

TERMS OF SALE, DELIVERY AND PAYMENT, LG FINDINGS GMBH

1. GENERAL/ARAE OF APPLICATION

1.1 Any deliveries and services are executed exclusively on the basis of the terms of sale, delivery and payment stated below. We do not acknowledge customer's terms of purchase and/or payment that are contrary to or that differ from our terms, unless, on particular occasion, we have agreed in writing to the validity of the customer's terms.

1.2 Our General Business Conditions only apply in business dealing with entrepreneurs in the legal sense. 1.3 Our General Business Conditions shall also apply to all future business with the customer. Even if contrary terms respectively terms that differ from ours are known to us and we execute delivery to the customer without any reservation, our terms and conditions shall apply.

2. OFFERS/CONTRACT

The offers are made without obligation; supply contracts shall come into existence, if we confirm the purchase order in writing and/or perform the order by delivering the goods.

3. PRICES; PAYMENT; DELIVERY OF PRECIOUS METAL

3.1 The prices in our offers are subject to change and are stated ex works. They do not include freight, insurance, customs charges and value added tax. We reserve the right to increase our prices as necessary, without additional profit, if, after conclusion of the contract, cost increases occur, in particular due to collective wage agreements or increases in material prices. We will provide proof of these cost increases to the customer on demand.

3.2 Payments on delivery of goods must take place within 8 days after date of invoice without deduction.

3.3 Bills of Exchange and cheques are accepted only as payment and only when explicitly agreed upon. Charges for bills of exchange are to be covered by the customer.

3.4 The customer may only offset counterclaims that are undisputed or that have been confirmed by a court of law. The assertion of a right of retention is permitted to the customer only if it is based on the same contractual relationship and if the relevant counterclaims are undisputed or valid in law.

3.5 If we agree upon the account of precious metals with sales contracts and contracts for work and materials with the customer over a weight account, the auxiliary order of the necessary quantity of precious metals has to take place correctly and in time before admission of production. The delivery of the precious metal takes place at the customer's expense and risk. With the delivery the precious metal goes into our property. It will be on the metal account of the customer. Discount payment is not granted. With imprisonment for debt the customer is committed to late delivery to replace any developing damage.

4. DELIVERY, PASSAGE OF RISK AND DELIVERY TIME

4.1 Delivery is effected at the customer's expense, ex works. The customer covers the risk of coincidental loss and coincidental deterioration of the goods during transport. This applies also to the dispatch of goods to a recipient determined by the customer as well as to deliveries franco domicile. The goods will be insured against transport damage by us. The taking out of insurance by us does not mean that we cover the risk for the transport. Return shipments of goods are insured only if the customer uses the same mode of dispatch which we had selected for the consignment. Furthermore, we must have agreed to the return beforehand. The customer is under obligation to consider the above regulations when returning goods. The customer covers the costs for the transport insurance. For passage of risk and insurance cover, section 5 of these general business conditions applies.

4.2 We have the right to make partial deliveries to a reasonable extent.

4.3 The following events, as far as they hinder the execution of an order, constitute grounds for an appropriate extension of the delivery time: - force majeure, if it occurs only after conclusion of contract or if it is unknown to us without our fault; - other unusual, inevitable and unforeseeable events occurring after conclusion of contract; - subsequent strikes and legal lockouts.

4.4 The manufactured tools remain in our property even if the customer pays the proportionate costs in the context of the order.

5. SELECTION TRANSACTIONS

5.1 Our general business conditions also apply to selection transactions, subject to the special regulations contained in this section.

5.2 Goods left to the customer for selection on his request are considered as definitely purchased if, and as far as, these goods are not returned to us within a stipulated period, or, if there is no stipulation, within a period that is stated in the accompanying documents, or, in the case of a selection period that was initially open-ended, within a time limit set by us subsequently.

5.3 The goods are insured by us for the duration of the selection period; subsequent to this, any risk, also the risk of accidental destruction and loss, passes to the receiver.

5.4 If goods for selection even before expiration of the period indicated and/or agreed upon in the selection nota and/or set by us are used as exhibits, stored in travel stocks, handed over to third parties for selection respectively on commission, or not kept in the safe outside of business hours, then the customer covers all risks from this time, even the risk of destruction without customer's fault. In these cases, the customer is obliged to provide for sufficient insurance cover of these goods, and in the event of loss, he forthwith cedes in advance any claims against the insurer to us as security. We accept the cession. Section 8.10 applies accordingly.

5.5 The return of goods for selection is only insured by us if the customer returns the goods to us before expiration of the selection period, using the same mode of dispatch which we had selected for the consignment. The customer undertakes to observe this regulation and, if infringement occurs, covers the resulting damage.

6. NOTICE OF DEFECT, GUARANTEE AND LIABILITY

6.1 Complaints about defects must be reported to us in writing immediately after ascertainment. Visible defects are to be indicated to us in writing within one week after delivery of the goods to their place of destination at the latest. We expressly refer to the obligation to investigation and complaint as per § 377 HGB (German Commercial Code). If the customer ignores this obligation or misses the period of requirement, the delivery is considered as authorized. In this case claims of guarantee or for indemnification are excluded. This above conditions applies also with objections regarding quantity, weight or number of items.

6.2 Claims for repair or replacement, damages and refund of futile expenses, as stated in § 437 No. 1 and No. 3, BGB (German Civil Code), lapse after one year.

6.3 In the case of justified notice of defect, we are committed to repair or replacement. If we refuse both (repair or delivery of faultless goods), if repair/replacement fails, or if repair/replacement is unreasonable for the customer, the customer is entitled to reduce the price or withdraw from the contract. Additional claims, in particular indemnification and compensation for expenditure because of damage or consequential loss, are subject to section 7 of these conditions.

6.4 In the case of irregular action of the customer on the goods the guarantee lapse.

6.5 In the case of claims for guarantee the customer has to prove that the defect is not based on circumstances which are in his danger area (e.g. inappropriate storage, keeping)

7. EXCLUSIONS AND LIMITATIONS OF LIABILITY

7.1 Any claims of the customer for indemnification and compensation for expenditure are excluded - regardless of their legal nature. This also applies to claims from extra-contractual liability, from breach of duty on the occasion of contract negotiations as well as from breach of legal or contractual secondary obligations. The above exclusions of liability shall not apply

a) to deliberate or grossly negligent breach of contract by our management, executive employees and auxiliary persons;

b) to injuries affecting life, body or health;

c) to breach of substantial contractual obligations;

d) to defective goods if we fraudulently concealed a defect or if we have guaranteed the condition of goods;

e) if, according to product liability law, we are liable, irrespective of fault, for death, physical damage or damage to health or damage to predominantly privately used goods due to defects in the goods supplied.

7.2 In as far as our liability is excluded or limited, this also applies to the personal liability of our employees, representatives and auxiliary persons.

7.3 With regard to liability for defective goods, the limitation of claims for damages and for refund of futile expenses is subject to the regulations as per section 6.2 of these conditions.

8. RETENTION OF TITLE

8.1 Goods delivered remain our property until complete payment of all, even future, claims arising from our business relationship, including all secondary claims, and until bills of exchange are honoured respectively cheques are cleared. This applies even if the purchase price for certain goods delivered by us has been paid. With open invoices, our retention of title as stipulated in the above regulation represents a collateral for the balance due to us.

8.2 If we accept, in the customer's interest, liability for a bill of exchange as issuer of a reversed bill of exchange or on the occasion of a cheque/bill-of-exchange procedure, our rights from retention of title shall not expire before the customer has completely honoured the bill of exchange or has completely released us from our liability with regard to the bill of exchange.

8.3 Goods to which we retain the title may be sold by the customer only within regular course of business. Goods to which we retain the title may not be pledged or transferred as collateral security. If the customer resells goods with retention of title that are not yet paid for to third parties, he on his part is under obligation to agree upon a retention of title with the buyer.

8.4 Where goods to which we retain the title are not resold for cash, the customer forthwith cedes his claims for the purchase price, to the amount of our invoice value including value

added tax, against the buyer to us as security. We accept the cession. The customer is authorized to collect the ceded claim on a trust basis as long as he duly meets his financial obligations with us. In case of customer's delay in payment, we are entitled to disclose the claim and demand payment from the third party to us. This also applies to suspension of payment as well as to application for insolvency proceedings. In such a case, the customer is under obligation to send us any documents and information necessary to lodge the claim. If the customer enters his claims from a resale of our goods into a genuine or figurative current account relationship existing with his buyers, then he forthwith and in advance cedes to us as security his claims for the balance that is acknowledged and ascertained in his favour as well as his claims for any surplus existing on termination of the current account, amounting to the price for our resold goods as per our calculation.

8.5 The customer is entitled to process our goods supplied with retention of title within the regular course of business. Processing of items takes place on our behalf as manufacturers according to section 950 BGB (German Civil Code), without any obligation on our side. We automatically acquire property of new goods resulting from the processing. Where the goods delivered by us with retention of title are processed with other goods not belonging to us, we shall have co-ownership of the new goods in the ratio of the value of the goods supplied by us under retention of title respective to the value of the other co-processed goods at the moment of processing. The relevant value is the total amount of invoice including value added tax. Should our property expire as a result of the processing and the customer acquire property, it is agreed herewith that the property rights are retransferred from the customer to us at the moment of purchase by the customer. If our goods are processed with other goods not belonging to us and the customer acquires ownership of the new goods, it is agreed herewith that the customer transfers to us the co-ownership of the new goods in the ratio of the value of our processed goods delivered with retention of title respective to the value of the other coprocessed goods. The relevant value is the total amount of invoice including value added tax. The customer undertakes to store our property respectively joint property free of charge for us until further notice. If, by a process of combination, an item delivered by us becomes a substantial component of another item as a main item, it is agreed that co-ownership of the main thing will be ceded to us in the ratio of the value of our item respective to the value of the main item at the moment of combination. Our joint-property will be stored for us free of charge and with due diligence by the customer. Where goods supplied by us with retention of title are resold on credit after processing, the customer forthwith cedes to us as security his claims for the purchase price or for remuneration against the buyer to the amount of our invoice value including value added tax. If our goods supplied with retention of title have been processed together with other goods not belonging to us, the claims for the purchase price or for remuneration are only ceded to us in advance to the amount of the invoice value of our co-processed goods. If goods delivered by us are combined with other goods and we acquire co-ownership, by operation of law or due to our general business conditions, the customer in the case of resale cedes to us in advance his claims for the purchase price or for remuneration to the amount of the value of the combined goods as per our invoice. Above and beyond this, section 8.4. shall apply accordingly in the case of cession and collection.

8.6 The customer is under obligation to take out sufficient insurance at his expense and in our favour against theft, burglary, robbery, extortionate robbery, fire and water damage for the goods delivered with retention of title. The customer forthwith cedes to us as security any insurance claims resulting from the above points regarding the goods supplied with retention of title. We accept the cession.

8.7 If third parties take possession of the goods delivered with retention of title or of the claims ceded to us (e.g. attachment or confiscation), the customer must immediately lodge an objection, making reference to our rights. In addition, he must inform us immediately in writing of such claims, providing us with the documents necessary for an intervention (e.g. copy of the attachment order).

8.8 The customer agrees to leave our original labels on the goods until resale, or when using his own labels, to use a suitable marking of the goods, showing that the goods have been delivered by us.

8.9 If the customer delays payment or otherwise acts in breach of the contract, we are entitled to take possession of the goods delivered with retention of title at the customer's expense or to demand cession of claims for restitution which the customer holds against third parties. The retention of title enables us to demand restitution of the goods delivered with retention of title without previous appointment of a date in the event of failure to effect fixed payments.

8.10 We undertake to release the securities we are entitled to according to the above stipulations as we see fit, in so far as their realisable value exceeds the claims to be secured by more than 20%.

9. RIGHTS IN CASE OF DETERIORATION OF THE FINANCIAL SITUATION/GRANTING OF CREDIT

9.1 If, after conclusion of the contract, the customer's financial situation deteriorates considerably, for example due to the protest of a bill of exchange or foreclosure, we are entitled to take the following action without relinquishing any further rights:

a) In as far as delivery has not yet been effected, we are entitled to withdraw from these contracts if the customer has failed to provide a sufficient security or to render his consideration within a reasonable time limit set by us. This right is entitled to us further more already, if at least 25% of customer's total liabilities (undisputed primary liabilities) have been in default by more than 6 weeks.

b) As far as we have already rendered our consideration, we can claim maturity - immediately effective - of as yet undue debts resulting from this consideration, including those for which bills of exchange or cheques were made out.

9.2 If goods are definitively withdrawn due to the customer's financial difficulties or insolvency, a credit note will be issued. On this occasion, we reserve the right to make deductions with regard to:

a) the external condition of the goods at the moment of return (for example because of expenses that may be necessary for reconditioning work; because of expenses for re-labelling when original labels were removed by the customer or when original labels have become unsightly or were damaged during storage).

b) a decrease in value that occurred in the period between delivery and withdrawal due to ageing in the sense that they are no longer in fashion or outdated with regard to technological innovation.

c) a decrease in the precious metal price compared to the date of invoice. The relevant price is that of the day on which we re-acquire possession of the goods delivered with retention of title.

d) the sales expenses (field sales) incurred on our part; in this context we are entitled to a standard deduction of 10%.

The customer is fully entitled to prove that a deduction is unjustified or justified only to a considerably smaller extent. The withdrawal of special production goods takes place only to the material price.

10. COPYRIGHT

Our designs, samples, models and suchlike are considered to be our intellectual property and must not be imitated or used otherwise for the purposes of replication by the customer, even if there is no particular copyright for this. Any culpable violation of this effect renders the buyer to be held liable for damages.

11. DATA PROCESSING

We are entitled to process or have processed any data that refer to the business relationship with the customer according to the German data protection law.

12. PLACE OF FULFILMENT AND PLACE OF JURISDICTION; APPLICABLE LAW

12.1 For both parties, our place of business is the exclusive place of fulfilment for delivery and payment.

12.2 For any litigation with business customers that may result from the contractual relationship, its creation and its efficiency, also for action on bills of exchange or cheques, the place of jurisdiction for both parties is our place of business, or, in as far as we see fit, also the customer's place of business. The agreement on the choice of the place of jurisdiction also applies to customers who do not have a legal domicile in Germany.

12.3 In the case of intra-community acquisition since 01.01.1993, purchasers from the member states of the EU are liable to compensate us for damages that may ensue at our end

a) due to fiscal offence by the tax debtor himself

b) due to customer's misinformation or failure to supply information regarding his status that is relevant for taxation (e.g. regarding „income limit“ or the stating of a false identification number)

12.4 The contractual relationship is exclusively subject to German Law for both parties, to the exclusion of the law on collision and the United Nation's convention on Contracts concerning the International Sale of Goods (CISG).