

General Terms and Conditions of Sale and/or Delivery of Illuminants by LITEC-LLL GmbH (As of May 2004)

1. Scope

1.1. The following Terms and Conditions shall apply to any quotations and contracts related to any sale and/or delivery of illuminants by LITEC-LLL GmbH, including any relevant subsequent contract, even if not explicitly referenced by such subsequent contract.

1.2. LITEC-LLL GmbH reserves the right to update these Terms and Conditions at any time. Such right notwithstanding, any variation from, alteration of, or addition to these Terms and Conditions, as well as any supplementary agreement, shall require written confirmation by one of LITEC-LLL GmbH's Managing Directors or a duly authorized agent appointed by said Managing Directors.

1.3. Any provision of Purchaser's own terms and conditions diverging from the provisions hereof is hereby explicitly objected. Such terms and conditions shall not be valid unless approved in writing by one of LITEC-LLL GmbH's Managing Directors or a duly authorized agent appointed by said Managing Directors.

1.4. Should any term or provision hereof become invalid, the validity of the contract shall remain unaffected.

2. Conclusion of Contract; Delivery

2.1. Any quotation by LITEC-LLL GmbH shall be non-binding. Any conclusion of contract shall require written confirmation of order. LITEC-LLL GmbH's current price list shall apply; all prices shall be net prices plus statutory value-added tax.

2.2. Deliveries shall be ex-works LITEC-LLL GmbH.

2.3. Purchaser shall bear the cost and risk of shipment. Any transportation risks, particularly the risk of loss or damage of the Merchandise and/or personal injury or property damage caused by the Merchandise shall be borne by Purchaser. Unless otherwise agreed, LITEC-LLL GmbH shall select the mode of dispatch (air, rail, sea, or road transport) at its sole discretion.

2.4. Unless otherwise explicitly agreed, any period or time of delivery stated by LITEC-LLL GmbH shall be without engagement, i.e., no claims for damages or rescission of contract may be asserted solely based on late delivery.

2.5. In the event of any delayed delivery and/or non-delivery Purchaser may withdraw from the contract if LITEC-LLL GmbH has failed to deliver within a reasonable period of grace given by Purchaser; Item 5 hereof shall remain unaffected.

3. Payment; Reservation of Ownership

3.1. Any invoice shall be payable within thirty days of the invoice date without any discount. Timeliness of payment shall be determined by the date of receipt of payment by LITEC-LLL GmbH.

3.2. If Purchaser is in default, LITEC-LLL GmbH shall be entitled to discontinue any delivery and to charge a default interest of ten percent (10%) p.a. LITEC-LLL GmbH reserves the right to assert further claims for damages.

3.3. Purchaser shall not be entitled to offset any claim or to assert any right of retention unless Purchaser's counterclaims are undisputed or have been recognized by declaratory judgment.

3.4. LITEC-LLL GmbH reserves the ownership in the Merchandise delivered until the purchase price has been paid in full by Purchaser.

3.5. Purchaser shall be entitled to freely dispose of the reserved Merchandise within the scope of the ordinary and proper course of business. Purchaser shall not be entitled to pledge or assign the reserved Merchandise by way of security, nor to enter into any similar legal transaction involving the reserved Merchandise.

3.6. In the event that the reserved Merchandise is processed, LITEC-LLL GmbH shall become joint owner of the finished product on a pro-rata basis, based on the value of the reserved Merchandise processed (invoice amount) in proportion to the value of all other materials processed (invoice amounts), without any further obligations resulting therefrom.

3.7. By way of security, Purchaser shall assign any claims vis-à-vis third parties that Purchaser may gain from the resale of the reserved Merchandise or said finished product, or that arise from any other legal grounds related thereto, to LITEC-LLL GmbH already at this point; LITEC-LLL GmbH shall accept such assignment already at

this point. The aforementioned assignment shall be deemed as agreed in the amount of LITEC-LLL GmbH's requested purchase price plus a ten percent (10%) security upcharge. With regard to any claim assigned to it, LITEC-LLL GmbH shall have the right to request information from Purchaser at any time.

3.8. Purchaser shall be revocably authorized to collect any assigned claim in a fiduciary capacity. In the event that Purchaser is in default vis-à-vis LITEC-LLL GmbH, the authorization to collect and the right of resale (cf. Item 3.7 hereof) may be revoked and any processing (cf. Item 3.6 hereof) or removal of the reserved Merchandise may be prohibited.

3.9. Purchaser shall be entitled to release of the Merchandise as soon as and to the extent that the realization value of any collateral security exceeds LITEC-LLL GmbH's secured claim by more than twenty percent (20%).

3.10. If any third party should gain access to reserved Merchandise, finished product or third party claims (cf. Item 3.7 hereof) by way of seizure, etc., Purchaser shall inform such third party of LITEC-LLL GmbH's rights and shall notify LITEC-LLL GmbH without delay. Furthermore, Purchaser shall immediately provide any information and documentation required for intervention.

3.11. In the event that Purchaser sells reserved Merchandise or finished product into any other jurisdiction, Purchaser shall take appropriate measures to ensure that LITEC-LLL GmbH will have a security interest that is similar or equivalent to the security interest mentioned hereinabove.

4. Liability for Material Defects; General Liability

4.1. Purchaser shall be obligated to inspect the Merchandise, particularly any enclosed illuminant samples, immediately upon receipt and to give written notice of any defect without delay, i.e., not later than two (2) weeks following receipt. Purchaser shall notify LITEC-LLL GmbH in writing of any hidden defect immediately upon detection. LITEC-LLL GmbH shall have the right to reexamine any rejected Merchandise. Subject to this provision, LITEC-LLL GmbH represents and warrants that the illuminants delivered conform to the description in the relevant technical data sheets or any other product information communicated to Purchaser, or to the contractually agreed specifications. The warranty period shall be one (1) year following delivery of the Merchandise. Purchaser's rights under this warranty shall be limited to the right of substitute delivery, with a partial delivery being sufficient, if possible. Should such substitute delivery fail, Purchaser shall have the right to reduce the purchase price or to withdraw from the contract. No further warranty will be granted, particularly for any damage or consequential damage caused by a defect. Warranty shall not cover improper storage, handling, packaging and use of the Merchandise by Purchaser.

4.2. LITEC-LLL GmbH shall only be held liable for damages caused by intent or gross negligence, with liability being limited to the typical amount foreseeable under this type of contract. Such limitation shall not apply in the event of intentional or negligent failure to perform any material contractual obligation, if such failure will compromise the purpose of the contract, or in the event of any personal injury caused by intent or negligence, or in cases of statutory liability under the German Product Liability Act. In other respects, any liability on the part of LITEC-LLL GmbH, particularly for any damage or consequential damage caused by a defect, shall be excluded. In the event of resale of reserved Merchandise or finished product (cf. Items 3.4 ff. hereof) Purchaser shall internally hold LITEC-LLL GmbH harmless from and against any third party product liability claims, provided that Purchaser has caused the defect from which such liability arises.

5. Force Majeure

Any force majeure event and other events beyond the control of LITEC-LLL GmbH (including but not limited to disruption of operations, interruption of traffic or energy supply, industrial action, etc.) shall, for their duration and extent, exempt LITEC-LLL GmbH from its contractual obligations. This shall also apply if such events should affect LITEC-LLL GmbH's suppliers. Either party shall be entitled to withdraw from the contract if any of the aforementioned

events delays delivery by LITEC-LLL GmbH by more than two (2) months, and if the end of any circumstance impeding delivery can

not be foreseen, or if delivery is rendered impossible.

6. Miscellaneous Provisions

6.1. German law shall apply exclusively to any legal dispute arising from or in connection with any contract by LITEC-LLL GmbH.

6.2. Any jurisdiction clause in Purchaser's general terms and conditions is hereby expressly objected. In the event that Purchaser does not have its venue in Germany, or if Purchaser moves its place of business into a foreign country after conclusion of the contract, the court having jurisdiction at LITEC-LLL GmbH's place of business shall be responsible for any legal dispute between the parties, unless otherwise explicitly agreed by both parties.