



GENERAL TERMS AND CONDITIONS OF SALE OF PRINZ OPTICS GMBH

1. Scope of Applicability

The general terms and conditions of sale set out below shall form part of all sales agreements, contracts for manufacture and services or contracts for work and materials or similar legal dealings that we have concluded with customers. They shall apply only for dealings which we conclude with an entrepreneur, a juridical person under public law or a special fund under public law; these general terms and conditions of sale shall not apply for legal dealings with consumers.

Divergent provisions of the Customer shall have no validity unless we have acknowledged them in writing. The following general terms and conditions of sale shall also apply if - while being aware of conflicting or divergent terms and conditions of the Customer - the deliveries are made or services are rendered without reservation. With respect to future business relationships these terms and conditions shall also apply for future business dealings for which reference to such general terms and conditions is not expressly made.

The following general terms and conditions of sale shall also apply for framework agreements, standing orders, call-off purchase and multi-delivery agreements as well as for similar continuous obligations if not special agreements are applicable.

2. Offers

Our offers shall not be binding.

An obligation to deliver is established only through the acceptance of the individual order and exclusively for that order. This shall also apply particularly for framework, multi-delivery and call-off purchase agreements provided that nothing to the contrary has been expressly agreed upon in this respect.

The documents associated with the offer such as drawings, diagrams, details from technical data, references to standards as well as statements in advertising materials do not constitute any quality descriptions, quality assurances or guarantees unless they have been expressly designated as such in writing.

3. Written Form

The rescission or amendment of these general terms and conditions of sale must be made in writing. Collateral agreements, particularly assurances, guarantees and other declarations about the quality and usability of the goods that are to be delivered shall likewise be required to be in writing. The same shall apply for statements regarding the execution of the order, dimensions, etc.

4. Prices, Price Changes, Delivery Restrictions

Our price lists automatically lose their validity upon the issuance of a new price list without any revocation of such listed prices being required.

The list prices are valid – unless particulars to the contrary has been stipulated in these general terms and conditions of sale – for ex works deliveries in addition to any possible costs for transport, packaging, insurances and plus the value-added tax.

The list prices shall apply for the ordering of customary shipping units. For below customary units quantities of goods requested we shall be entitled to increase the prices from the price list at our discretion (§ 315 BGB [German Civil Code]).

Even after the conclusion of an agreement we shall be entitled to make price increases at our discretion (§ 3315 BGB) if their necessity is based upon price factor changes which unforeseeably have originated after the conclusion of the agreement; the price increase must be justified in its amount through the pricing factor changes and the Customer must be notified in a timely manner. If the incurrance of additional costs constitutes an unreasonable hardship for the Customer, it shall be entitled to reject the deliveries and to rescind the agreement as long as we demand the increased price.

If the quantities of goods at our disposal are not sufficient to satisfy all trade creditors (e.g., due to self-supply that has not been made or production restrictions that become necessary as well as production facility disruptions – all due to reasons for which we are not responsible such as in cases of force majeure), then we shall be entitled to make homogeneous reductions in all supply obligations.

For custom-built products we reserve the right to make an appropriate price increase as well as an appropriate deviation in the agreed-upon delivery quantity. Surplus quantities must be accepted.

For articles made of glass and crystal, a deviation of +/- 10 % shall be considered as having been agreed upon with respect to the ordered quantity.

Previous price lists have no binding validity for follow-up orders.

5. Amendments, Data, Information

We reserve the right to make modifications of design or form, changes in color shades as well as changes in the scope of the product during the delivery period, provided that the purchased product is not significantly altered and the change is reasonable for the Customer. Statements in the descriptions that are valid upon the conclusion of the agreement with respect to the scope of the product, appearance, performance, dimensions and weights, etc. of the purchased product are only to be considered as being only approximate in nature and do constitute no quality guarantees. Documents provided may not be made available to third parties or reproduced or used for any other purposes than the agreed-upon purpose.

6. Written Information

The Customer shall be responsible for ensuring that the workshop drawings he provides do not violate industrial property rights of third parties; it shall indemnify and hold us harmless if damage compensation claims of third parties are asserted against us.

7. Shipping, Freight, Transfer of Risk, Packaging and Shipping Costs

When the agreement is concluded the Customer must state whether they will pick up the products himself or whether we should ship them. If the Customer opts for the goods to be shipped then we

shall have the right to choose whether to authorize a shipping agent or to turn over the goods to a carrier, to the Bahn AG or another transport service provider (DHL, UPS, etc.) or to carry out the transport in our own vehicle.

The risk of the accidental destruction and the accidental deterioration is transferred to the Customer when the products leave our operational premises.

If the Customer chooses to pick up the goods themselves, then the aforementioned risk shall be transferred to them two days after the sending of the notification of the readiness to deliver. The same shall apply if the shipment is delayed due to circumstances for which the Customer is responsible. Except for the case in which the Customer picks up the goods themselves we have the right to choose the suitable packaging. Deliveries made with our vehicles will be billed at customary transport rates.

Upon the request of the Customer we will insure the goods against theft, breakage, transport, fire and water damage as well as other insurable risks at his expense. At our own discretion (§ 315 BGB) we shall be entitled to take out such types of insurance in justified individual cases at the expense of the Customer.

8. Delivery Period, Partial Deliveries, Limitations on Liability, Acceptance Delays

If a delivery timeframe has not been agreed upon we shall be obliged to supply immediately after the order confirmation is made while adhering to all factors that are customary for the industry and that are operationally specific (inventory quantities, machine capacity, seasonal influences, deployment of personnel and consumption of energy).

Partial deliveries are permitted unless the Customer has no interest in partial performances; partial deliveries are also permitted for multi-delivery agreements.

With respect to call-off purchase orders we shall be entitled to bill for goods, which have not been called for delivery pursuant to the agreement, as if they had been delivered after the setting and expiration of an appropriate subsequent notice period.

If a delivery deadline has been agreed upon we shall endeavor to comply it. Nevertheless, unless something to the contrary has been expressly agreed upon, this deadline is non-binding due to the risks and particular nature of the production of glass. Our contractual obligations are subject to our own suppliers supplying us correctly and in a timely manner and if not we are responsible for the reasons in the untimely manner.

An agreed-upon delivery period shall not begin to run before the Customer has fulfilled his duties and advance performance obligations, particularly not before the receipt of the necessary clarifications regarding the order and not before the provision of any required documents, approvals, releases, raw materials and / or packaging materials that the Customer is obligated to provide as well as not before the receipt of agreed-upon letters of credit, guarantees and / or down payments.

The agreed-upon delivery time period shall be considered as having been complied, by its expiration the delivered product has left our warehouse or the commissioned supply plant or – if the Customer picks up the goods themselves – notification of the readiness for delivery has been made.

The agreed-upon delivery period shall be appropriately extended for reasons due to labor struggles, particularly strikes and lockouts, as well as in the event of unforeseeable impediments, which are beyond our control and/or our sphere of influence (e.g., material procurement difficulties, other

supply shortages, flaws in means of transport, governmental actions) and if such impediments can be proven to be of significant influence upon the production or shipment of the supplied goods. We shall also then not be responsible for the aforementioned set of circumstances if they arise during a delay that has already begun. We shall immediately notify the Customer of the beginning and end of such impediments in important cases.

If the Customer incurs damages due to a delay for which we are at fault then it shall be entitled to demand compensation for the delay subject to the exclusion of any further claims. For each full week of the delay, the amount shall be 0.5 %, but in total no more than 5 % of the value of that part of the overall delivery which may not be used in a timely manner or in accordance with the agreement due to the delay. This restriction shall not apply in the event of intentional wrongdoing or gross negligence.

If the shipment is delayed upon the request of the Customer then it shall be charged each month for the costs incurred through the storage of the shipment, nonetheless at least 1 % of the invoiced amount, beginning one month after the notification of the readiness for delivery.

9. Warranty

Delivered products, even if they show defects, must be accepted by the Customer, regardless of its rights.

Unless specific conditions to the contrary has been agreed upon, quality, size, presentation and packaging are determined in accordance with the DIN/EN standards or material data sheets that are applicable at the time the agreement is concluded. In the absence of such standards or data sheets, customary business practices shall be followed.

Notifications of defects must be made immediately in writing no later than within eight working days, provided that the law does not prescribe a shorter notice period. Notification of defects which are not discovered within the time period of eight working days, even through a careful examination, must be made immediately after their discovery subject to the immediate discontinuation of any possible processing of the goods.

It is our choice whether to carry out subsequent performance ("Nacherfüllung") with respect to goods which turn out to be defective within twelve months after the delivery as the result of circumstances originating before the delivery.

The period for subsequent performance that is set for us must be at least ten working days. We have the right to make two attempts at subsequent performance. If the second attempt at subsequent performance is unsuccessful or a subsequent replacement of the product is not possible or unreasonable, then the Customer may reduce the purchase price or rescind the agreement, if something else is not derived particularly from the type of product or the defect or the other circumstances. Damage compensation may not be demanded unless we are responsible for intentional wrongdoing or gross negligence. Replaced goods become our property. We shall bear the costs for the subsequent performance including the transport if and when the notification of defects is shown to be justified. In this respect, claims shall be excluded if they are increased due to the fact that the goods are taken to another location than the place of performance.

If the Customer does not immediately give us the opportunity to inspect the material defect or does not provide us with the goods that have been complained about or samples thereof, especially upon request and after the expiration of an appropriate subsequent notice period, all rights based upon the material defect shall cease to be applicable.

For replacement or subsequent deliveries and repair work we shall be liable to the same extent as for the original delivered products. For replacement or subsequent deliveries, the warranty period shall begin to run anew.

We shall not be liable for flaws which originate from the documents submitted by the Customer (drawings, models, etc.).

We shall be entitled to refuse to rectify the defect as long as the Customer does not fulfill their obligations.

Defects of a portion of the products shall not entitle the Customer to object to all of the products. The products may only be returned with our permission.

With respect to glass and quartz glass items, a defect only exists if it amounts to more than 3 % of the respective delivered quantity.

10. Limitations on Liability

Our liability is restricted to contractual typical risks and damage amounts as are derived from the insurance agreements which a company such as ours concludes with a well-known industry insurance provider while exercising due care. The limitation upon our liability shall not apply if the agreed-upon amount of coverage does not cover the contractual typical risk of damages.

Provided that nothing to the contrary is derived from the aforementioned provision, more substantial claims of the Customer are excluded, particularly to compensation for damages that are not to the delivered product itself. This exclusion of liability shall not apply for intentional wrongdoing or gross negligence of our executive organs or management personnel.

Furthermore these limitations shall not apply for negligent violation of essential contractual obligations if the attainment of the contractual purpose is endangered, in events of mandatory liability in accordance with the Product Liability Act, for loss of life, bodily injury or damage to health and also not if and to the extent that, with malice, notification of product defects is not made or the absence of defects is maintained. The rules and regulations regarding the burden of proof shall remain unaffected by this. The state of technology at the time the order is accepted shall be prevailing.

If we have provided consulting outside of our contractual performances we shall be liable for the functionality and the suitability of the delivered product only if we have made express written assurances regarding this.

11. Payment

Payments must be made in the currency in which billing is made within ten days after the receipt of the invoice against a two percent discount, within thirty days from receipt date net.

A discount refers only to the invoiced value that is valid for the goods excluding freight and other ancillary costs. The availing of discounts requires the complete settlement of all payments due by the Customer at the time of the discounting.

Claims from invoices involving net amounts under 50.00 € as well as for installation, repairs, models and proportional tool costs are immediately due and payable net.

In the event of a delay in payment, interest shall be charged in the amount of 8 (eight) percentage points above the German Basic Interest Rate (§ 247 BGB). The Customer respectively we are both at liberty to prove that the default damages are smaller or higher.

A payment is only then considered to have been made in a timely manner if we have access to the funds in our bank account at full face value on the due date. All payments must be made free of charges.

In the event that payments are not made in a timely manner, all our claims become payable without regard to any possible payment arrangements.

In such cases we shall be entitled to demand the provision of security and / or to only carry out outstanding deliveries against advance payment or the provision of security and/or to revoke the authorization in accordance with Clause 12 to resell the goods in customary and proper business dealings and to collect the purchase price claims. In such cases we are additionally entitled to demand the return of the goods after the expiration of a suitable notice period as well as to forbid the resale and further processing of the supplied goods. These rights shall also apply if reasons become known that would lead us to justifiably doubt the continued ability of the Customer to make proper payments. The assertion of the aforementioned rights shall not release the Customer from its obligations from the parts of the agreement that we have already fulfilled. The directives of the bankruptcy regulations shall remain unaffected by the aforementioned provisions.

The withholding of payments or the offsetting with any possible counterclaims by the Customer is only then permitted if the counterclaims of the Customer are legally upheld or we do not dispute them.

Our field staff is only then entitled to accept payments if it can present a written power of attorney that we have issued to them.

12. Retention of Title

We shall retain full title of the delivered goods until complete payment is made of all payment claims, including any future payment claims. The Customer shall be entitled to process the goods and to sell them subject to the following provisions:

If the goods are reprocessed or remodeled by the Customer, we are considered to be the manufacturer in accordance with § 950 BGB and acquire title to the intermediary and end products. The Customer is only the safekeeper of them.

If the retained goods are inseparably connected or mixed with other goods not belonging to us, we acquire a co-title to the new product in the proportion of the value of the retained goods to the other goods.

The goods may only be sold in the ordinary and proper course of business dealings if claims from resales have not been assigned in advance to third parties. The claims that the Customer is entitled to from the resale shall be considered, with the conclusion of the purchasing agreement with us, as having been assigned to us and certainly also to the extent that our goods are associated or processed with other goods. In this case, the assigned claims serve as our security only for the value amount of the retained goods that have been respectively sold. We will not collect the assigned claims as long as the Customer fulfills its payment obligations. However, the Customer shall be obliged, upon request, to assign the third-party debtors to us and to notify them of such assignment. They shall be

entitled to collect the claims itself unless we provide instructions to the contrary. They must immediately turn over the collected amounts to us if our claims become due for payment.

Pledges or assignments of the retained goods or the assigned claims as security are not permitted. The Customer must immediately notify us of any third-party claims to the goods supplied subject to the retention of title or to the assigned claims. We are obliged to release the assigned claims in our discretion if they exceed our claims that need to be secured by more than 10 % and they originate from deliveries, for which payment in full has been made.

If, with respect to sales abroad the retention of title agreed upon in Clause 12 is not permitted with the same validity as under German law, the goods shall remain our property until payment is made of all our claims originating from the contractual relationship established by the sale of the goods.

If this retention of title is not permitted with the same validity as under German law, but it is permitted to retain other rights to the goods, we are thus authorized to exercise all these rights. The Customer shall be obliged on first request to cooperate in all legal measures that we wish to undertake for the protection of our proprietary rights or any other right to the goods in lieu of such right of retention.

The Customer shall be obliged to insure the delivered goods against theft, breakage, fire, water and other damages. In the event that the Customer commits contractual violations, particularly then if they do not make net payments within thirty days after the invoicing date, we shall be entitled to the return of the goods and the Customer shall be obliged to return them.

13. Premature Termination of Recurring Obligations

With respect to general, standing delivery, call-off purchase and multi-delivery agreements as well as similar recurring obligations, we have the right to extraordinarily terminate the recurring obligation relationship if good cause exists and to demand the immediate return of all information provided as well as any copies of such information that have been made. Good cause shall then exist if the Customer enters into a corporate relationship with a third-party company (§ 15 AktG [German Corporation Act]) or a third-party company receives the power to exert decision-making influence upon the Customer in accordance with a foreign legal system and the third-party company, as the manufacturer of the relevant products, is our competitor.

14. Place of Performance and Legal Venue

The place of performance is D-55442 Stromberg.

In the event of disputes with Customers, registered merchants, juridical persons under public law or a special fund under public law, the legal venue shall be the court with local jurisdiction for our corporate residence. We shall be entitled to take legal action against the Customer in its commercial residence and personal domicile. German law shall apply exclusively. The application of the United Nations Convention on Contracts for the International Sale of Goods (CSIG) is excluded.

15. Reference in Accordance with § 33 of the German Data Protection Act

The data shall be saved.