)%	\$ 64	\$ 181	(65)%

Revenues for the three months ended December 31, 2023 decreased 14% to \$524 million, compared to \$609 million for the same period last fiscal year. Revenues for the six months ended December 31, 2023 decreased 17% to \$997 million, compared to \$1,205 million for the same period last fiscal year. The decrease in revenue of \$84 million during the three months ended December 31, 2023 was primarily due to decreases in the communications market driven by decreased revenues in the telecom vertical. The decrease in revenues of \$208 million during the six months ended December 31, 2023 was primarily due to decreased revenue year-over-year in the telecom vertical within the communications market.

Operating income for the three months ended December 31, 2023 decreased 47% to \$47 million, compared to operating income of \$90 million for the same period last fiscal year. Operating income for the six months ended December 31, 2023 decreased 65% to \$64 million, compared to operating income of \$181 million for the same period last fiscal year. The decrease in operating income for the three months ended months ended December 31, 2023 was driven by \$84 million lower revenues as well as lower margin percentage. The margin percentage was lower than the three months ended months ended December 31, 2022 due to less favorable sales mix in datacom applications, the impact of fixed manufacturing costs as a percentage of revenues on lower revenues and higher costs related to products that are being exited. The decrease in operating income for the six months ended December 31, 2023 was driven by \$208 million lower revenues as well as lower margin percentage. The margin percentage was lower than the six months ended months ended December 31, 2022 due to less favorable sales mix in the datacom vertical, the impact of fixed manufacturing costs as a percentage of revenues on lower revenues and higher costs related to products that are being exited.

Materials (\$ in millions)

	Three Months Ended December 31,		% Increase (Decrease)	Six Months Ended December 31,		% Increase (Decrease)
	2023	2022		2023	2022	
Revenues	\$ 254	\$ 382	(34)%	\$ 498	\$ 738	(32)%
Operating income	\$ 10	\$ 81	(88)%	\$ 17	\$ 157	(89)%

Revenues for the three months ended December 31, 2023 decreased 34% to \$254 million, compared to revenues of \$382 million for the same period last fiscal year. Compared to the three months ended December 31, 2022, Materials decreased \$129 million year-over-year, with a decrease of \$110 million in the electronics market due to lower demand in our consumer electronics vertical, partially offset by higher demand in our automotive vertical driven by electric vehicles, as well as a decrease of \$12 million in the industrial market. Demand in the instrumentation market also decreased, but to a lesser extent. Revenues for the six months ended December 31, 2023 decreased 32% to \$498 million, compared to revenues of \$738 million for the same period last fiscal year. The decrease in revenues of \$240 million during the six months ended December 31, 2023 was primarily related to a decrease of \$198 million in the electronics market mostly due to lower demand in our consumer electronics vertical, partially offset by higher demand in our automotive vertical driven by electric vehicles, as well as decreases in demand to a lesser extent in our precision manufacturing vertical in the industrial market.

Operating income for the three months ended December 31, 2023 decreased 88% to \$10 million, compared to operating income of \$81 million for the same period last fiscal year, primarily driven by \$129 million lower revenues and lower margin percentage as well as lower IR&D and SG&A costs due to the consolidation of sites and our efforts to control costs. The margin percentage was lower than the three months ended December 31, 2022 due to the unfavorable impact of fixed manufacturing costs with lower revenues, higher cost product built and capitalized in prior periods being expensed, underutilized operating capacity in several plants and shut down costs related to site consolidations. Operating income for the six months ended December 31, 2023 decreased 89% to \$17 million, compared to \$157 million of operating income for the same period last fiscal year. The decrease in operating income for the six months ended December 31, 2023 was driven by \$240 million lower revenues and lower margin percentage. The margin percentage was lower than the six months ended December 31, 2022 due to unfavorable impact of fixed manufacturing costs with lower revenues, higher cost product built and capitalized in prior periods being expensed, underutilized operating capacity in several plants and shut down costs related to site consolidations.

Lasers (\$ in millions)

	Three Months Ended December 31,		% Increase (Decrease)	Six Months Ended December 31,		% Increase (Decrease)
	2023	2022		2023	2022	
Revenues	\$ 354	\$ 379	(7)%	\$ 689	\$ 772	(11)%
Operating income	\$ (25)	\$ (163)	84%	\$ (70)	\$ (287)	76%

Revenues for the three months ended December 31, 2023 decreased 7% to \$354 million, compared to revenues of \$379 million for the same period last fiscal year. The decrease was primarily due to a \$13 million drop in the industrial market due to lower demand in our semiconductor and display capital equipment and precision manufacturing verticals, as well as \$12 million lower shipments to the instrumentation market. Revenues for the six months ended December 31, 2023 decreased 11% to \$689 million, compared to revenues of \$772 million for the same period last fiscal year. The decrease was primarily due to a \$56 million drop in the industrial market due to lower demand in our semiconductor and display capital equipment and precision manufacturing verticals, as well as \$26 million lower shipments to the instrumentation market.

Operating loss for the three months ended December 31, 2023 decreased 84% to \$25 million, compared to an operating loss of \$163 million for the same period last fiscal year. The lower operating loss was driven by \$141 million lower costs in the current year quarter compared to the prior year quarter related to the Merger, including \$112 million lower amortization of the preliminary fair value step-up on acquired inventory and \$33 million lower amortization expense related to the fair value of intangible assets acquired partially offset by \$4 million lower integration costs. Excluding the lower Merger related costs, operating income for the three months ended December 31, 2023 decreased \$3 million primarily due to lower revenues and lower gross margin percentage due to less favorable mix within the industrial market and the unfavorable impact of fixed manufacturing costs with lower revenues. Operating loss for the six months ended December 31, 2023 decreased 76% to \$70 million, compared to an operating loss of \$287 million for the same period last fiscal year. The lower operating loss was driven by \$262 million lower costs in the current year compared to the prior year related to the Merger, including \$158 million lower amortization of the preliminary fair value step-up on acquired inventory, \$41 million lower amortization expense related to the fair value of intangible assets acquired, \$39 million lower transaction fees and financing, \$18 million lower nonrecurring share based compensation and \$6 million lower integration costs. Excluding the lower Merger related costs, operating income for the six months ended December 31, 2023 decreased \$45 million primarily due to lower revenues and lower gross margin percentage due to less favorable mix within the industrial market and the unfavorable impact of fixed manufacturing costs with lower revenues.

Liquidity and Capital Resources

Historically, our primary sources of cash have been from operations, long-term borrowings, and advance funding from customers. Other sources of cash include proceeds from the issuance of equity, proceeds received from the exercises of stock options, and sale of equity investments and businesses. Our historic uses of cash have been for business acquisitions, capital expenditures, investment in research and development, payments of principal and interest on outstanding debt obligations, payments of debt and equity issuance costs to obtain financing and payments in satisfaction of employees' minimum tax obligations. Supplemental information pertaining to our sources and uses of cash for the periods indicated is presented as follows:

Sources (uses) of cash (millions):

	Six Months Ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 266	\$ 300
Net proceeds from debt and equity issuances, including noncontrolling interest holders	968	1,358
Proceeds from exercises of stock options and purchases of stock under employee stock purchase plan	16	8
Effect of exchange rate changes on cash and cash equivalents and other items	14	17
Proceeds from long-term borrowings and revolving credit facility	—	3,715
Payments on Convertible Debt and Finisar Notes	—	(4)
Payment of dividends	—	(14)
Debt issuance costs	—	(127)
Purchases of businesses, net of cash acquired	—	(5,489)
Other items	(3)	(3)
Payments in satisfaction of employees' minimum tax obligations	(18)	(51)
Payments on existing debt	(108)	(1,130)
Additions to property, plant & equipment	(154)	(246)

Operating activities:

Net cash provided by operating activities was \$266 million for the six months ended December 31, 2023 compared to \$300 million of net cash provided by operating activities for the same period last fiscal year. The decrease in cash flows provided by operating activities during the six months ended December 31, 2023 compared to the same period last fiscal year was primarily due to higher losses net of non-cash adjustments and was partially offset by improved management of working capital accounts, in particular accounts payable and accounts receivable.

Investing activities:

Net cash used in investing activities was \$156 million for the six months ended December 31, 2023, compared to net cash used of \$5.7 billion for the same period last fiscal year. In the three months ended September 30, 2022, \$5.5 billion was used to fund the Merger. Cash used to fund capital expenditures decreased by \$92 million year-over-year.

Financing activities:

Net cash provided by financing activities was \$859 million for the six months ended December 31, 2023, compared to net cash provided by financing activities of \$3.8 billion for the same period last fiscal year. Financing inflows in the current year period included the \$1.0 billion contribution from noncontrolling interests, partially offset by payments on existing debt and equity issuance costs related to the contribution from noncontrolling interests. Cash inflow for the prior year-to-date period was from borrowings under the Term Facilities, defined below, as well the net proceeds from the issuance of Coherent's Series B-2 Convertible Preferred Stock. Financing outflows for the prior year-to-date period included payments to settle the Company's existing senior credit facilities.

New Senior Credit Facilities

On July 1, 2022, Coherent entered into a Credit Agreement by and among the Company, the lenders, and other parties thereto, and JP Morgan Chase Bank, N.A., as administrative agent and collateral agent, which provides for senior secured financing of \$4.0 billion, consisting of a term loan A credit facility (the "Term A Facility"), with an aggregate principal amount of \$850 million, a term loan B credit facility (the "Term B Facility" and, together with the Term A Facility, the "Term Facilities"), with an aggregate principal amount of \$2,800 million, and a revolving credit facility (the "Revolving Credit Facility" and, together with the Term Facilities, the "Senior Credit Facilities"), in an aggregate available amount of \$350 million, including a letter of credit sub-facility of up to \$50 million. On March 31, 2023, Coherent entered into Amendment No. 1 to the Credit Agreement, which replaced the adjusted LIBOR-based rate of interest therein with an adjusted Secured Overnight Financing Rate ("SOFR") based rate of interest. As amended, the Term A Facility and the Revolving Credit Facility each bear interest at an adjusted SOFR rate subject to a 0.10% floor plus a range of 1.75% to 2.50%, based on the Company's total net leverage ratio. The Term A Facility and the Revolving Credit Facility borrowings bear interest at adjusted SOFR plus 1.75% as of December 31, 2023. As amended, the Term B Facility bears interest at an adjusted SOFR rate (subject to a 0.50% floor) plus 2.75%. In relation to the Term Facilities, the Company incurred expense of \$62 million and \$122 million, respectively, for the three and six months ended December 31, 2023, which is included in interest expense in the Condensed Consolidated Statements of Earnings (Loss). On July 1, 2023, our interest rate cap became effective, which together with our interest rate swap, reduced interest expense by \$12 million and \$23 million, respectively, during the three and six months ended December 31, 2023.

During the six months ended December 31, 2023, the Company made payments of \$105 million for the Term Facilities, including a voluntary payment of \$70 million. We expect aggregate debt repayment of \$225 million to \$275 million for all of fiscal 2024.

As of December 31, 2023, the Company had no borrowings outstanding under the Revolving Credit Facility.

Our cash position, borrowing capacity and debt obligations are as follows (in millions):

	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 856	\$ 821
Restricted cash, current	177	12
Restricted cash, non-current	787	4
Available borrowing capacity under Revolving Credit Facility	345	348
Total debt obligations	4,212	4,310

Other Liquidity

On December 4, 2023, the Company consummated two investment agreements under which Silicon Carbide LLC, a Company subsidiary received \$1.0 billion cash in exchange for 25% of the equity of that entity. Such funds will be used primarily to fund future capital expansion, including the previously-announced capital that Coherent intended to invest in its silicon carbide business. As a result, the transaction will enable Coherent to allocate the capital it had intended to invest in this business unit to other corporate purposes, thus increasing its available free cash flow which will provide greater financial and operational flexibility. See Note 11. Noncontrolling Interests included in Item 1 of this Quarterly Report on Form 10-Q for further information.

The Company believes existing cash, cash flow from operations, and available borrowing capacity from its Senior Credit Facilities will be sufficient to fund its needs for working capital, capital expenditures, repayment of scheduled long-term borrowings and lease obligations, investments in IR&D, and internal and external growth objectives at least through the next twelve months.

Our cash and cash equivalent balances are generated and held in numerous locations throughout the world, including amounts held outside the United States. As of December 31, 2023, the Company held approximately \$725 million of cash, cash equivalents and restricted cash outside of the United States. Generally, cash balances held outside the United States could be repatriated to the United States.

At December 31, 2023, we had \$964 million of restricted cash, which includes \$959 million at our Silicon Carbide LLC that is restricted for use by only that subsidiary.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISKS

We are exposed to market risks arising from adverse changes in foreign currency exchange rates and interest rates. In the normal course of business, we use a variety of techniques and derivative financial instruments as part of our overall risk management strategy, which is primarily focused on its exposure in relation to the Chinese Renminbi, Euro, Swiss Franc, Japanese Yen, Singapore Dollar, Korean Won and Malaysian Ringgit. No significant changes have occurred in the techniques and instruments used.

Interest Rate Risks

As of December 31, 2023, our total borrowings include variable rate borrowings, which expose us to changes in interest rates. In November 2019, we entered into an interest rate swap contract, amended on March 20, 2023, to limit the exposure of our variable interest rate debt by effectively converting a portion of interest payments to fixed interest rate debt. On February 23, 2022, we entered into an interest rate cap (the "Cap"), amended on March 20, 2023, with an effective date of July 1, 2023. If we had not effectively hedged our variable rate debt, a change in the interest rate of 100 basis points on these variable rate borrowings would have resulted in additional interest expense of \$8 million and \$17 million, respectively, for the three and six months ended December 31, 2023.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management evaluated, with the participation of the Company's Chief Executive Officer and Interim Chief Financial Officer and Treasurer, the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. The Company's disclosure controls were designed to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. However, the controls have been designed to provide reasonable assurance of achieving the controls' stated goals. Based on that evaluation, the Chief Executive Officer and Interim Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

No changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) were implemented during the Company's most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Part II – Other Information

Item 1. LEGAL PROCEEDINGS

The Company and its subsidiaries are involved from time to time in various claims, lawsuits, and regulatory proceedings incidental to its business. The resolution of each of these matters is subject to various uncertainties, and it is possible that these matters may be resolved unfavorably to the Company. Management believes, after consulting with legal counsel, that the ultimate liabilities, if any, resulting from these legal and regulatory proceedings will not materially affect the Company's financial condition, liquidity or results of operations.

Item 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended June 30, 2023, any of which could materially affect our business, financial condition or future results. Those risk factors are not the only risks facing the Company. Additional risks and uncertainties not currently known or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 5. OTHER INFORMATION

On December 7, 2023, Vincent D. Mattera, Jr., the Company's Chief Executive Officer, adopted a written plan intended to satisfy the affirmative defense of Rule 10b5-1(c) with a duration through December 31, 2024 with respect to (x) the exercise of stock options and sale of up to 128,620 shares of underlying Company stock and (y) the additional sale of up to 65,000 Company shares.

On December 14, 2023, Walter R. Bashaw II, the Company's President, adopted a written plan intended to satisfy the affirmative defense of Rule 10b5-1(c) with a duration through September 5, 2024 with respect to (x) the exercise of stock options and sale of up to 3,620 shares of underlying Company stock and (y) the additional sale of up to 6,000 Company shares.

Item 6. EXHIBITS

Incorporated herein by reference

	Form	Exhibit No.	Filing Date	File No.
it Agreement, dated as of October 10, 2023 by and between Silicon Carbide LLC and Denso Corporation	8-K	10.1	October 10, 2023	001-39375
it Agreement, dated as of October 10, 2023 by and between Silicon Carbide LLC and Mitsubishi Electric Corporation	8-K	10.2	October 10, 2023	001-39375
Corp. Omnibus Incentive Plan	8-K	10.1	November 13, 2023	001-39375
Corp. Employee Stock Purchase Plan	8-K	10.2	November 13, 2023	001-39375
Restricted Share Unit Settled in Shares Award Agreement under the Coherent Corp. Omnibus Incentive Plan				
Performance Share Unit Award Agreement (Cash Flow; Share-Settled) under the Coherent Corp. Omnibus Incentive Plan				
Performance Share Unit Award Agreement (Relative TSR; Share-Settled) under the Coherent Corp. Omnibus Incentive Plan				
Corp. Executive Severance Plan				
Participation Agreement for the Coherent Corp. Executive Severance Plan				
Opinion of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002				
Opinion of the Interim Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, and Section 302 of the Sarbanes-Oxley Act of 2002				
Opinion of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
Opinion of the Interim Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
RL Instance Document - the instance document does not appear in the interactive data file because XBRL tags are embedded within the inline XBRL document				
RL Taxonomy Extension Schema Document				
RL Taxonomy Extension Calculation Linkbase Document				
RL Taxonomy Extension Label Linkbase Document				
RL Taxonomy Extension Definition Linkbase Document				

Taxonomy Extension Presentation Linkbase Document

Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Coherent Corp. (Registrant)	
Date: February 6, 2024	By: _____	/s/ Vincent D. Mattera, Jr. Vincent D. Mattera, Jr Chief Executive Officer
Date: February 6, 2024	By: _____	/s/ Richard Martucci Richard Martucci Interim Chief Financial Officer and Treasurer

**COHERENT CORP.
RESTRICTED SHARE UNIT SETTLED IN SHARES
AWARD AGREEMENT**

THIS RESTRICTED SHARE UNIT AWARD AGREEMENT, including any general and jurisdiction-specific terms and conditions for the Recipient's jurisdiction set forth in the appendices attached hereto, (this "*Agreement*") is dated as of the Grant Date, as specified in the applicable Employee Grant Details (as defined below), by and between Coherent Corp., a Pennsylvania corporation ("*Coherent*"), and the Recipient, as specified in the applicable Employee Grant Details, who is a director, employee or consultant of Coherent or one of its Subsidiaries (the "*Recipient*").

Reference is made to the Employee Grant Details found on the Solium Shareworks system at <https://Shareworks.Solium.com> (or any successor system selected by Coherent) (the "*Solium Shareworks System*"). Employee Grant Details for a specific Award can be found by clicking on such Award listed in the Stock Options and Awards section under the Portfolio tab (the "*Employee Grant Details*") of the Solium Shareworks System. Reference further is made to the prospectus relating to the Plan (as defined below), which also may be found on the Solium Shareworks System.

All capitalized terms used herein, to the extent not defined herein, shall have the meanings set forth in the Coherent Corp. Omnibus Incentive Plan as amended and restated effective November 9, 2023 (as may be amended and/or restated from time to time, the "*Plan*"), a copy of which can be found on the Solium Shareworks System, and/or the applicable Employee Grant Details. Terms of the Plan and the Employee Grant Details are incorporated herein by reference. This Agreement shall constitute an Award Agreement as that term is defined in the Plan.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Recipient and Coherent agree as follows:

1. Restricted Share Unit Award. Coherent hereby grants to the Recipient an Award of Restricted Share Units under the Plan, as specified in the applicable Employee Grant Details, subject to the terms, conditions and restrictions set forth in this Agreement (this "*Award*"). For the purposes of this Agreement, a "Restricted Share Unit" is the contingent right to receive the equivalent of one (1) Share, in the event the Restricted Share Unit vests and becomes payable pursuant to the terms of this Agreement. Restricted Share Units shall be payable and settled solely in Coherent Shares.

2. Restrictions. Except as otherwise provided in this Agreement, the Restricted Share Units shall vest and become payable, subject to the terms of the Plan, as follows:

Vesting Date

% Vesting

Only a whole number of Restricted Share Units shall become vested as of any given vesting date. If the number of Restricted Share Units determined as of a vesting date is a fractional number, the number vesting shall be rounded down to the nearest whole number with any fractional portion carried forward. Restricted Share Units that have not vested may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. Restricted Share Units that have not vested shall be subject to forfeiture as provided in Section 3. Notwithstanding the foregoing, in the event of the Recipient's Separation from Service upon normal retirement, as defined in Coherent's Global Retirement Policy, any unvested Restricted Share Units shall immediately vest and payment in respect thereof shall be made to the Recipient no later than the seventy-fifth (75th) calendar day following the date of Separation from Service. Upon the Recipient's Separation from Service due to death or permanent and total disability, as defined in Code Section 22(e)(3) (a "*Disability*"), any unvested Restricted Share Units shall immediately vest and payment in respect thereof shall be made to the Recipient no later than the seventy-fifth (75th) calendar day following the date of Separation from Service.

Notwithstanding any provision of this Agreement, if the Company receives a legal opinion that, due to a legal judgment and/or development in the Recipient's jurisdiction, the vesting that applies to this Award upon a Recipient's normal retirement would be deemed unlawful or discriminatory, the provisions of this Section 2 regarding the vesting of this Award if the Recipient's Separation from Service is as a result of normal retirement will not be applicable to the Recipient and the remaining provisions of this Agreement will govern.

3. Other Separation from Service. If the Recipient incurs a Separation from Service for any reason other than those described in Section 2 or Section 4, any Restricted Share Units which have not yet vested, as of the date of the Recipient's Separation from Service, shall be immediately forfeited by the Recipient and the Recipient shall not be entitled to any compensation for lost vesting; provided, however, the Committee may determine that all or a portion of the Recipient's Restricted Share Units shall vest and be issued if the Recipient incurs a Separation from Service under such special circumstances as the Committee deems appropriate.

4. Change in Control; Adjustments to Payments

(a) Change in Control. Upon a Change in Control, the Award shall be subject to Section 10 of the Plan, with "Cause" and "Good Reason" for such purpose as defined below.

(b) "Cause" shall be defined as that term is defined in the Recipient's offer letter, employment agreement, severance plan under which such Recipient is a participant, or other applicable employment or service agreement with the Company; or, if there is no such definition, "Cause" shall mean a determination by the Company that any of the following has occurred:

(i) the willful failure by the Recipient to perform the Recipient's duties and responsibilities to the Company or a Subsidiary that the Recipient is employed by or provides services to (the "*Employer*") (other than any such failure resulting from the Recipient's Disability), which is not cured within ten (10) business days of receiving written notice from the Company or the Employer specifying in reasonable detail the duties or responsibilities that the Company or the Employer believes are not being adequately performed;

(ii) the willful engaging by the Recipient in any act that is damaging to the Company or the Employer;

(iii) the conviction of the Recipient of, or a plea of "guilty" or "no contest" to, (A) any felony or (B) a criminal offense involving fraud, dishonesty or other moral turpitude;

(iv) any breach by the Recipient of the terms of any written agreement between the Recipient and the Company relating to proprietary information, confidentiality, non-disclosure, ownership of inventions, non-competition, non-solicitation, non-interference or non-disparagement;

(v) the engaging by the Recipient in any willful act of dishonesty resulting or intended to result, directly or indirectly, in personal gain to the Recipient; or

(vi) the commission of any act by the Recipient that is in violation of the Company's Code of Business Conduct and Ethics.

(c) "*Good Reason*" shall be defined as that term is defined in the Recipient's offer letter, employment agreement, severance plan under which such Recipient is a participant, or other applicable employment or service agreement with the Company; or, if there is no such definition, "*Good Reason*" shall mean that any of the following has occurred, without the Recipient's express written consent:

(i) a material reduction of the Recipient's employment responsibilities from those immediately prior to the Change in Control;

(ii) a material reduction by the Company or the Employer of the Recipient's eligibility for Total Target Compensation as in effect immediately prior to the Change in Control, with "*Total Target Compensation*" defined as the Recipient's annual base salary plus the cash and stock compensation the Recipient is eligible to receive from the Company or the Employer at one hundred percent (100%) performance, whether sales incentive, bonus or otherwise;

(iii) a material increase in the amount of the Recipient's business travel that produces a constructive relocation of the Recipient;

(iv) a material reduction by the Company or the Employer in the kind or level of employee benefits to which the Recipient is entitled immediately prior to the Change in Control, with the result that the Recipient's overall benefits package is materially reduced; or

(v) the relocation of the Recipient to a facility or a location more than thirty (30) miles from the Recipient's principal place of employment immediately prior to the Change in Control.

In order for the Recipient to incur a Separation from Service for Good Reason, (A) the Company must be notified by the Recipient in writing within ninety (90) days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company or the Employer (as applicable) for thirty (30) days following such notice (the “*Notice Period*”), and (C) such Separation from Service must occur within sixty (60) days after the expiration of the Notice Period.

(d) Adjustments to Payments.

(i) Notwithstanding any provision to the contrary in this Agreement, if it is determined that any payment or distribution by the Company or the Employer to the Recipient or for the Recipient's benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (the “*Payments*”) would be subject to the excise tax imposed by Code Section 4999, or any interest or penalty is incurred by the Recipient with respect to such excise tax (such excise tax, together with any such interest and penalties, collectively referred to as the “*Excise Tax*”), then the Payments shall be reduced (but not below zero) if and to the extent that such reduction would result in the Recipient retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the imposition of the Excise Tax), than if the Recipient received all of the Payments. The Payments shall be reduced or eliminated by first reducing or eliminating the portion of the Payments that are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits that are to be paid the farthest in time from the determination.

(ii) All determinations required to be made under this Section 4(d), including whether and when an adjustment to any Payments is required and, if applicable, which Payments are to be so adjusted, shall be made by an independent accounting firm selected by Coherent from among the four (4) largest accounting firms in the United States or any nationally-recognized financial planning and benefits consulting company (the “*Accounting Firm*”), which shall provide detailed supporting calculations both to Coherent and to the Recipient within fifteen (15) business days of the receipt of notice from the Recipient that there has been a Payment, or such earlier time as is requested by Coherent. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Coherent shall appoint another nationally-recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by Coherent. If the Accounting Firm determines that no Excise Tax is payable by the Recipient, it shall furnish the Recipient with a written opinion that failure to report the Excise Tax on the Recipient's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Recipient.

5. Delivery of Shares/Payment. Except as otherwise provided in Section 2 or Section 4, Coherent shall cause a stock certificate (or equivalent electronic book entry) representing Shares equal to the number of Restricted Share Units vested and payable under this Agreement to be issued to the Recipient on the applicable vesting date specified in the schedule in Section 2 or on such other date as specified under this Agreement (or as soon as administratively practicable thereafter, but in no event later than the seventy-fifth (75th) calendar day following such applicable vesting date). Notwithstanding the foregoing, the Company, at its sole discretion, may settle the Award in cash if necessary or appropriate for legal or administrative reasons based on laws in the Recipient's jurisdiction. If the Restricted

Share Units are settled in cash, Coherent shall pay to the Recipient an amount in cash equal to the product of (a) the number of Restricted Share Units vested and payable on the applicable vesting date specified in the schedule in Section 2 and (b) the Fair Market Value on such applicable vesting date, with such cash payment being made within the time period specified in this Section 5. In the event of the death of the Recipient, delivery of the applicable form of consideration set forth in this Section 5 shall be made to the Recipient's estate.

6. Limitation of Rights; Dividend Equivalents. The Recipient shall not have any rights of ownership of the Shares underlying the Restricted Share Units, including voting rights or the rights to receive dividends or other distributions, before the vesting of this Award. The Recipient, however, shall be entitled to receive a cash payment equal to the cash dividends that would have been paid during the applicable vesting period (i.e., the period from the Grant Date through the applicable vesting date or earlier vesting event pursuant to Section 2 or Section 4) on the number of Shares underlying the Restricted Share Units then vesting if such Shares had been issued and outstanding during the applicable vesting period. Such cash dividend equivalents will not vest or be paid prior to vesting of the Restricted Share Units to which they relate, as specified in this Agreement, and will be subject to cancellation and forfeiture to the same extent that the related Restricted Share Units do not vest or are forfeited.

7. Nontransferability. Except as otherwise provided in the Plan, the Restricted Share Units shall not be sold, pledged, assigned, hypothecated, transferred or disposed of (a "Transfer") in any manner, other than by will or the laws of descent and distribution. Any attempt to Transfer the Restricted Share Units in violation of this Section or the Plan shall render this Award null and void.

8. Adjustments. Upon any event described in Section 12 of the Plan (entitled "Adjustments") or any successor provision thereto, the terms of such Section 12 of the Plan or any successor provision thereto shall apply to this Award.

9. Fractional Shares. Coherent shall not be required to issue any fractional Shares pursuant to this Award, and notwithstanding Section 2 of this Agreement, Coherent may round fractional Shares down to the nearest whole Share.

10. Responsibility for Taxes.

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Recipient's participation in the Plan ("*Tax-Related Items*"), the Recipient acknowledges that the ultimate liability for all Tax-Related Items owed by the Recipient is and remains the Recipient's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the grant or vesting of this Award or the subsequent sale of Shares acquired pursuant to this Award; and (ii) does not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Recipient's liability for Tax-Related Items or achieve a particular tax result. Further, if the Recipient is subject to Tax-Related Items in more than one jurisdiction, the Recipient acknowledges and agrees that the Company or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, the Recipient agrees to make adequate arrangements satisfactory to the Company to satisfy all

Tax-Related Items. In this regard, the Recipient authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to Tax-Related Items by one or a combination of the following: (i) withholding from the Recipient's wages or other cash compensation paid to the Recipient by the Company or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of this Award either through a voluntary sale or through a mandatory sale arranged by the Company (on the Recipient's behalf pursuant to this authorization) without further consent; (iii) withholding Shares to be issued upon vesting of this Award; or (iv) any other method determined by the Committee and permitted by applicable laws. Notwithstanding the foregoing, if the Recipient is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in Shares issuable at vesting of the Award upon the relevant withholding event, unless otherwise determined by the Committee.

(c) The Company may withhold or account for Tax-Related Items by considering applicable withholding rates, including maximum applicable rates, in which case the Recipient may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares) or, if not refunded, the Recipient may seek a refund from the local tax authorities. In the event of under-withholding, the Recipient may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Recipient is deemed to have been issued the full number of Shares, notwithstanding that a number of Shares is held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Recipient shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Recipient's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or the proceeds from the sale of Shares, if the Recipient fails to comply with the Recipient's obligations in connection with the Tax-Related Items as described in this Section 10.

11. Plan Provisions. In the event of any conflict between the provisions of this Agreement and the Plan, the Plan shall control, except that capitalized terms specifically defined in this Agreement shall have the meaning given to them in this Agreement with respect to their usage in this Agreement, notwithstanding the definitions given to such terms in the Plan (which definitions shall control as they relate to the usage of such terms in the Plan).

12. No Continued Rights. The granting of this Award shall not give the Recipient any rights to similar grants in future years or any right to continuance of employment or other service with Coherent or its Subsidiaries, nor shall it interfere in any way with any right that the Company or the Employer would otherwise have to terminate the Recipient's employment or other service at any time, the right of the Company or the Employer to assign the Recipient to a position that is ineligible for this Restricted Share Unit Award, or the right of the Recipient to terminate his or her employment or other service at any time.

13. Rights Unsecured. The Recipient shall have only Coherent's unfunded, unsecured promise to pay pursuant to the terms of this Agreement. The rights of the Recipient hereunder shall be that of a general unsecured creditor of Coherent and the Recipient shall not have any security interest in any assets of Coherent.

14. Non-Competition; Non-Solicitation; Confidentiality.

(a) While the Recipient is employed by the Company (including its Subsidiaries) and for a period of one (1) year after the Recipient's Separation from Service for any reason (the "*Restricted Period*"), the Recipient will not directly or indirectly:

(i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than one percent (1%) of the outstanding stock of a publicly-held company), that develops, manufactures, markets or sells any product or service that competes with any product or service developed, manufactured, marketed or sold or, to the Recipient's knowledge, planned to be developed, manufactured, marketed or sold, by Coherent or its Subsidiaries while the Recipient was employed by the Company or a Subsidiary, within the United States of America and/or any other country within which Coherent or its Subsidiaries have customers or prospective customers as of the date of such Separation from Service;

(ii) (A) solicit for the purpose of selling or distributing any products or services that are the same or similar to those developed, manufactured, marketed or sold by Coherent or its Subsidiaries, (1) any customers of Coherent or its Subsidiaries, (2) any prospective customers known by the Recipient to have been solicited by Coherent or its Subsidiaries within the twelve (12) months prior to the Recipient's Separation from Service, or (3) any distributors, sales agents or other third-parties who sell to or refer potential customers in need of the types of products and services produced, marketed, licensed, sold or provided by Coherent or its Subsidiaries who have become known to the Recipient as a result of his/her employment with the Company (including its Subsidiaries), or (B) induce or attempt to induce any vendor, supplier, licensee or other business relation of Coherent or its Subsidiaries to cease or restrict doing business with Coherent or its Subsidiaries, or in any way interfere with the relationship between any such vendor, supplier, licensee or business relation and Coherent or its Subsidiaries; or

(iii) either alone or in association with others (A) solicit, or permit any organization directly or indirectly controlled by the Recipient to solicit, any employee of Coherent or its Subsidiaries to leave the employ of Coherent or its Subsidiaries, or (B) solicit for employment, hire or engage as an independent contractor, or permit any organization directly or indirectly controlled by the Recipient to solicit for employment, hire or engage as an independent contractor, any person who was employed by Coherent or its Subsidiaries at any time during the term of the Recipient's employment with the Company or a Subsidiary; provided that this clause (B) shall not apply to any individual whose employment with Coherent or its Subsidiaries has been terminated for a period of one (1) year or longer.

(b) The Recipient acknowledges that certain materials, including information, data, technology and other materials relating to customers, programs, costs, marketing, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of Coherent and its Subsidiaries constitute proprietary confidential information and trade secrets. Accordingly, the Recipient will not at any time during or after the Recipient's employment with the Company or a Subsidiary disclose or use for the Recipient's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise, other than the Company (including its Subsidiaries), any proprietary confidential information or trade secrets; provided that the foregoing shall not apply to information which is not unique to Coherent and its Subsidiaries or which is generally known to the industry or the public other than as a result of the Recipient's breach of this covenant. The Recipient agrees that, upon the Recipient's Separation from Service for any

reason, the Recipient will immediately return to Coherent all property of Coherent and its Subsidiaries including all memoranda, books, technical and/or lab notebooks, customer product and pricing data, papers, plans, information, letters and other data, and all copies thereof or therefrom, which in any way relate to the business of Coherent and its Subsidiaries, except that the Recipient may retain personal items. The Recipient further agrees that the Recipient will not retain or use for the Recipient's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of Coherent and its Subsidiaries.

(c) The Restricted Period will be tolled during and for any period of time during which the Recipient is in violation of the restrictive covenants contained in this Section 14 and for any period of time which may be necessary to secure an order of court or injunction, either preliminary or permanent, to enforce such covenants, such that the cumulative time period during which the Recipient is in compliance with the restrictive covenants contained in Section 14(a) will not exceed the one (1)-year period set forth above.

(d) Nothing herein is intended to or shall limit, prevent, impede or interfere with the Recipient's non-waivable right, without prior notice to the Company, to provide information to the government, participate in investigations, testify in proceedings regarding the Company's past or future conduct, or engage in any activities protected under whistleblower statutes, or to receive and fully retain a monetary award from a government-administered whistleblower award program for providing information directly to a government agency. Further, the Recipient understands that pursuant to the Defend Trade Secrets Act of 2016, the Recipient shall not be held criminally, or civilly, liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a Federal, State, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Recipient understands that he or she may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, the Recipient understands that if he or she files a lawsuit alleging retaliation by the Company for reporting a suspected violation of the law, the Recipient may disclose the trade secret to the attorney and use the trade secret in the court proceeding, so long as any document containing the trade secret is filed under seal and the Recipient does not disclose the trade secret except pursuant to court order.

15. Remedies; Clawback.

(a) Coherent and the Recipient acknowledge and agree that any violation by the Recipient of any of the restrictive covenants contained in Section 14 would cause immediate, material and irreparable harm to Coherent and its Subsidiaries which may not adequately be compensated by money damages and, therefore, Coherent and its Subsidiaries shall be entitled to injunctive relief (including one (1) or more preliminary injunctions and/or ex parte restraining orders) in addition to, and not in derogation of, any other remedies provided by law, in equity or otherwise for such a violation, including the right to have such covenants specifically enforced by any court of competent jurisdiction, the rights under Section 15(b), and the right to require the Recipient to account for and pay over to Coherent all benefits derived or received by the Recipient as a result of any such breach of covenant together with interest thereon, from the date of such initial violation until such sums are received by Coherent.

(b) In the event that the Recipient violates or breaches any of the covenants set forth in Section 14, the Restricted Share Units (whether vested or unvested) and the right to receive Shares in exchange for such Restricted Share Units shall be forfeited.

Coherent shall also have the right, in its sole discretion, in addition to any other remedies or damages provided by law, in equity or otherwise, to demand and require the Recipient, (i) to the extent that any cash payment was received with respect to such Restricted Share Units, to return and transfer to Coherent any such cash payment, (ii) to the extent that any Shares were received with respect to such Restricted Share Units, to return and transfer to Coherent any such shares directly or beneficially owned by the Recipient, and (iii) to the extent that the Recipient sold or transferred any such Shares, to disgorge and/or repay to Coherent any profits or other economic value (as determined by Coherent) made or realized by the Recipient with respect to such Shares, including the value of any gift thereof.

(c) This Award, **and any amounts or benefits received or outstanding under the Plan, as well as any other incentive awards previously granted to the Recipient by the Company**, shall be subject to potential clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with the terms or conditions of any applicable Company clawback or similar policy or any applicable law related to such actions, as may be in effect from time to time, including the requirements of (a) Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (including any rules implementing those statutory requirements adopted under the Exchange Act or by the applicable exchange on which Shares are listed), (b) similar rules under the laws of any other jurisdiction, and (c) any policies adopted by the Company to implement such requirements. The Recipient acknowledges and consents to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Recipient, whether adopted prior to or following the Grant Date, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and agrees that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action.

16. Recipient Acknowledgments. The Recipient acknowledges and agrees that (a) as a result of the Recipient's previous, current and future employment with the Company or the Employer, the Recipient has had access to, will have access to and/or possesses or will possess confidential and proprietary information of Coherent and its Subsidiaries, (b) Coherent and its Subsidiaries are engaged in a highly competitive business and conduct such business worldwide, (c) this Agreement does not constitute a contract of employment, does not imply that the Company or the Employer will continue the Recipient's employment for any period of time and does not change the at-will nature of the Recipient's employment, except as set forth in a separate written employment agreement between the Company or the Employer and the Recipient, (d) the restrictive covenants set forth in Section 14 are necessary and reasonable in time and scope (including the period, geographic, product and service and other restrictions) to protect the legitimate business interests of Coherent and its Subsidiaries, (e) the remedy, forfeiture and payment provisions contained in Section 15 are reasonable and necessary to protect the legitimate business interests of Coherent and its Subsidiaries, (f) acceptance of this Award and the Restricted Share Units and agreement to be bound by the provisions hereof is not a condition of the Recipient's employment and (g) the Recipient's receipt of the benefits provided under this Agreement is adequate consideration for the enforcement of the provisions contained in Section 14 and Section 15.

17. Severability; Waiver. If any term, provision, covenant or restriction contained in this Agreement is held by a court or a federal regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect, and

shall in no way be affected, impaired or invalidated. In particular, in the event that any of such provisions shall be adjudicated to exceed the time, geographic, product and service or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, product and service or other limitations permitted by applicable law. No delay or omission by Coherent in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by Coherent on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

18. Notice. Coherent may require any notice required or permitted under this Agreement to be transmitted, submitted or received, by Coherent or the Recipient, via the Solium Shareworks System in accordance with the procedures established by Coherent for such notice. Otherwise, except as otherwise set forth in this Agreement, any written notice required or permitted by this Agreement shall be mailed, certified mail (return receipt requested) or by overnight carrier, to Coherent at the following address:

Coherent Corp.
Attention: Chief Financial Officer
375 Saxonburg Boulevard
Saxonburg, Pennsylvania 16056

or to the Recipient at his or her most recent home address on record with Coherent. Notices are effective upon receipt.

19. Controlling Law. The validity, construction and effect of this Agreement will be determined in accordance with the internal laws of the Commonwealth of Pennsylvania without giving effect to the conflict of laws principles thereof. The Recipient and Coherent hereby irrevocably submit to the exclusive jurisdiction of the state and Federal courts located in the Commonwealth of Pennsylvania and consent to the jurisdiction of any such court; provided, however, that, notwithstanding anything to the contrary set forth above, Coherent may file an action to enforce the covenants contained in Section 14 by seeking injunctive or other equitable relief in any appropriate court having jurisdiction, including where the Recipient resides or where the Recipient was employed by the Company or the Employer. The Recipient and Coherent also both irrevocably waive, to the fullest extent permitted by applicable law, any objection either may now or hereafter have to the laying of venue of any such dispute brought or injunctive or equitable relief sought in such court or any defense of inconvenient forum for the maintenance of such dispute and consent to the personal jurisdiction of any such court. For purposes of this Section 19, the Employer shall be a third-party beneficiary of this Agreement.

20. Entire Agreement. This Agreement (including the Plan and the Employee Grant Details) contains the entire understanding between the parties and supersedes any prior understanding and agreements between them regarding the subject matter hereof with respect to this Award, and there are no other representations, agreements, arrangements or understandings, oral or written, between the parties relating to this Award which are not fully expressed herein. Notwithstanding anything to the contrary set forth in this Agreement, any restrictive covenants contained in this Agreement are independent, and are not intended to limit the enforceability, of any restrictive or other covenants contained in any other agreement between the Company or the Employer and the Recipient.

21. Captions; Section References. Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret,

define or limit the scope, extent or intent of this Agreement or any provision hereof. Unless expressly provided otherwise, any reference in this Agreement to any Section refers to the corresponding Section of this Agreement.

22. Limitation of Actions. Any lawsuit commenced by the Recipient with respect to any matter arising out of or relating to this Agreement must be filed no later than one (1) year after the date that a denial of any claim hereunder is made or any earlier date that the claim otherwise accrues.

23. Section 409A. This Agreement and this Award are intended to satisfy all applicable requirements of Section 409A or an exception thereto and shall be construed accordingly. Coherent may in its sole discretion, and without the Recipient's consent, take any action it deems necessary to comply with the requirements of Section 409A or an exception thereto, including amending the terms of this Award and this Agreement, in any manner it deems necessary to cause this Award and this Agreement to be excepted from Section 409A (or to comply therewith to the extent that Coherent determines that it is not excepted). Notwithstanding, the Recipient recognizes and acknowledges that Section 409A may affect the timing and recognition of payments due hereunder, and may impose upon the Recipient certain taxes or other charges for which the Recipient is and shall remain solely responsible. Notwithstanding anything to the contrary in this Agreement, if the Recipient is a Specified Employee, to the extent that the Award constitutes "nonqualified deferred compensation" subject to Section 409A of the Code, any payment due to the Recipient under the Award upon Separation from Service will be delayed in accordance with Section 18 of the Plan.

24. Assignment. Except as provided in Section 7, the Recipient's rights and obligations under this Agreement shall not be transferable by the Recipient, by assignment or otherwise, and any purported assignment, transfer or delegation thereof by the Recipient shall be void. Coherent may assign/delegate all or any portion of this Agreement and its respective rights hereunder without prior notice to the Recipient and without the Recipient providing any additional consent thereto, whereupon the Recipient shall continue to be bound hereby with respect to such assignee/delegatee.

25. Electronic Delivery. Coherent may, in its sole discretion, deliver any documents or correspondence related to this Agreement, the Restricted Share Units, the Plan, the Recipient's participation in the Plan or future awards that may be granted to the Recipient under the Plan, by electronic means. The Recipient hereby consents to receive such documents by electronic delivery and to the Recipient's participation in the Plan through an on-line or electronic system established and maintained by Coherent or another third party designated by Coherent, including the Solium Shareworks System. Likewise, Coherent may require the Recipient to deliver or receive any documents or correspondence related to this Agreement by such electronic means.

26. Further Assurances. The Company and the Recipient shall use commercially reasonable efforts to, from time to time at the request of the other party, without any additional consideration, furnish the other party such further information or assurances, execute and deliver such additional documents and take such other actions and do such other things, as may be necessary to carry out the provisions of this Agreement.

27. Compliance with Legal Requirements. Notwithstanding any other provisions of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be

required to deliver any Shares issuable upon vesting of this Award prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Further, the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of Shares. Subject to Section 409A, the Committee may postpone the issuance or delivery of Shares under this Award as the Committee may consider appropriate and may require the Recipient to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules and regulations. The Recipient understands and agrees that the Company shall have unilateral authority to amend this Agreement without his or her consent to the extent necessary to comply with securities or other laws applicable to the issuance of Shares.

28. Appendices. The Recipient acknowledges and agrees that, if the Recipient resides outside the U.S., this Award is subject to the general terms applicable to Awards granted to recipients outside the U.S. set forth in Appendix A hereto. Further, this Award is subject to any additional terms and conditions set forth for the Recipient's U.S. state or country in Appendix B hereto. Appendix A and Appendix B constitute part of this Agreement.

29. Imposition of Other Requirements. The Company reserves the right to impose other requirements on this Award to the extent that the Company determines that it is necessary or advisable in order to comply with local law or facilitate the administration of this Award and to require the Recipient to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

30. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Recipient's participation in the Plan or the Recipient's acquisition or sale of Shares. The Recipient understands and agrees that the Recipient should consult with his or her own personal legal and financial advisors regarding the Recipient's participation in the Plan before taking any action related to the Plan.

31. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, or as otherwise provided under the Plan or this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date set forth above. Electronic acceptance of this Agreement by the Recipient pursuant to Coherent's instructions to the Recipient (including through the Solium Shareworks System) shall constitute execution of this Agreement by the Recipient. The Recipient agrees that his or her electronic acceptance of this Agreement, including via the Solium Shareworks System, shall constitute his or her signature, and that he or she agrees to be bound by all of the terms and conditions of this Agreement. If the Recipient wishes to reject the Restricted Share Units, the Recipient must so notify the Company's stock plan administrator in writing to _____ at _____ or stock.admin@coherent.com no later than the first vesting date set forth in Section 2. If within such period the Recipient neither affirmatively accepts nor affirmatively rejects the Restricted Share Units, the Recipient will be deemed to have accepted the Restricted Share Units pursuant to the terms and conditions set forth in the Agreement, and the Plan.

COHERENT CORP.

By:
Name: Chiew Mee Yong
Title: Chief Human Resources Officer

RECIPIENT

Electronic Acceptance via the
Solium Shareworks System

Appendix A

General Terms Applicable to Awards Granted to Recipients Outside the U.S.

This Appendix A includes additional terms and conditions applicable to all grants of Awards under the Plan to employees or other grant recipients who reside outside the United States. Capitalized terms used but not defined in this Appendix A shall have the meanings given to them in this Agreement or the Plan.

1. DATA PRIVACY INFORMATION AND CONSENT

The Company is located at 375 Saxonburg Blvd., Saxonburg, PA 16056, USA and grants employees of the Company and its Subsidiaries the opportunity to participate in the Plan at the Company's sole discretion. If the Recipient would like to participate in the Plan, the Recipient should review the following information about the Company's data processing practices.

(a) Data Collection and Usage. The Company collects, processes and uses the Recipient's personal data, including the Recipient's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all awards canceled, vested, or outstanding in the Recipient's favor, which the Company receives from the Recipient or the Employer. If the Company offers the Recipient an opportunity to participate in the Plan, then the Company will collect the Recipient's personal data for purposes of allocating stock and implementing, administering and managing the Plan.

(b) Purpose and Legal Basis of Processing. The personal data is collected from the Recipient by the Company or its Subsidiaries or affiliates, for the purpose of setting up the Recipient's trading account and implementing, administering and managing the Plan pursuant to the terms of this Agreement. The personal data must be provided in order for the Recipient to participate in the Plan and for the parties to this Agreement to perform their respective obligations thereunder. If the Recipient does not provide personal data, the Recipient will not be able to participate in the Plan and become a party to this Agreement.

If the Recipient resides and/or is employed in the EU / EEA / United Kingdom (collectively, "EEA+") the legal bases (that is, the legal justification) for processing the personal data is that it is necessary to perform this Agreement (including to administer and manage the Plan) and comply with applicable EEA+ laws, and in Company's legitimate interests to comply with applicable non-EEA+ laws when performing, administering and managing the Plan.

If the Recipient resides and/or is employed outside the EEA+, the legal basis for processing the personal data is the Recipient's consent. By agreeing to the terms of this Agreement, the Recipient provide their consent to process their personal data for the purposes of the Plan. The company has appointed Gregor Scheja and Partners at +49 228 227226-0 as its EU-based representative, according to Article 27, GDPR.

(c) Stock Plan Administration Service Providers and International Data Transfers. The Company and its service providers are based in the United States. If the Recipient is outside the United States, the Recipient should note that his or her country has enacted data privacy laws that are different from the United States. The Company transfers participant data to Solium Capital, a third-party service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future,

the Company may select a different third-party service provider and share the Recipient's data with another company that serves in a similar manner. The Company's service provider will open an account for the Recipient. The Recipient will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Recipient's ability to participate in the Plan. Such third-party service providers may include the Company's outside counsel as well as the Company's auditor. The Company's legal basis for the transfer of the Recipient's personal data is the Recipient's consent.

(d) Data Retention. The Company will use the Recipient's personal data only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan or as required to comply with tax, exchange control, labor and securities laws, other applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. When the Company no longer needs the Recipient's personal data, which will generally be seven years after the Recipient participates in the Plan, the Company will remove it from its systems. If the Company keeps the data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulation.

(e) Data Subject Rights. The Recipient has a number of rights under data privacy laws in the Recipient's country. Depending on where the Recipient is based, the Recipient's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) rectification of incorrect data, (iii) deletion of data, (iv) restrictions on processing, (v) portability of data, (vi) lodge complaints with competent authorities in the Recipient's country, and/or (vii) a list with the names and addresses of any potential recipients of the Recipient's personal data. To receive clarification regarding the Recipient's rights or to exercise such rights, the Recipient should contact the Company at HR Department, Director of Compensation and Benefits, 375 Saxonburg Blvd., Saxonburg, PA 16056, USA.

2. ADDITIONAL ACKNOWLEDGEMENTS

By entering into this Agreement and accepting this Award, the Recipient acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of this Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards or benefits in lieu of awards, even if such awards have been awarded in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Recipient is voluntarily participating in the Plan;

(e) this Award, any Shares acquired under the Plan and the income from and value of same, are not intended to replace any pension right or compensation;

(f) this Award, any Shares acquired under the Plan and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to calculating any severance, resignation, termination, redundancy, dismissal,

end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) unless otherwise agreed with the Company in writing, this Award and any Shares acquired under the Plan, and the income from and value of same, are not granted in consideration for, or in connection with, the service the Recipient may provide as an officer or director of a Subsidiary;

(h) in accepting this Award, the Recipient expressly recognizes that this Award is made solely by Coherent, with principal offices at 375 Saxonburg Boulevard; Saxonburg, Pennsylvania 16056; U.S.A.; Coherent is solely responsible for the administration of the Plan and the Recipient's participation in the Plan; in the event that the Recipient is an employee of a Subsidiary, this Award and the Recipient's participation in the Plan will not create a right to employment or be interpreted to form an employment or service contract or relationship with Coherent; and this Award will not be interpreted to form an employment or service contract with any Subsidiary;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages shall arise from the forfeiture of the Recipient's Award or the recoupment of any Shares or other benefits or payments acquired under the Plan resulting from (a) the Recipient's Separation from Service (for any reason whatsoever and whether or not in breach of local labor laws); and/or (b) the application of any recoupment or clawback policy or provision described in this Agreement (or otherwise required by the Company) or any recovery or clawback otherwise required by law;

(k) for purposes of this Award, a Separation from Service will be deemed to have occurred as of the date the Recipient is no longer providing services to the Company or any Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of labor laws in the jurisdiction where the Recipient is employed or the terms of the Recipient's employment agreement, if any). Unless otherwise determined by the Committee, the Recipient's right to vest in this Award will terminate as of such date and will not be extended by any notice period (e.g., the Recipient's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under labor laws in the jurisdiction where the Recipient is employed or the terms of the Recipient's employment agreement, if any). The Committee shall have the exclusive discretion to determine when the Recipient is no longer actively providing services for purposes of this Award (including whether the Recipient may still be considered to be providing services while on a leave of absence);

(l) the Recipient is solely responsible for investigating and complying with any exchange control laws applicable to the Recipient in connection with his or her participation in the Plan; and

(m) neither the Company, the Employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Recipient's local currency and the United States Dollar that may affect the value of this Award or any amounts due to the Recipient pursuant to the settlement of this Award or subsequent sale of Shares acquired under the Plan.

3. LANGUAGE

The Recipient acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Recipient to understand the terms and conditions of this Agreement. Furthermore, if the Recipient has received this Agreement or any other document related to this Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

4. INSIDER TRADING/MARKET ABUSE LAWS

Depending on the Recipient's country of residence, or the designated broker's country or where the Shares are listed, the Recipient may be subject to insider trading restrictions and/or market abuse laws, which may affect the Recipient's ability to accept, acquire, sell, attempt to sell or otherwise dispose of Shares or right to Shares (e.g., Awards) or rights linked to the value of Shares during such times as the Recipient is considered to have "inside information" regarding the Company (as defined by or determined under the laws in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders placed by the Recipient before possessing inside information. Furthermore, the Recipient could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Recipient is responsible for ensuring compliance with any applicable restrictions and should consult with his or her personal legal advisor on this matter.

5. EXCHANGE CONTROL, TAX AND/OR FOREIGN ASSET/ACCOUNT REPORTING

The Recipient acknowledges that there may be exchange control, tax, foreign asset and/or account reporting requirements which may affect the Recipient's ability to hold Shares acquired under the Plan or cash received from participating in the Plan in a brokerage/bank account or legal entity outside the Recipient's country. The Recipient may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the tax or other authorities in the Recipient's country. The Recipient may also be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to the Recipient's country through a designated bank or broker within a certain time after receipt. In addition, the Recipient agrees to take any and all actions, and consents to any and all actions taken by the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Recipient's country of residence (and country of employment, if different). Finally, the Recipient agrees to take any and all actions as may be required to comply with their personal legal and tax obligations under local laws, rules and regulations in their country of residence (and country of employment, if different). The Recipient acknowledges that it is his or her responsibility to be compliant with such regulations and that the Recipient should consult with his or her personal legal advisor for any details.

Appendix B

Jurisdiction-Specific Terms and Conditions

Capitalized terms used but not defined in this Appendix B shall have the meanings given to them in the Agreement or the Plan.

Terms and Conditions

This Appendix B includes additional terms and conditions that govern the Award grants to the Recipient under the Plan if the Recipient works and/or resides in one of the countries or other jurisdictions listed below.

If the Recipient is a citizen or resident of a jurisdiction other than the one in which the Recipient is currently working and/or residing, is considered a resident of another jurisdiction for local law purposes or transfers employment and/or residency between countries or other jurisdictions after the Grant Date, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein apply to the Recipient under these circumstances.

Notifications

This Appendix B also includes information regarding country-specific securities laws, exchange controls, tax and certain other issues of which the Recipient should be aware with respect to the Recipient's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of November 2023. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Recipient not rely on the information noted herein as the only source of information relating to the consequences of the Recipient's participation in the Plan because the information may be out of date at the time this Award vests or the Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the Recipient's particular situation, and the Company is not in a position to assure the Recipient of any particular result. Accordingly, the Recipient should seek appropriate professional advice as to how the relevant laws in the Recipient's country may apply to his or her situation.

Finally, if the Recipient is a citizen or resident of country other than the one in which the Recipient is currently working and/or residing, is considered a resident of another country for local law purposes or transfers employment and/or residence between countries after the Grant Date, the information contained herein may not be applicable in the same manner to the Recipient.

[INSERT COUNTRY-SPECIFIC PROVISIONS FOR APPLICABLE COUNTRIES]

COHERENT CORP.
PERFORMANCE SHARE UNIT AWARD AGREEMENT
([PERFORMANCE MEASURE NAME]; SHARE-SETTLED)

THIS PERFORMANCE SHARE UNIT AWARD AGREEMENT, including any general and jurisdiction-specific terms and conditions for the Recipient's jurisdiction set forth in the appendices attached hereto, (this "*Agreement*") is dated as of the Grant Date, as specified in the applicable Employee Grant Details (as defined below), by and between Coherent Corp., a Pennsylvania corporation ("*Coherent*"), and the Recipient, as specified in the applicable Employee Grant Details, who is a director, employee or consultant of Coherent or one of its Subsidiaries (the "*Recipient*").

Reference is made to the Employee Grant Details (the "*Employee Grant Details*") issued to the Recipient with respect to the applicable Award, which may be found on the Solium Shareworks system at <https://Shareworks.Solium.com> (or any successor system selected by Coherent) (the "*Solium Shareworks System*"). Employee Grant Details for a specific Award can be found by clicking on such Award listed in the Stock Options and Awards section under the Portfolio tab (the "*Employee Grant Details*") of the Solium Shareworks System. Reference further is made to the prospectus relating to the Plan (as defined below), which also may be found on the Solium Shareworks System.

All capitalized terms used herein, to the extent not defined herein, shall have the meanings set forth in the Coherent Corp. Omnibus Incentive Plan as amended and restated effective November 9, 2023 (as may be amended and/or restated from time to time, the "*Plan*"), a copy of which can be found on the Solium Shareworks System, and/or the applicable Employee Grant Details. Terms of the Plan and the Employee Grant Details are incorporated herein by reference. This Agreement shall constitute an Award Agreement as that term is defined in the Plan.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Recipient and Coherent agree as follows:

1. Performance Share Unit Award. Coherent hereby grants to the Recipient an Award of Performance Share Units under the Plan, as specified in the Employee Grant Details, to be earned based upon achievement of the Performance Objectives in accordance with Section 2 (this "*Award*"). For the purposes of this Award: (1) "*Performance Period*" shall mean the period from _____ through and including _____; (2) "*Target Award*" shall mean the Target Award set forth in the Employee Grant Details; (3) "*Maximum Award*" means the maximum number of Shares that may be earned under this Agreement as set forth in the Employee Grant Details, which number represents [200%] of the Target Award; and (4) "*Performance Share Unit*" or "*Unit*" means the contingent right to receive the equivalent of one (1) Share, in the event the Unit vests and becomes payable pursuant to the terms of this

Agreement. Units shall be payable and settled solely in Shares, except as otherwise provided in this Agreement.

2. Determination of Units Earned. Subject to Section 4 and Section 5, the Units shall be earned in accordance with the following schedule:

[Performance Achievement Level]	Units Earned as a Percentage of Target Award⁽¹⁾
[Below Threshold Performance]	0%
[Threshold Performance]	[x%]
[Target Performance]	100%
[Maximum or Greater Performance]	[200%]

⁽¹⁾ [Description of interpolation for performance between achievement levels.]

For the purposes of this Award: [insert relevant definitions for performance measure(s) and target(s)]. Only whole Units shall be earned in accordance with this Section 2. By way of example and not limitation, earning 66.67% of a Target Award of 100 Units would result in 66 Units being earned and payable.

3. Payment; Dividend Equivalents. The amount determined under Section 2 will be paid to the Recipient in Shares no later than the seventy-fifth (75th) calendar day following the end of the Performance Period. Coherent shall cause a stock certificate (or equivalent electronic book entry) representing Shares equal to the number of Units vested and payable under this Agreement to be issued to the Recipient by such date. In addition, the Recipient shall be entitled to receive, following the completion of the Performance Period but in no event later than March 15th of the calendar year following the completion of the Performance Period, a cash payment equal to the cash dividends that would have been paid during the Performance Period on the applicable number of Shares underlying the Units earned as provided in Section 2 if such Shares had been issued and outstanding during the Performance Period. Such cash dividend equivalents will not vest or be paid prior to the vesting of the Units to which they relate, as specified in this Agreement, and will be subject to cancellation and forfeiture to the same extent that the related Units do not vest or are forfeited. Notwithstanding the foregoing, the Company, at its sole discretion, may settle the Award in cash if necessary or appropriate for legal or administrative reasons based on laws in the Recipient's jurisdiction, in which case the Company shall pay to the Recipient an amount in cash equal to the product of (a) the number of Units earned in accordance with Section 2 and (b) the Fair Market Value on the day prior to the Committee's approval of the number of Units earned following completion of the Performance Period, with such cash payment being made to the Recipient no later than the seventy fifth (75th) calendar day following the end of the Performance Period.

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4. Separation from Service.

(a) General. Except as provided in Section 4(b) or Section 5 or as may be otherwise determined by the Committee, if the Recipient's Separation from Service occurs before the end of the Performance Period, this Award shall be forfeited on the date of such Separation from Service and the Recipient shall not be entitled to any compensation for lost vesting.

(b) Prorating in Certain Circumstances. Notwithstanding Section 4(a), if the Recipient's Separation from Service occurs during the Performance Period due to the Recipient's (i) normal retirement, as defined in Coherent's Global Retirement Policy, (ii) death, (iii) permanent and total disability, as defined in Code Section 22(e)(3) (a "*Disability*"), (iv) termination by the Company or a Subsidiary that the Recipient is employed by or provides services to (the "*Employer*") other than for Cause (as defined below) other than within two years following a Change in Control or (v) termination by the Recipient for Good Reason (as defined below) other than within two years following a Change in Control, but only if the Recipient's offer letter, employment agreement or other applicable employment or service agreement with the Company or the Employer provides for severance upon Separation from Service for Good Reason (or similar term), then in each case under clauses (i) - (v) of this paragraph the Recipient shall be entitled to a prorated portion of the Units to the extent earned pursuant to Section 2, determined at the end of the Performance Period and based on the ratio of the number of complete months the Recipient was employed or served (as applicable) during the Performance Period to the total number of months in the Performance Period. **[FOR MR. MATTERA ONLY:** Notwithstanding any provision of this Agreement, if Recipient's Separation from Service occurs during the Performance Period due to the Recipient's normal retirement, as defined in Coherent's Global Retirement Policy, then Recipient shall be entitled to all (i.e., not a prorated portion) of the Units to the extent earned pursuant to Section 2, determined at the end of the Performance Period.] In the event of the death of the Recipient, delivery of the applicable number of Shares shall be made to the Recipient's estate as soon as administratively practicable after the end of the Performance Period. Notwithstanding any provision of this Agreement, if the Company receives a legal opinion that, due to a legal judgment and/or development in the Recipient's jurisdiction, the potential vesting that applies to this Award upon a Recipient's normal retirement would be deemed unlawful or discriminatory, the provisions of this Section 4(b)(i) regarding the vesting of this Award if the Recipient's Separation from Service is as a result of normal retirement will not be applicable to the Recipient and the remaining provisions of this Agreement will govern.

5. Change in Control; Adjustments to Payments

(a) Change in Control. Upon a Change in Control, the Award shall be subject to Section 10 of the Plan, with "Cause" and "Good Reason" for such purpose as defined below.

(b) "Cause" shall be defined as that term ^{Page 8 of 22} as defined in the Recipient's offer letter, employment agreement, severance plan under which such Recipient is a participant, or other applicable employment or service agreement with the Company; or, if there is no such

definition, "Cause" shall mean a determination by the Company that any of the following has occurred:

(i) the willful failure by the Recipient to perform the Recipient's duties and responsibilities to the Company or the Employer (other than any such failure resulting from the Recipient's Disability), which is not cured within ten (10) business days of receiving written notice from the Company or the Employer specifying in reasonable detail the duties or responsibilities that the Company or the Employer believes are not being adequately performed;

(ii) the willful engaging by the Recipient in any act that is damaging to the Company or the Employer;

(iii) the conviction of the Recipient of, or a plea of "guilty" or "no contest" to, (A) any felony or (B) a criminal offense involving fraud, dishonesty or other moral turpitude;

(iv) any breach by the Recipient of the terms of any written agreement between the Recipient and the Company relating to proprietary information, confidentiality, non-disclosure, ownership of inventions, non-competition, non-solicitation, non-interference or non-disparagement;

(v) the engaging by the Recipient in any willful act of dishonesty resulting or intended to result, directly or indirectly, in personal gain to the Recipient; or

(vi) the commission of any act by the Recipient that is in violation of the Company's Code of Business Conduct and Ethics.

(c) "Good Reason" shall be defined as that term is defined in the Recipient's offer letter, employment agreement, severance plan under which such Recipient is a participant, or other applicable employment or service agreement with the Company; or, if there is no such definition, "Good Reason" shall mean that any of the following has occurred, without the Recipient's express written consent:

(i) a material reduction of the Recipient's employment responsibilities from those immediately prior to the Change in Control;

(ii) a material reduction by the Company or the Employer of the Recipient's eligibility for Total Target Compensation as in effect immediately prior to the Change in Control, with "Total Target Compensation" defined as the Recipient's annual base salary plus the cash and stock compensation the Recipient is eligible to receive from the Company or the Employer at one hundred percent (100%) performance, whether sales incentive, bonus or otherwise;

(iii) a material increase in the amount of the Recipient's business travel that produces a constructive relocation of the Recipient;

(iv) a material reduction by the Company or the Employer in the kind or level of employee benefits to which the Recipient is entitled immediately prior to the Change in Control, with the result that the Recipient's overall benefits package is materially reduced; or

(v) the relocation of the Recipient to a facility or a location more than thirty (30) miles from the Recipient's principal place of employment immediately prior to the Change in Control.

In order for the Recipient to incur a Separation from Service for Good Reason, (A) the Company must be notified by the Recipient in writing within ninety (90) days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company or the Employer (as applicable) for thirty (30) days following such notice (the "*Notice Period*"), and (C) such Separation from Service must occur within sixty (60) days after the expiration of the Notice Period.

(d) Adjustments to Payments.

(i) Notwithstanding any provision to the contrary in this Agreement, if it is determined that any payment or distribution by the Company or the Employer to the Recipient or for the Recipient's benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (the "*Payments*") would be subject to the excise tax imposed by Code Section 4999, or any interest or penalty is incurred by the Recipient with respect to such excise tax (such excise tax, together with any such interest and penalties, collectively referred to as the "*Excise Tax*"), then the Payments shall be reduced (but not below zero) if and to the extent that such reduction would result in the Recipient retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the imposition of the Excise Tax), than if the Recipient received all of the Payments. The Company shall reduce or eliminate the Payments by first reducing or eliminating the portion of the Payments that are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits that are to be paid the farthest in time from the determination.

(ii) All determinations required to be made under this Section 5(d), including whether and when an adjustment to any Payments is required and, if applicable, which Payments are to be so adjusted, shall be made by an independent accounting firm selected by Coherent from among the four (4) largest accounting firms in the United States or any nationally-recognized financial planning and benefits consulting company (the "*Accounting Firm*"), which shall provide detailed supporting calculations both to Coherent and to the Recipient within fifteen (15) business days of the receipt of notice from the Recipient that there has been a Payment, or such earlier time as is requested by Coherent. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Coherent shall appoint another nationally-recognized accounting firm to make the

determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by Coherent. If the Accounting Firm determines that no Excise Tax is payable by the Recipient, it shall furnish the Recipient with a written opinion that failure to report the Excise Tax on the Recipient's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Recipient.

6. Nontransferability. Except as otherwise provided in the Plan, the Units shall not be sold, pledged, assigned, hypothecated, transferred or disposed of (a "*Transfer*") in any manner, other than by will or the laws of descent and distribution. Any attempt to Transfer the Units in violation of this Section or the Plan shall render this Award null and void.

7. Adjustments. Upon any event described in Section 12 of the Plan (entitled "Adjustments") or any successor provision thereto, the terms of such Section 12 of the Plan or any successor provision thereto shall apply to this Award.

8. Fractional Shares. Coherent shall not be required to issue any fractional Shares pursuant to this Award and Coherent may round fractional Shares down to the nearest whole Share.

9. Responsibility for Taxes.

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Recipient's participation in the Plan ("*Tax-Related Items*"), the Recipient acknowledges that the ultimate liability for all Tax-Related Items owed by the Recipient is and remains the Recipient's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the grant or vesting of this Award or the subsequent sale of Shares acquired pursuant to this Award; and (ii) does not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Recipient's liability for Tax-Related Items or achieve a particular tax result. Further, if the Recipient is subject to Tax-Related Items in more than one jurisdiction, the Recipient acknowledges and agrees that the Company or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable the Recipient agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Recipient authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to Tax-Related Items by one or a combination of the following: (i) withholding from the Recipient's wages or other cash compensation paid to the Recipient by the Company or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of this Award either through a voluntary sale or through a mandatory sale arranged by the Company

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(on the Recipient's behalf pursuant to this authorization) without further consent; (iii) withholding Shares to be issued upon vesting of this Award; or (iv) any other method determined by the Committee and permitted by applicable laws. Notwithstanding the foregoing, if the Recipient is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in Shares issuable at vesting of the Award upon the relevant withholding event, unless otherwise determined by the Committee.

(c) The Company may withhold or account for Tax-Related Items by considering applicable withholding rates, including maximum applicable rates, in which case the Recipient may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or, if not refunded, the Recipient may seek a refund from the local tax authorities. In the event of under-withholding, the Recipient may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Recipient is deemed to have been issued the full number of Shares, notwithstanding that a number of Shares is held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Recipient shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Recipient's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or the proceeds from the sale of Shares, if the Recipient fails to comply with the Recipient's obligations in connection with the Tax-Related Items, as described in this Section 9.

10. Plan Provisions. In the event of any conflict between the provisions of this Agreement and the Plan, the Plan shall control, except that capitalized terms specifically defined in this Agreement shall have the meaning given to them in this Agreement with respect to their usage in this Agreement, notwithstanding the definitions given to such terms in the Plan (which definitions shall control as they relate to the usage of such terms in the Plan).

11. No Continued Rights. The granting of this Award shall not give the Recipient any rights to similar grants in future years or any right to continuance of employment or other service with Coherent or its Subsidiaries, nor shall it interfere in any way with any right that the Company or the Employer would otherwise have to terminate the Recipient's employment or other services at any time, or the right of the Recipient to terminate his or her employment or other service at any time.

12. Rights Unsecured. The Recipient shall have only Coherent's unfunded, unsecured promise to pay pursuant to the terms of this Agreement. The rights of the Recipient hereunder shall be that of a general unsecured creditor of Coherent and the Recipient shall not have any security interest in any assets of Coherent.

13. Non-Competition; Non-Solicitation; Confidentiality

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(a) While the Recipient is employed by the Company (including its Subsidiaries) and for a period of one (1) year after the Recipient's Separation from Service for any reason (the "*Restricted Period*"), the Recipient will not directly or indirectly:

(i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than one percent (1%) of the outstanding stock of a publicly-held company), that develops, manufactures, markets or sells any product or service that competes with any product or service developed, manufactured, marketed or sold or, to the Recipient's knowledge, planned to be developed, manufactured, marketed or sold, by Coherent or its Subsidiaries while the Recipient was employed by the Company or a Subsidiary, within the United States of America, and/or any other country within which Coherent or its Subsidiaries have customers or prospective customers as of the date of such Separation from Service;

(ii) (A) solicit for the purpose of selling or distributing any products or services that are the same or similar to those developed, manufactured, marketed or sold by Coherent or its Subsidiaries, (1) any customers of Coherent or its Subsidiaries, (2) any prospective customers known by the Recipient to have been solicited by Coherent or its Subsidiaries within the twelve (12) months prior to the Recipient's Separation from Service, or (3) any distributors, sales agents or other third-parties who sell to or refer potential customers in need of the types of products and services produced, marketed, licensed, sold or provided by Coherent or its Subsidiaries who have become known to the Recipient as a result of his/her employment with the Company (including its Subsidiaries), or (B) induce or attempt to induce any vendor, supplier, licensee or other business relation of Coherent or its Subsidiaries to cease or restrict doing business with Coherent or its Subsidiaries, or in any way interfere with the relationship between any such vendor, supplier, licensee or business relation and Coherent or its Subsidiaries; or

(iii) either alone or in association with others (A) solicit, or permit any organization directly or indirectly controlled by the Recipient to solicit, any employee of Coherent or its Subsidiaries to leave the employ of Coherent or its Subsidiaries, or (B) solicit for employment, hire or engage as an independent contractor, or permit any organization directly or indirectly controlled by the Recipient to solicit for employment, hire or engage as an independent contractor, any person who was employed by Coherent or its Subsidiaries at any time during the term of the Recipient's employment with the Company or a Subsidiary; provided that this clause (B) shall not apply to any individual whose employment with Coherent or its Subsidiaries has been terminated for a period of one (1) year or longer.

(b) The Recipient acknowledges that certain materials, including information, data, technology and other materials relating to customers, programs, costs, marketing, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of Coherent and its Subsidiaries constitute proprietary confidential information and trade secrets. Accordingly, the Recipient will not at any time during or after the Recipient's employment with the Company or a Subsidiary disclose or

use for the Recipient's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise, other than the Company (including its Subsidiaries), any proprietary confidential information or trade secrets; provided that the foregoing shall not apply to information which is not unique to Coherent and its Subsidiaries or which is generally known to the industry or the public other than as a result of the Recipient's breach of this covenant. The Recipient agrees that, upon the Recipient's Separation from Service for any reason, the Recipient will immediately return to Coherent all property of Coherent and its Subsidiaries, including all memoranda, books, technical and/or lab notebooks, customer product and pricing data, papers, plans, information, letters and other data, and all copies thereof or therefrom, which in any way relate to the business of Coherent and its Subsidiaries, except that the Recipient may retain personal items. The Recipient further agrees that the Recipient will not retain or use for the Recipient's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of Coherent and its Subsidiaries.

(c) The Restricted Period will be tolled during and for any period of time during which the Recipient is in violation of the restrictive covenants contained in this Section 13 and for any period of time which may be necessary to secure an order of court or injunction, either preliminary or permanent, to enforce such covenants, such that the cumulative time period during which the Recipient is in compliance with the restrictive covenants contained in Section 13 will not exceed the one (1)-year period set forth above.

(d) Nothing herein is intended to or shall limit, prevent, impede or interfere with the Recipient's non-waivable right, without prior notice to the Company, to provide information to the government, participate in investigations, testify in proceedings regarding the Company's past or future conduct, or engage in any activities protected under whistleblower statutes, or to receive and fully retain a monetary award from a government-administered whistleblower award program for providing information directly to a government agency. Further, the Recipient understands that pursuant to the Defend Trade Secrets Act of 2016, the Recipient shall not be held criminally, or civilly, liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a Federal, State, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Recipient understands that he or she may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, the Recipient understands that if he or she files a lawsuit alleging retaliation by the Company for reporting a suspected violation of the law, the Recipient may disclose the trade secret to the attorney and use the trade secret in the court proceeding, so long as any document containing the trade secret is filed under seal and the Recipient does not disclose the trade secret except pursuant to court order.

14. Remedies; Clawback.

(a) Coherent and the Recipient acknowledge and agree that that any violation by the Recipient of any of the restrictive covenants contained in Section 13 would cause immediate, material and irreparable harm to Coherent and its Subsidiaries which may not adequately be compensated by money damages and, therefore, Coherent and its Subsidiaries shall be entitled to injunctive relief (including one (1) or more preliminary injunctions and/or ex parte restraining orders) in addition to, and not in derogation of, any other remedies provided by law, in equity or otherwise for such a violation, including the right to have such covenants specifically enforced by any court of competent jurisdiction, the rights under Section 14(b), and the right to require the Recipient to account for and pay over to Coherent all benefits derived or received by the Recipient as a result of any such breach of covenant together with interest thereon, from the date of such initial violation until such sums are received by Coherent.

(b) In the event that the Recipient violates or breaches any of the covenants set forth in Section 13, the Units and the right to receive Shares in exchange for such Units shall be forfeited. Coherent shall also have the right, in its sole discretion, in addition to any other remedies or damages provided by law, in equity or otherwise, to demand and require the Recipient (i) to the extent that any cash payment was received with respect to such Units, to return and transfer to Coherent any such cash payment, (ii) to the extent that any Shares were received with respect to such Units, to return and transfer to Coherent any such shares directly or beneficially owned by the Recipient, and (iii) to the extent that the Recipient sold or transferred any such Shares, to disgorge and/or repay to Coherent any profits or other economic value (as determined by Coherent) made or realized by the Recipient with respect to such Shares, including the value of any gift thereof.

(c) This Award, **and any amounts or benefits received or outstanding under the Plan, as well as any other incentive awards previously granted to the Recipient by the Company**, shall be subject to potential clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with the terms or conditions of any applicable Company clawback or similar policy or any applicable law related to such actions, as may be in effect from time to time, including the requirements of (a) Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (including any rules implementing those statutory requirements adopted under the Exchange Act or by the applicable exchange on which Shares are listed), (b) similar rules under the laws of any other jurisdiction, and (c) any policies adopted by the Company to implement such requirements. The Recipient acknowledges and consents to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Recipient, whether adopted prior to or following the Grant Date, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and agrees that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action. Page 10 of 22

15. Recipient Acknowledgments. The Recipient acknowledges and agrees that (a) as a result of the Recipient's previous, current and future employment with the Company or the Employer, the Recipient has had access to, will have access to and/or possesses or will possess confidential and proprietary information of Coherent and its Subsidiaries, (b) Coherent and its Subsidiaries are engaged in a highly competitive business and conduct such business worldwide, (c) this Agreement does not constitute a contract of employment, does not imply that the Company or the Employer will continue the Recipient's employment for any period of time and does not change the at-will nature of the Recipient's employment, except as set forth in a separate written employment agreement between the Company or the Employer and the Recipient, (d) the restrictive covenants set forth in Section 13 are necessary and reasonable in time and scope (including the period, geographic, product and service and other restrictions) to protect the legitimate business interests of Coherent and its Subsidiaries, (e) the remedy, forfeiture and payment provisions contained in Section 14 are reasonable and necessary to protect the legitimate business interests of Coherent and its Subsidiaries, (f) acceptance of this Award and these Units and agreement to be bound by the provisions hereof is not a condition of the Recipient's employment and (g) the Recipient's receipt of the benefits provided under this Agreement is adequate consideration for the enforcement of the provisions contained in Section 13 and Section 14.

16. Severability; Waiver. If any term, provision, covenant or restriction contained in this Agreement is held by a court or a federal regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect, and shall in no way be affected, impaired or invalidated. In particular, in the event that any of such provisions shall be adjudicated to exceed the time, geographic, product and service or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, product and service or other limitations permitted by applicable law. No delay or omission by Coherent in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by Coherent on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

17. Notice. Coherent may require any notice required or permitted under this Agreement to be transmitted, submitted or received, by Coherent or the Recipient, via the Solium Shareworks System in accordance with the procedures established by Coherent for such notice. Otherwise, except as otherwise set forth in the Agreement, any written notice required or permitted by this Agreement shall be mailed, certified mail (return receipt requested) or by overnight carrier, to Coherent at the following address:

Coherent Corp.
Attention: Chief Financial Officer
375 Saxonburg Boulevard
Saxonburg, Pennsylvania 16056

or to the Recipient at his or her most recent home address on record with Coherent. Notices are effective upon receipt.

18. Controlling Law. The validity, construction and effect of this Agreement will be determined in accordance with the internal laws of the Commonwealth of Pennsylvania without giving effect to the conflict of laws principles thereof. The Recipient and Coherent hereby irrevocably submit to the exclusive jurisdiction of the state and Federal courts located in the Commonwealth of Pennsylvania and consent to the jurisdiction of any such court, provided, however, that, notwithstanding anything to the contrary set forth above, Coherent may file an action to enforce the covenants contained in Section 13 by seeking injunctive or other equitable relief in any appropriate court having jurisdiction, including where the Recipient resides or where the Recipient was employed by the Company or the Employer. The Recipient and Coherent also both irrevocably waive, to the fullest extent permitted by applicable law, any objection either may now or hereafter have to the laying of venue of any such dispute brought or injunctive or equitable relief sought in such court or any defense of inconvenient forum for the maintenance of such dispute and consent to the personal jurisdiction of any such court. For purposes of this Section 18, the Employer shall be a third-party beneficiary of this Agreement.

19. Entire Agreement. This Agreement (including the Plan and the Employee Grant Details) contains the entire understanding between the parties and supersedes any prior understanding and agreements between them regarding the subject matter hereof with respect to this Award, and there are no other representations, agreements, arrangements or understandings, oral or written, between the parties relating to this Award which are not fully expressed herein. Notwithstanding anything to the contrary set forth in this Agreement, any restrictive covenants contained in this Agreement are independent, and are not intended to limit the enforceability, of any restrictive or other covenants contained in any other agreement between the Company or the Employer and the Recipient.

20. Captions; Section References. Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof. Unless expressly provided otherwise, any reference in this Agreement to any Section refers to the corresponding Section of this Agreement.

21. Limitation of Actions. Any lawsuit commenced by the Recipient with respect to any matter arising out of or relating to this Agreement must be filed no later than one (1) year after the date that a denial of any claim hereunder is made or any earlier date that the claim otherwise accrues.

22. Section 409A. This Agreement and this Award are intended to satisfy all applicable requirements of Section 409A or an exception thereto and shall be construed accordingly. Coherent may in its sole discretion, and without the consent of the Recipient, take any action it deems necessary to comply with the requirements of Section 409A or an exception thereto, including amending the terms of this Award and this Agreement, in any manner it deems

necessary to cause this Award and this Agreement to be excepted from Section 409A (or to comply therewith to the extent that Coherent determines that it is not excepted). Notwithstanding, the Recipient recognizes and acknowledges that Section 409A may affect the timing and recognition of payments due hereunder, and may impose upon the Recipient certain taxes or other charges for which the Recipient is and shall remain solely responsible.

23. Assignment. Except as provided in Section 6, the Recipient's rights and obligations under this Agreement shall not be transferable by the Recipient, by assignment or otherwise, and any purported assignment, transfer or delegation thereof by the Recipient shall be void. Coherent may assign/delegate all or any portion of this Agreement and its rights hereunder without prior notice to the Recipient and without the Recipient providing any additional consent thereto, whereupon the Recipient shall continue to be bound hereby with respect to such assignee/delegatee.

24. Electronic Delivery. Coherent may, in its sole discretion, deliver any documents or correspondence related to this Agreement, the Units, the Plan, the Recipient's participation in the Plan or future awards that may be granted to the Recipient under the Plan, by electronic means. The Recipient hereby consents to receive such documents by electronic delivery and to the Recipient's participation in the Plan through an on-line or electronic system established and maintained by Coherent or another third party designated by Coherent, including the Solium Shareworks System. Likewise, Coherent may require the Recipient to deliver or receive any documents or correspondence related to this Agreement by such electronic means.

25. Further Assurances. The Company and the Recipient shall use commercially reasonable efforts to, from time to time at the request of the other party, without any additional consideration, furnish the other party such further information or assurances, execute and deliver such additional documents and take such other actions and do such other things, as may be necessary to carry out the provisions of this Agreement.

26. Compliance with Legal Requirements. Notwithstanding any other provisions of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting of this Award prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Further, the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of Shares. Subject to Section 409A, the Committee may postpone the issuance or delivery of Shares under this Award as the Committee may consider appropriate and may require the Recipient to make such representations and furnish such information as it may consider appropriate in connection with

the issuance or delivery of Shares in compliance with applicable laws, rules and regulations. The Recipient understands and agrees that the Company shall have unilateral authority to amend this Agreement without his or her consent to the extent necessary to comply with securities or other laws applicable to the issuance of Shares.

27. Appendices. The Recipient acknowledges and agrees that, if the Recipient resides outside the U.S., this Award is subject to the general terms applicable to Awards granted to recipients outside the U.S. set forth in Appendix A hereto. Further, this Award is subject to any additional terms and conditions set forth for the Recipient's U.S. state or country in Appendix B hereto. Appendix A and Appendix B constitute part of this Agreement.

28. Imposition of Other Requirements. The Company reserves the right to impose other requirements on this Award to the extent that the Company determines that it is necessary or advisable in order to comply with local law or facilitate the administration of this Award and to require the Recipient to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

29. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Recipient's participation in the Plan or the Recipient's acquisition or sale of Shares. The Recipient understands and agrees that the Recipient should consult with his or her own personal legal and financial advisors regarding the Recipient's participation in the Plan before taking any action related to the Plan.

30. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, or as otherwise provided under the Plan or this Agreement.

Page **14** of **22**
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date set forth above. Electronic acceptance of this Agreement by the Recipient pursuant to Coherent's instructions to the Recipient (including through the Solium Shareworks System) shall constitute execution of this Agreement by the Recipient. The Recipient agrees that his or her electronic acceptance of this Agreement, including via the Solium Shareworks System, shall constitute his or her signature, and that he or she agrees to be bound by all of the terms and conditions of this Agreement. If the Recipient wishes to reject the Performance Share Units, the Recipient must so notify the Company's stock plan administrator in writing to _____ at _____ or stock.admin@coherent.com no later than the first anniversary of the Grant Date. If within such period the Recipient neither affirmatively accepts nor affirmatively rejects the Performance Share Units, the Recipient will be deemed to have accepted the Performance Share Units pursuant to the terms and conditions set forth in the Agreement, and the Plan.

COHERENT CORP.

By: _____
Name: Chiew Mee Yong
Title: Chief Human Resources Officer

RECIPIENT

Electronic Acceptance via the Page 15 of 22
Solium Shareworks System

Appendix A

General Terms Applicable to Awards Granted to Recipients Outside the U.S.

This Appendix A includes additional terms and conditions applicable to all grants of Awards under the Plan to employees or other grant recipients who reside outside the United States. Capitalized terms used but not defined in this Appendix A shall have the meanings given to them in this Agreement or the Plan.

1. DATA PRIVACY INFORMATION AND CONSENT

The Company is located at 375 Saxonburg Blvd., Saxonburg, PA 16056, USA and grants employees of the Company and its Subsidiaries the opportunity to participate in the Plan at the Company's sole discretion. If the Recipient would like to participate in the Plan, the Recipient should review the following information about the Company's data processing practices.

(a) **Data Collection and Usage.** The Company collects, processes and uses the Recipient's personal data, including the Recipient's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all awards canceled, vested, or outstanding in the Recipient's favor, which the Company receives from the Recipient or the Employer. If the Company offers the Recipient an opportunity to participate in the Plan, then the Company will collect the Recipient's personal data for purposes of allocating stock and implementing, administering and managing the Plan.

(b) **Purpose and Legal Basis of Processing.** The personal data is collected from the Recipient by the Company or its Subsidiaries or affiliates, for the purpose of setting up the Recipient's trading account and implementing, administering and managing the Plan pursuant to the terms of this Agreement. The personal data must be provided in order for the Recipient to participate in the Plan and for the parties to this Agreement to perform their respective obligations thereunder. If the Recipient does not provide personal data, the Recipient will not be able to participate in the Plan and become a party to this Agreement.

If the Recipient resides and/or is employed in the EU / EEA / United Kingdom (collectively, "EEA+") the legal bases (that is, the legal justification) for processing the personal data is that it is necessary to perform this Agreement (including to administer and manage the Plan) and comply with applicable EEA+ laws, and in Company's legitimate interests to comply with applicable non-EEA+ laws when performing, administering and managing the Plan.

If the Recipient resides and/or is employed outside the EEA+, the legal basis for processing the personal data is the Recipient's consent. By agreeing to the terms of this Agreement, the Recipient provide their consent to process their personal data for the purposes of the Plan. The company has appointed Gregor Scheja and Partners at +49 228 227226-0 as its EU-based representative, according to Article 27, **GDPR** 16 of 22

(c) Stock Plan Administration Service Providers and International Data Transfers. The Company and its service providers are based in the United States. If the Recipient is outside the United States, the Recipient should note that his or her country has enacted data privacy laws that are different from the United States. The Company transfers participant data to Solium Capital, a third-party service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different third-party service provider and share the Recipient's data with another company that serves in a similar manner. The Company's service provider will open an account for the Recipient. The Recipient will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Recipient's ability to participate in the Plan. Such third-party service providers may include the Company's outside counsel as well as the Company's auditor. The Company's legal basis for the transfer of the Recipient's personal data is the Recipient's consent.

(d) Data Retention. The Company will use the Recipient's personal data only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan or as required to comply with tax, exchange control, labor and securities laws, other applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. When the Company no longer needs the Recipient's personal data, which will generally be seven years after the Recipient participates in the Plan, the Company will remove it from its systems. If the Company keeps the data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulation.

(e) Data Subject Rights. The Recipient has a number of rights under data privacy laws in the Recipient's country. Depending on where the Recipient is based, the Recipient's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) rectification of incorrect data, (iii) deletion of data, (iv) restrictions on processing, (v) portability of data, (vi) lodge complaints with competent authorities in the Recipient's country, and/or (vii) a list with the names and addresses of any potential recipients of the Recipient's personal data. To receive clarification regarding the Recipient's rights or to exercise such rights, the Recipient should contact the Company at HR Department, Director of Compensation and Benefits, 375 Saxonburg Blvd., Saxonburg, PA 16056, USA.

2. **ADDITIONAL ACKNOWLEDGEMENTS**

By entering into this Agreement and accepting this Award, the Recipient acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, ~~to the extent permitted by the Plan;~~

- (b) the grant of this Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards or benefits in lieu of awards, even if such awards have been awarded in the past;
- (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- (d) the Recipient is voluntarily participating in the Plan;
- (e) this Award, any Shares acquired under the Plan and the income from and value of same, are not intended to replace any pension right or compensation;
- (f) this Award, any Shares acquired under the Plan and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (g) unless otherwise agreed with the Company in writing, this Award and any Shares acquired under the Plan, and the income from and value of same, are not granted in consideration for, or in connection with, the service the Recipient may provide as an officer or director of a Subsidiary;
- (h) in accepting this Award, the Recipient expressly recognizes that this Award is made solely by Coherent, with principal offices at 375 Saxonburg Boulevard; Saxonburg, Pennsylvania 16056; U.S.A.; Coherent is solely responsible for the administration of the Plan and the Recipient's participation in the Plan; in the event that the Recipient is an employee of a Subsidiary, this Award and the Recipient's participation in the Plan will not create a right to employment or be interpreted to form an employment or service contract or relationship with Coherent; and this Award will not be interpreted to form an employment or service contract with any Subsidiary;
- (i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages shall arise from the forfeiture of the Recipient's Award or the recoupment of any Shares or other benefits or payments acquired under the Plan resulting from (a) the Recipient's Separation from Service (for any reason whatsoever and whether or not in breach of local labor laws); and/or (b) the application of any recoupment or clawback policy or provision described in this Agreement (or otherwise required by the Company) or any recovery or clawback otherwise required by law;
- (k) for purposes of this Award, a Separation from Service will be deemed to have occurred as of the date the Recipient is no longer providing services to the Company or any Subsidiary (regardless of the reason for such termination and whether or not later found to be

invalid or in breach of labor laws in the jurisdiction where the Recipient is employed or the terms of the Recipient's employment agreement, if any). Unless otherwise determined by the Committee, the Recipient's right to vest in this Award will terminate as of such date and will not be extended by any notice period (e.g., the Recipient's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under labor laws in the jurisdiction where the Recipient is employed or the terms of the Recipient's employment agreement, if any). The Committee shall have the exclusive discretion to determine when the Recipient is no longer actively providing services for purposes of this Award (including whether the Recipient may still be considered to be providing services while on a leave of absence);

(l) the Recipient is solely responsible for investigating and complying with any exchange control laws applicable to the Recipient in connection with his or her participation in the Plan; and

(m) neither the Company, the Employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Recipient's local currency and the United States Dollar that may affect the value of this Award or any amounts due to the Recipient pursuant to the settlement of this Award or subsequent sale of Shares acquired under the Plan.

3. LANGUAGE

The Recipient acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Recipient to understand the terms and conditions of this Agreement. Furthermore, if the Recipient has received this Agreement or any other document related to this Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

4. INSIDER TRADING/MARKET ABUSE LAWS

Depending on the Recipient's country of residence, or the designated broker's country or where the Shares are listed, the Recipient may be subject to insider trading restrictions and/or market abuse laws, which may affect the Recipient's ability to accept, acquire, sell, attempt to sell or otherwise dispose of Shares or right to Shares (e.g., Awards) or rights linked to the value of Shares during such times as the Recipient is considered to have "inside information" regarding the Company (as defined by or determined under the laws in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders placed by the Recipient before possessing inside information. Furthermore, the Recipient could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations shall not operate from and in addition to any restrictions that may

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be imposed under any applicable Company insider trading policy. The Recipient is responsible for ensuring compliance with any applicable restrictions and should consult with his or her personal legal advisor on this matter.

5. EXCHANGE CONTROL, TAX AND/OR FOREIGN ASSET/ACCOUNT REPORTING

The Recipient acknowledges that there may be exchange control, tax, foreign asset and/or account reporting requirements which may affect the Recipient's ability to hold Shares acquired under the Plan or cash received from participating in the Plan in a brokerage/bank account or legal entity outside the Recipient's country. The Recipient may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the tax or other authorities in the Recipient's country. The Recipient may also be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to the Recipient's country through a designated bank or broker within a certain time after receipt. In addition, the Recipient agrees to take any and all actions, and consent to any and all actions taken by the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Recipient's country of residence (and country of employment, if different). Finally, the Recipient agrees to take any and all actions as may be required to comply with their personal legal and tax obligations under local laws, rules and regulations in their country of residence (and country of employment, if different). The Recipient acknowledges that it is his or her responsibility to be compliant with such regulations and that the Recipient should consult with his or her personal legal advisor for any details.

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Appendix B

Jurisdiction-Specific Terms and Conditions

Capitalized terms used but not defined in this Appendix B shall have the meanings given to them in the Agreement or the Plan.

Terms and Conditions

This Appendix B includes additional terms and conditions that govern the Award grants to the Recipient under the Plan if the Recipient works and/or resides in one of the countries or other jurisdictions listed below.

If the Recipient is a citizen or resident of a jurisdiction other than the one in which the Recipient is currently working and/or residing, is considered a resident of another jurisdiction for local law purposes or transfers employment and/or residency between countries or other jurisdictions after the Grant Date, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein apply to the Recipient under these circumstances.

Notifications

This Appendix B also includes information regarding country-specific securities laws, exchange controls, tax and certain other issues of which the Recipient should be aware with respect to the Recipient's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of November 2023. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Recipient not rely on the information noted herein as the only source of information relating to the consequences of the Recipient's participation in the Plan because the information may be out of date at the time this Award vests or the Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the Recipient's particular situation, and the Company is not in a position to assure the Recipient of any particular result. Accordingly, the Recipient should seek appropriate professional advice as to how the relevant laws in the Recipient's country may apply to his or her situation.

Finally, if the Recipient is a citizen or resident of country other than the one in which the Recipient is currently working and/or residing, is considered a resident of another country for local law purposes or transfers employment and/or residence between countries after the Grant Date, the information contained herein may not be applicable in the same manner to the Recipient.

[INSERT COUNTRY-SPECIFIC PROVISIONS FOR APPLICABLE COUNTRIES]

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COHERENT CORP.
PERFORMANCE SHARE UNIT AWARD AGREEMENT
(RELATIVE TSR; SHARE-SETTLED)

THIS PERFORMANCE SHARE UNIT AWARD AGREEMENT, including any general and jurisdiction-specific terms and conditions for the Recipient's jurisdiction set forth in the appendices attached hereto, (this "*Agreement*") is dated as of the Grant Date, as specified in the applicable Employee Grant Details (as defined below), by and between Coherent Corp., a Pennsylvania corporation ("*Coherent*"), and the Recipient, as specified in the applicable Employee Grant Details, who is a director, employee or consultant of Coherent or one of its Subsidiaries (the "*Recipient*").

Reference is made to the Employee Grant Details (the "*Employee Grant Details*") issued to the Recipient with respect to the applicable Award, which may be found on the Solium Shareworks system at <https://Shareworks.Solium.com> (or any successor system selected by Coherent) (the "*Solium Shareworks System*"). Employee Grant Details for a specific Award can be found by clicking on such Award listed in the Stock Options and Awards section under the Portfolio tab (the "*Employee Grant Details*") of the Solium Shareworks System. Reference further is made to the prospectus relating to the Plan (as defined below), which also may be found on the Solium Shareworks System.

All capitalized terms used herein, to the extent not defined herein, shall have the meanings set forth in the Coherent Corp. Omnibus Incentive Plan as amended and restated effective November 9, 2023 (as may be amended and/or restated from time to time, the "*Plan*"), a copy of which can be found on the Solium Shareworks System, and/or the applicable Employee Grant Details. Terms of the Plan and the Employee Grant Details are incorporated herein by reference. This Agreement shall constitute an Award Agreement as that term is defined in the Plan.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Recipient and Coherent agree as follows:

1. Performance Share Unit Award. Coherent hereby grants to the Recipient an Award of Performance Share Units under the Plan, as specified in the Employee Grant Details, to be earned based upon achievement of the Performance Objectives in accordance with Section 2 (this "*Award*"). For the purposes of this Award: (1) "*Performance Period*" shall mean the period from _____ through and including _____; (2) "*Target Award*" shall mean the Target Award set forth in the Employee Grant Details; (3) "*Maximum Award*" means the maximum number of Shares that may be earned under this Agreement as set forth in the Employee Grant Details, which number represents [200%] of the Target Award; and (4) "*Performance Share Unit*" or "*Unit*" means the contingent right to receive the equivalent of one (1) Share, in the event the Unit vests and becomes payable pursuant to the terms of this Agreement. Units shall be payable and settled solely in Shares, except as otherwise provided in this Agreement.

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2. Determination of Units Earned. Subject to Section 4 and Section 5, the Units shall be earned in accordance with the following schedule:

[SAMPLE SCHEDULE]

Performance Level	Units Earned as a Percentage of Target Award ¹
If Cumulative TSR is below Market 25 th Percentile	0.00% (Below Threshold)
If Cumulative TSR is equal to Market 25 th Percentile	50.00% (Threshold Award)
If Cumulative TSR is equal to Market 50 th Percentile	100.00% ² (Target Award)
If Cumulative TSR is equal to Market 75 th Percentile or greater	200.00% ² (Maximum Award)

¹ If performance is between threshold and target or between target and maximum, the percentage of the Target Award earned shall be interpolated on a straight-line basis.

² If there is an absolute negative Cumulative TSR for the Performance Period and Cumulative TSR is above Market 50th Percentile, the percentage of the Target Award earned shall be capped at 100.00%.

Definitions:

“Market” is the S&P Composite 1500 – Electronic Equipment, Instruments & Components as published on [FIRST DAY OF PERFORMANCE PERIOD]. If a listing is removed from the S&P Composite 1500 – Electronic Equipment, Instruments & Components during the Performance Period, it will not be replaced, nor will any listing be added for any other reason. The S&P Composite 1500 – Electronic Equipment, Instruments & Components shall be a closed group for purposes of this Program. Notwithstanding the foregoing, if a company ceases to be publicly traded as a result of insolvency or a bankruptcy proceeding, it shall be included in the Market as the lowest performing company.

“Cumulative TSR” shall be based on the 30-day average closing stock price of the Shares prior to [FIRST DAY OF PERFORMANCE PERIOD] (\$XX.XX) (“Beginning Stock Price”) and the 30-day average closing stock price of the Shares prior to [LAST DAY OF PERFORMANCE PERIOD] (“Ending Stock Price”). Cumulative TSR shall be calculated as follows:

((Ending Stock Price minus Beginning Stock Price (\$XX.XX) plus dividends) divided by Beginning Stock Price (\$XX.XX))

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Only whole Units shall be earned in accordance with this Section 2. By way of example and not limitation, earning 66.67% of a Target Award of 100 Units would result in 66 Units being earned and payable.

3. Payment; Dividend Equivalents. The amount determined under Section 2 will be paid to the Recipient in Shares no later than the seventy-fifth (75th) calendar day following the end of the Performance Period. Coherent shall cause a stock certificate (or equivalent electronic book entry) representing Shares equal to the number of Units vested and payable under this Agreement to be issued to the Recipient by such date. In addition, the Recipient shall be entitled to receive, following the completion of the Performance Period but in no event later than March 15th of the calendar year following the completion of the Performance Period, a cash payment equal to the cash dividends that would have been paid during the Performance Period on the applicable number of Shares underlying the Units earned as provided in Section 2 if such Shares had been issued and outstanding during the Performance Period. Such cash dividend equivalents will not vest or be paid prior to the vesting of the Units to which they relate, as specified in this Agreement, and will be subject to cancellation and forfeiture to the same extent that the related Units do not vest or are forfeited. Notwithstanding the foregoing, the Company, at its sole discretion, may settle the Award in cash if necessary or appropriate for legal or administrative reasons based on laws in the Recipient's jurisdiction, in which case the Company shall pay to the Recipient an amount in cash equal to the product of (a) the number of Units earned in accordance with Section 2 and (b) the Fair Market Value on the day prior to the Committee's approval of the number of Units earned following completion of the Performance Period, with such cash payment being made to the Recipient no later than the seventy fifth (75th) calendar day following the end of the Performance Period.

4. Separation from Service.

(a) General. Except as provided in Section 4(b) or Section 5 or as may be otherwise determined by the Committee, if the Recipient's Separation from Service occurs before the end of the Performance Period, this Award shall be forfeited on the date of such Separation from Service and the Recipient shall not be entitled to any compensation for lost vesting.

(b) Prorating in Certain Circumstances. Notwithstanding Section 4(a), if the Recipient's Separation from Service occurs during the Performance Period due to the Recipient's (i) normal retirement, as defined in Coherent's Global Retirement Policy, (ii) death, (iii) permanent and total disability, as defined in Code Section 22(e)(3) (a "Disability"), (iv) termination by the Company or a Subsidiary that the Recipient is employed by or provides services to (the "Employer") other than for Cause (as defined below) other than within two years following a Change in Control or (v) termination by the Recipient for Good Reason (as defined below) other than within two years following a Change in Control, but only if the Recipient's offer letter, employment agreement or other applicable employment or service agreement with the Company or the Employer provides for severance upon Separation from Service for Good Reason (or similar term), then in each case under clauses (i) - (v) of this paragraph the Recipient shall be entitled to a

prorated portion of the Units to the extent earned pursuant to Section 2, determined at the end of the Performance Period and based on the ratio of the number of complete months the Recipient was employed or served (as applicable) during the Performance Period to the total number of months in the Performance Period. **[FOR MR. MATTERA ONLY:**

Notwithstanding any provision of this Agreement, if Recipient's Separation from Service occurs during the Performance Period due to the Recipient's normal retirement, as defined in Coherent's Global Retirement Policy, then Recipient shall be entitled to all (i.e., not a prorated portion) of the Units to the extent earned pursuant to Section 2, determined at the end of the Performance Period.] In the event of the death of the Recipient, delivery of the applicable number of Shares shall be made to the Recipient's estate as soon as administratively practicable after the end of the Performance Period.

Notwithstanding any provision of this Agreement, if the Company receives a legal opinion that, due to a legal judgment and/or development in the Recipient's jurisdiction, the potential vesting that applies to this Award upon a Recipient's normal retirement would be deemed unlawful or discriminatory, the provisions of this Section 4(b)(i) regarding the vesting of this Award if the Recipient's Separation from Service is as a result of normal retirement will not be applicable to the Recipient and the remaining provisions of this Agreement will govern.

5. Change in Control; Adjustments to Payments

(a) Change in Control. Upon a Change in Control, the Award shall be subject to Section 10 of the Plan, with "Cause" and "Good Reason" for such purpose as defined below.

(b) "Cause" shall be defined as that term is defined in the Recipient's offer letter, employment agreement, severance plan under which such Recipient is a participant, or other applicable employment or service agreement with the Company; or, if there is no such definition, "Cause" shall mean a determination by the Company that any of the following has occurred:

(i) the willful failure by the Recipient to perform the Recipient's duties and responsibilities to the Company or the Employer (other than any such failure resulting from the Recipient's Disability), which is not cured within ten (10) business days of receiving written notice from the Company or the Employer specifying in reasonable detail the duties or responsibilities that the Company or the Employer believes are not being adequately performed;

(ii) the willful engaging by the Recipient in any act that is damaging to the Company or the Employer;

(iii) the conviction of the Recipient of, or a plea of "guilty" or "no contest" to, (A) any felony or (B) a criminal offense involving fraud, dishonesty or other moral turpitude;

(iv) any breach by the Recipient of the terms of any written agreement between the Recipient and the Company relating to proprietary information, confidentiality, non- Page 4 of 23

disclosure, ownership of inventions, non-competition, non-solicitation, non-interference or non-disparagement;

(v) the engaging by the Recipient in any willful act of dishonesty resulting or intended to result, directly or indirectly, in personal gain to the Recipient; or

(vi) the commission of any act by the Recipient that is in violation of the Company's Code of Business Conduct and Ethics.

(c) "*Good Reason*" shall be defined as that term is defined in the Recipient's offer letter, employment agreement, severance plan under which such Recipient is a participant, or other applicable employment or service agreement with the Company; or, if there is no such definition, "*Good Reason*" shall mean that any of the following has occurred, without the Recipient's express written consent:

(i) a material reduction of the Recipient's employment responsibilities from those immediately prior to the Change in Control;

(ii) a material reduction by the Company or the Employer of the Recipient's eligibility for Total Target Compensation as in effect immediately prior to the Change in Control, with "*Total Target Compensation*" defined as the Recipient's annual base salary plus the cash and stock compensation the Recipient is eligible to receive from the Company or the Employer at one hundred percent (100%) performance, whether sales incentive, bonus or otherwise;

(iii) a material increase in the amount of the Recipient's business travel that produces a constructive relocation of the Recipient;

(iv) a material reduction by the Company or the Employer in the kind or level of employee benefits to which the Recipient is entitled immediately prior to the Change in Control, with the result that the Recipient's overall benefits package is materially reduced; or

(v) the relocation of the Recipient to a facility or a location more than thirty (30) miles from the Recipient's principal place of employment immediately prior to the Change in Control.

In order for the Recipient to incur a Separation from Service for Good Reason, (A) the Company must be notified by the Recipient in writing within ninety (90) days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company or the Employer (as applicable) for thirty (30) days following such notice (the "*Notice Period*"), and (C) such Separation from Service must occur within sixty (60) days after the expiration of the Notice Period.

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(d) Adjustments to Payments.

(i) Notwithstanding any provision to the contrary in this Agreement, if it is determined that any payment or distribution by the Company or the Employer to the Recipient or for the Recipient's benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (the "*Payments*") would be subject to the excise tax imposed by Code Section 4999, or any interest or penalty is incurred by the Recipient with respect to such excise tax (such excise tax, together with any such interest and penalties, collectively referred to as the "*Excise Tax*"), then the Payments shall be reduced (but not below zero) if and to the extent that such reduction would result in the Recipient retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the imposition of the Excise Tax), than if the Recipient received all of the Payments. The Company shall reduce or eliminate the Payments by first reducing or eliminating the portion of the Payments that are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits that are to be paid the farthest in time from the determination.

(ii) All determinations required to be made under this Section 5(d), including whether and when an adjustment to any Payments is required and, if applicable, which Payments are to be so adjusted, shall be made by an independent accounting firm selected by Coherent from among the four (4) largest accounting firms in the United States or any nationally-recognized financial planning and benefits consulting company (the "*Accounting Firm*"), which shall provide detailed supporting calculations both to Coherent and to the Recipient within fifteen (15) business days of the receipt of notice from the Recipient that there has been a Payment, or such earlier time as is requested by Coherent. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Coherent shall appoint another nationally-recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by Coherent. If the Accounting Firm determines that no Excise Tax is payable by the Recipient, it shall furnish the Recipient with a written opinion that failure to report the Excise Tax on the Recipient's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Recipient.

6. Nontransferability. Except as otherwise provided in the Plan, the Units shall not be sold, pledged, assigned, hypothecated, transferred or disposed of (a "*Transfer*") in any manner, other than by will or the laws of descent and distribution. Any attempt to Transfer the Units in violation of this Section or the Plan shall render this Award null and void.

7. Adjustments. Upon any event described in Section 12 of the Plan (entitled "Adjustments") or any successor provision thereto, the terms of such Section 12 of the Plan or any successor provision thereto shall apply to this Award.

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8. Fractional Shares. Coherent shall not be required to issue any fractional Shares pursuant to this Award, and Coherent may round fractional Shares down to the nearest whole Share.

9. Responsibility for Taxes.

(a) Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Recipient's participation in the Plan ("*Tax-Related Items*"), the Recipient acknowledges that the ultimate liability for all Tax-Related Items owed by the Recipient is and remains the Recipient's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the grant or vesting of this Award or the subsequent sale of Shares acquired pursuant to this Award; and (ii) does not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Recipient's liability for Tax-Related Items or achieve a particular tax result. Further, if the Recipient is subject to Tax-Related Items in more than one jurisdiction, the Recipient acknowledges and agrees that the Company or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable the Recipient agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Recipient authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to Tax-Related Items by one or a combination of the following: (i) withholding from the Recipient's wages or other cash compensation paid to the Recipient by the Company or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of this Award either through a voluntary sale or through a mandatory sale arranged by the Company (on the Recipient's behalf pursuant to this authorization) without further consent; (iii) withholding Shares to be issued upon vesting of this Award; or (iv) any other method determined by the Committee and permitted by applicable laws. Notwithstanding the foregoing, if the Recipient is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in Shares issuable at vesting of the Award upon the relevant withholding event, unless otherwise determined by the Committee.

(c) The Company may withhold or account for Tax-Related Items by considering applicable withholding rates, including maximum applicable rates, in which case the Recipient may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or, if not refunded, the Recipient may seek a refund from the local tax authorities. In the event of under-withholding, the Recipient may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Recipient is deemed to have been issued the full number of Shares, notwithstanding that a number of Shares is held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, the Recipient shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Recipient's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or the proceeds from the sale of Shares, if the Recipient fails to comply with the Recipient's obligations in connection with the Tax-Related Items, as described in this Section 9.

10. Plan Provisions. In the event of any conflict between the provisions of this Agreement and the Plan, the Plan shall control, except that capitalized terms specifically defined in this Agreement shall have the meaning given to them in this Agreement with respect to their usage in this Agreement, notwithstanding the definitions given to such terms in the Plan (which definitions shall control as they relate to the usage of such terms in the Plan).

11. No Continued Rights. The granting of this Award shall not give the Recipient any rights to similar grants in future years or any right to continuance of employment or other service with Coherent or its Subsidiaries, nor shall it interfere in any way with any right that the Company or the Employer would otherwise have to terminate the Recipient's employment or other services at any time, or the right of the Recipient to terminate his or her employment or other service at any time.

12. Rights Unsecured. The Recipient shall have only Coherent's unfunded, unsecured promise to pay pursuant to the terms of this Agreement. The rights of the Recipient hereunder shall be that of a general unsecured creditor of Coherent and the Recipient shall not have any security interest in any assets of Coherent.

13. Non-Competition; Non-Solicitation; Confidentiality.

(a) While the Recipient is employed by the Company (including its Subsidiaries) and for a period of one (1) year after the Recipient's Separation from Service for any reason (the "*Restricted Period*"), the Recipient will not directly or indirectly:

(i) engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than one percent (1%) of the outstanding stock of a publicly-held company), that develops, manufactures, markets or sells any product or service that competes with any product or service developed, manufactured, marketed or sold or, to the Recipient's knowledge, planned to be developed, manufactured, marketed or sold, by Coherent or its Subsidiaries while the Recipient was employed by the Company or a Subsidiary, within the United States of America, and/or any other country within which Coherent or its Subsidiaries have customers or prospective customers as of the date of such Separation from Service;

(ii) (A) solicit for the purpose of selling or distributing any products or services that are the same or similar to those developed, manufactured, marketed or sold by

Coherent or its Subsidiaries, (1) any customers of Coherent or its Subsidiaries, (2) any prospective customers known by the Recipient to have been solicited by Coherent or its Subsidiaries within the twelve (12) months prior to the Recipient's Separation from Service, or (3) any distributors, sales agents or other third-parties who sell to or refer potential customers in need of the types of products and services produced, marketed, licensed, sold or provided by Coherent or its Subsidiaries who have become known to the Recipient as a result of his/her employment with the Company (including its Subsidiaries), or (B) induce or attempt to induce any vendor, supplier, licensee or other business relation of Coherent or its Subsidiaries to cease or restrict doing business with Coherent or its Subsidiaries, or in any way interfere with the relationship between any such vendor, supplier, licensee or business relation and Coherent or its Subsidiaries; or

(iii) either alone or in association with others (A) solicit, or permit any organization directly or indirectly controlled by the Recipient to solicit, any employee of Coherent or its Subsidiaries to leave the employ of Coherent or its Subsidiaries, or (B) solicit for employment, hire or engage as an independent contractor, or permit any organization directly or indirectly controlled by the Recipient to solicit for employment, hire or engage as an independent contractor, any person who was employed by Coherent or its Subsidiaries at any time during the term of the Recipient's employment with the Company or a Subsidiary; provided that this clause (B) shall not apply to any individual whose employment with Coherent or its Subsidiaries has been terminated for a period of one (1) year or longer.

(b) The Recipient acknowledges that certain materials, including information, data, technology and other materials relating to customers, programs, costs, marketing, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of Coherent and its Subsidiaries constitute proprietary confidential information and trade secrets. Accordingly, the Recipient will not at any time during or after the Recipient's employment with the Company or a Subsidiary disclose or use for the Recipient's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise, other than the Company (including its Subsidiaries), any proprietary confidential information or trade secrets; provided that the foregoing shall not apply to information which is not unique to Coherent and its Subsidiaries or which is generally known to the industry or the public other than as a result of the Recipient's breach of this covenant. The Recipient agrees that, upon the Recipient's Separation from Service for any reason, the Recipient will immediately return to Coherent all property of Coherent and its Subsidiaries, including all memoranda, books, technical and/or lab notebooks, customer product and pricing data, papers, plans, information, letters and other data, and all copies thereof or therefrom, which in any way relate to the business of Coherent and its Subsidiaries, except that the Recipient may retain personal items. The Recipient further agrees that the Recipient will not retain or use for the Recipient's account at any time any trade names, trademark or other proprietary business designation used or owned in connection with the business of Coherent and its Subsidiaries.

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(c) The Restricted Period will be tolled during and for any period of time during which the Recipient is in violation of the restrictive covenants contained in this Section 13 and for any period of time which may be necessary to secure an order of court or injunction, either preliminary or permanent, to enforce such covenants, such that the cumulative time period during which the Recipient is in compliance with the restrictive covenants contained in Section 13 will not exceed the one (1)-year period set forth above.

(d) Nothing herein is intended to or shall limit, prevent, impede or interfere with the Recipient's non-waivable right, without prior notice to the Company, to provide information to the government, participate in investigations, testify in proceedings regarding the Company's past or future conduct, or engage in any activities protected under whistleblower statutes, or to receive and fully retain a monetary award from a government-administered whistleblower award program for providing information directly to a government agency. Further, the Recipient understands that pursuant to the Defend Trade Secrets Act of 2016, the Recipient shall not be held criminally, or civilly, liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence either directly or indirectly to a Federal, State, or local government official, or an attorney, for the sole purpose of reporting, or investigating, a violation of law. Moreover, the Recipient understands that he or she may disclose trade secrets in a complaint, or other document, filed in a lawsuit, or other proceeding, if such filing is made under seal. Finally, the Recipient understands that if he or she files a lawsuit alleging retaliation by the Company for reporting a suspected violation of the law, the Recipient may disclose the trade secret to the attorney and use the trade secret in the court proceeding, so long as any document containing the trade secret is filed under seal and the Recipient does not disclose the trade secret except pursuant to court order.

14. Remedies; Clawback.

(a) Coherent and the Recipient acknowledge and agree that that any violation by the Recipient of any of the restrictive covenants contained in Section 13 would cause immediate, material and irreparable harm to Coherent and its Subsidiaries which may not adequately be compensated by money damages and, therefore, Coherent and its Subsidiaries shall be entitled to injunctive relief (including one (1) or more preliminary injunctions and/or ex parte restraining orders) in addition to, and not in derogation of, any other remedies provided by law, in equity or otherwise for such a violation, including the right to have such covenants specifically enforced by any court of competent jurisdiction, the rights under Section 14(b), and the right to require the Recipient to account for and pay over to Coherent all benefits derived or received by the Recipient as a result of any such breach of covenant together with interest thereon, from the date of such initial violation until such sums are received by Coherent.

(b) In the event that the Recipient violates or breaches any of the covenants set forth in Section 13, the Units and the right to receive Shares in exchange for such Units shall be forfeited. Coherent shall also have the right, in its sole discretion, in addition to any other

remedies or damages provided by law, in equity or otherwise, to demand and require the Recipient (i) to the extent that any cash payment was received with respect to such Units, to return and transfer to Coherent any such cash payment, (ii) to the extent that any Shares were received with respect to such Units, to return and transfer to Coherent any such shares directly or beneficially owned by the Recipient, and (iii) to the extent that the Recipient sold or transferred any such Shares, to disgorge and/or repay to Coherent any profits or other economic value (as determined by Coherent) made or realized by the Recipient with respect to such Shares, including the value of any gift thereof.

(c) This Award, **and any amounts or benefits received or outstanding under the Plan, as well as any other incentive awards previously granted to the Recipient by the Company**, shall be subject to potential clawback, cancellation, recoupment, rescission, payback, reduction, or other similar action in accordance with the terms or conditions of any applicable Company clawback or similar policy or any applicable law related to such actions, as may be in effect from time to time, including the requirements of (a) Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (including any rules implementing those statutory requirements adopted under the Exchange Act or by the applicable exchange on which Shares are listed), (b) similar rules under the laws of any other jurisdiction, and (c) any policies adopted by the Company to implement such requirements. The Recipient acknowledges and consents to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Recipient, whether adopted prior to or following the Grant Date, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and agrees that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action.

15. Recipient Acknowledgments. The Recipient acknowledges and agrees that (a) as a result of the Recipient's previous, current and future employment with the Company or the Employer, the Recipient has had access to, will have access to and/or possesses or will possess confidential and proprietary information of Coherent and its Subsidiaries, (b) Coherent and its Subsidiaries are engaged in a highly competitive business and conduct such business worldwide, (c) this Agreement does not constitute a contract of employment, does not imply that the Company or the Employer will continue the Recipient's employment for any period of time and does not change the at-will nature of the Recipient's employment, except as set forth in a separate written employment agreement between the Company or the Employer and the Recipient, (d) the restrictive covenants set forth in Section 13 are necessary and reasonable in time and scope (including the period, geographic, product and service and other restrictions) to protect the legitimate business interests of Coherent and its Subsidiaries, (e) the remedy, forfeiture and payment provisions contained in Section 14 are reasonable and necessary to protect the legitimate business interests of Coherent and its Subsidiaries, (f) acceptance of this Award and these Units and agreement to be bound by the provisions hereof is not a condition of the Recipient's employment and (g) the Recipient's receipt of the benefits provided under this Agreement is

adequate consideration for the enforcement of the provisions contained in Section 13 and Section 14.

16. Severability; Waiver. If any term, provision, covenant or restriction contained in this Agreement is held by a court or a federal regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect, and shall in no way be affected, impaired or invalidated. In particular, in the event that any of such provisions shall be adjudicated to exceed the time, geographic, product and service or other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum time, geographic, product and service or other limitations permitted by applicable law. No delay or omission by Coherent in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by Coherent on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

17. Notice. Coherent may require any notice required or permitted under this Agreement to be transmitted, submitted or received, by Coherent or the Recipient, via the Solium Shareworks System in accordance with the procedures established by Coherent for such notice. Otherwise, except as otherwise set forth in the Agreement, any written notice required or permitted by this Agreement shall be mailed, certified mail (return receipt requested) or by overnight carrier, to Coherent at the following address:

Coherent Corp.
Attention: Chief Financial Officer
375 Saxonburg Boulevard
Saxonburg, Pennsylvania 16056

or to the Recipient at his or her most recent home address on record with Coherent. Notices are effective upon receipt.

18. Controlling Law. The validity, construction and effect of this Agreement will be determined in accordance with the internal laws of the Commonwealth of Pennsylvania without giving effect to the conflict of laws principles thereof. The Recipient and Coherent hereby irrevocably submit to the exclusive jurisdiction of the state and Federal courts located in the Commonwealth of Pennsylvania and consent to the jurisdiction of any such court, provided, however, that, notwithstanding anything to the contrary set forth above, Coherent may file an action to enforce the covenants contained in Section 13 by seeking injunctive or other equitable relief in any appropriate court having jurisdiction, including where the Recipient resides or where the Recipient was employed by the Company or the Employer. The Recipient and Coherent also both irrevocably waive, to the fullest extent permitted by applicable law, any objection either may now or hereafter have to the laying of venue of any such dispute brought or injunctive or equitable Page **12** of **23**

relief sought in such court or any defense of inconvenient forum for the maintenance of such dispute and consent to the personal jurisdiction of any such court. For purposes of this Section 18, the Employer shall be a third-party beneficiary of this Agreement.

19. Entire Agreement. This Agreement (including the Plan and the Employee Grant Details) contains the entire understanding between the parties and supersedes any prior understanding and agreements between them regarding the subject matter hereof with respect to this Award, and there are no other representations, agreements, arrangements or understandings, oral or written, between the parties relating to this Award which are not fully expressed herein. Notwithstanding anything to the contrary set forth in this Agreement, any restrictive covenants contained in this Agreement are independent, and are not intended to limit the enforceability, of any restrictive or other covenants contained in any other agreement between the Company or the Employer and the Recipient.

20. Captions; Section References. Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof. Unless expressly provided otherwise, any reference in this Agreement to any Section refers to the corresponding Section of this Agreement.

21. Limitation of Actions. Any lawsuit commenced by the Recipient with respect to any matter arising out of or relating to this Agreement must be filed no later than one (1) year after the date that a denial of any claim hereunder is made or any earlier date that the claim otherwise accrues.

22. Section 409A. This Agreement and this Award are intended to satisfy all applicable requirements of Section 409A or an exception thereto and shall be construed accordingly. Coherent may in its sole discretion, and without the consent of the Recipient, take any action it deems necessary to comply with the requirements of Section 409A or an exception thereto, including amending the terms of this Award and this Agreement, in any manner it deems necessary to cause this Award and this Agreement to be excepted from Section 409A (or to comply therewith to the extent that Coherent determines that it is not excepted). Notwithstanding, the Recipient recognizes and acknowledges that Section 409A may affect the timing and recognition of payments due hereunder, and may impose upon the Recipient certain taxes or other charges for which the Recipient is and shall remain solely responsible.

23. Assignment. Except as provided in Section 6, the Recipient's rights and obligations under this Agreement shall not be transferable by the Recipient, by assignment or otherwise, and any purported assignment, transfer or delegation thereof by the Recipient shall be void. Coherent may assign/delegate all or any portion of this Agreement and its rights hereunder without prior notice to the Recipient and without the Recipient's consent thereto, whereupon the Recipient shall continue to be bound hereby with respect to such assignee/delegatee.

24. Electronic Delivery. Coherent may, in its sole discretion, deliver any documents or correspondence related to this Agreement, the Units, the Plan, the Recipient's participation in the Plan or future awards that may be granted to the Recipient under the Plan, by electronic means. The Recipient hereby consents to receive such documents by electronic delivery and to the Recipient's participation in the Plan through an on-line or electronic system established and maintained by Coherent or another third party designated by Coherent, including the Solium Shareworks System. Likewise, Coherent may require the Recipient to deliver or receive any documents or correspondence related to this Agreement by such electronic means.

25. Further Assurances. The Company and the Recipient shall use commercially reasonable efforts to, from time to time at the request of the other party, without any additional consideration, furnish the other party such further information or assurances, execute and deliver such additional documents and take such other actions and do such other things, as may be necessary to carry out the provisions of this Agreement.

26. Compliance with Legal Requirements. Notwithstanding any other provisions of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting of this Award prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Further, the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of Shares. Subject to Section 409A, the Committee may postpone the issuance or delivery of Shares under this Award as the Committee may consider appropriate and may require the Recipient to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules and regulations. The Recipient understands and agrees that the Company shall have unilateral authority to amend this Agreement without his or her consent to the extent necessary to comply with securities or other laws applicable to the issuance of Shares.

27. Appendices. The Recipient acknowledges and agrees that, if the Recipient resides outside the U.S., this Award is subject to the general terms applicable to Awards granted to recipients outside the U.S. set forth in Appendix A hereto. Further, this Award is subject to any additional terms and conditions set forth for the Recipient's U.S. state or country in Appendix B hereto. Appendix A and Appendix B constitute part of this Agreement.

28. Imposition of Other Requirements. The Company reserves the right to impose other requirements on this Award to the extent that the Company determines that it is necessary.

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or advisable in order to comply with local law or facilitate the administration of this Award and to require the Recipient to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

29. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Recipient's participation in the Plan or the Recipient's acquisition or sale of Shares. The Recipient understands and agrees that the Recipient should consult with his or her own personal legal and financial advisors regarding the Recipient's participation in the Plan before taking any action related to the Plan.

30. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto, or as otherwise provided under the Plan or this Agreement.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date set forth above. Electronic acceptance of this Agreement by the Recipient pursuant to Coherent's instructions to the Recipient (including through the Solium Shareworks System) shall constitute execution of this Agreement by the Recipient. The Recipient agrees that his or her electronic acceptance of this Agreement, including via the Solium Shareworks System, shall constitute his or her signature, and that he or she agrees to be bound by all of the terms and conditions of this Agreement. If the Recipient wishes to reject the Performance Share Units, the Recipient must so notify the Company's stock plan administrator in writing to _____ at _____ or stock.admin@coherent.com no later than the first anniversary of the Grant Date. If within such period the Recipient neither affirmatively accepts nor affirmatively rejects the Performance Share Units, the Recipient will be deemed to have accepted the Performance Share Units pursuant to the terms and conditions set forth in the Agreement, and the Plan.

COHERENT CORP.

By: _____
Name: : Chiew Mee Yong
Title: Chief Human Resources Officer

RECIPIENT

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Electronic Acceptance via the Solium Shareworks System

Appendix A

General Terms Applicable to Awards Granted to Recipients Outside the U.S.

This Appendix A includes additional terms and conditions applicable to all grants of Awards under the Plan to employees or other grant recipients who reside outside the United States. Capitalized terms used but not defined in this Appendix A shall have the meanings given to them in this Agreement or the Plan.

1. DATA PRIVACY INFORMATION AND CONSENT

The Company is located at 375 Saxonburg Blvd., Saxonburg, PA 16056, USA and grants employees of the Company and its Subsidiaries the opportunity to participate in the Plan at the Company's sole discretion. If the Recipient would like to participate in the Plan, the Recipient should review the following information about the Company's data processing practices.

(a) Data Collection and Usage. The Company collects, processes and uses the Recipient's personal data, including the Recipient's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all awards canceled, vested, or outstanding in the Recipient's favor, which the Company receives from the Recipient or the Employer. If the Company offers the Recipient an opportunity to participate in the Plan, then the Company will collect the Recipient's personal data for purposes of allocating stock and implementing, administering and managing the Plan.

(b) Purpose and Legal Basis of Processing. The personal data is collected from the Recipient by the Company or its Subsidiaries or affiliates, for the purpose of setting up the Recipient's trading account and implementing, administering and managing the Plan pursuant to the terms of this Agreement. The personal data must be provided in order for the Recipient to participate in the Plan and for the parties to this Agreement to perform their respective obligations thereunder. If the Recipient does not provide personal data, the Recipient will not be able to participate in the Plan and become a party to this Agreement.

If the Recipient resides and/or is employed in the EU / EEA / United Kingdom (collectively, "EEA+") the legal bases (that is, the legal justification) for processing the personal data is that it is necessary to perform this Agreement (including to administer and manage the Plan) and comply with applicable EEA+ laws, and in Company's legitimate interests to comply with applicable non-EEA+ laws when performing, administering and managing the Plan.

If the Recipient resides and/or is employed outside the EEA+, the legal basis for processing the personal data is the Recipient's consent. By agreeing to the terms of this Agreement, the Recipient provide their consent to process their personal data for the purposes

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of the Plan. The company has appointed Gregor Scheja and Partners at +49 228 227226-0 as its EU-based representative, according to Article 27, GDPR.

(c) Stock Plan Administration Service Providers and International Data Transfers. The Company and its service providers are based in the United States. If the Recipient is outside the United States, the Recipient should note that his or her country has enacted data privacy laws that are different from the United States. The Company transfers participant data to Solium Capital, a third-party service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different third-party service provider and share the Recipient's data with another company that serves in a similar manner. The Company's service provider will open an account for the Recipient. The Recipient will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Recipient's ability to participate in the Plan. Such third-party service providers may include the Company's outside counsel as well as the Company's auditor. The Company's legal basis for the transfer of the Recipient's personal data is the Recipient's consent.

(d) Data Retention. The Company will use the Recipient's personal data only as long as is necessary to implement, administer and manage the Recipient's participation in the Plan or as required to comply with tax, exchange control, labor and securities laws, other applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. When the Company no longer needs the Recipient's personal data, which will generally be seven years after the Recipient participates in the Plan, the Company will remove it from its systems. If the Company keeps the data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulation.

(e) Data Subject Rights. The Recipient has a number of rights under data privacy laws in the Recipient's country. Depending on where the Recipient is based, the Recipient's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) rectification of incorrect data, (iii) deletion of data, (iv) restrictions on processing, (v) portability of data, (vi) lodge complaints with competent authorities in the Recipient's country, and/or (vii) a list with the names and addresses of any potential recipients of the Recipient's personal data. To receive clarification regarding the Recipient's rights or to exercise such rights, the Recipient should contact the Company at HR Department, Director of Compensation and Benefits, 375 Saxonburg Blvd., Saxonburg, PA 16056, USA.

2. **ADDITIONAL ACKNOWLEDGEMENTS**

By entering into this Agreement and accepting this Award, the Recipient acknowledges, understands and agrees that:

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- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of this Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards or benefits in lieu of awards, even if such awards have been awarded in the past;
- (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- (d) the Recipient is voluntarily participating in the Plan;
- (e) this Award, any Shares acquired under the Plan and the income from and value of same, are not intended to replace any pension right or compensation;
- (f) this Award, any Shares acquired under the Plan and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (g) unless otherwise agreed with the Company in writing, this Award and any Shares acquired under the Plan, and the income from and value of same, are not granted in consideration for, or in connection with, the service the Recipient may provide as an officer or director of a Subsidiary;
- (h) in accepting this Award, the Recipient expressly recognizes that this Award is made solely by Coherent, with principal offices at 375 Saxonburg Boulevard; Saxonburg, Pennsylvania 16056; U.S.A.; Coherent is solely responsible for the administration of the Plan and the Recipient's participation in the Plan; in the event that the Recipient is an employee of a Subsidiary, this Award and the Recipient's participation in the Plan will not create a right to employment or be interpreted to form an employment or service contract or relationship with Coherent; and this Award will not be interpreted to form an employment or service contract with any Subsidiary;
- (i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (j) no claim or entitlement to compensation or damages shall arise from the forfeiture of the Recipient's Award or the recoupment of any Shares or other benefits or payments acquired under the Plan resulting from (a) the Recipient's Separation from Service (for any reason whatsoever and whether or not in breach of local labor laws); and/or (b) the

application of any recoupment or clawback policy or provision described in this Agreement (or otherwise required by the Company) or any recovery or clawback otherwise required by law;

(k) for purposes of this Award, a Separation from Service will be deemed to have occurred as of the date the Recipient is no longer providing services to the Company or any Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of labor laws in the jurisdiction where the Recipient is employed or the terms of the Recipient's employment agreement, if any). Unless otherwise determined by the Committee, the Recipient's right to vest in this Award will terminate as of such date and will not be extended by any notice period (e.g., the Recipient's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under labor laws in the jurisdiction where the Recipient is employed or the terms of the Recipient's employment agreement, if any). The Committee shall have the exclusive discretion to determine when the Recipient is no longer actively providing services for purposes of this Award (including whether the Recipient may still be considered to be providing services while on a leave of absence);

(l) the Recipient is solely responsible for investigating and complying with any exchange control laws applicable to the Recipient in connection with his or her participation in the Plan; and

(m) neither the Company, the Employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Recipient's local currency and the United States Dollar that may affect the value of this Award or any amounts due to the Recipient pursuant to the settlement of this Award or subsequent sale of Shares acquired under the Plan.

3. LANGUAGE

The Recipient acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Recipient to understand the terms and conditions of this Agreement. Furthermore, if the Recipient has received this Agreement or any other document related to this Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

4. INSIDER TRADING/MARKET ABUSE LAWS

Depending on the Recipient's country of residence, or the designated broker's country or where the Shares are listed, the Recipient may be subject to insider trading restrictions and/or market abuse laws, which may affect the Recipient's ability to accept, acquire, sell, attempt to sell or otherwise dispose of Shares or right to Shares (e.g., Awards) or rights linked to the value of Shares during such times as the Recipient is considered to have "inside information"

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regarding the Company (as defined by or determined under the laws in the applicable jurisdiction). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders placed by the Recipient before possessing inside information. Furthermore, the Recipient could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees (other than on a “need to know” basis) and (ii) “tipping” third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Recipient is responsible for ensuring compliance with any applicable restrictions and should consult with his or her personal legal advisor on this matter.

5. **EXCHANGE CONTROL, TAX AND/OR FOREIGN ASSET/ACCOUNT REPORTING**

The Recipient acknowledges that there may be exchange control, tax, foreign asset and/or account reporting requirements which may affect the Recipient's ability to hold Shares acquired under the Plan or cash received from participating in the Plan in a brokerage/bank account or legal entity outside the Recipient's country. The Recipient may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the tax or other authorities in the Recipient's country. The Recipient may also be required to repatriate sale proceeds or other funds received as a result of participation in the Plan to the Recipient's country through a designated bank or broker within a certain time after receipt. In addition, the Recipient agrees to take any and all actions, and consent to any and all actions taken by the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Recipient's country of residence (and country of employment, if different). Finally, the Recipient agrees to take any and all actions as may be required to comply with their personal legal and tax obligations under local laws, rules and regulations in their country of residence (and country of employment, if different). The Recipient acknowledges that it is his or her responsibility to be compliant with such regulations and that the Recipient should consult with his or her personal legal advisor for any details.

Appendix B

Jurisdiction-Specific Terms and Conditions

Capitalized terms used but not defined in this Appendix B shall have the meanings given to them in the Agreement or the Plan.

Terms and Conditions

This Appendix B includes additional terms and conditions that govern the Award grants to the Recipient under the Plan if the Recipient works and/or resides in one of the countries or other jurisdictions listed below.

If the Recipient is a citizen or resident of a jurisdiction other than the one in which the Recipient is currently working and/or residing, is considered a resident of another jurisdiction for local law purposes or transfers employment and/or residency between countries or other jurisdictions after the Grant Date, the Company shall, in its sole discretion, determine to what extent the terms and conditions contained herein apply to the Recipient under these circumstances.

Notifications

This Appendix B also includes information regarding country-specific securities laws, exchange controls, tax and certain other issues of which the Recipient should be aware with respect to the Recipient's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of November 2023. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Recipient not rely on the information noted herein as the only source of information relating to the consequences of the Recipient's participation in the Plan because the information may be out of date at the time this Award vests or the Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the Recipient's particular situation, and the Company is not in a position to assure the Recipient of any particular result. Accordingly, the Recipient should seek appropriate professional advice as to how the relevant laws in the Recipient's country may apply to his or her situation.

Finally, if the Recipient is a citizen or resident of country other than the one in which the Recipient is currently working and/or residing, is considered a resident of another country for local law purposes or transfers employment and/or residence between countries after the Grant Date, the information contained herein may not be applicable in the same manner to the Recipient.

[INSERT COUNTRY-SPECIFIC PROVISIONS FOR APPLICABLE COUNTRIES]

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COHERENT CORP., 375 Saxonburg Boulevard, Saxonburg, PA 16056

General Offices: 724-352-4455

COHERENT CORP. REVISED EXECUTIVE SEVERANCE PLAN

The purpose of the Coherent Corp. Revised Executive Severance Plan (as amended and in effect from time to time, the "Plan"), is to enhance the Company's ability to retain designated key executives. The Plan is intended to be a severance pay plan governed by Title I of ERISA primarily for the purpose of providing benefits for a select group of management or highly compensated employees. All benefits under the Plan will be paid solely from the general assets of the Company.

**Article I
DEFINITIONS**

Section 1.01 Definitions. As used in this Plan, the following terms have the meanings set forth below:

(a) "Accounting Firm" has the meaning set forth in Section 7.02.

(b) "Accrued Obligations" means vested amounts payable to a Participant upon any termination of employment with the Company, including (i) the Participant's earned but unpaid Base Salary from the Company through the Date of Termination, (ii) any outstanding Bonus for which payment is due and owing as of the Date of Termination, (iii) any vested employee benefits as determined under the applicable plan, and (iv) any unreimbursed expenses properly incurred and reported by the Participant in accordance with the Company's business expense reimbursement policy.

(c) "Affiliate" means, with respect to any individual or entity, any other individual or entity who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such individual or entity.

(d) "Applicable Benefits Multiplier" means a multiplier (expressed as a number of months) contained in a Participant's Revised Participation Agreement that is used to determine a Participant's termination benefits under Sections 3.01(b) and 3.02(b).

(e) "Applicable Bonus Multiplier" means the multiplier contained in a Participant's Revised Participation Agreement that is used to determine the portion of the Participant's termination benefits described in Section 3.02(a)(B).

(f) "Applicable Protection Period" means the period (expressed as a number of months) contained in a Participant's Participant Agreement that is used to determine the CIC Period applicable to the Participant.

(g) "Applicable Severance Multiplier" means the multiplier (expressed as a number of months) contained in a Participant's Revised Participation Agreement that is used to determine the portion of the Participant's termination benefits described in Sections 3.01(a) and 3.02(a)(A).

(h) "Base Salary" means a Participant's annual salary for all services rendered as in effect at the time a benefit under the Plan is calculated; provided, however, that in case of a Qualifying Termination as the result of Good Reason triggered by a reduction in Base Salary, "Base Salary" shall mean the Participant's annual salary as in effect immediately before the event giving rise to Good Reason.

(i) "Board" means the Board of Directors of the Corporate Parent.

(j) "Bonus," at the time that a benefit under the Plan is calculated, means the bonus(es) payable to a Participant pursuant to the Company's BIP, GRIP or other incentive bonus plan that is in effect at such time. For this purpose, the "BIP" means the Company's Bonus Incentive Program and the "GRIP" means the Company's Goals/Results Incentive Program, in each case as such program may be amended from time to time.

(k) "Cause" means a determination by the Board, in the exercise of its reasonable judgment, that any of the following has occurred with respect to a particular Participant:

(i) the Participant's willful and continued failure before a Change in Control to perform substantially the Participant's employment duties and responsibilities (other than a failure resulting from physical or mental illness or disability), which is not cured within 30 days of receiving written notice from the Company specifying in reasonable detail the duties and responsibilities the Company believes are not being substantially performed;

(ii) the Participant willfully engaged in an act which is materially damaging to the Company (which damage may, without limitation, include reputational damage);

(iii) the Participant was convicted of, or entered a plea of "guilty" or "no contest" to: (A) a felony; or (B) a criminal offense involving fraud, dishonesty or other moral turpitude;

(iv) the Participant materially breached any of the covenants set forth in Article VI and if the breach occurs after a Change in Control is not cured within 30 days of receiving written notice from the Company specifying in reasonable detail the breach of the covenant set forth in Article VI; or

(v) the Participant engaged in an intentional act of dishonesty resulting, directly or indirectly, in material damage to the Company.

For the Company to terminate for Cause on or after a Change in Control: the Participant must be provided with written notice setting forth in detail the acts or omissions giving rise to such termination and must be given an opportunity to address the Board regarding the termination.

(l) "Change in Control" means any of the following events that occurs after the Effective Date:

(i) the Corporate Parent is merged or consolidated with another entity the result of which is that immediately following such transaction (A) the persons who were the shareholders of the Corporate Parent immediately prior to such transaction have less than a majority of the voting power of the Corporate Parent or the entity owning or controlling it; or (B) the individuals who comprised the Board immediately prior to such transaction cease to be at least a majority of the members of the Board;

(ii) a majority of the Corporate Parent's assets are sold or otherwise transferred to another corporation not controlled by or under common control with the Corporate Parent, or to a partnership, firm, entity or one or more individuals not so controlled;

(iii) a majority of the members of the Board consists of persons who were not nominated by or on behalf of the Board, or with the express concurrence of the Board; or

(iv) a single person, or a group of persons acting in concert, obtains voting control over a majority of the Corporate Parent's outstanding voting shares.

(m) "CIC Period" means the period commencing on the date six months prior to a Change in Control and ending on a date that is at the end of the Participant's Applicable Protection Period following the Change in Control.

(n) "CIC Period Bonus" means, the greater of (i) Bonus at target (A) for the performance period in which the Change in Control occurs (or for the immediately preceding performance period if the target payment with respect to the Participant for the performance period in which the Change in Control occurs has not yet been established) (without regard to any reduction made in the target payment within the six month period prior to the Change in Control) or (B) for the performance period in which the Participant's Date of Termination occurs, whichever target payment is highest and (ii) Bonus based on performance (A) for the performance period in which the Change in Control occurs (but not less than that projected as of the Change in Control if the performance period has not been completed as of the Change in Control), or (B) for the performance period in which the Participant's Date of Termination occurs, whichever performance payment is highest.

(o) "Code" means the U.S. Internal Revenue Code of 1986, as amended (including any valid and binding governmental regulations, court decisions and other regulatory and judicial authority issued or rendered thereunder).

(p) "Company" means, collectively, the Corporate Parent and its Affiliates.

(q) "Company Products" means any products or services (i) designed, manufactured, purchased, distributed, sold, assembled, provided and/or marketed by the Company, or (ii) that the Company has planned to design, manufacture, purchase, distribute, sell, assemble, provide or market, and for which a Participant has provided services, or over which a Participant had direct or indirect managerial or supervisory authority, or about which a Participant received Confidential Information.

(r) "Compensation and Human Capital Committee" means the Compensation and Human Capital Committee of the Board or any successor committee dealing with compensation .

(s) "Competitor" means any entity that is involved or engaged in the design, manufacture, purchasing, distribution, sale, assembly, provision or marketing of any products or services that are the same as or similar to Company Products.

(t) "Confidential Information" has the meaning set forth in Section 6.02(b).

(u) "Corporate Parent" means Coherent Corp., a Pennsylvania corporation, and any successor thereto.

(v) "Date of Termination" means the date on which a Participant's employment with the Company terminates.

(w) “Disability” means a Participant’s physical or mental illness, injury or infirmity which is reasonably likely to prevent and/or prevents the Participant from performing his or her essential job functions for a period of (A) 90 consecutive calendar days or (B) an aggregate of 120 calendar days out of any consecutive 12-month period.

(x) “Effective Date” means September 24, 2019 as the original effective date of the Plan and November 16, 2023 as the effective date of this revised Plan.

(y) “Eligible Executive” means a full-time employee of the Company who has been designated by the Plan Administrator to be eligible for benefits under the Plan. Eligible Executives shall be limited to a select group of management or highly compensated employees within the meaning of ERISA Sections 201, 301, and 404. Unless the Plan Administrator determines otherwise, the Company’s Chief Executive Officer shall not be an Eligible Executive.

(z) “Equity Award” means an award granted to a Participant covering the common stock of the Company, including stock options, restricted stock, restricted stock units, and performance stock units, granted under any equity incentive plan maintained by the Company from time to time, including: (i) the II-VI Incorporated 2009 Omnibus Incentive Plan, (ii) the II-VI Incorporated Second Amended and Restated 2012 Omnibus Incentive Plan, (iii) the II-VI Incorporated Amended and Restated 2018 Omnibus Incentive Plan, (iv) the Coherent, Inc. Equity Incentive Plan (v) the Coherent Corp. Omnibus Incentive Plan or (vi) any successor plan(s) thereto.

(aa) “Equity Award Agreement” means the agreement evidencing, and governing the terms of, an Equity Award.

(ab) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(ac) “Excise Tax” has the meaning set forth in Section 7.01.

(ad) “Good Reason” means, without a Participant’s express written consent:

(i) a material reduction of the Participant’s authority, job duties or responsibilities, provided however that, before a Change in Control, a change in reporting structure only, which results in additional levels of supervision and/or management above the Participant, shall not constitute Good Reason;

(ii) a material reduction by the Company of the Participant’s Base Salary;

(iii) a material increase in the amount of the Participant’s business travel which produces a constructive relocation of the Participant;

(iv) a material reduction by the Company in the kind or level of employee benefits to which the Participant is entitled immediately prior to such reduction, with the result that the Participant’s overall benefits package is significantly reduced; or

(v) the relocation of the Participant to a facility or a location more than 30 miles from the Participant’s Primary Work Location, unless such relocation results in the Participant’s primary work location being closer to the Participant’s then primary residence, or does not substantially increase the average commuting time of the Participant.

For a Participant to terminate for Good Reason: the Company must be notified by the Participant in writing within 90 days of the event constituting Good Reason; the event must remain uncorrected by the Company for 30 days following such notice (the "Notice Period"); and such termination must occur within 60 days after the expiration of the Notice Period.

(ae) "Healthcare Coverage" means coverage for a Participant and his or her tax-qualified dependents under the Company's group health plan that provides medical care (including group dental and vision), based on the applicable plans and the Participant's coverage elections in effect immediately prior to the Participant's Date of Termination. The Company's group health plan does not include other benefits offered under a Company welfare plan such as life insurance and disability insurance.

(af) "Inventions" means any and all developments, discoveries, inventions, enhancements, modifications and improvements by the Participant to any Company Product.

(ag) "Non-CIC Period" means the period prior to or following a CIC Period.

(ah) "Nonqualifying Termination" means a termination of the Participant's employment with the Company other than a Qualifying Termination.

(ai) "Participant" means each Eligible Executive who is selected to be a participant in the Plan by action of the Plan Administrator and who has accepted such participation by execution of a Participation Agreement.

(aj) "Payments" has the meaning set forth in Section 7.01.

(ak) "Plan Administrator" means the Compensation and Human Capital Committee, or, if the Board so determines, another committee of the Board, or the Board itself. To the extent permitted by applicable law, the Plan Administrator may delegate all or any portion of its authority to one or more officers of the Company or a committee consisting of at least two persons.

(al) "Primary Work Location" means the primary work location for a Participant as set forth in the Participant's Participation Agreement.

(am) "Qualifying Termination" means a (i) termination of the Participant's employment with the Company by the Company other than for Cause, death or Disability, or (ii) termination of the Participant's employment with the Company as a result of a resignation by the Participant for Good Reason.

(an) "Release" means the waiver and release of claims substantially in the form attached hereto as Exhibit A.

(ao) "Restricted Period" means the period beginning on a Participant's Date of Termination and continuing for the number of months following the Date of Termination as specified in the Participant's Participation Agreement.

(ap) "Restricted Territory" means anywhere in the world where the Company's Products are designed, manufactured, assembled, marketed or sold.

(aq) "Revised Participation Agreement" means the latest participation agreement delivered by the Company to a Participant informing the Eligible Employee of the Eligible Employee's participation in the Plan.

- (ar) "Separation from Service" means a "separation from service" within the meaning of Code Section 409A.
- (as) "Target Bonus Amount" means, with respect to any Year, the amount of the target Bonus for such Year (including under both the BIP and the GRIP, if applicable).
- (at) "Year" means the fiscal year of the Company.

Article II

PARTICIPATION AND SCOPE OF SEVERANCE BENEFITS

Section 1.01 Participation in the Plan. An Eligible Executive shall become a Participant only if the Eligible Executive is first designated for participation in the Plan as follows: (i) for an Eligible Executive who is an officer subject to Section 16(a) of the Securities Exchange Act of 1934, as amended, the Eligible Executive must be designated for participation in the Plan by the Compensation Committee; and (ii) for any other Eligible Executive, the Eligible Executive must be designated for participation in the Plan by the Chief Executive Officer of the Corporate Parent. Promptly following such designation, the Company shall provide each Participant a Revised Participation Agreement, which shall specify the benefits the Participant is entitled to receive under the Plan. The party making the eligibility determination under the first sentence of this Section may vary the terms of a Participant's participation on a case-by-case basis, as set forth in the Participant's Revised Participation Agreement. A designated Eligible Executive shall not become a Participant unless and until the Revised Participation Agreement is duly executed. Once participation in the Plan has commenced, a Participant shall remain a Participant until the first to occur of (i) the Participant's Nonqualifying Termination, (ii) the completion of the delivery of all benefits under the Plan following a Qualifying Termination under circumstances giving rise to a right to such benefits, or (iii) termination of the Plan prior to a Qualifying Termination as provided in Section 5.01. For avoidance of doubt, the rights and obligations of the Company and of an Eligible Executive who does not execute a Revised Participation Agreement, but who had previously executed a participation agreement under a prior Executive Severance Plan, shall be governed by such prior participation agreement and Executive Severance Plan.

Section 1.02 Conditions. As a condition precedent to entitlement of each Participant to benefits under Sections 3.01 and 3.02 of the Plan, the Participant agrees to each of the following:

- (a) The Participant shall have executed, within 21 days, or if required for an effective release, 45 days, following the Participant's Date of Termination, the Release, and the applicable revocation period set forth in such release shall have expired.
- (b) The Participant agrees to execute a resignation letter stating that, effective as of the Participant's Date of Termination, or such earlier date as required or requested by the Company, the Participant resigns from all positions with the Company, whether as an employee, an officer, a director or otherwise.
- (c) The Participant shall reaffirm his or her agreement to abide by the covenants set forth in Article VI.

Section 1.03 No Duty to Mitigate; Non-duplication

- (a) A Participant shall not be required to mitigate the amount of any payment or benefit provided for in the Plan by seeking other employment or otherwise, and no such payment or benefit shall be offset or reduced by the amount of any compensation or benefits provided to the Participant in any subsequent employment.

(b) The Company does not intend to duplicate severance benefits. Accordingly, the severance payments and benefits under the Plan to a Participant shall be reduced by any severance benefits to which the Participant would otherwise be entitled under the Participant's offer letter or employment agreement with the Company (if applicable), or any general severance policy or plan maintained by the Company that provides for severance benefits (unless the agreement, policy or plan expressly provides for severance benefits to be in addition to those provided under the Plan). The severance payments and benefits to which a Participant is otherwise entitled shall be further reduced (but not below zero) by any payments or benefits to which the Participant may be entitled under any federal, state or local plant-closing (or similar or analogous) laws or mandatory severance benefits under the laws of any other applicable jurisdiction. Any such reductions or offsets in severance benefits shall be made in a manner that complies with Code Section 409A (if applicable).

Article III TERMINATION BENEFITS

Section 1.01 Qualifying Termination During a Non-CIC Period. If a Participant incurs a Qualifying Termination and his or her Date of Termination is during a Non-CIC Period, then, in addition to any Accrued Obligations, the Participant shall be entitled to the following (which shall be payable in accordance with Article IV):

(a) Cash Severance. An amount equal to the product of (i) the Participant's Applicable Severance Multiplier, and (ii) the Participant's monthly rate of Base Salary.

(b) Healthcare Coverage Payment. An amount equal to the product of (i) the Participant's Applicable Benefits Multiplier and (ii) the full total monthly premium cost (i.e., the Participant's and the Company's portion) for the Participant's Healthcare Coverage.

Section 1.02 Qualifying Termination During a CIC Period. If a Participant incurs a Qualifying Termination and his or her Date of Termination is during a CIC Period, then, in addition to any Accrued Obligations, the Participant shall be entitled to the following (which shall be payable in accordance with Article IV):

(a) Cash Severance. An amount equal to (A) the product of (i) the Participant's Applicable Severance Multiplier and (ii) the Participant's monthly rate of Base Salary, plus (B) the product of (i) the Participant's Applicable Bonus Multiplier and (ii) the Participant's Target Bonus Amount for the Year in which the Date of Termination occurs.

(b) Healthcare Coverage Payment. An amount equal to the product of (i) the Participant's Applicable Benefits Multiplier and (ii) the full total monthly premium cost (i.e., the Participant's and the Company's portion) for the Participant's Healthcare Coverage.

(c) Equity Vesting. Any unvested Equity Awards will become fully vested and, if applicable, each such Equity Award shall remain exercisable for the period set forth in the applicable Equity Awards Agreement. For the avoidance of any doubt, the provisions of this Section 3.02(c) shall supersede the provisions contained in the applicable Equity Awards Agreements, provided that the provisions of the Equity Award Agreements will control to the extent such provisions are more favorable to the Participant. In the case of any performance-based Equity Awards, "full vesting" means vesting based on the level of performance adjustment determined under the terms of the applicable Equity Award Agreement in connection with the Change in Control.

(d) Pro-Rata Bonus. An amount equal to a pro rata portion (based on the number of days during the applicable performance year Participant was employed by the Company) of the

Participant's CIC Period Bonus. In addition, if the Bonus for the performance year immediately preceding the Participant's Date of Termination had not yet been paid, the Participant shall receive 100% of the Bonus, if any, for such immediately preceding performance period that would otherwise have been paid to Participant (without the application of any negative discretion) if Participant's employment had not so terminated, payable at the same time as such Bonus is paid to other Company employees.

Article III

FORM AND TIME OF PAYMENT

Section 1.01 Payments for a Qualifying Termination During a Non-CIC Period The amount contemplated under Section 3.01(a) shall be paid in accordance with the Company's regular pay schedule in substantially equal installments over a period equal to a Participant's Applicable Severance Multiplier following the Participant's Date of Termination. The amount contemplated under Section 3.01(b) shall be paid in a lump sum cash in the next pay period after the Release becomes effective (not more than 75 days after the Participant's Date of Termination). In both cases, the payments described shall be conditioned on the Participant providing the Company with (and not revoking) a Release, no later than 60 days after the Participant's Date of Termination. Any payments will commence in the next pay period after the Release becomes effective (not more than 75 days after the Participant's Date of Termination), including a lump sum for any payments for any payroll periods from the Date of Termination through the date the Release becomes effective.

Section 1.02 Payments for a Qualifying Termination During a CIC Period The amounts contemplated under Section 3.02(a) and Section 3.02(b) shall be paid in a lump sum cash payment in the next pay period after the Release becomes effective (not more than 75 days after the Participant's Date of Termination). The amount of the CIC Period Bonus based on those portions of the formula that are knowable at such time shall be paid in a lump sum cash payment in the next pay period after the Release becomes effective (not more than 75 days after the Participant's Date of Termination) and if the CIC Period Bonus is determined to be greater when the other portions of the formula for the CIC Period Bonus are known, such excess amount shall be paid in a lump sum cash payment within ten (10) days after such determination. The amount of the Bonus set forth in the second sentence of Section 3.02(d) shall be paid at the later of (i) in the next pay period after the Release becomes effective (not more than 75 days after the Participant's Date of Termination) or (ii) at the same time as such Bonus is paid to other Company employees. The payments described in each of Section 3.02(a), Section 3.02(b) and Section 3.02(d) shall be conditioned on the Participant providing the Company with (and not revoking) a Release, no later than 60 days after the Participant's Date of Termination. Vesting of Equity Awards under Section 3.02(c) shall also be conditioned on the Participant providing, and not revoking, the Release within 60 days following the Date of Termination. Payment of any restricted stock units as a result of such vesting shall be made no later than 75 days following the Date of Termination, subject to compliance with the requirements of Code Section 409A.

Article V

AMENDMENT / TERMINATION OF PLAN

Section 1.01 Plan Amendment and Termination. This Plan may be amended or terminated by action of the Board; provided, however, that any amendment or termination that reduces or eliminates potential termination benefits under Article III for a Participant shall not, without the Participant's prior written consent: (i) be effective for any Qualifying Termination until one year after notice is provided to the Participant; and (ii) be effective until after the end of the applicable CIC Period if a Change in Control occurs while this Plan is in effect.

Article VI COVENANTS

Section 1.01 Full Time, Best Efforts and Conduct. Each Participant covenants and agrees to devote all of the Participant's business time and efforts to the faithful performance of the duties assigned to the Participant from time to time by the Company, except to the extent that the Company expressly permits the Participant to engage in outside activities during business hours. The Company and the Participant acknowledge that, from time to time, the Participant may either desire or be asked by the Company to engage in business activities or perform business services for the benefit of third parties, such as, e.g., serving as an outside director or consultant for another company. In each case, the Participant's involvement in such business activities or services shall be subject to the mutual agreement and approval of both the Company and the Participant. The Participant shall at all times engage in conduct in accordance with the highest standards of ethics and shall take no action that will harm the reputation of the Company. To every extent not inconsistent with the terms of this Agreement, the terms and conditions of the Participant's employment are also governed by the Company's personnel policies and employee handbook, as they may be issued and amended from time to time

Section 1.02 Confidential Information.

(a) **Nondisclosure and Non-Use.** Both during the term of a Participant's employment with Company and thereafter, the Participant covenants and agrees that the Participant (i) shall exercise the utmost diligence to protect and safeguard the Confidential Information of the Company; (ii) shall not disclose to any third party any Confidential Information, except as may be required by the Company in the course of the Participant's employment or by law; and (iii) shall not use Confidential Information except for the benefit of the Company. The Participant acknowledges that Confidential Information has been and will be developed and acquired by the Company by means of substantial expense and effort, that the Confidential Information is a valuable proprietary asset of the Company's business, and that its disclosure would cause substantial and irreparable injury to the Company's business.

(b) **Definition of Confidential Information.** "Confidential Information" means all information of a confidential or proprietary nature, whether or not specifically labeled or identified as "confidential," in any form or medium, that is or was disclosed to, or developed or learned by, the Participant in connection with the Participant's past, present or future employment with the Company and that relates to the business, products, services, research or development of any of the Company or its suppliers, distributors or customers. Confidential Information includes, but is not limited to, the following: (i) internal business information (including, but not limited to, information relating to strategic plans and practices, business, training, marketing, promotional and sales plans and practices, cost, rate and pricing structures, accounting and business methods); (ii) identities of, individual requirements of, specific contractual arrangements with, and information about, any of the Company's suppliers, distributors and customers and their confidential information; (iii) trade secrets, know-how, compilations of data and analyses, techniques, systems, formulae, research, records, reports, manuals, documentation, models, data and data bases relating thereto; (iv) inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether or not patentable); and (v) other information or thing that has economic value, actual or potential, from not being generally known to or not being readily ascertainable by proper means by other persons.

(c) **Not Confidential Information.** Confidential Information shall not include information that the Participant can demonstrate: (i) is publicly known through no wrongful act or breach of obligation of confidentiality by the Participant; (ii) was rightfully received by the Participant from a third party without a breach of any obligation of confidentiality by such third

party; or (iii) was known to the Participant on a non-confidential basis prior to the Participant's employment with the Company.

(d) Presumption of Confidentiality. In any judicial proceeding, it will be presumed that the Confidential Information constitutes protectable trade secrets and the Participant will bear the burden of proving that any Confidential Information is publicly or rightfully known by the Participant.

(e) Return of Confidential Information and Materials. Each Participant agrees to return to the Company either before or immediately upon the termination of the Participant's employment with the Company any and all information, materials or equipment which constitutes, contains or in any way relates to the Confidential Information and any other document, equipment or materials of any kind relating in any way to the business of the Company in the possession, custody or control of the Participant which was obtained by the Participant during the course of or as a result of the Participant's employment with the Company, whether confidential or not, including, but without limitation, any copies thereof which may have been made by or for the Participant. The Participant shall also provide the Company, if requested to do so, the name of the new employer of the Participant and the Company shall have the right to advise any subsequent employer of the Participant's obligations hereunder.

Section 1.03 Inventions.

(a) Ownership of Inventions. Any and all Inventions created or developed by a Participant alone or with others during the term of the Participant's employment, whether or not during working hours and whether on the Company's premises or elsewhere, shall be deemed works for hire and will be the sole and exclusive property of the Company if the Invention is:

- (i) within the scope of the Participant's duties assigned or implied in accordance with the Participant's position; or
- (ii) a product, service, or other item which would be in competition with Company Products or which is related to Company Products, whether presently existing, under development, or under active consideration; or
- (iii) in whole or in part, the result of the Participant's use of the Company's resources, including, without limitation, personnel, computers, equipment, facilities or otherwise.

(b) Assignment of Inventions. Each Participant shall promptly and fully disclose all Inventions to the Company and shall cooperate and perform all actions reasonably requested by the Company to establish, confirm and protect the Company's right, title and interest in each such Invention. During the term of the Participant's employment with the Company and after termination of such employment, if the Company should then so request, the Participant agrees to assign and does hereby assign to the Company all rights in the Inventions. The Participant agrees to execute and deliver to the Company any instruments the Company deems necessary to vest in the Company all title to and rights in the Inventions which the Participant is legally authorized to grant. The Participant agrees to execute and deliver to the Company all proper papers for use in applying for, obtaining, maintaining, amending and enforcing any legal protections that the Company may desire. The Participant further agrees to assist fully the Company or its nominees in the preparation and prosecution of any litigation connected with the Inventions. If the Company is unable because of the Participant's mental or physical incapacity or for any other reason (including, but without limitation, the Participant's refusal to do so after request therefor is made by the Company) to secure the Participant's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations

covering Inventions belonging to or assigned to the Company pursuant to this Agreement, then the Participant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Participant's agent and attorney-in-fact to act for and on the Participant's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by the Participant.

Section 1.04 Non-Competition. Each Participant covenants and agrees that, during the term of the Participant's employment with the Company and the Restricted Period, the Participant shall not, directly or indirectly, for the benefit of the Participant or others, as an employee, principal, agent, stockholder, consultant, or in any other capacity, (i) work for a Competitor; or (ii) have a financial interest in any Competitor, within the Restricted Territory. Notwithstanding the foregoing, nothing herein shall prohibit the Participant from being a passive owner of not more than 5% of the outstanding securities of any class of a corporation which is publicly traded, so long as the Participant has no active participation in the business of any such corporation.

This covenant on the part of the Participant shall be construed as an agreement independent of any other provision of this Plan or applicable Participation Agreement; and the existence of any claim or cause of action of the Participant against the Company, whether predicated on this Plan, Participation Agreement, or otherwise, shall not constitute a defense to the enforcement by the Company of this covenant. The Participant expressly agrees that the restrictions of this Article VI will not prevent the Participant from otherwise obtaining gainful employment upon termination of the Participant's employment with the Company.

Section 1.05 Non-Solicitation of Business Associates. During the Restricted Period, the Participant shall not directly or indirectly induce, solicit or encourage any customer, supplier or other business associate of the Company to terminate or alter its relationship with the Company, or introduce, offer or sell, to or for any customer or business associate, any products or services that compete with the Company Products.

Section 1.06 Non-Solicitation of Employees. During the Restricted Period, no Participant shall, directly or indirectly, induce, solicit or encourage any employee of the Company to terminate or alter his or her relationship with the Company.

Article VII

FEDERAL EXCISE TAX UNDER SECTION 4999 OF THE CODE IN CONNECTION WITH A CHANGE IN CONTROL

Section 1.01 Adjustments to Payments. Anything in this Plan to the contrary notwithstanding, if (a) it is determined that any payment or distribution by the Company to the Participant or for the Participant's benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise) (the "Payments") would be subject to the excise tax imposed by Section 4999 (or any successor provisions) of the Code, or (b) any interest or penalty is incurred by the Participant with respect to such excise tax (such excise tax, together with any such interest and penalties, is hereinafter collectively referred to as the "Excise Tax"), then the Payments shall be reduced (but not below zero) if and to the extent that such reduction would result in the Participant retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the imposition of the Excise Tax), than if the Participant received all of the Payments. The Company shall reduce or eliminate the Payments by first reducing or eliminating the portion of the Payments which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the determination.

Section 1.02 Determinations. All determinations required to be made under this Article VII, including whether and when an adjustment to any Payments is required and, if applicable, which Payments are to be so adjusted, shall be made by an independent accounting firm selected by the Company from among the four largest accounting firms in the United States or any nationally recognized financial planning and benefits consulting company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the applicable Participant at such time as may be requested by the Company, or earlier within 15 business days of the receipt of notice from the Participant that there has been a Payment. If the Accounting Firm that the Company selects is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by a Participant, it shall furnish the Participant with a written opinion that failure to report the Excise Tax on the Participant's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Participant.

Article VIII MISCELLANEOUS PROVISIONS

Section 1.01 Plan Administration. The Plan Administrator shall administer the Plan and may interpret the Plan, prescribe, amend and rescind rules and regulations under the Plan and make all other determinations necessary or advisable for the administration of the Plan, subject to all of the provisions of the Plan. The Plan Administrator is empowered, on behalf of the Plan, to engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under the Plan. The functions of any such persons engaged by the Plan Administrator will be limited to the specified services and duties for which they are engaged, and such persons will have no other duties, obligations or responsibilities under the Plan. Such persons will exercise no discretionary authority or discretionary control respecting the management of the Plan. All reasonable expenses thereof will be borne by the Company.

Section 1.02 Withholding Taxes. The Company may withhold from all payments due to the Participant (or his beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Company is required to withhold.

Section 1.03 Successors' Binding Obligation. The Plan will be binding upon any successor to the Corporate Parent, its assets, its businesses or its interest (whether as a result of the occurrence of a Change in Control or otherwise), in the same manner and to the same extent that the Corporate Parent would be obligated under the Plan if no succession had taken place. In the case of any transaction in which a successor would not be bound by the foregoing provision or by operation of law be bound by the Plan, the Corporate Parent shall require any successor to the Corporate Parent to expressly and unconditionally assume the Plan in writing and honor the obligations of the Corporate Parent and any applicable Affiliates hereunder, in the same manner and to the same extent that the Corporate Parent and such Affiliates would be required to perform if no succession had taken place. All payments and benefits that become due to a Participant under the Plan will inure to the benefit of his or her heirs, assigns, designees or legal representatives.

Section 1.04 No Assignment or Transfer; Beneficiaries; Unfunded Obligations Except as otherwise determined by the Plan Administrator, benefits payable under this Plan shall not be assignable or transferable by the Participant, and shall not be subject in any manner to assignment, alienation, pledge, encumbrance or charge. Notwithstanding the foregoing, in the

event of the death of a Participant, except as otherwise provided by the Plan Administrator, benefits earned but unpaid under this Plan shall become payable to the Participant's beneficiary as designated by the Participant in the manner prescribed by the Plan Administrator or, in the absence of an authorized beneficiary designation, by a legatee or legatees of the Participant's Plan benefit under the Participant's last will or by such Participant's executors, personal representatives or distributees of such Plan benefit in accordance with the Participant's will or the laws of descent and distribution. The amounts to be paid to Participants under the Plan are unfunded obligations of the Company. The Company is not required to segregate any monies or other assets from its general funds with respect to these obligations. Participants shall not have any preference or security interest in any assets of the Company other than as a general unsecured creditor.

Section 1.05 Compensation Recoupment. All awards, amounts or benefits received or outstanding under this Plan shall be subject to clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance with any Company clawback or similar policy or any applicable law related to such actions. Each Participant shall be deemed to have acknowledged and consented to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Participant, whether adopted before or after the Effective Date, and any applicable law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the Company may take any actions that may be necessary to effectuate any such policy or applicable law, without further consideration or action.

Section 1.06 Notice.

(a) For purposes of this Plan, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when received if delivered by hand, recognized expedited courier service, or email, postage and other fees prepaid, addressed as follows:

If to the Participant:

To the most recent address or email address of the Participant set forth in the personnel records of the Company

If to the Company:

Coherent Corp.
5000 Ericsson Drive
Warrendale, PA 15806
Attention: Chief Legal Officer
Email: Legal.Notices@coherent.com

or to such other address as either party may have furnished to the other in writing in accordance herewith.

(b) A written notice of the Participant's Date of Termination by the Company or the Participant, as the case may be, to the other, shall (i) indicate the specific termination provision in this Plan relied upon, (ii) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated, and (iii) specify the Date of Termination. In the case of a termination by the Company other than a termination for Cause, the Date of Termination shall not be less than 30 days after the notice of termination is given. In the case of a termination by the Participant, the Date of Termination shall be the date that the cure period contemplated under

Section 1.01(dd) has expired if the Company has failed to remedy within such period the circumstances constituting Good Reason. The failure by the Participant or the Company to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Participant or the Company, or preclude the Participant or the Company, from asserting such fact or circumstance in enforcing the Participant's or the Company's rights hereunder.

Section 1.07 Governing Law; Validity. The interpretation, construction and performance of the provisions of this Plan shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania without regard to conflicts of law principles, to the extent Pennsylvania laws are not preempted by ERISA. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which other provisions shall remain in full force and effect.

Section 1.08 Waiver. No provision of this Plan may be waived unless such waiver is agreed to in writing and signed by the Participant and by a duly authorized officer of the Company. No waiver by one party of the other party's of a breach of, or failure to comply with, a condition or provision of this Plan shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by the Participant or the Company to insist upon strict compliance with any provision of this Plan or to assert any right the Participant or the Company may have hereunder, including without limitation, the right of the Participant to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right, or of any other provision or right.

Section 1.09 Code Section 409A. Notwithstanding any provision of the Plan to the contrary, the Plan and any payments provided hereunder are intended to comply with, or be exempt from, Code Section 409A. The Plan shall in all respects be interpreted, operated, and administered in accordance with this intent. Payments provided under the Plan may only be made upon an event and in a manner that complies with Code Section 409A or an applicable exemption, including, to the maximum extent possible, exemptions for separation pay due to Separation from Service and/or short-term deferrals. Any payments provided under the Plan to be made upon a Participant's termination of employment with the Company that constitute deferred compensation subject to Code Section 409A shall only be made if such termination of service constitutes a Separation from Service. Each installment payment provided under the Plan shall be treated as a separate identified payment for purposes of Code Section 409A. The Company makes no representations or warranties that the payments provided under the Plan comply with, or are exempt from, Code Section 409A, and in no event shall the Company be liable for any portion of any taxes, penalties, interest, or other expenses that may be incurred by a Participant on account of non-compliance with Code Section 409A. If a Participant is a "specified employee" under Code Section 409A at his or her Date of Termination, to the extent necessary to avoid the imposition of any additional taxes under Code Section 409A, any payments to be made upon the Participant's Separation from Service that constitute deferred compensation subject to Code Section 409A and that are scheduled to be made within six months following the Participant's Date of Termination shall be delayed, without interest, and paid in a lump sum on the earlier of (i) the first payroll date to occur following the six month anniversary of the Participant's Date of Termination, or (ii) the Participant's death, and any payments otherwise scheduled to be made thereafter shall be made in accordance with their original schedule. Notwithstanding any provision of the Plan to the contrary, if any payments to a Participant to be made under the Plan are subject to Code Section 409A and the period during which the Participant may sign the Release begins in one calendar year and the first payroll period following the end of the period during which the Participant may sign the Release occurs in the following calendar year, then such payments shall not be made or commence until the

commencement of such following calendar year but no later than 75 Days after the Participant's Date of Termination.

Section 1.10 No Right to Continued Employment Neither the establishment of the Plan, nor any modification of it, and no creation of any fund, trust or account, or payment of any benefits, will be construed as giving any Participant, or any other person, the right to be retained in the service of the Company, and all Participants will remain subject to discharge to the same extent as if the Plan had never been adopted.

Section 8.11 Attorney Fees for Enforcement in Connection with CIC Period Termination For a Participant whose Date of Termination occurs within the CIC Period, the Company shall pay on behalf of or reimburse to Participant promptly (in no event later than 30 days after the invoice date) all reasonable costs and expenses (including fees and disbursements of counsel) incurred by such Participant in seeking to enforce rights pursuant to this Plan, whether or not such Participant is successful in asserting such rights; provided, however, that no reimbursement shall be made of such expenses relating to any unsuccessful assertion of rights if and to the extent that Participant's assertion of such rights was in bad faith.

Article IX CLAIMS, INQUIRIES, APPEALS

Section 1.01 Applications for Benefits and Inquiries. Any application for benefits, inquiries about the Plan, and inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing, addressed to the Company in accordance with the notice provisions set forth in the Plan.

Section 1.02 Denial of Claims. If any application for benefits is denied in whole or in part, the Plan Administrator must notify the applicant, in writing, of the denial, and of the applicant's right to review the denial. The written notice of denial will be set forth in a manner designed to be understood by the Participant, and will include specific reasons for the denial, specific references to the Plan provision upon which the denial is based, a description of any information or material that the Plan Administrator needs in order to complete the review, and an explanation of the Plan's review procedure.

This written notice will be given to the Participant within 30 days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional 30 days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial 30 day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render his or her decision. If written notice of denial of the application for benefits is not furnished within the specified time, the application will be deemed to be denied. The applicant will then be permitted to appeal the denial in accordance with the review procedure described below.

Section 1.03 Request for a Review. Any person (or that person's authorized representative) for whom an application for benefits is denied (or deemed denied), in whole or in part, may (but is not required to) appeal the denial by submitting a request for a review to the Plan Administrator within 60 days after the application is denied (or deemed denied). The Plan Administrator will give the applicant (or his or her representative) an opportunity to review pertinent documents in preparing a request for a review. A request for a review must be in writing and addressed to the Company in accordance with the notice provisions set forth in the Plan.

A request for review must set forth all of the grounds on which it is based, all facts in support of the request, and any other matters that the applicant feels are pertinent. The Plan Administrator may require the applicant to submit additional facts, documents or other material the Plan Administrator deems necessary or appropriate in connection with his or her review.

Section 1.04 Decision on Review. The Plan Administrator will act on each request for review within 20 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 20 days). If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial 20-day period. The Plan Administrator will give prompt, written notice of his or her decision to the applicant. If the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will outline, in a manner calculated to be understood by the applicant, the specific Plan provisions on which the decision is based. If written notice of the Plan Administrator's decision is not given to the applicant within the time prescribed in this Section 9.04, the application will be deemed denied on review.

Section 1.05 Rules and Procedures. The Plan Administrator may establish rules and procedures, consistent with the Plan and with ERISA, that are necessary or appropriate in carrying out his or her responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal to do so at the applicant's own expense.

Section 1.06 Exhaustion of Remedies. No claim for benefits under the Plan may be brought in any forum until the claimant (a) has submitted a written application for benefits in accordance with the procedures described by Section 9.01, (b) has been notified by the Plan Administrator that the application is denied (or the application is deemed denied due to the claims administrator's failure to act within the established time period), (c) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 9.03, and (d) has been notified in writing that the Plan Administrator has denied the appeal (or the appeal is deemed to be denied under Section 9.04).

Section 1.07 Final Dispute Resolution; Limitations on Legal Action

(a) General. Except as provided in Section 9.07(c) below, all claims and disputes under this Plan (including but not limited to claims and disputes regarding interpretation, scope, or validity of the Plan, and any pendant state claims not preempted by ERISA) must follow the claims procedures described in Sections 9.01 through 9.06, before a claimant may take action in any other forum regarding a claim for benefits under the Plan. Any action initiated by a claimant under the Plan must be brought within one year of a final determination on the claim, or the claim will be deemed permanently waived and abandoned, and the claimant will be precluded from reasserting it.

(b) Claims for Benefits. After following the claims procedures described in Sections 9.01 through 9.06, the following provisions apply to any further disputes, claims, questions or disagreements that may arise regarding this Plan. Except to the extent set forth in Section 9.07(c), any such dispute shall be finally settled by arbitration conducted expeditiously in accordance with the rules of the American Arbitration Association by three independent and impartial arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint the third. The arbitration shall be conducted in English, and shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1-16, and judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction. The place of arbitration shall be Pittsburgh, Pennsylvania. The arbitrators are not empowered to award damages in excess of economic and compensatory damages.

(c) Injunctive Relief. Notwithstanding any provision in the Plan to the contrary, if a Participant violates a covenant contained in Article VI and the Company would be caused immediate, material and irreparable harm for which money damages might not be adequate compensation, the Company shall be entitled to injunctive or other equitable relief in addition to any other remedies provided by law, in equity or otherwise. The Restricted Period applicable to the Participant shall be extended by any period of time in which the Participant is in breach of the covenants contained in Article VI and for any period of time necessary to secure an order of court or injunction, either temporary or permanent, to enforce any of the covenants contained in Article VI.

EXHIBIT A

GENERAL RELEASE AGREEMENT

This General Release Agreement (this "Agreement") is made and entered into by _____ ("Executive" or "Your" or "Your") (collectively, referred to in this Agreement as "**Executive**") and **Coherent Corp.**, any parent, subsidiary, affiliate, successor, predecessor or otherwise related companies, and the past, present, and future employees, agents, officers, attorneys, directors, shareholders, members, managers and executive benefit programs of any of them, and their agents and insurers (collectively, referred to in this Agreement as the "**Company**"). This Agreement shall become effective upon the signing of this Agreement by You or, if applicable, as defined in Section 9.2 below.

In consideration of the severance pay and benefits provided to Executive as set forth in the Coherent Corp. Executive Severance Plan (the "Severance Plan"), as well as any promises set forth in this Agreement, Executive agrees as follows:

1.0 Release of Claims.

1.1 In exchange for the Company providing You with the payments and other benefits set forth in the Severance Plan, You, and Your spouse, attorneys, heirs, dependents, beneficiaries, executors, administrators, successors, and assigns, hereby unconditionally release and completely and forever discharge the Company, on behalf of and for the benefit of itself, all related corporate entities and partnerships, and each of their past, present and future employees, officers, directors, attorneys, owners, partners, members, insurers, benefit plan fiduciaries and agents, and all of their respective successors and assigns ("Released Parties"), from any and all rights, claims, causes of action, or lawsuits whether known or unknown, that you ever had, now have, or may have against any or all of the Released Parties up to the date of execution of this Agreement including, without limitation, any and all claims you had, have, or may have arising out of or relating to your employment with the Company or the separation of that employment, for any and all reasons.

You specifically release Released Parties from any rights or claims that you may have based upon the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Equal Pay Act, the Family and Medical Leave Act, Sections 1981 through 1988 of U.S.C. Title 42, all as amended, and any rules or regulations under such laws and authorities; all Pennsylvania employment discrimination laws, including but not limited to the Pennsylvania Human Relations Act; the Pennsylvania Equal Pay Act; the Pennsylvania Minimum Wage Act; the Pennsylvania Wage Payment and Collection Law; Pennsylvania statutes regarding whistleblower protection, personnel files, criminal records, wage complaints, retaliation; all as amended together with all of their respective implementing regulations; and/or any other federal, state or local laws or regulations prohibiting employment discrimination or which otherwise regulate employment terms and conditions. You also release the Released Parties from any claim for negligence, wrongful discharge, unfair treatment, defamation, breach of public policy, express or implied contract, or any other claims arising under common law that relate in any way to your employment with the Company or the termination thereof. The foregoing description of claims is intended to be illustrative and is not exhaustive. The Parties intend this release to be a release of any and all claims to the fullest extent permissible under law. This waiver and release is of Your rights to all remedies and damages available to You in law or equity, including but not limited to Your right to compensation, backpay, front pay, non-economic damages, punitive and exemplary damages, statutory damages, attorneys' fees, injunctive relief and declaratory judgments. This general release does not extend to claims which You do not know or suspect

exist at the time of executing the release, which if known by You would have materially affected Your entering into this Agreement with the Company.

1.2 Notwithstanding the release contained in Section 1.1, You do not waive (i) Your entitlement to receive any 401(k), pension plan benefits, or Company ERISA-covered benefits that shall have vested (if any) as of the date You sign this Agreement to the extent You have any entitlement to those benefits under the terms of the relevant plans, or (ii) Your right to file a charge with the EEOC or participate in an investigation conducted by the EEOC; however, You expressly waive Your right to monetary or other relief should any administrative agency, including but not limited to the EEOC, pursue any claim on Your behalf.

1.3 The release contained in Section 1.1 above does not apply to any claim or rights that may arise after that date You sign this Agreement or claims that the controlling law clearly states may not be released by private agreement. You also understand that You are not waiving Your rights to unemployment compensation.

2.0 Covenant Not to Sue.

2.1 You warrant that You do not have any complaint, charge or grievance against any Released Party pending before any federal, state or local court or administrative or arbitral agency, and You further covenant not to sue, file a lawsuit, or commence any other proceeding, arbitral, administrative or judicial action, against any of the Released Parties in any court of law or equity, or before any arbitral body or administrative agency, with respect to any matter released in Section 1.1 above; provided, however, that this covenant not to sue does not affect Your rights to enforce appropriately the terms of the Severance Plan in a court of competent jurisdiction and does not affect Your right to file a charge with the EEOC or participate in an investigation conducted by the EEOC; however, You expressly waive Your right to monetary or other relief should any administrative agency, including but not limited to the EEOC, pursue any claim on Your behalf. Notwithstanding the foregoing, nothing herein shall limit Your right to receive an award for information provided to the Securities and Exchange Commission.

Nothing in this Agreement prohibits You from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You do not need the prior authorization of the Company to make any such reports or disclosures and You are not required to notify the Company that You have made such reports or disclosures.

2.2 Should You file a lawsuit with any court concerning any claim, demand, issue, or cause of action waived, released or discharged through this Agreement or otherwise in breach of Section 2.1 above, You agree (i) that any amounts payable or paid to You, as applicable, pursuant to Section 2 of the Severance Plan shall no longer be payable and, if already paid, shall promptly be returned to the Company and (ii) to the fullest extent allowed by applicable law, to indemnify the Released Parties for all costs and expenses incurred by them in defending such lawsuit. You further agree that nothing in this Agreement shall limit the right of a court to determine, in its sole discretion, that the Released Parties are entitled to restitution, recoupment or set off of any monies paid should the release of any claims under this Agreement subsequently be found to be invalid.

2.3 You agree not to advocate or incite the institution of, or assist or participate in, any suit, unrest, complaint, charge or administrative proceeding by any other person against any of the Released Parties, unless compelled by legal process to do so. Nothing in this Section 2

shall prohibit any Party from lawfully participating or cooperating in an investigative proceeding of any federal, state or local government agency.

3.0 Non-Admission of Liability. You agree that this Agreement shall not in any way be construed as an admission that any of the Released Parties owe You any money or have acted wrongfully, unlawfully, or unfairly in any way towards You. In fact, You understand that the Released Parties specifically deny that they have violated any federal, state or local law or ordinance or any right or obligation that they owe or might have owed to You at any time, and maintain that they have at all times treated You in a fair, non-discriminatory and non-retaliatory manner.

4.0 Confidentiality of Agreement. You also acknowledge and agree that You shall not publicize, communicate, authorize or permit the publication or communication in any form whatsoever of the contents of this Agreement or the events giving rise thereto, except to Your immediate family, Your financial advisors and/or legal counsel, or where required by law.

5.0 Representations and Indemnification.

5.1 You represent to the company that You will abide by any and all post-employment restrictive covenants You signed or entered into in connection with Your employment, including but not limited to, covenants relating to competition, solicitation or hiring of employees, solicitation of customers, and confidentiality.

5.2 You agree that You will indemnify and hold the Released Parties harmless from any loss, cost, damage or expense (including attorneys' fees) incurred by the Released Parties arising out of Your breach of any portion of this Agreement or any post-employment restrictive covenant You signed or entered into in connection with Your employment. You also agree and understand that Your entitlement to and retention of the Severance Benefits the Company has agreed to provide to You are expressly conditioned upon Your fulfillment of Your promises herein and any applicable post-employment restrictive covenants, and You agree that if You breach this Agreement or any applicable post-employment restrictive covenants that any amounts payable or paid to You, as applicable, pursuant to the Severance Plan, shall no longer be payable and, if already paid, shall promptly be returned to the Company within seven days of the Company providing you with written notice of Your breach of any provision of this Agreement or any applicable post-employment restrictive covenants, to the extent permitted or required by law. The Company shall determine whether a breach has occurred in its sole discretion and under any applicable law or regulation.

6.0 Miscellaneous.

6.1 Governing Law and Venue. This Agreement and all things relating or pertaining to it shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without reference to conflict of laws principles. Any action relating to this Agreement must be instituted in the courts of Butler County, Pennsylvania, or the federal courts of the Western District of Pennsylvania. The Company and Employee hereby consent to the jurisdiction of such courts and waive any right or defense relating to venue or jurisdiction.

6.2 Severability. Whenever possible, each provision of this Agreement shall be interpreted so as to be effective and valid under applicable law, but if any of its provisions is prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, and severed from this Agreement without invalidating any other part of this Agreement.

6.3 *Proper Construction.* The language of this Agreement shall be construed within the context of the whole Agreement and according to its fair meaning, and not strictly for or against either the Parties. The section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in its interpretation.

6.4 *Survival.* You acknowledge that the covenants in the Severance Plan, and any provisions contained in the Severance Plan that are intended to survive following termination of Your employment, shall survive the execution of this Agreement by You. You further acknowledge that any and all post-employment restrictive covenants You signed in connection with Your employment, including covenants relating to competition, solicitation or hiring, and agreements not to compete, remain in full force and effect, and a breach of those covenants or agreements will also constitute a breach of this Agreement.

6.5 *Amendments.* This Agreement may be modified, altered or terminated only by an express written agreement between You and the Company, that is signed by both parties, and to which a copy of this Agreement is attached.

6.6 *Counterparts.* This Agreement may be signed in counterparts, which together shall be treated as one document.

7.0 Acknowledgment.

7.1 You confirm that, to the best of Your knowledge, You have returned to the Company all of its property, including without limitation, computer equipment, software, keys and access cards, credit cards, files and any documents (including computerized data and any copies made of computerized data or software) containing information concerning the Company, its business or its business relationships. You also commit to deleting and finally purging any duplicates of files or documents that contain the Company information from any computer or other device that remains Your property after the Termination Date, provided such information is not subject to an ongoing litigation hold.

7.2 You acknowledge that, if you are age 40 or over, You have had 21 days, or if required for an effective release, 45 days, after receipt of this Agreement (and Appendix A if required to be attached hereto) to consider whether to execute it, and you understand all the provisions of this agreement. You also understand that, after you execute this Agreement, you have seven days to revoke the portion of this Agreement that relates to waiver and release of any claim you might assert under the Age Discrimination in Employment Act ("ADEA"). The parties agree that no payment set forth in the Severance Plan will be made until after the seven day revocation period has expired (the eighth day after You execute this Agreement being the "Effective Date" of this Agreement for those age 40 or over). You understand that, by signing this Agreement, You are not waiving or releasing any ADEA claims based on actions or omissions that occur after the date You sign. You agree that any revocation of Your ADEA waiver and release must be made in writing and postmarked on or before the seventh day following the execution of this Agreement and sent by certified mail to the respective company contact at the addresses set forth in Section 8.06 of the Severance Plan.

7.3 With the exception of any payments and other benefits set forth in the Severance Plan or any signed retention bonus agreement, and of your final paycheck (to include Your regular wages and any accrued but unused vacation or other paid time off to be delivered by the next regularly scheduled payday or otherwise as required by law), You acknowledge payment of all compensation due to You by the Company.

7.4 You acknowledge that You have been advised in writing, and hereby are advised, to seek legal counsel concerning the terms of this Agreement. You warrant that you have read this Agreement, are knowingly and voluntarily entering into it and intend to be legally bound by it, and that your agreement to it is not the result of coercion or duress by the Company. You certify and agree that you are authorized and competent to sign this Agreement, and that you are receiving valuable and adequate consideration under it.

BY SIGNING BELOW, YOU ACKNOWLEDGE THAT (1) YOU HAVE CAREFULLY READ AND CONSIDERED THIS AGREEMENT; (2) HAVE BEEN GIVEN SUFFICIENT TIME TO CONSIDER WHETHER TO SIGN IT; (3) RECOGNIZE AND UNDERSTAND THAT IT CONTAINS A FULL AND FINAL RELEASE BY YOU OF ALL CLAIMS OF EVERY KIND AGAINST THE COMPANY ARISING UP TO THE TIME YOU SIGN IT, WHETHER YOU CURRENTLY KNOW OR SUSPECT THOSE CLAIMS TO EXIST; AND (4) KNOWINGLY AND VOLUNTARILY CONSENT TO THE TERMS OF THIS AGREEMENT WITH FULL UNDERSTANDING OF THEIR MEANING.

IN WITNESS WHEREOF, Executive has executed this General Release Agreement as of the date set forth below.

EXECUTIVE

Date: _____

Received, Acknowledged and Accepted:

COHERENT CORP.

By: _____

[Name, Title]

Date: _____



COHERENT CORP., 375 Saxonburg Boulevard, Saxonburg, PA 16056
General Offices: 724-352-4455

COHERENT CORP. REVISED

EXECUTIVE SEVERANCE PLAN

Revised Participation Agreement

Participant Name:____
Primary Work Location: __

This Participation Agreement (this “**Agreement**”) is made and entered into by and between Coherent Corp., a Pennsylvania corporation (the **Company**”), and the undersigned individual (“**you**”), who is an employee or officer of the Company and/or an Affiliate of the Company.

The Company adopted the Coherent Corp. Revised Executive Severance Plan (the **Revised Plan**”). Unless otherwise defined in this Agreement, any capitalized terms used in this Agreement will have the meanings set forth in the Revised Plan. A copy of the Revised Plan is attached as Annex A and is deemed to be part of this Agreement.

The Company has selected you to become a Participant in the Revised Plan. Under the Revised Plan, you may become entitled to certain termination benefits if you incur a Qualifying Termination and you otherwise satisfy all of the terms and conditions of the Revised Plan.

By executing this Agreement, you acknowledge and agree that you are a Participant in the Revised Plan, and that any termination benefits that you may become entitled to receive under the Revised Plan will be based on the following periods and multipliers that have been established by the Company:

<u>Timing of Date of Termination</u>	<u>Applicable</u>	<u>Applicable</u>	<u>Applicable Benefits</u>		<u>Applicable Protection</u>
	<u>Severance</u>	<u>Bonus</u>			
	<u>Multiplier</u>	<u>Multiplier</u>	<u>Multiplier</u>		<u>Period</u>
Date of Termination during a Non-CIC Period	12 months	N/A	12 months		
Date of Termination during a CIC Period	24 months	2.0	18 months		18 months

Further, by executing this Agreement, you acknowledge and agree that your participation in the Revised Plan is in consideration for your strict compliance with the restrictive covenants in Article VI of the Revised Plan, which include covenants for best efforts, non-competition, non-solicitation, and non-disclosure of Confidential Information, and that any termination benefits that you may become entitled to receive under the Revised Plan will be subject to your strict compliance with each restrictive covenant in Article VI of the Revised Plan for the duration of the Restricted Period. The length of the Restricted Period depends on when your Date of Termination occurs, as follows:

Timing of Date of Termination Length of Restricted Period

Date of Termination during a Non-CIC Period 12 months

Date of Termination during a CIC Period 24 months

By executing this Agreement and participating in the Revised Plan, you acknowledge and agree that the Revised Plan and this Agreement represents the entire agreement and understanding between the Company and you concerning severance and separation from the Company, and supersedes and replaces any and all prior agreements, understandings and arrangements concerning severance and separation from the Company, including, without limitation, any employment agreement with the Company and any prior Participation Agreement with respect to a predecessor to the Revised Plan.

If you previously entered into an employment agreement with the Company (an **Employment Agreement**"), you acknowledge and agree that your Participation in the Revised Plan is intended to supersede and replace your Employment Agreement. By executing this Agreement and becoming a Participant in the Revised Plan, you acknowledge and agree that your Employment Agreement is hereby terminated and you will have no further right, title or interest under your Employment Agreement regarding your rights to severance and benefits upon termination of employment.

IN WITNESS WHEREOF, the Company has executed this Agreement by its duly authorized officer as of the date set forth below.

Please sign below and return this Agreement to the Company by no later than December 31, 2023, at which time this offer will expire and become null and void and of no legal force or effect without further notice to you.

[PARTICIPANT NAME] COHERENT CORP.

Signed: _____ By: _____
Date: _____ Name: _____
Title: _____
Date: _____

CERTIFICATIONS

I, Vincent D. Mattera, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coherent Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2024

By: /s/ Vincent D. Mattera, Jr.

Vincent D. Mattera, Jr.
Chief Executive Officer

CERTIFICATIONS

I, Richard Martucci, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coherent Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2024

By: /s/ Richard Martucci

Richard Martucci
Interim Chief Financial Officer and Treasurer

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Vincent D. Mattera, Jr.
Vincent D. Mattera, Jr.
Chief Executive Officer

* This certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Coherent Corp. (the "Corporation") on Form 10-Q for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Corporation certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to her knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: February 6, 2024

By: /s/ Richard Martucci

Richard Martucci
Interim Chief Financial Officer and Treasurer

* This certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.