

General Terms of Delivery and Payment of SCHOTT AG and its associated companies with registered seat in Germany

1. General

- 1.1 These General Terms of Delivery and Payment apply for all our deliveries and services, if the customer is an entrepreneur in the sense of Sec. 14 of the German Civil Code ("BGB") or a legal entity under public law.
- 1.2 These General Terms of Delivery and Payment are only applicable if and to the extent not expressly agreed otherwise.
- 1.3 Customer's general terms and conditions which contradict our own are only applicable to the extent that we have explicitly agreed to them in writing. This also holds true if we perform delivery without reservation, even if we are aware of customer's general terms and conditions.

2. Prices

- 2.1 Unless agreed otherwise in individual cases, the prices applicable are those which were valid at the time of the conclusion of the contract, in EURO, based on delivery ex works manufacturing plant. Additional services will be charged separately.
- 2.2 All prices are net prices and do not include sales taxes, which the customer is to pay, additionally, at the respective statutory rate.

3. Delivery, Delayed Delivery, Deadlines, Cancellation of Contract

- 3.1 Deliveries are carried out ex works manufacturing plant in accordance with Incoterms® 2010. The place of delivery and fulfillment is our respective manufacturing plant.
- 3.2 Delivery dates and periods for delivery are non-binding. Periods for delivery are calculated from the date of our order confirmation.
- 3.3 Our contractual obligations are subject to the reservation of correct and punctual delivery to us by our suppliers.
- 3.4 With regard to delivery dates and periods for delivery which are not agreed bindingly, the customer may, after expiration of these dates, set us a reasonable grace period of no less than two weeks for delivery/performance of our services. We can be in default only after this deadline has expired.
- 3.5 We have a right of retention if the customer is in delay with his obligations, regardless of the legal grounds or legal relationship of the underlying obligations.
- 3.6 We reserve the right to fulfill our delivery obligations in full or in part through a company directly or indirectly controlled by SCHOTT AG.
- 3.7 We have the right to partial deliveries or performance of services if this is not unreasonable for the customer. To the extent they are customary in the business, excessive or reduced deliveries are permitted and do not give a right of complaint.
- 3.8 The customer has the right to cancel the contract if two written notices complaining of our breach and

setting a grace period for its remedy have expired unsuccessfully,

- 3.9 If the customer is entitled to a contractual or statutory right of cancellation, and if we set a reasonable deadline for the customer to exercise this right, the right of cancellation is lost if the cancellation is not declared before the deadline expires.

4. Shipment, Transfer of Risk

- 4.1 If delivery is delayed due to the fault of the customer, the risk of accidental deterioration or loss passes to the customer with the notification to the customer that the goods are ready to be shipped (default of acceptance). The customer is responsible for storage costs after the transfer of risk. All further claims we may have remain unaffected.
- 4.2 If the customer is in default of acceptance or violates other cooperation obligations negligently or with intent, we are entitled to claim compensation for damages thus incurred, including for any additional expenditures.

5. Payment

- 5.1 Payment is to be made within 30 calendar days of the invoice date. Timeliness of payment is determined by receipt of payment to the account specified by us. In case of delayed payment, the statutory regulations apply.
- 5.2 With the due date of payment, all statutory consequences of delay take effect automatically; no separate reminder to the customer is required.
- 5.3 The customer has rights of retention and set-off only insofar as its claim has been determined by a court or is undisputed. In the case of defective delivery, the counter- rights of the customer, in particular pursuant to Section 8 of these terms, remain unaffected.
- 5.4 In case of delayed payment, bill protesting, or payment stoppages on the part of the customer, all outstanding claims become due immediately. In all of the aforementioned cases, we also reserve the right to withhold outstanding deliveries against advance payment or securities and, if the advance payment or security is not provided within two weeks, to cancel the contract with no further grace period. All further claims we may have remain unaffected.

6. Reservation of Proprietary Rights

- 6.1 We reserve ownership of the delivered goods ("reserved goods") until complete payment of all current and future claims resulting from the delivery relationship and other existing business relationships with the customer. The customer is obliged to treat the reserved goods with care and to insure these goods at its own cost, in particular against damage by fire, water, or theft.
- 6.2 As long as it is not in default, the customer has the right to process the reserved goods, combine or mix them with other goods or sell them, provided, however that such sale may only be made in the context of the normal course of business. Any other use of the reserved goods, in particular their use as security or pledging, is prohibited.
- 6.3 The customer's processing or alteration of the reserved goods is always carried out on our behalf. If

the reserved goods are mixed during processing with other goods not belonging to us, then we acquire co-ownership of the new goods created in the ratio of the value of the reserved goods (invoice value including sales tax) to the value of the other goods processed, the relevant value being the value of the goods at the time of processing. For the new goods created, the same terms apply as for the reserved goods.

- 6.4** If the reserved goods are inseparably combined or mixed with other goods not belonging to us, then we acquire co-ownership of the new goods created in the ratio of the value of the reserved goods (invoice value including sales tax) to the value of the other goods processed, the relevant value being that at the time of combining or mixing.

If mixing occurs in such a way that the goods of the customer are to be seen as the principal part of the resulting good(s), then it is considered agreed that the customer transfers proportional co-ownership to us. The customer then stores the thus created wholly or co-owned good(s) for us free of charge.

If combining occurs in such a way that the goods of the customer or a third party are to be seen as the principal part of the resulting good(s), the statutory regulations apply.

The rights of co-ownership arising from the above regulations are considered reserved goods in the sense of Section 6.1.

To secure our claims against customer, customer also assigns to us any claims which it has vis-à-vis any third parties due to combining the reserved goods with real property.

- 6.5** The customer may only resell the reserved goods if the conditions set under Section 6.2. are fulfilled and the claims it has from the resale are transferred to us and were not previously assigned to third parties.

If the customer has an obligation of advance performance towards its own customers, then – with regard to these customers – customer must itself reserve the ownership of the goods it supplies to them under the same conditions under which we reserve ownership upon delivery of our reserved goods. Otherwise, the customer is prohibited from reselling the reserved goods.

- 6.6** In the case of customer's permitted resale of the reserved goods, the following applies: The customer's claims from the resale of the reserved goods are hereby assigned to us in the amount of the value of the reserved goods (invoice value including sales tax), and we accept this assignment. This applies regardless of whether the reserved goods have been resold with or without further processing. The claims thus assigned to us replace the reserved goods as security for our claims.

- 6.7** The customer is authorized to collect the assigned claims on our behalf. Our right to collect the claims ourselves remains unaffected. However, we agree to refrain from this as long as the customer duly complies with its obligations towards payment arising from the business with us, customer is not in default, and in particular as long as no petition for insolvency proceedings has been filed against the customer and payments have not been suspended. If one of these cases occurs, the customer must, upon our request, immediately provide all information necessary to collect the claims, provide all applicable documents, and inform the debtors of the assignment.

- 6.8** If the realizable value of the securities provided to us exceeds the claims to be secured by more than 10%, then, upon the customer's request, we are obliged to release securities of our choice.

- 6.9** If the customer violates the contract, in particular by being in delay with its payment, we are authorized to cancel the contract according to the statutory provisions and to demand return of the goods on the basis of the reservation of title and the cancellation of the contract.

7. Customer's Drawings and Specifications

The customer is responsible for ensuring that the drawings and specifications it provides are correct in terms of content and technical details and that they are free from third-party rights.

8. Warranty

- 8.1** We warrant that the supplied goods do not have a defect at the time of the transfer of risk. With regard to the infringement of any third party's proprietary rights, the regulations under Section 10 apply.

Any specific agreement made with regard to the supplied goods is the primary point of reference/standard for determining the existence of a defect. Specifications or technical delivery conditions which are given to the customer before placement of the order, or were included in the contract in a comparable way as these General Terms of Delivery and Payment, constitute an agreement concerning the properties of the goods (the "Agreed Quality"). The descriptions contained therein do not constitute a quality guarantee. Minor deviations from the Agreed Quality are not defects. Insofar as no limit for deviations was explicitly agreed, deviations which are customary in the business are permitted in any case. Furthermore, warranty claims do not exist in the case of natural wear and tear.

- 8.2** Unless explicitly stated otherwise, published specifications regarding the supplied goods, in particular the drawings, pictures, weight, measurements, and performance specifications given in our product descriptions and publications are to be regarded as approximate averages and do not constitute an assurance for the presence of a certain characteristic or a quality guarantee.

- 8.3** If the delivered goods are defective, and provided we are given immediate and written notification of the defect, we will, at our discretion, either remedy the defect or deliver a non-defective replacement. In the event of subsequent performance, we are obliged to bear all mandatory statutory costs for the purpose of remedying the defect to the extent that these are not increased by the fact that delivered goods have been taken to a location other than the place of performance.

- 8.4** If subsequent performance is unsuccessful, the customer may cancel the contract or reduce the remuneration. Before a possible return of the goods to us, our consent must be obtained.

- 8.5** In case of fraudulent concealment of a defect or in case of issuance of a quality guarantee in the sense of Sec. 444 of the German Civil Code "BGB" (i.e.: a declaration by the seller that the article for sale has a particular characteristic and that the seller shall be held accountable for all consequences arising from

its absence, regardless of fault), the rights of the customer are exclusively those provided under the statutory regulations.

- 8.6** Claims based on defects expire twelve months after delivery. This does not apply insofar as the law pursuant to Sec. 438(1)2, Sec. 438(3)1, or Sec. 479(1) BGB stipulates mandatory longer periods or insofar as claims are for damages or for reimbursement of expenses.
- 8.7** We assume no responsibility, warranty of guarantee for Information and advice related to our deliveries and services which are not contractual obligations. Information and advice provided by us do not absolve the customer from carrying out its own tests.
- 8.8** In the case of claims for damages or reimbursement of expenses, the provisions under Section 9 apply.

9. Liability

- 9.1** In the event of a breach of obligations, in particular the delivery of defective products or unlawful acts, we are liable only for intent or gross negligence, subject to further contractual or statutory liability conditions. In the event of simple negligence, we are only liable for damages resulting from death, bodily injury, or harm to health as well as from the breach of a material contractual obligation (an obligation whose fulfillment is essential to the due and proper implementation of the contract and on whose fulfillment the contractual partner regularly relies or should be able to rely). In case of slight negligence resulting in the breach of a material contractual obligation, our liability is limited to damages typical for this type of contract and foreseeable at the time of conclusion of the contract.
- 9.2** In the event of slight negligence resulting in damage caused by delay, our liability is limited to a maximum of 5 % of the net price agreed with us for the delayed goods.
- 9.3** The exclusions and limitations of liability listed in Section 9.1. do not apply in the case of issuance of a quality guarantee in the sense of Sec. 444 BGB, see Section 8.5.) or in the case of mandatory liability according to the German Product Liability Act.
- 9.4** The limitation restrictions according to Section 8.6. also apply for the customer's contractual and non-contractual claims for damages or compensation of expenses which are based on defective goods. In all other cases, the statutory limitations apply for the customer's claims for damages or compensation of expenses. The statutory limitations of the German Product Liability Act remain unaffected in any case.

10. Industrial Proprietary Rights

- 10.1** We warrant only that the goods are free from third party industrial proprietary rights and copyrights in the country in which they were manufactured (in the following "proprietary rights").
- 10.2** Should a third party file justified claims against the customer due to an infringement of proprietary rights through the contractual use of goods or services, we shall be liable within the period of time set forth in Section 8.6 as follows: We will at our discretion either secure a license for the rights concerned or modify the goods or services in a way acceptable to the customer and in which the proprietary rights are no longer infringed. In the event that this is not possible

under commercially reasonable conditions or within a reasonable period of time, then the customer is entitled to his statutory rights of rescission or reduction of the purchase price.

- 10.3** The customer undertakes to inform us immediately of any claims from third parties concerning infringement of proprietary rights, not to admit to such an infringement and to support us to an appropriate extent in fending off such claims.
- 10.4** Claims on the part of the customer are excluded if the customer is responsible for the infringement of these proprietary rights or this was caused by specific requirements of the customer.
- 10.5** Regarding claims for damages and reimbursement for expenses, the provisions of Section 9 apply.

11. Packaging material

We are not obliged to take back packaging material. In the event that packaging material is to remain with the customer, he is then responsible for the legally required reuse or recycling of this packaging material at his own expense.

12. Disposal

The customer is obliged to observe any instructions that may have accompanied the goods as well as the legal regulations pertaining to the disposal of goods at his own expense. The law of Retraction and Environmentally Friendly Disposal of Electric and Electronic Units ("ElektroG") applies for electrical devices.

13. Confidentiality, Data protection

- 13.1** Documents provided to the customer may not be made accessible to third parties, duplicated or used for any other purposes than those that have been agreed to.
- 13.2** Information provided to us in connection with orders is not to be considered confidential unless the confidentiality is obvious or has been expressly stated by the customer.
- 13.3** We hereby point out that we store personal data and share it with companies affiliated with us to the extent that this is necessary in order to establish, implement or terminate our contractual agreements with the customer; we do so in compliance with the requirements of the German Federal Data Protection Act ("BDSG").

14. Other

- 14.1** The sale, resale and disposition of goods and services as well as of any technology or documentation associated with it may be subject to the export control laws of the Federal Republic of Germany or other countries. The resale to embargo countries or blocked persons or individuals who use or could potentially use these goods and services militarily, for NBC weapons or in nuclear technology is prohibited. The customer undertakes to abide by the applicable laws and ordinances.

Furthermore, the customer ensures that the goods and services will not be supplied either directly or in-

directly to countries that prohibit or limit the import of these goods.

The customer is responsible for the permits needed in order to export or import the goods.

- 14.2** The assignment of customer's claims against us to third parties is not permitted. Sec. 354 of the German Commercial Code ("HGB") shall remain unaffected.
- 14.3** The exclusive place of jurisdiction is Mainz, assuming that the customer is a merchant in the sense of the HGB or a legal entity under public law. We are, however, also entitled to file claims against the customer with the courts having jurisdiction at customer's place of business.
- 14.4** These Terms and Conditions shall be governed by German law, excluding the rules of the UN Convention on Contracts for the International Sale of Goods and the German rules of renvoi.
- 14.5** Should individual regulations of these General Terms and Conditions of Payment be or become fully or partially invalid, then this shall not affect the validity of the remaining conditions.