

Nanolayers Optical Coatings GmbH - General Terms and Conditions of Sale
(Version April 2010)

I. General Conditions

These general sales conditions shall rule all business operations with all principals of Nanolayers Optical Coatings GmbH (collectively referred to as "Buyer"), even if it is not specially referred to in further contracts. They are also binding if the Buyer (especially when accepting an order or sales confirmation) refers to his own "Terms and Conditions", unless those are particularly accepted in writing by Nanolayers GmbH (referred to as Seller).

II. Order/Contract Formation

Offers made by Nanolayers are without obligation. A contract is concluded when Nanolayers has sent an originally signed confirmation in writing. Confirmations made orally or/and by phone are not legally binding. They need to be accepted by an additional written confirmation.

III. Material (basic material to be treated / coated)

1. When placing an order Buyer and Seller together determine the necessary quality of the material/article to be treated/coated in respect of the coating desired. The Buyer is responsible for the proper condition of the material delivered by him and that's corresponds all technical requirements determined before (e. g. state of the material, specification of the surface in respect of scratches or defects and remains of polish). Does Nanolayers provide the material Nanolayers is responsible for the suitability of the material for the intended coating process.

2. If no specific conditions were stipulated respecting the quality of the material to be coated, the Buyer is reliable for the suitability of the material. The delivered material has to be suitable for the coating process and should correspond to the generally recognised codes of practice.

IV. Delivery

1. The Buyer has to deliver the material to be treated on time and at his own cost and risk.

2. The material to be treated shall be packed in accordance with good commercial practice to permit efficient, easy and save handling by Nanolayers. It should be re-usable for returning the material. Any risk occurring in case of

disregarding this clause bears the Buyer as well as the cost for necessary repacking and storage. The Seller may check the packing and its content and may refuse its re-use or treatment.

3. Nanolayers will handle the delivered materials with maximum care. The risk of accidentally loss or deterioration bears the Buyer.

4. The shipping risk and cost of the coated materials/goods bears the Buyer. Shipping insurance can be arranged by the Seller if wanted. Additional cost bears the Buyer.

5. The time of delivery is made out upon particular circumstances: e. g. production capacity, employment situation, delivery dates etc. Nanolayers reserve the right of adjusting the delivery period in case of a change of these prior mentioned circumstances. Period of delivery shall be computed from the date of the order confirmation. Period of delivery is negotiated under reserve of the compliance of the following conditions:

- all commercial and technical requirements necessary to complete the order are negotiated between the parties
- the material to be treated has been delivered on time
- necessary permissions and/or clearances are issued
- deposit payments (if negotiated) are made.

Period of delivery is complied with, when the material has been delivered to the first carrier before expiry of the period of delivery or when the Buyer has been advised by the seller of the material to be ready for dispatch. The Seller is allowed to make partial deliveries within the period of delivery. In case of a delay in delivery on behalf of the Buyer, Nanolayers will be entitled to store the material on Buyers risk and cost (at Sellers arbitrary decision). Nanolayers will invoice the material as delivered „ex works“ (EXW, Incoterms2000). The cost of storage will be invoiced to the Buyer by minimum 0,5% of the invoice amount per month started.

6. An adequate extension of the delivery period is granted by the Buyer in case of delay due to unpredictable circumstances beyond Sellers control, e. g. acts of God, strike, lockout, factory breakdown, sabotage, none or delayed issue of official permissions at the suppliers or sub suppliers place. In this respect the right of withdrawal or further claims regarding delay in

delivery are excluded.

V. Terms of Payment

1. Payment has to be effected according to the agreements set forth in the order confirmation, otherwise immediately on receipt of the invoice. If payment is not made in €, the claim is fulfilled on the date, the foreign currency is made out in the stipulated amount in € on the account of Nanolayers.

2. Payments only have to be effected to one of the accounts of Nanolayers. They have to be surrendered on the due date without any discount. The Buyer bears all occurring costs, such as fees, expenses or other costs due to cheques or bills of exchange etc. (Payment by cheque or bill of exchange requires an additional approval of the Seller). The date of invoice, resp. the date of shipping note determines the due date. Payment is fulfilled on the day Nanolayers has the complete invoice amount at its disposal.

3. The refuse of payment or to charge the amount of invoice against another disputed claim against the Seller is not allowed.

4. If the due date has passed the complete amount immediately becomes due and has to be *paid cash, without being demanded by Nanolayers, disregarding all Cheques or Bills of Exchange, if any. Nanolayers is entitled to charge interest for delay in the amount of 3 % above the actual bank rate of the German Central Bank. Nanolayers is entitled to stop working on the material and is entitled to extend the time of delivery. Nanolayers also reserve the right to draw legal consequences.

VI. Retention of Title

1. Nanolayers reserve the proprietary rights at the end-product until payment has been affected completely.

2. If the Buyer breaches the contract, especially in case of non-payment, Nanolayers has the right to claim the material back and the Buyer is obliged to surrender it.

3. The assertion of title retention as well as the garnishment of delivered material by Nanolayers does not apply as a withdrawal from contract, except it is explicitly acknowledged in writing or the clauses of the consumer credit law apply.

4. When claiming against traders, artificial persons, corporate bodies under public law or fund assets, the following additional articles apply:

The Buyer has the right to resell the products in further prudent business transaction. The Buyer previously assigns the receivables arising out of the resell to Nanolayers in the amount of the

invoice (incl. value-added-tax), whereby it doesn't matter whether the material is resold before or after treatment/coating. The Buyer still has the right of collecting the receivables after assigning them to Nanolayers. The authority of Nanolayers to collect the receivables themselves will remain unaffected. Non-collection of the receivables by Nanolayers will be granted as long as the Buyer properly fulfils its liabilities of payment and no delay in payment occurs. If a delay occurs Nanolayers will require the name of the debtor of the receivables, the amount of the receivables and all other information necessary for claiming. The Buyer is obliged to surrender all necessary information and documents and to inform the debtor(s) about the assignment. The processing or transmutation of the material by the buyer will always be performed by Nanolayers. When the goods/material is processed together with other items/objects not owned by Nanolayers, Nanolayers will acquire co property of the arising new product. Co property will be at the appropriate rate of the value of the goods/material according to the other items/objects processed at the time of processing. Are the materials/goods inseparably mixed up with other items/objects not owned by Nanolayers, Nanolayers will also acquire co property at the arising new product at the appropriate rate of the value of the material/goods according to the items/objects mixed up. In this case the Buyer holds co property in the name of Nanolayers. The Buyer is not allowed to pawn the deliverables or to pledge the deliverables as security. In case of pawn, sequestration or other regulations by a third-party the Buyer has to surrender all information and documents necessary in order to protect the interests of Nanolayers. The executor officer, resp. the third-party has to be informed about the co property of Nanolayers. Nanolayers is obliged to release its collaterals on the Buyer demand, but the value of the collaterals has to exceed the claims by more than 20 %.

VII. Liability for Defects and Warrantee

Objects of the contract are highly specialized optical products. Considering this fact the following special conditions have to be attended: Some special procedures cause a very strong increase of the optical contrast and after the coating impurities of the substrate may appear. This cannot be prevented although the incoming control is very strict. In these cases Nanolayers will refuse any liability and claims.

Nanolayers will also refuse warranty in case of non- or fail-bonding of the coating due to prior

treatment with incompatible methods such as e. g. polishing procedure, manipulation of ions, other coating methods etc. An insufficient adhesion of the coating may also be caused by components of the substrate material, which vaporise when heated, such as e. g. glue, adhesives, parting compounds, oils, grease, fats, and remains of polish. If the substrates contain any of this material, warranty expires.

On all services and coatings Nanolayers reserves the right of a failure rate of 5 %. This means that up to 5 % of the delivered material may show defects in the coating which occurred during the coating process by Nanolayers but the Buyer has no claim right.

The Buyer is obliged to inspect the delivered material concerning deficiencies of state and purpose immediately after receipt. Defects have to be advised in writing within a fortnight. Latent defects have to be indicated in writing immediately after notice including evidence, but at the latest within a period of six months after delivery.

If the service or performance of the coating of Nanolayers is defective (considering above mentioned regulations) the Buyer has the right of amendment within a period of 6 months after delivery of the material. If it was part of the initial contract that the buyer delivers the material to be coated, the amendment requires another new delivery of the material to be treated. The right of amendment expires if the Buyer fails to perform a new delivery of the material within a single grace period set by Nanolayers.

In case of coating substrates owned by the Buyer the Buyer bears all risks, i. e. warranty is excluded for the handling, mounting and warehousing of the substrates and the end-products by Nanolayers.

If Nanolayers fails to eliminate a defect which is under warranty or if it is unacceptable for the buyer to amend the material, the Buyer may demand cancellation of the contract or reduction in price. For further claims and rights Nanolayers only is liable in cases of intent or acts of gross negligence. In all other cases Nanolayers will not assume any liability. This also applies for consequential damages.

VIII. Place of Fulfilment, Competent Court of Jurisdiction and Application of Law

1. In case of any claims resulting out of a transaction, bill of exchange or cheque, the claim has to be brought to court at the place of Nanolayers, if the Buyer is a registered merchant, a corporate body under public law or a public fund asset. Nanolayers may file a suit at

the Buyer's registered head office.

2. If one or more of the above mentioned terms are or will be void in whole or in part the other terms will not be affected, as long as the purpose of the contract stays valid. The content of void terms has to be reduced to the text provided by law and has to be substituted by an arrangement which at least allows achieving an economic success that substantially complies with the purpose of the contract.

3. German Law applies only. Excluding the legal requirements regarding international transactions of movable objects. German Law also applies if the Buyer is registered abroad.