

TERMS AND CONDITIONS OF PURCHASE

I. General

1. The following terms and conditions of purchase (hereinafter "Conditions of Purchase") shall apply to all orders placed by us, Raytech VertriebsgmbH and the companies operating in our group, in particular purchase contracts, contracts for work and service contracts (hereinafter "orders"), regardless of their individual designation, as well as its follow-up orders, unless Raytech VertriebsgmbH confirms other diverging provisions in writing on a case-by-case basis.

□2. These Conditions of Purchase shall be binding on all present and future business transactions with the contractual partner even if no explicit reference is made thereto.

3. Subsequently, the contractor commissioned by Raytech VertriebsgmbH to perform deliveries, work or services shall be referred to as "supplier". The supplier shall explicitly note that Raytech VertriebsgmbH will object to the provisions contained in its order confirmation, which do not comply with the Conditions of Purchase of Raytech VertriebsgmbH, and that the *de facto* acceptance of the delivery shall not mean that the provisions of the order confirmation have been accepted. The supplier shall be aware that Raytech VertriebsgmbH will consider its delivery as acceptance of the Conditions of Purchase.

4. All business relations based on these Conditions of Purchase shall take place exclusively with companies as defined by the Austrian Commercial Code [Unternehmensgesetzbuch – UGB]. These Conditions of Purchase shall explicitly not apply to the conclusion of contracts with consumers within the meaning of the Consumer Protection Act.

5. The respective Conditions of Purchase valid at the time of the conclusion of the contract with the seller shall apply. They are available at <http://www.raytech-group.com>.

II. Conclusion of the Contract, Orders, Invoices

1. The legal relations between the supplier and Raytech VertriebsgmbH shall be governed exclusively by these Conditions of Purchase, unless diverging provisions are agreed in writing on a case-by-case basis.

2. The orders of Raytech VertriebsgmbH shall be legally binding on both contractual parties if placed in writing by representatives of Raytech VertriebsgmbH being duly authorized hereto, where orders placed by e-mail or telefax shall be also regarded as in writing, and if the supplier does not object in writing within a period of 48 hours of receipt or submits a written counter-offer containing defined deviations in content (see Item II.3.). Oral or telephone orders without subsequent written confirmation shall be ineffective.

3. If the supplier submits a written counter-offer containing defined deviations in content (see Item II.2.), this shall mean that a new offer of the supplier is submitted to Raytech VertriebsgmbH which requires an evaluation by Raytech VertriebsgmbH and written acceptance by representatives of Raytech VertriebsgmbH being duly authorized hereto.

4. The supplier undertakes to state the order number of Raytech VertriebsgmbH in all invoices issued by it and in other documents addressed to Raytech VertriebsgmbH, failing which Raytech VertriebsgmbH shall consider them as not delivered.

III. Delivery, Delivery Date, Force Majeure

1. All deliveries shall be subject to INCOTERMS 2010 and, if no other INCOTERM clause was agreed on a case-by-case basis, the clause DDP Vienna Incoterms 2010 shall apply. The supplier shall insure the goods up to the unloading point.

2. All deliveries shall be safely packed for transport and with carriage paid to the agreed place of delivery. The supplier undertakes to assume the costs of shipping, packaging and transport insurance. All deliveries shall be accompanied by corresponding shipping documents / delivery notes, in particular exact statements of contents with product designation, number of items, weights, etc. according to the order documents, failing which Raytech VertriebsgmbH shall be entitled to not accept deliveries.

□3. The supplier shall in any case comply with specified delivery dates, which are generally fixed dates as defined in section 919 General Civil Code [ABGB]; if it becomes impossible for the supplier to comply with an agreed delivery date, it shall give notice of such fact in good time.

4. Regardless of such notice, Raytech VertriebsgmbH shall be entitled, notwithstanding further additional claims, at its option, to withdraw from the order without granting a period of grace or claim damages for non-performance; furthermore, Raytech VertriebsgmbH shall be also entitled to obtain substitute deliveries from third parties and demand the price difference (loss caused by the difference in prices) from the supplier without the supplier being entitled to object to the amount of the purchase price of the substitute delivery.

5. If delivery of shipments needs to be expedited due to circumstances attributable to the supplier, the additional costs hereby incurred shall be borne by the supplier. Acceptance of a delayed delivery by Raytech VertriebsgmbH shall not constitute a simultaneous waiver of the claims for damages arising for Raytech VertriebsgmbH thereof.

6. Acceptance of the goods by employees of Raytech VertriebsgmbH shall be relevant. Raytech VertriebsgmbH shall not be obliged to accept non-agreed partial or excess deliveries and deliveries ahead of the agreed date. In the case of acceptance of partial deliveries ahead of time or excess deliveries the supplier shall be obliged to bear storage costs that may arise for Raytech VertriebsgmbH.

7. Even if Raytech VertriebsgmbH insists on the performance of the contract, it shall be entitled to claim damages for all losses, including indirect financial losses and lost profit.

8. Inspection of the goods within the meaning of section 377 UGB shall take place at the respective place of delivery. Thereby, inspection of incoming goods shall be limited to defects that are openly visible, such as, for example, packaging defects, transport damage, wrong deliveries, quantity defects. Such defects shall be reported to the supplier within a period of 14 days. Any complaint about the goods beyond that, in particular with hidden defects, shall be possible within a warranty period of 24 months; no time limit for claim needs to be observed to preserve the warranty claims and claims for damages, unless otherwise provided by mandatory law.

9. In addition, in the case of delay in delivery the supplier shall be obliged to pay a contractual penalty of 2% of the total order value per week of delay or part thereof, which is, however, limited to a maximum of 10% of the total order value but at least € 500.-- per week.

10. It shall be reserved to Raytech VertriebsgmbH to claim losses beyond that. The contractual penalty pursuant to Item III.9. shall not be subject to judicial moderation. Raytech VertriebsgmbH shall be entitled to offset current receivables of the supplier against possible contractual penalties pursuant to Item III.9.

11. In the case of force majeure (for example, but not exclusively, strike, war, fire damage, flooding) Raytech VertriebsgmbH shall be exempt from the obligation to take delivery for its duration and shall be also entitled to withdraw from the contract; thereby, no claims shall arise for the supplier against Raytech VertriebsgmbH.

12. The supplier shall not be entitled to transfer rights and obligations, in whole or in part, from the contract to third parties. Transfer in the case of singular succession as well as universal succession shall require the prior explicit consent of Raytech VertriebsgmbH. However, Raytech VertriebsgmbH shall be entitled to transfer the rights and obligations from the contract by way of singular succession to third parties with discharging effect.

IV. Shipping Instructions, Place of Performance

1. If the supplier does not comply with the specified or agreed shipping instructions / shipping conditions, which causes damage or costs (e.g. extra tour, additional freight, downtime costs), the same shall be borne in full by the supplier.

2. The delivery items and/or the packaging of the delivery items shall be labelled according to the regulations of Raytech VertriebsgmbH or on the basis of existing documentation requirements so that their origin and production date can be determined beyond doubt (e.g. by part number, drawing number, order number, part name, manufacturer COC)

3. Unless otherwise stipulated, the place of performance for delivery and payment shall be the current company address of Raytech VertriebsgmbH.

V. Prices

1. The agreed prices shall be fixed prices. Delivery shall be made to the place of destination according to INCOTERMS. All costs of the supplier, e.g. for

- packaging, quality assurance, functional and quality checks, required documentations and, if necessary, permits and insurances, shall be included.
- Offers and related documents provided by the supplier shall be free of charge for Raytech VertriebsgmbH regardless of the extent of preliminary work needed therefor.
 - In cases of serial and subsequent deliveries, during the term of the delivery or service contract the supplier shall deliver to Raytech VertriebsgmbH goods as well as services that are competitive with regard to price, quality and delivery times. Should Raytech VertriebsgmbH find out that the supplier does not make delivery at competitive conditions, as another potential supplier offers manufacturing and delivery of the contractual item at more favourable conditions without the supplier taking over these conditions, Raytech VertriebsgmbH shall discuss possibilities of implementing the conditions with the supplier. If within 30 days no agreement can be reached with the supplier, Raytech VertriebsgmbH shall be entitled to cancel the contract in whole or in part subject to 30 days' notice. Notwithstanding the cancellation of the contract, the supplier shall be obliged to fulfil the orders placed / deliveries on call made prior to cancellation of the contract.

VI. Invoicing, Payment

- After delivery or service, invoices shall be sent to Raytech VertriebsgmbH preferably by e-mail to accounting@raytech-group.com unless otherwise requested. In addition to the order number, the invoices shall show all order data, mode of shipment and delivery note. The invoices shall contain all information required by law for tax purposes. Also, they have to comply with the provisions of customs law.
- The term of payment shall start only after complete provision of service and receipt by Raytech VertriebsgmbH of an invoice corresponding to Item VI.1. In the case of delivery prior to the agreed date, however, the term shall start not earlier than on the date originally agreed.
- Unless otherwise agreed, Raytech VertriebsgmbH shall pay for accepted deliveries or services within 14 days less 3% cash discount or within 30 days net.
- Payment of a supplier's invoice by Raytech VertriebsgmbH shall neither mean acknowledgment that the delivery or service by the supplier is free from defects nor a waiver of claims for warranty or damages.
- Offset by the supplier against receivables of Raytech VertriebsgmbH as well as assignment of receivables of the supplier vis-à-vis Raytech VertriebsgmbH to third parties shall be permitted only with prior consent of Raytech VertriebsgmbH.
- However, Raytech VertriebsgmbH shall be entitled to offset counterclaims, also those of affiliated companies, against receivables of the supplier.
- The supplier shall not have a right of retention.

VII. Quality of the Delivery or Service

- The supplier shall guarantee that its deliveries and services comply with the agreed technical data, the warranted properties, the state of the art, the safety and quality regulations and the statutory and other provisions. Furthermore, the supplier shall guarantee that all products provided with an expiry date still have minimum durability of 12 months at the time of delivery. For products with a minimum durability date under 12 months, durability of at least 75% of the full durability period shall be guaranteed when Raytech VertriebsgmbH takes delivery. If the minimum durability date does not comply with the stated requirements, return delivery and handling shall take place at the supplier's expense.
- The supplier shall be obliged to deliver all goods in compliance with all statutory requirements in the field of environmental protection – in particular in accordance with the Regulation (EC) No 1907/2006 (REACH) and the Directive 2011/65/EC (RoHS). If the delivered products neither conform to REACH nor to RoHS, Raytech VertriebsgmbH shall be notified in writing of such fact, using the ordering person's or firm's e-mail address. If Raytech VertriebsgmbH does not receive a communication about non-conformity, it shall be assumed that the delivered products comply with the REACH and RoHS guidelines.
- To ensure the quality performance expected by Raytech VertriebsgmbH in all deliveries and services the supplier shall establish, maintain and regularly furnish evidence of an appropriate quality management system. Raytech VertriebsgmbH shall be entitled to check the effectiveness of the supplier's quality management system also through on-site visits and audits.
- Insofar as there exist contractual, statutory or customary documentation requirements for delivery items or services (e.g. in the case of safety components, etc.) the supplier shall be obliged to keep appropriate complete quality records and to store the test documents / data / samples / documentations for 10 years after making the last delivery and submit them to Raytech VertriebsgmbH on request. Any subcontractors shall be included in this obligation by the supplier.
- If the contract concluded between Raytech VertriebsgmbH and the supplier is cancelled or if the supplier's company commences bankruptcy proceedings, the records or samples / test items kept by the supplier for Raytech VertriebsgmbH shall be immediately returned to Raytech VertriebsgmbH.
- Unless otherwise agreed, all production documents that facilitate the origination process of a product and/or its conformity with the defined requirements shall be kept by the supplier for at least 10 years, where the supplier shall ensure legibility of the documents as well as their protection against destruction and theft. After expiry of these 10 years, prior to destruction of these documents, the supplier shall be obliged to offer these documents to Raytech VertriebsgmbH for takeover free of charge.
- The supplier shall be obliged to hand over to Raytech VertriebsgmbH, without being requested and in advance, the safety data sheets and accident procedure sheets that correspond to the statutory requirements for materials and items to be delivered that may pose a risk to life and health of persons and/or to the environment due to their nature, their properties or their state, as well as for objects that due to regulations require special treatment with regard to handling, packaging, transport, storage and waste disposal.

VIII. Warranty

- Unless otherwise stipulated in an individual contract with the supplier, the supplier shall warrant performance of the delivery or service conforming to the order, compliance with all relevant statutory and official requirements, construction complying with the state of the art, quality of workmanship, all warranted qualities and use of unobjectionable material for 24 months with movable property and for 60 months with immovable property or property designed for installation or use in immovable property.
- The warranty shall start with acceptance of the delivered item by the end customer of Raytech VertriebsgmbH or, if used within Raytech VertriebsgmbH, upon delivery / provision of the service by Raytech VertriebsgmbH.
- The incoming inspection shall thereby be limited to defects that are openly visible, e.g. faulty packaging, transport defects, wrong deliveries, excess or short deliveries. We shall report such defects to the supplier within 14 days of delivery.
- Raytech VertriebsgmbH explicitly is not under any further obligation to examine the shipment / service upon delivery and to give notice of defects under commercial law in this respect. In fact, Raytech VertriebsgmbH may claim defects occurring during the warranty period at any time.
- In case of a claim under warranty Raytech VertriebsgmbH shall be entitled to request, at its option, correction or exchange of the defective delivery free of charge, to have the defect corrected by a third party at the supplier's expense, to cancel the contract or request a corresponding price reduction.
- In the case of complaints about a defect occurring in deliveries, Raytech VertriebsgmbH shall be entitled to charge the supplier a flat-rate expense allowance of € 50.-- for each complaint. All claims of Raytech VertriebsgmbH beyond that shall remain unaffected thereof.
- The warranty obligation shall start anew following accomplished removal of defects by the supplier and acceptance of the correction by Raytech VertriebsgmbH for the entire delivery / service affected by the defectiveness.
- Any claims for damages on the part of Raytech VertriebsgmbH shall remain unaffected by warranty as described.

IX. Damages

1. The supplier shall be liable for all losses incurred by Raytech VertriebsgmbH from a delayed or defective delivery or service through its fault or the fault of one of its subcontractors.
2. With losses caused by a defect of the delivery item, either actual or alleged - if such allegation cannot be refuted without thorough examination of the delivery item -, a violation of the delivery or service contract or by other unlawful conduct of the supplier, the supplier shall indemnify Raytech VertriebsgmbH and its representatives, assistants, company officers and other companies that sell or process goods or products in which the delivery items are integrated, as well as their customers, from all claims, costs, losses and expenses including costs of legal proceedings, unless the supplier proves that the loss is beyond its control.
3. In the event that third parties make a claim on Raytech VertriebsgmbH under the provisions of the law on product liability the supplier shall have to prove that the product delivered by the supplier, as defined in the product liability provisions, is not defective. Furthermore, the supplier shall be obliged to fully inform Raytech VertriebsgmbH in this regard and provide support in a legal dispute with third parties as well as indemnify and hold Raytech VertriebsgmbH harmless from and against all third-party claims. This shall also apply if the delivery item is only a part of the service provided to third parties by Raytech VertriebsgmbH.
4. The supplier shall indemnify Raytech VertriebsgmbH and its representatives, assistants, company officers and other companies that sell or process goods or products in which the delivery items are integrated, as well as their customers, from all claims, costs, losses and expenses including costs of legal proceedings that arise from or on the basis of a recall as far as the same was necessary because of the supplier's delivery item or service.
5. In case that the supplier or persons attributable to it cause damage to components provided to the supplier by Raytech VertriebsgmbH for further processing, the supplier undertakes to pay damages.
6. To cover the supplier's liability vis-à-vis Raytech VertriebsgmbH and third parties the supplier undertakes to take out, or maintain already existing, product liability insurance with an insured sum of at least € 7 million at its own expense. At the request of Raytech VertriebsgmbH the supplier shall produce the policy. In case of a product recall or associated actions the supplier undertakes to reimburse Raytech VertriebsgmbH for all losses and/or costs incurred.
7. By accepting the order the supplier shall explicitly declare that the delivery item is not subject to any rights, in particular proprietary rights of third parties. If rights of third parties are asserted nevertheless, the supplier undertakes to indemnify and hold Raytech VertriebsgmbH harmless.

X. Means of Production, Ownership, Confidentiality

1. Means of productions shall be, in particular, operating resources, production plants, stencils, tools, dies, test and measuring equipment, gauges, samples, components, patterns, models, drawings, printing plates or other devices that may be necessary for manufacturing, inspection and testing of the delivery items.
2. If Raytech VertriebsgmbH provides means of production to the supplier for performance of its contractual obligation, the same shall remain the unlimited physical and intellectual property of Raytech VertriebsgmbH.
- 3. The same shall also apply to means of production fabricated by order of Raytech VertriebsgmbH, which was paid by Raytech VertriebsgmbH. The supplier shall durably mark such means of production distinctly as the property of Raytech VertriebsgmbH and may use them exclusively to carry out orders from Raytech VertriebsgmbH. They may be neither made accessible nor left to external third persons. After carrying out the order of Raytech VertriebsgmbH or after termination of the respective contract they shall be returned to Raytech VertriebsgmbH at the supplier's expense, unless a different agreement is concluded.
4. The supplier undertakes to appropriately store, keep up and maintain the means of production of Raytech VertriebsgmbH at its own expense so as to exclude damaging, loss or destruction, also by force majeure.
5. The supplier undertakes to treat all non-common knowledge, commercial and technical circumstances it learns through the business relationship as a business secret. The objects, data and documents provided to the supplier shall remain the property of Raytech VertriebsgmbH and shall be kept confidential vis-à-vis third parties and must neither be reproduced nor made available or made accessible otherwise to third parties without the consent of Raytech VertriebsgmbH. The supplier's subcontractors, upstream suppliers and employees shall be bound correspondingly.
6. The obligation to observe business and industrial secrets of Raytech VertriebsgmbH shall apply for an unlimited period also for the time after termination of the business relationship. For each violation of the obligation to maintain secrecy a contractual penalty of € 250,000.-- per infringement shall be paid, which shall not be subject to judicial moderation. Any rights of Raytech VertriebsgmbH beyond that shall remain unaffected thereof.
7. The supplier may make reference to its business relationship with Raytech VertriebsgmbH in its advertising activities only upon the written consent of Raytech VertriebsgmbH.

XI. Withdrawal

1. If the supplier does not comply with its contractual obligations, Raytech VertriebsgmbH shall be entitled to withdraw from the contract. If withdrawal is due to the supplier's conduct, the supplier shall reimburse Raytech VertriebsgmbH for all costs already incurred as well as other losses.
2. Furthermore, Raytech VertriebsgmbH shall be entitled to withdraw from the contract prematurely and without giving due notice for important reasons, in particular if (1) the supplier's company is liquidated; (2) execution is levied upon the supplier's assets; (3) the supplier has been in default already for 6 weeks regarding the duties agreed in the contract despite being granted a reasonable period of grace including the warning that the contract may be terminated; (4) the supplier provided incorrect or incomplete information or failed to disclose important circumstances in the course of initiating business contact.

XII. Jurisdiction, Applicable Law, Miscellaneous

1. The provisions of these Conditions of Purchase and/or the contract concluded between the supplier and Raytech VertriebsgmbH shall be governed by Austrian law, excluding the national principles of the conflict of laws. Application of the provisions of the UN Convention on Contracts for the International Sale of Goods shall be explicitly excluded. For disputes arising directly or indirectly from the contract concluded between the supplier and Raytech VertriebsgmbH the court having subject-matter jurisdiction in Vienna (Austria) shall have exclusive jurisdiction. However, Raytech VertriebsgmbH shall be entitled, at its option, to sue the supplier also in any other court that can be declared as having jurisdiction according to applicable law.
2. Should individual provisions of the contracts be ineffective or invalid, this shall not affect the effectiveness of the remaining provisions and the contract as a whole.
3. The headings used for the individual items of these Conditions of Purchase shall serve orientation purposes only and shall not be used for interpretation of the conditions.
4. Changes and amendments to these Conditions of Purchase and/or to contractual agreements shall be in writing to be legally effective.