

General Terms and Conditions of Sale

1. General

The following terms of delivery and payment apply to all transactions between purchasers and the Layertec - optische Beschichtungen GmbH - in the following called LAYERTEC. They apply also, if the purchaser has its own business conditions. Should buying conditions of purchasers conflict with our own terms, their conditions will not be applicable unless explicit written consent is given by us. All legal relations arising from this contract keep to these terms and to any other agreements.

2. Conclusion of Contracts

The offers of LAYERTEC are not binding, unless they are explicitly declared as binding, until an order that is placed on the basis of the terms of the quotation has been confirmed in writing.

Verbal arrangements during or after the conclusion of a contract take effect only if they have been confirmed in writing. During the delivery time LAYERTEC reserves the right to make technical changes which may arise from the state of the technique reached but which will not have a negative effect on the specified function of the goods.

3. Prices and Payment Conditions

All prices charged are net prices, plus value added tax for deliveries inside Germany. We ship goods and packaging ex works, carriage and packing costs are invoiced. All shipments will be insured by us at buyers expense against transportation risks, unless agreed otherwise.

Insofar as not other declared our prices are payable net without any cash discount.

If the purchaser fails to pay by the stipulated date, LAYERTEC reserves the right to interest in the legally allowed rate from the day on which payment was due.

4. Delivery

The delivery time begins with the date of the confirmation of the order, but not earlier than a full agreement about the order is achieved. We will do our utmost to comply with the delivery times stated in our offers and confirmations of orders, but they are not binding.

Should the delivery be delayed as a result of industrial disputes or unforeseeable circumstances beyond our control, such as shortage of material or energy or as a result of incorrect or unpunctual deliveries by suppliers of parts in spite of their being most conscientiously selected, and provided this delay was unavoidable in spite of all due diligence and all reasonable efforts on our part, then the delivery time will be extended by the duration of the hindrance.

In the case of special versions and custom -made components the quantities delivered may vary by plus or minus 10 % from the quantities ordered. For tighter margins please consult us. Liability for unexecuted or delayed deliveries is excluded.

5. Cancellation

Any cancellation has to be accepted by us in writing. All expenses thereby incurred shall be met by the customer. Deadlines set for orders on call shall be respected. The balance of such orders will be delivered and invoiced on the final date.

6. Warranty and Liability

Delivery shall be deemed effected as soon as the goods leave our premises. LAYERTEC's warranty voids 12 months after the transition of risks. Our warranty applies only to those parts and services rendered which are stated in the confirmation of

order. LAYERTEC guarantees that the materials used are free of defects and that all the work done is carried out carefully.

However we cannot guarantee the suitability of our goods for a special purpose.

Goods shall be inspected immediately on delivery. Obvious defects are to be reported in writing within one week after receipt of goods. Inexpert treatment of the delivered goods will invalidate any claims to warranty.

Our warranty will be limited to the value of the product delivered. Any further liability claims - especially claims for restitution or further damages - shall be excluded, except in cases where cross negligence can be proven or breaking contractual duties.

Offered solutions for coatings - especially with respect to the optical performance and to tolerances - are only binding to LAYERTEC, as far as they are explicitly acknowledged in the text of the confirmation of order.

If the customer supplies material or parts for processing we work with utmost diligence but at the customers risk. We cannot be held liable for any breakages, manufacturing mishaps or defective material. Especially in the case of coating of customer supplied substrates any liability claims shall be excluded.

7. Proprietary Right

Our proprietary right covers all parts supplied until the agreed price has been paid in full or, in case of payment by bill of exchange, until acceptance thereof. The purchaser shall inform us immediately of any seizure or attachment.

The buyer has the right to sell, process and / or integrate the goods under normal trading conditions. He shall assign to us at this point in time all claims resulting from the re-sale or processing or integration, or transfer the ownership of the new item proportionally up to the amount of the balance of account.

8. Industrial Property Right and Copyright

In the case of claims for infringement of an industrial property right or a copyright were entered against the purchaser since he uses our delivery/service, we will bind ourselves to get the right to further use for it. The prerequisite for this shall be that the purchaser immediately briefs us in writing on those claims entered by third parties and that we can reserve the right to any defensive and extra-judicial measure. Should under these conditions any further use of our delivery/service not be possible on terms economically justifiable, it shall be considered as agreed that we either modify or replace the delivery/service to remedy the defect of title at our choice or take back the delivery/service and refund the purchase price we received deducting a sum in consideration of the age of the delivery/service.

Further claims for infringement of an industrial property right or a copyright shall not be due to the purchaser. We will not be under obligation if infringements of a right are caused by using our delivery/service in a different manner than offered by us or together with a delivery/service unlike ours.

We will not be liable for infringements of a right in respect of any delivery/service performed on the basis of design documents or other data given by the purchaser.

9. Place of Fulfilment and Court

Place of fulfilment of deliveries and services rendered of LAYERTEC is Mellingen. To all legal questions resulting from any business activities the German law will exclusively apply. Place of jurisdiction is Weimar - Germany.

Mellingen, January 2006