



## **TERMS OF DELIVERY AND PAYMENT**

1. The following terms of delivery and payment apply to all consignments made and all services supplied by us. In case purchasing conditions of our customers depart from our terms, they shall apply only after having been expressly confirmed by us in writing. The acceptance of goods supplied shall be deemed as recognition of our terms.

2. Price charged for are those in effect on the day of delivery and, unless otherwise provided, are to be understood in Euro ex works plus packing, dispatch and insurance at the expense of our customers, payable immediately net cash without discount. At the time of shipment, risk passes to the buyer as soon as we have handed over the goods to the forwarding agents chosen by us.

3. In case payment dates are exceeded, all legal consequences of default may take effect without any prior formal notice. We reserve the right to charge interest at the rate applied from time to time by our bankers. The total balance will be due for immediate payment regardless of any other terms of payment provided. If there will be doubt in creditability, even if the order is already reconfirmed, we have the right to ask for prepayment or irrevocable letter of credit or to terminate the contract.

4. For special designs we reserve the right to lift prices within reasonable limits as well as to adequately vary the amounts agreed upon for delivery; surplus quantities have to be accepted. Related to quantities ordered a +/- 10 % deviation is allowed. Special designs cannot be returned and orders not be cancelled without our written consent. Moulds for special designs ordered are due to the account of the customer, but still remain our property.

5. We do our best to keep the delivery terms stated. Due to the risk and peculiarities of glassworking, these terms are non committal, unless otherwise expressly stipulated. Our contractual obligations are subject to our being supplied by our subcontractors correctly and in due course of time.

6. Should there be any reason for complaints, these shall be brought to form a notice within eight days after receipt of goods, otherwise the goods shall be deemed as approved. We may choose either to repair the defect or to supply substitute goods. In case of any damages, including consequential damages, we shall be liable at the most up to a value not exceeding the amount invoiced. Parts subject to wear and tear are excluded from warranty for defects. To proof any complaints, the delivered goods have to be returned.

7. Drawings, photographs, dimensions and weights are only of approximate value, unless they have expressly been stated as mandatory. The Buyer shall be responsible for working drawings submitted by him not to encroach upon patent rights of third parties. He shall save us harmless against claims for compensation.

Information submitted shall not be made accessible to third parties or be reproduced or be used for puposes other than agree upon.

8. Goods supplied will remain our property until all of our claims, including also those arising in the future, have been paid in full. The Buyer is entitled to process the goods received and to re-sell them, provided the following conditions will be complied with:

8.1. In case goods are processed or transformed by the Buyer, we are deemed, within the meaning of Article 950 of the German Code of Civil Law (BGB), the manufactures and acquire title of ownership to intermediate or finished products. The processing party is only a depositary. If goods reserved are incorporated into or processed together with other items not owned by us, we acquire title of co-ownership to the new object in proportion of the value of the goods reserved to the value of said other items.



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8.2. Goods are allowed to be sold only by way of ordinary and regular business transactions and only if claims resulting from re-sales have not previously been assigned to third parties. Claims resulting from re-sales, and to which the Buyer is entitled, shall be considered as assigned to us from the moment the buyer enters into a sales agreement with us, and also in as far as our goods are incorporated into or processed together with other items. In said case, the claims assigned serve as a guarantee for us only to an amount not exceeding the sales price of goods reserved. We will not collect the claims assigned, as long as the Buyer meets his liabilities. The Buyer shall be obliged to name to us, on request, the garnishes and to notify to these said assignments. He shall be entitled to collect claims himself, as long as he shall not receive from instructions to the contrary. Amounts collected by him shall immediately be paid to us to the extent our claims are due.

8.3. Mortgages or chattel mortgages of goods reserved or of claims assigned are not allowed. The Buyer shall notify us immediately of eventual seizures by third parties of goods supplied with retention of title or of claims assigned.

9. Should, in event of sales to foreign countries, the retention of title not be admitted with the same effect as under German Law, the goods involved will remain our property until payment of all our claims resulting from the contractual relationship brought about by the sale of said goods. In case this retention of title is neither admitted with the same effect as under German Law but if it is allowed to reserve other rights to said goods, we will be entitled to exercise all these rights. The Buyer shall be obliged to cooperate in our measures we intend to take for the protection of our right of ownership or, in its place, of any other title to the goods.

10. All sale contracts are due to the law of the Federal Republic of Germany. Any law case as well as matters concerning bill of exchange, drafts, etc. have to be placed with the competent district court of our company.

In case we appear plaintiff, we will be entitled to enter an action also at the purchasers place of business.

**Staudt, January 2006**

**Klaus Hofmann GmbH**