

General Conditions of Sale ORAFOL Fresnel Optics GmbH

1. General Provision

1.1 These General Conditions of Sale (hereinafter "GCS") shall apply to Orafol Fresnel Optics GmbH (hereinafter also "we", "us" etc.) and our business partners ("Purchaser"). They shall apply in particular to agreements about the sale and/or the delivery of movables (hereinafter also "Products") regardless of whether we produce the Products ourselves or buy them from suppliers (Secs. 433, 651 German Civil Code – hereinafter "BGB"). The GCS shall be deemed as a framework agreement as amended from time to time and shall apply exclusively and without renewed express agreement to all current and future business transactions, unless more specific agreements which differ from these GCS have been made between us and the Purchaser.

A written contract or our written confirmation shall be decisive for the content of the arrangements which differ from these GCS. Any individual agreements between us and the Purchaser shall be given priority over these GCS. Any material statements and announcements which are to be issued by the Purchaser to us after conclusion of contract must be in writing to be effective.

1.2 Any other general terms and conditions (GTC) of purchasers or third parties shall not apply even if we do not separately reject their validity.

We reject and do not accept any opposing, deviating or supplemental conditions of the Purchaser. Our GCS shall also apply, even if we accept the Purchaser's performance unconditionally and are fully aware of its GTC or if we make reference to a letter which contains or refers to the GTC of Purchaser or a third party.

1.3 If these GCS do not provide any regulations for individual judicial subjects, the statutory regulations shall apply unless they are expressly excluded in these GCS.

2. Conclusion of Contract

2.1 Any statements and arrangements made between us and the Purchaser concerning the contract, its conclusion and its execution must be in writing. The electronic form (Sec. 126 (3) BGB) shall be excluded, unless the written form is required by law.

2.2 The ordering of the Products by the Purchaser shall constitute a binding offer of contract. A contract shall only be concluded upon our written confirmation of the order and shall be subject to the condition precedent of the granting of an export license by the responsible authority, insofar as such is necessary in an individual case. Provided nothing else results from the order, we shall be entitled to accept this offer of contract within two weeks after receipt by us.

2.3. Our offers including drawings, images, measurements, weights, performance data and other information are subject to confirmation and are non-binding. Especially any information, drawings, images, technical data, weight, measurement and performance descriptions specified in offers, prospects, catalogs and similar documents are always nonbinding and do not lead to an agreement about the quality of our Products, unless they have expressly been labeled as binding in the order confirmation. We do not accept any guarantee for quality or durability within the meaning of Sec. 443 BGB.

If our offers do not expressly include any other term, we shall be bound by the prices in offers which have specifically been marked as binding for four weeks from the date of offer. The time of receipt of the order by us shall be decisive in determining whether timely acceptance has taken place. Before placing the order, the Purchaser shall inform us about any obvious errors (e.g. typing errors, calculation errors) and any incompleteness in the offers and offering documents in order that we can amend or complete them; otherwise, the contract shall not be deemed valid.

3. Terms of Performance

3.1 According to the latest version of the Incoterms, delivery shall be effected "ex works". We shall be obliged to perform at the place of performance, our registered office being Flurstedter Marktweg 13, 99510 Apolda, Germany. On request and at the expense of the Purchaser, the Products shall be sent to another place of destination (sale by delivery to a place other than the place of performance).

Unless otherwise agreed, we shall be entitled to select the mode of shipment, especially with regard to carrier, shipping route and packaging ourselves. Unless specifically agreed otherwise, we shall not take back any transport packaging or any other packaging, it shall become the property of the Purchaser; this excludes pallets and packaging for which the multiple use has specifically been agreed with the Purchaser.

3.2 Delivery dates and deadlines shall be non-binding. The delivery date shall only begin upon Purchaser's receipt of our written order confirmation, but shall not begin before presenting the information, technical data and documents to be obtained by the Purchaser and if agreed the receipt of a pre-payment.

3.3 We shall be entitled to partial deliveries or partial performance at any time.

3.4 Delivery hindrances due to force majeure or due to events for which we are not responsible, especially governmental actions and import and export restrictions (non-availability of performance), shall entitle us to effect delivery after the hindrance has been removed. We shall inform the Purchaser accordingly without undue delay and at the same time shall announce the prospective new delivery date. If performance is still not available within the new delivery date, we shall be entitled to withdraw from the contract in whole or in part. The Purchaser shall not be entitled to claim

damages, we will refund any consideration already paid by the Purchaser without undue delay. Our statutory rights of withdrawal and cancellation and the statutory provisions concerning the settlement of the contract in case the obligation to perform is excluded (e.g. impossibility or unacceptability of performance and/or supplementary performance) shall remain unaffected. Any rights of withdrawal and cancellation of the Purchaser under no. 6 of these GCS shall also remain unaffected.

3.5 The risk of accidental destruction and accidental deterioration of the Products shall pass to the Purchaser upon delivery from the warehouse, at the latest. In case of a sale by delivery to a place other than the place of performance, however, the risk of accidental destruction and accidental deterioration of the Products and the risk of delay shall already pass upon delivery of the Products to the shipping agent, the carrier or to another person or institution assigned for the execution of the shipment. Provided that acceptance has been agreed, this shall be decisive for the passing of risk. If the Purchaser defaults to accept, this shall be deemed the same as delivery or acceptance.

3.6 If the Purchaser defaults to accept, fails to collaborate or if our delivery is delayed for reasons for which the Purchaser is responsible, we shall be entitled to claim compensation for the damage arising thereby, including additional expenditures (e.g. storage costs). For this, we shall charge general compensation of 0,5% per calendar week, a maximum of 5% of the purchase price, which shall begin on the delivery date or – in default of a delivery date – begin with the notice that the Products are ready for shipment. The proof of a higher damage and our statutory claims (especially the refund of additional expenditure, reasonable compensation, cancellation) shall remain unaffected; the lump sum however, shall be offset against any further monetary claims. The Purchaser shall be entitled to prove that we have not suffered any damage or that only a considerably smaller damage than the above mentioned lump sum has occurred.

4. Terms of Payment

4.1 If in an individual case prices in offers have not been specified as binding, our prices, which are in effect at the time of conclusion of contract, shall apply, namely ex warehouse (net) plus statutory VAT. The statutory VAT which has not been included in our offers and quotations will be quoted separately on the invoice on the day of accounting.

Any public charges (e.g. taxes, charges, custom duties) arising out of or in connection with the conclusion or settlement of contract outside the Federal Republic of Germany, shall be borne by the Purchaser.

4.2 The purchase price shall be due for payment within 30 days from the date of the invoice without discount. The definitive receipt of payment shall be decisive in determining whether this deadline has been met. A special written arrangement is required for the allowance of a discount.

The Purchaser shall fulfill its duty to pay at the place of performance, which is our registered office in Flurstedter Marktweg 13, 99510 Apolda, Germany.

4.3 Upon expiration of the above mentioned payment date, Purchaser shall be in default. During the duration of the default, legal default interest as amended is to be paid on the purchase price. We reserve the right to claim other damages caused by default.

In relation to traders, our claim to commercial default interest (Sec. 353 German Commercial Code; HGB) shall remain unaffected.

4.4 If the payments of the Purchaser are not sufficient to fulfill its liabilities, Secs. 367, 366 (2) BGB shall apply to the order of offsetting the payment against the outstanding liabilities, provided that deviating terms of repayment by the Purchaser are excluded. The Purchaser will be informed about the specific kind of settlement.

4.5 If due payments have not been effected for more than three weeks or if other circumstances become known to us which question solvency, we shall be entitled to accelerate the whole balance due and deliver any outstanding services only on pre-payment or to claim securities. In this case, we shall continue to be entitled to withdraw from the contract according to the statutory provisions concerning the refusal of performance and, if necessary, after setting a deadline (Sec. 321 BGB). In case of contracts about the production of unwarrantable items (custom-made items), we may withdraw immediately; the statutory regulations concerning the dispensability of setting a deadline shall remain unaffected.

4.6 The Purchaser shall be entitled to offset or retain only insofar as its claim has been judicially established as final and absolute or is undisputed and is based on the same contractual relationship. No. 5.3 sentence 1 and 2 shall remain unaffected.

5. Warranty

5.1 Any material defects and/or defects of title must, in each case, be announced without undue delay and in writing. If the Purchaser fails to announce the above determined defects or if he announces them too late, our liability for the defect which has not been announced or was not announced in due time shall be excluded. We shall assume no liability for any official statements of the manufacturer or third parties (e.g. advertising messages).

5.2 If the Purchaser does not explain within a reasonable period set by us whether he claims supplementary performance in the form of rectification or subsequent delivery, the right of choice shall pass to us upon expiration of the deadline.

5.3 We shall be entitled to condition the owed supplementary performance on whether the Purchaser pays the due purchase price.

General Conditions of Sale ORAFOL Fresnel Optics GmbH

The Purchaser shall be entitled, however, to retain the part of the purchase price which is reasonable in relation to the defect. If the supplementary performance may only be realized at excessive costs, we may refuse the supplementary performance completely. If Purchaser's claim to rectify the defect turns out to be unjustified, we may demand that the costs incurred be refunded by the Purchaser.

5.4 If our instructions for use and the technical data of the respective product (especially during the integration in other components) are not observed, if services are amended without our consent, if parts are exchanged or materials are used which do not meet the original specifications and if the rectification of the defects becomes impossible or is unreasonably complicated thereby, then warranty shall cease. In any case, the Purchaser shall bear the additional costs of the rectification of defects which arise due to the amendment.

The same shall apply if our services are not used as specified in the contract or if they are used together with external services or if the defect of service is due to construction documents, samples, tools or other standards (drawings, specifications etc.) provided by the Purchaser.

5.5 In case of defects in components of other manufacturers which the Purchaser cannot rectify for licensing or actual reasons, we shall, at our discretion, assert warranty claims against the manufacturers and suppliers for the account of the Purchaser or assign such claims to the Purchaser. In case of such defects, under the further requirements and in accordance with these CTS, any warranty claims against the Purchaser shall exist only if the legal enforcement of above mentioned claims against the manufacturer and the supplier has been unsuccessful or has no prospect of success due to an insolvency, for example.

5.6 The Purchaser is aware that individual material parameters of optical plastic materials from our suppliers are only to a limited extent subject to the warranty of the suppliers. FO shall accept own warranty obligations only within the warranty of the supplier of materials.

If the Purchaser asks us to provide services which require development services for the adjustment of its accounts receivable to our production technology, we shall notify the Purchaser thereof. Unless specifically agreed, we shall not guarantee the final functioning of the delivery item.

The same shall apply, if the Purchaser provides or has provided through third parties samples, tools for impressions or parts.

5.7 If we produce services individually for the Purchaser according to its wishes, Purchaser shall guarantee itself and towards us that no third party rights are or might be breached thereby. In this case, the Purchaser shall undertake to inform us about any third party rights which might possibly be affected by the realization of Purchaser's customer wish.

The Purchaser shall release us from any third party claims, insofar as they are based on the realization of Purchaser's customer wish.

5.8 Claims for defects shall be time-barred one year from delivery. If acceptance has been agreed, the limitation period shall begin upon acceptance. The regulations under Sec. 438 (1) no. 1, 2, (3) and 479 BGB shall remain unaffected. The statutory limitation periods shall apply to any claims for damages under clause 6.

5.9 The direct Purchaser shall not be entitled to assign any warranty rights to us.

6. Liability

6.1 Unless anything else results from these CTS and the following provisions, in case of a breach of contractual or non-contractual duties, we shall be liable pursuant to the respective statutory regulations.

6.2 We shall be liable for damages –for whatever legal reason – in case of intent or gross negligence. In case of ordinary negligence, we shall only be liable for damages attributable to the injury of body, life or health and for damages attributable to the breach of an essential contractual obligation. In the latter case, however, our liability shall be limited to the compensation of the foreseeable damage typically arising in connection with the respective contract. The aforementioned limitations of liability shall not apply if the defect has been concealed fraudulently or if a guarantee for the nature of Products has been accepted.

6.3 Insofar as we are liable on the merits for damages, this liability shall be limited to damages which we should have foreseen during the exercise of care and attention and upon conclusion of contract as a possible result of a breach of contract. Indirect damages and consequential damages which result from defects of the delivery item shall only be replaced if typically expected during the intended use of the delivery item.

6.4 Any claims under product liability law shall remain unaffected.

6.5 Any further claims for damages of the Purchaser shall be excluded.

6.6 The aforementioned limitations of liability shall equally inure to the benefit of our institutions, legal representatives, employees and other vicarious agents.

6.7 The Purchaser may only withdraw or cancel due to a breach of duty which does not constitute a defect, if we are responsible for the breach of duty. Any unrestricted termination right of the Purchaser shall be excluded.

7. Reservation of Title, Copyrights, Confidentiality, Insurance

7.1 We shall reserve all propriety rights and copyrights in any offers, images, drawings, calculations and other documents. They shall be confidential and must not be made available or be announced to third parties. These duties including the obligation to maintain confidentiality shall

continue to exist even after termination of the contract. The Purchaser shall ensure that these duties are fulfilled by its employees.

7.2 The information provided to us in connection with orders shall not be deemed confidential.

7.3 Until receipt of full payment of all our current and future receivables under the purchase agreement and under an on-going business relationship, especially of any current account balance claims (secured receivables), we shall reserve title to the Products sold (Products under reservation of title). Until the secured receivables are fully paid, the Products under reservation of title may neither be pledged to third parties nor transferred as securities. The Purchaser shall refer to our title and inform us without undue delay in writing in the event of third parties attempting to take possession of the Products under reservation of title, especially in the event of seizure. The Purchaser shall be liable for any costs incurred by us in this connection, except for costs incurred due to an unjustified seizure.

7.4 As long as the Purchaser is not in default, he shall be entitled to sell and/or process the Products under reservation of title as part of his ordinary course of business. In this case, the following regulations shall apply additionally:

7.4.1 Reservation of title shall extend to the products which are created through the processing, commingling or combination of our Products at their full value, with us being deemed to be the manufacturer, without any obligation arising for us. If the title of third parties in the event of processing, commingling or combination with items of third parties continues to exist, then we shall acquire co-ownership relative to the invoice value of the processed, combined or commingled items. The same shall apply to the created item as to the Products supplied under reservation of title.

7.4.2 The Purchaser hereby assigns to us as security any claims against third parties arising out of the resale of the item or the product, including any current account balance claims in total or in the amount of our possible co-ownership share, pursuant to the above mentioned paragraph. We hereby accept the assignment. Purchaser's obligation specified in No. 7.3 shall also apply in view of the assigned claims.

7.4.3 Apart from us, the Purchaser shall remain entitled to collect the claim. We undertake not to collect the claim as long as the Purchaser meets its payment obligations towards us, as long as he is not in default of payment, no petition for the initiation of insolvency proceedings has been filed and no other lack of the Purchaser's capacity of performance has occurred. If this is the case, however, we may request that the Purchaser discloses to us the assigned debt claims and the respective debtors without undue delay, provides all necessary information for debt claim recovery, hands over all documents pertaining and notifies the debtors (third parties) of the assignment.

7.4.4 If the realizable value of the securities exceeds our claims by more than 20%, we shall, on request and at our own discretion, release securities in whole or in part.

7.5 The Purchaser shall take care of the Products under reservation of title, shall execute the necessary maintenances timely at its own expense and shall insure them against the ordinary risks, especially against fire, water and theft damages.

7.6 The Purchaser shall safeguard our (joint) property free of charge.

8. Industrial Property Rights, Copyrights and Rights of Use

We shall not guarantee that, in connection with our delivery, no rights of third parties, especially no industrial property rights, copyrights or rights of use are breached.

If third parties, due to the use of the performance by the Purchaser, raise a claim against the Purchaser because of breaches of industrial property rights, copyrights or rights of use, or if indications emerge which imply such claim, the Purchaser shall without undue delay notify us in writing. In such cases, we shall reserve all necessary defensive and extrajudicial measures to defend the right. The Purchaser shall support us in such actions.

9. Import and Export Restrictions

When passing of risk of our deliveries has taken place, the Purchaser shall be responsible for compliance with the valid statutory import and export regulations.

10. Applicable Law, Jurisdiction, Contractual Language

10.1 All legal relationships between us and the Purchaser shall be governed exclusively by the laws of the Federal Republic of Germany, excluding all international and supranational legal systems, especially the United Nations Convention on Contracts for the International Sale of Products (CISG) and the international private law (IPR).

10.2 The venue for all disputes - including international ones – arising directly or indirectly out of this legal relationship between us and the Purchaser shall be our registered office in Apolda. However, we may also sue the Purchaser before the courts of its place of general jurisdiction.

10.3 Only the German version shall be decisive for the content and the comprehension of these GCS.

11. Partial Invalidity

Should individual provisions of these GCS be invalid in whole or in part, the remaining provisions of these GCS shall remain fully valid.