

General Terms of Payment and Delivery of B & M Optik GmbH as at 02/2011

1. Area of application

The following General Terms of Payment and Delivery apply to the entire course of business between B & M Optik GmbH and the customer, even if these are no longer mentioned separately in future contracts. These terms also apply if the customer refers to his own general terms and conditions, unless we have expressly agreed to these in writing.

The present terms of payment apply only and exclusively to companies and corporate bodies under public law.

2. Conclusion of contract

Our offers are subject to confirmation. They apply to delivery ex works, without insurance and packaging. Contracts and agreements are binding with our written consent only. A contract materialises only upon acknowledgement of an order, a purchase order, or execution of an ordered shipment.

3. Framework / quantity contracts

A framework or quantity contract is on hand if one or more articles are called up by the customer from time to time on the basis ex warehouse B & M Optik, spread over the entire contract period agreed. In accordance with the wording of the framework / quantity contract, the customer will be sent an acknowledgement of order following his purchase order. The customer will receive a separate acknowledgement of order for each individual call. Given that the articles manufactured for the customer are of a certain volume and quality, we reserve the right, in case of non-acceptance of the quantities agreed, to deliver any parts ordered and still stored in the warehouse over the contract period agreed and to charge the customer for these items, accordingly.

4. Delivery periods

Unless otherwise agreed, the delivery period commences with the dispatch of an acknowledgement of order, subject to the customer providing all documents that might be required, such as licences, releases, drawings, as well as subject to receipt of any down payments agreed. As a matter of principle, we always endeavour to adhere to the delivery periods agreed. The delivery period is deemed adhered to if readiness for dispatch has been communicated prior to performance, or if the delivery item has left the works.

The delivery period will be extended in case of actions within the framework of industrial disputes, particularly strikes or lock-outs, as well as in the event of unforeseen obstacles beyond our control, such as internal disruptions or delays in the supply of essential materials. The same applies if such circumstances occur at our suppliers' end. The delivery period will be extended depending on the duration of such actions and obstacles. We will not be liable for such circumstances even if they arise in the course of a delay occurred already.

Partial deliveries within the delivery periods indicated to us are admissible.

5. Scope of delivery

The scope of delivery is determined in our written acknowledgement of order.

Any design or dimensional changes due to improvements of technologies or requirements by legislative authorities will be reserved over the delivery period provided that the delivery item is not changed substantially and that such changes are reasonable for the customer.

As far as certain tools have to be manufactured for production, the customer will acquire rights to these proportionately. We retain the title to and copyright on any documents provided to the customer in connection with placing the order, such as calculations, drawings, etc. Such documents may not be made accessible to third parties, unless we have authorised the customer in writing explicitly to do so.

With all orders, we reserve the right to excess or short deliveries of up to 10% of quantities ordered.

6. Cancellation charges

Should the customer withdraw from the contract without good cause, we can still require execution of the contract irrespectively, or assert a debt claim for a higher damage than actually incurred, and in the event of cancellation of contract, claim 10% of the net sales price (in relation to the ordered quantity) for costs incurred on processing the order and for loss of profit. The customer will reserve the right to furnish proof of a lesser damage.

7. Packaging and dispatch

The packaging becomes the customer's property and is charged by us, accordingly. The cost of postage and packaging is entered in the invoice separately, unless otherwise agreed.

8. Acceptance and transfer of risk

The customer undertakes to accept the delivery item within 14 days upon notification of readiness for dispatch, and is bound to inspect the delivery item for any faults within 14 days upon acceptance.

Should the customer default on accepting the object of purchase, we will be entitled, upon granting a period of grace of 14 days, to withdraw from the contract and to claim damages for non-performance. Granting a period of grace is to be waived if the customer seriously or definitely refuses acceptance, or would evidently be unable to make payment of the purchase price during such period. Once the product is shipped to the customer at his request, all risks of accidental loss or accidental impairment to the product are transferred to the customer, at the moment of leaving the works/warehouse at the latest. This applies regardless of whether the product is dispatched from the place of performance or whether freight charges are borne by us. Should the customer declare that he will not accept a delivery item, all risks of accidental loss or accidental impairment to the product are transferred to the customer at the moment of refusing acceptance.

9. Price changes

Price changes are admissible if there is a gap of more than 12 weeks between conclusion of contract and the delivery date agreed. If, after such period and until completion of delivery, wages, the cost of materials or market cost prices are increased, we will have the right to increase the price commensurately, in line with the cost increase. This does not apply to framework contracts agreed.

10. Warranty / quality

A defect of the article delivered by us is on hand if it does not present the condition agreed upon. The customer is bound to inspect the items delivered by us for their good condition immediately upon their arrival, and to inform us of any defects detected, accordingly. Any obvious defects are to be notified of in writing and without delay within 14 days upon delivery at the latest. Any unobvious defects are to be notified of in writing immediately upon their being detected. For merchants, Section 377 of the German Commercial Code applies alongside.

As far as a defect of a delivery item is on hand, we have the right, at our discretion, to either arrange for a replacement delivery or for rectification of the defect. In such case, we are bound to bear the necessary shipping, road, labour and material costs, provided these are not increased by this arrangement. In case the rectification of the defect / replacement delivery fails, is reasonable for us to perform, is refused by us or if an adequate time limit set by the customer has lapsed, the customer will have the right to demand a credit for the defective parts. Claims for damages by the customer against us owing to a defect can

only be made within the scope of the following liability regime.

The warranty period for rectification of defects, replacement deliveries, withdrawal and impairment is one year, counted from the moment of transfer of risk. Any claims for defects lapse after one year, counted from the moment of transfer of risk.

11. Liability for breach of obligations

In case of contractual breach of obligations, with the exception of products delivered in defective condition, the customer can only withdraw from the contract and claim damages upon expiry of an adequate time limit set by him to us to deliver the contractual performance, without the performance having been delivered by us in accordance with the contract.

We will only assume liability for damage arising from contractual breach of obligations (delay, impossibility of performance, defectiveness, breach of contractual accessory obligations), if the breach of obligation is due to wilful intent or gross negligence, unless the contractual obligation breached constitutes in itself an essential contractual obligation.

In the event we were to be liable for a damage occurred due to wilful or grossly negligent breach of a contractual obligation or due to culpable breach of an essential contractual obligation, our liability will be limited to the foreseeable damage typical for this type of contract, and will not exceed the indemnification paid through our business liability insurance. Should our business liability insurance not step in entirely or partially, we will be liable for maximum the amount of cover only.

Should our liability be excluded or limited, this will also apply to the personal liability of our employees, workers, associates, representatives and agents. This will not affect the statutory regulations on the burden of proof.

12. Retention of title

We will retain title to the delivery items up until payment. Should the customer default on the payment of our debt claims entirely or partially, we will have the right to withdraw from the contract upon fruitless expiry of an adequate payment deadline and to demand the release and return of any delivery items still held by the customer. The customer will have to provide us with a list of delivery items still held by him and to allow for access to these at any time. Furthermore, the customer will have the right to resell the delivery items in the regular course of business; however, he will assign to us now already any debt claims to the amount of the purchase price agreed between us and the customer (including value added tax), which the customer might achieve from the resale, regardless of whether the delivery items are resold without or after processing. In case the customer's debt claims are received in a current account, he will have to assign the balance to the amount of our debt claims to us with priority over the remaining part of the balance.

The customer will have the right to collect such debt claims after their assignment to us. This will not affect our right to collect the debt claims ourselves; however, we undertake

not to collect any debt claims as long as the customer duly discharges his payment obligations and does not default on his payments. Should this, however, be the case, we will have the right to request that the customer disclose the debt claims assigned to the debtor, provide all details for collection, hand over the relevant documents, and communicates the assignment to the debtor (their party). All costs arising from debt collection from third parties or retrieval of the delivery items are to be borne by the customer.

13. Terms of payment

Unless otherwise agreed, payment is made net within 30 days from the invoice date. In case of payment in advance or cash payment, the customer may apply an invoice deduction but with our prior explicit consent only, provided the customer has no other payment obligations falling due to us already.

We will accept as payment discountable and properly taxed bills of exchange, provided this has been expressly agreed. Credits for bills of exchange and cheques are valid subject to receipt minus bill of exchange charges and disbursements at the value on the day on which we can access the exchange value. If the date of payment is exceeded, interest and commissions at the official discount rates for short-term credits will be calculated, at which the interest charged will be at min. 8% above the applicable base rate of the German Central Bank.

14. Court of jurisdiction and applicable law

For all disputes arising from this contractual relationship, action is to be taken at the court in charge of our head office. We further have the right to sue at the customer's head office. German law will apply exclusively, to the exclusion of the Uniform Law on the International Sale of Goods, even if the customer has his registered office abroad.

15. Miscellaneous

Any assignments of rights and obligations of the customer arising from the contract concluded with us will not be effective without our written consent. Should one of the preceding provisions be or become ineffective, this will not affect the effectiveness of the remaining provisions.

Limburg an der Lahn, February 2011