1 Important Information
1.1 All deliveries of QCS in commercial transactions with business enterprises are subject to the following terms of delivery only. In as much as there are gaps in the present contract, the provisions of law shall apply. Customers' general terms and conditions of business shall have no effect from the following terms of delivery or the provisions of law will not be accepted, and they will also not be accepted by QCS in the execution of a contract, in particular by the delivery of goods.

1.2 QCS shall only be bound to an offer through a written acceptance of the offer by the customer. Any delivery without the offer or offer confirmation is based and QCS shall also not check if the execution of the contract is based on such incorrect delivery.

1.3 Unless otherwise previously agreed in writing, QCS will deliver products within the tolerances admissible under the relevant German or European technical standards, in particular, for ENS ISO, etc. Engineering changes which become necessary as a result of changes in the process of product management, or by virtue of the law shall be permissible.

2 Delivery
2.1 Unless otherwise agreed upon in writing, deliveries are made ex works – and are subject to the conditions of Inco terms 2000. Only the confirmed time of delivery by QCS is binding upon the parties.

2.2 The commence of a delivery period requires receipt of order, written order or order confirmation with QCS. This applies also in the case that QCS has been in default at the time these impossibilities arose. All claims for damages against QCS in connection with the aforeaid impossibilities are excluded.

3 Default
3.1 The customer’s possible claims for delay or default of contract are excluded in cases of slight negligence by QCS. In cases of major negligence QCS is liable to damages.

3.2 The customer’s possible claims for delay or default of contract are also excluded if the delay or default of contract is not due on the delivery of a defective product and QCS performs its contractual duties by subsequent delivery of a fault free product within a reasonable period of time.

4 Passing of the Risk
4.1 If the product is to be shipped, the risk shall pass at that point of time at which QCS has delivered the products free of charge to the carrier. If QCS acts in dispatch of a product, the customer is obliged to inspect the product within reasonable period of time. This applies also in the case that QCS has been in default at the time these impossibilities arose. All claims for damages against QCS in connection with the aforeaid impossibilities are excluded.

5 Inspection and Rejection of Goods
5.1 Upon receipt, each shipment shall be inspected for defects, damages and correct delivery. All claims shall promptly be reported to QCS in writing.

5.2 In case of damage to the goods while in transit, a punctual report shall be given to the carrier at the time of delivery and the consignment shall be reported within 10 working days. The damage to the goods or missing items shall be reported in writing to the carrier within 10 working days in the case of late delivery or non-delivery of a fault free product. The customer has no right to remedy a defect himself and claim reimbursement of the costs thereby incurred by him. If the subsequent performance by QCS should still fail in the second attempt, the customer may reduce the purchase price or, upon the existence of the statutory prerequi-

6 Claims for Defects
6.1 For defects in a product delivered QCS obligation to perform the contract shall, at its choice, consist of substitute performance, free of charge, or, subject to the condition the customer rescinds the contract with QCS with legal effect, replacement of the product. The customer shall be entitled to consequential damages if the product complained of as defective subject to the provisions of Sections 346 thru 348 of the German Civil Code (BGB). If QCS is liable for the absence of a guaranteed or warranted quality, all claims for defects of quality if they are of the condition as finally described in the technical data sheets, specifications or drawings of QCS, who are nothing but a slight negligence or it diverges only insignificantly from the agreed/described condition.

6.2 The customer’s claims for defects become statute barred after 1 year from the date of delivery/acceptance of the product or the last delivery of a series of products. As QCS obligation to performance is not met or QCS does not apply for defects which are based on intent, to defects which are fraudulently concealed, to defects which are based on a deviation or divergence from the guaranteed/warranty which QCS may have given as well as to defects in fixed constructions or any items delivered which, in accordance with their intended purpose, are customarily used for a fixed construction and which have caused its destructiveness. In the absence of such written agreement with the customer, the product delivered for its fitness for the customer’s intended use only be authoritative if the customer is not free from careful inspection of the product or in a shipping instruction. In the absence of such written agreement with the customer, the customer may use the products delivered within the legal limits is limited to such damages the nature and circumstances of the delivery or the delay and any other circumstances which may be required and which are to be submitted by the customer to QCS with the necessary contents and/or of the quality agreed upon.

2.2 In case QCS is unable to perform its delivery obligations due to belated self-supply or forces beyond its control, the contract is not in default but merely suspended until the removal of such impossibility of performance. This applies also in the case that QCS has been in default at the time these impossibilities arose. All claims for damages against QCS in connection with the aforeaid impossibilities are excluded.

7 Compensatory Damages
QCS will assume liability within the legal limits for dam-
ages which arise from slight negligence or gross negligence by its legal representatives or senior executives or on a wilful act or commission of other employees as well as for damages from bodily injury. In the case of gross negligence by agents or other employees of QCS in or on the execution of a contract, which is characteristic of essential contractual duties which are indispensable for the attainment of the contract purpose and which the customer must therefore be able to rely upon, the liability of QCS within the legal limits is limited to such damages the nature and extent of the negligence of QCS at the time of the conclusion of the contract. Above and beyond the foregoing all claims of the customer for compensation of damages for delay and extension or defect investigation or defect inspection shall be barred after 1 year from the date of delivery/acceptance of the product or the last delivery of a series of products. In case of the delivery or defect investigation or defect inspection of the product delivered for its fitness for the customer’s concrete purpose of use.

8 Defaults in Payment
8.1 Subject to evidence of a higher damage, QCS may charge 5.00 € each for the second and each further late payment. In case of reasonable assessment of evidence of an absent or minor damage shall be reserved to the cus-

8.2 QCS shall be entitled to charge interest for default at the statutory rate, but no less than 10 %. The production of evidence of an absent or minor loss of interest shall be reserved to the customer. The highest of interest shall be reserved to QCS.

9 Reservation of Title
9.1 QCS retains title to all products delivered until all the claims of QCS have been settled. Thereby, negotiable instrument claims, as well as all past and present debts for any person who has been the assignee of a payment due for a liability for QCS arises due to any negotiable instrument transaction, then the reservation of title stands until QCS is dissolved or extinguished.

9.2 The customer may use the products delivered within the scope of his ordinary and proper course of business for the purposes to which the customer is entitled and the contract is based on QCS claims and debts (9.1), unless a prohibition of assignment of claims exists with third parties for the future claims already assigned to QCS as set forth in clause 9.3. Pledging of security interests or liens, in as much as QCS rights are affected, are subject to QCS prior written consent.

9.3 As further security for QCS claims described in clause 9.1, the customer will assign immediately to QCS those claims – including claims from open bills or invoices or payment accounts – which may arise from third parties. This assignment of claims, which consists of its interest in the products sold by its customer to third parties. QCS is entitled in case of breach of the agreement to have the assignment of claims executed and the assignee paid by QCS for the products sold to the customer.

9.4 The customer may collect the assigned future claims in its own name in order to discharge QCS’ credit. This authorization of collecting assigned future claims expires as soon as the customer defaults in the pay-

ment of his liabilities to QCS. Upon the expiration of such authorization, QCS is entitled to disclose the claims to QCS’ bank account and to require any and all information and documentation from the customer for the assertion of the claims.

9.5 As long as the title to the property delivered has not passed from QCS (9.1), any improvement of or additions to these products will be considered to be in part those of QCS, without, however, obligating it in any respect to assure the customer of any interest in the ownership in the property. The amount of this co-ownership is determined by the ratio between the value of the products subject to the reservation of title and the value of the additions or improvements. As soon as the accession to the delivery is removed and shall be due to the customer. The customer’s purchase lien and the co-ownership is subject to their respective rights and co-ownership of QCS. The customer shall be free to dispose of QCS co-ownership subject to the foregoing stipulations.

9.6 Should the actual value of the securities existing for QCS exceed the secured claims of QCS by more than 10 % – be it solely on the basis of this reservation of title-stipulation or together with other securities – QCS shall be obliged to release the excess securities of its own choice upon the customer’s request.

10 Setoff – Retention
10.1 The customer’s right of setoff is limited to uncon-
tested or non-appealable claims only.

10.2 The rights of retention pursuant to Section 272 of the German Civil Code (BGB) and Sections 369 et seq. of the German Commercial Code (HGB) should be due to the customer only in as much as the claim substantiating these rights is based on the same legal relationship as the claim of QCS. This limitation does not apply if the claims of QCS are due together with claims, which are of the same character, are non-appealable. The customer shall not be entitled to a setoff pursuant to Section 371 of the German Commercial Code (HGB).

11 Competent Courts
11.1 The parties hereto will first attempt to settle all the legal and technical disputes through negotiation. If compromise cannot be achieved within 3 weeks, the respective courts, in the State of Hessen, Germany, shall be the competent courts for all legal actions that may arise between the parties.

11.2 However, QCS shall be entitled to recourse in any court having jurisdiction as to the respective legal action under the law of the Federal Republic of Germany or the law of the country in which the customer has his registered place of business.

12 Miscellaneous

12.1 QCS – General Terms of Delivery 01/2007
– for Commercial Transactions with Business Enterprises –

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