

Terms & Conditions ELEKTRO-LUMEN, s. r. o., valid from January 1st, 2014

Preamble

ELEKTRO-LUMEN, s. r. o., is a professional company dealing with lighting production and purchasing. The company also design and projec the lighting solutions, provides professional consulting and light audit. ELEKTRO-LUMEN, s. r. o. is a specialist in industrial, interior and outdoor lighting.

I. Introductory Provisions

These General Business Terms and Conditions (hereinafter "GTC") explain legal relations between the ELEKTRO-LUMEN, s. r. o., company based in Hranicka 505, 753 61 HRANICE IV, with the registration in the Commercial Register at the Regional Court in Ostrava, Section C, file 5823 (hereinafter "Seller") and the customer (hereinafter "Buyer" or "Purchaser") and are integral part of all contracts - Purchase Agreements, Contract for Work and Sampling Agreements (hereinafter "Contracts"). The GTC are superior only individual provisions of the contracts, unless determined otherwise than in these GTC.

II. Object of Purchase, Order

2.1 The Seller agrees to deliver the Goods in accordance with the trading assortment which is specified in graphic materials and written materials. The Goods contains also the spare parts.

2.2 All of the products have the Declaration of Conformity in accordance with the valid law and government regulation on conformity assessment according to EU standards.

2.3 Purchase Agreement is provided on the basis of the Purchaser's order by letter, fax or e-mail and confirmation (approval) of the order by the Seller (by letter, fax or e-mail).

2.4 The order has to contain these data: No. of the order, the date of issue, determining of the Purchaser, recipient of the Goods (company name, address, ID, Tax Registration Number, bank details and account number), contact details (e-mail, telephone number, fax number), type of product (its exact specification according to the Seller's catalogue), required volume of goods, required time and place of the goods delivery, required manner of delivery, agreed purchase price and place of destination and name of the persons entitled to act on behalf of the Purchaser (including the phone connection).

2.5 The recommended deadline for placing an order is at least 6 weeks before the required delivery date.

2.6 The prices, terms of delivery and payment shall be binding only if confirmed in writing by the Seller.

2.7 The Seller sends confirmation of the order to the Purchaser by e-mail, letter, fax. If the Seller does not receive any comments on the order confirmation in 2 business days, it is understood that the Buyer agrees with the confirmation content without any

objections and the binding Purchase Agreement is closed this date.

2.8 The Purchaser is aware of the fact that the Seller is entitled not to include the Purchaser's order into the production if the Purchaser has invoices after the maturity date in his records at the time of placing the order.

2.9 In the case of cancellation of the confirmed order or its part is the Seller obliged to require contractual fine up to 90% of the final price of the confirmed order (including the VAT) or of the price of the partial cancellation from the Buyer after 3 days from the mutual approval of the order or from the day when the Purchase Agreement was closed.

2.10 A handling fee will be charged to the Buyer to the order of the Goods for up to 3.000 CZK without the VAT.

III. The Purchase Price, Payment and Billing Terms

3.1 The price of the products and the Goods is set by the Seller's price list.

3.2 The sale conditions, prices and discounts are subjected to the changes without previous notice. Such changes don't cover the already confirmed orders or closed agreements. The Seller reserves the right to adjust the extent of the provided rebates, discounts and sale conditions.

3.3 The basis for payment of the purchase price shall be a tax document (an invoice), which shall be issued by the Seller and which the Seller shall send to the Purchaser to his address.

3.4 The Seller shall become entitled to invoice the purchase price as of the date of the Goods delivery.

3.5 The invoiced purchase price is payable in due time by the Buyer and according to the conditions specified in the tax documents. The payment conditions (the invoice maturity, the payment method) are determined by mutual agreement between the Seller and the Purchaser. The date of the purchase price payment shall be the date when the full invoiced amount is credited to the Seller's account at his banking institution and is at the Seller's unlimited disposition.

3.6 In the event of a default in the invoice payment, the Purchaser shall be obliged to pay interest on late payment to the Seller in the amount of 0.05% of the invoiced amount per each commenced day of the default. In such an event, the Seller shall be entitled to retain the deliveries of all confirmed orders (purchase agreements), which have not been delivered yet, whereas this is not to be considered a breach of the agreement.

3.7 The Buyer gets the property right of the Goods, which he already possesses, by paying the total purchase price. If the payment of the purchase price precedes the delivery of the Goods then the property right passes on the Buyer in accordance with the point 4.1.

3.8 The purchase price for the delivering Goods doesn't contain the recycling fee. This applies also to the light sources.

3.9 If the both sides didn't agree upon returning of the reusable pallets then applies that the Buyer will pay for the pallets and after returning them in the same state as they were before to the Seller, the Seller will the amount of the pallets pay back to the Buyer by using a credit note.

The Seller takes over the pallets but only the same the Buyer received. That means they have to have the same dimensions and number of the pallets as in the invoice. The Seller will not accept back the damaged pallets. The pallets is possible to return into the company residence. Returning process: The Buyer will agree upon the returning of the pallets with the Seller in advance by e-mail or fax where the Buyer will specify the invoice number. The taking over will confirm the Seller in the Buyer's delivery note. Then the Seller will issue to the Buyer the credit note in 14 days.

IV. Delivery Conditions

4.1 The delivery is made:

a) if the Goods are transported by the Purchaser himself (when the Goods are loaded on the Purchaser's means of transport or handed over to or loaded by the carrier determined by the Purchaser),

b) if the Goods are delivered by the Seller's means of transport and subsequently taken over by the Purchaser (upon the Goods loading and delivery to the agreed place). The freight unloading is provided by the Purchaser,

c) upon the Goods handover (loading) to the first carrier in other cases.

4.2 The risk of damage shall pass to the Purchaser at the moment of delivery is in accordance with point 4.1.

4.3 The Purchaser shall be obliged to take over the ordered Goods confirmed by the Seller within 14 days after confirmation of the takeover date at the latest. In other cases, the Seller shall be entitled to request a storage charge from the Purchaser in the amount of 0.1% of the purchase price of the Goods per each day of the default in the goods takeover.

4.4 Each takeover of the Goods provided by an external carrier may be carried out on the basis of presenting a valid authorization of the carrier (driver) who is making the takeover on behalf of the Purchaser,

4.5 The Purchaser (or another authorized person) is obliged to take over the Goods which is marked as the delivery for the Buyer and it's delivered in accordance with the confirmed order or contract. He is also obliged to check the content of the delivery its quantity and quality, and he will confirm by his signature the takeover of the Goods in delivery note which contains the serial number, the Buyer an recipient, type and quantity of the Goods and the date of unloading.

4.6 In the case of delivering the Goods to the Buyer or authorized recipient by him by a transport service is the Buyer obliged to send the confirmed delivery note with the stamp and signature to the Seller in 10 working days by e-mail or letter. In the case he won't do so then applies the delivery was fulfilled and the later complaints will not be considered.

4.7 The Buyer acknowledges the confirmation of the delivering of the Goods is inevitable obligation of all the Buyer's responsibilities.

4.8 Faultless Goods can be returned to the Seller only with the written consent. In this case the Seller has the right to charge a cancellation fee up to 80% of the invoiced price of the returned Goods.

V. Packing

5.1 The Seller shall be obliged to sell the Goods or secure them for the transport in the manner agreed in the purchase agreement. If this is not agreed in the purchase agreement, the Seller shall be obliged to pack the Goods in a manner usual for such Goods in business relations.

VI. Liability for defects, Complaints, Warranty

6.1 The Goods are manufactured in accordance with relevant technical standards and Seller hereby draws attention to the fact that the Goods must be stored and used in accordance with the recommended technological and manufacturing process.

6.2 The Buyer is obliged to inspect the Goods immediately after takeover (transport to the destination, unless the contract provides the dispatch of the Goods to the Seller). If the Buyer does not inspect the Goods in this period he can claim defects detectable by inspection, but only if he proves that the Goods had defects at the time of the obligation of the Seller to deliver the Goods, respectively, when the Seller enables the Buyer the accepting of the Goods in accordance with the agreement.

6.3 The Buyer is obliged to report to the Seller the defects of the Goods (claim) without undue delay after the defects are discovered or after the professional care should detect defects during the inspection, which is required to carry out under Art 6.2, or after the defects could be detected with due diligence, but not later than 15 days after the fulfillment of the obligations of the Seller to deliver the Goods.

6.4 Before applying the complaint, the Buyer must check the Goods thoroughly whether the defect is caused by a bad luminaire connection.

6.5 For claiming the title of defective Goods the following conditions apply: a complaint arising from liability for defects applies the Buyer in writing descriptions of the defects, if necessary, he might add photos as well. The complaint must be accompanied by the complaint report and the invoice copies.

6.6 The Seller has the right for a personal inspection of the claimed Goods before the claim examination, so the Buyer is obliged to store the defective products separately until settlement of the complaint is done.

6.7 If it is proven defective Goods to be justified, the Seller performs its option, free of charge, to repair defective Goods or to deliver substitute goods.

6.8 Work on removing the claimed defects the Seller must conclude them as soon as possible, within 15 days after receiving the complaint, and no later than 30 days after demonstrably received the complaint.

6.9 If the Buyer requests a verification of the quality of defective Goods by an independent expert he pays all the associated costs.

6.10 The Buyer must not eliminate defects in the Goods themselves or through third parties without the written consent of the Seller. In this case, the Goods lose its warranty, and costs incurred in connection with the removal of defective goods will not be paid.

6.11 The Buyer must deliver to the Seller the defective goods mechanically undamaged.

6.12 The Buyer after agreement with the Seller, the Seller will deliver the agreed quantity

of the Goods in the case of claiming a higher number of defective Goods.

6.13 The Buyer is responsible for all costs including the removal of claiming Goods and their transport to the Seller's headquarters, unless the Seller agrees otherwise in writing.

6.14 Buyer acknowledges that a complaint does not suspend the payment of the purchase price in full and within the prescribed due date.

6.15 In the case of unjustified claim the Seller will demand reimbursement of all costs associated with this complaint (the Seller has the exclusive right to judge the complaint justification).

6.16 The Seller provides a guarantee of 24 months to the Buyer on the Goods from the date of their receipt. The delivered Goods excluding the batteries in the emergency sources.

6.17 The Seller provides a guarantee of 6 months on the batteries for emergency sources from the date of their receipt.

6.18 The warranty does not cover defects, which after the takeover:

a) Were caused by the Buyer or another (third) person by mechanical or other damage, or damage due to natural disasters.

b) Were created by misusing or using in conjunction with other devices that the Seller or manufacturer does not allow or not recommend.

c) Were created as a result of:

1) arbitrary adjustments,

2) obvious unprofessional interventions,

3) bad treatment of the Goods in breach of the installation instructions,

4) improper storage or improper choice of the Goods in connection with potential environmental effects (external influences while taking effects on the Goods).

d) Furthermore, defects caused by improper (unprofessional) electrical connection, by surge in the network or by electrostatic discharge, by using of other components than the recommended by the Seller or manufacturer etc.

6.19 In the case of after warranty repairs the Buyer must be informed in advance about the cost of repairs.

VII. Withdrawal from Agreement, Force Majeure, Compensation of Damage

7.1 In the event that the Goods supply was paid for in advance and unavoidable obstructions emerged on the side of the Seller, due to which the Seller may not make the delivery in the agreed period, and unless a substitute term of execution is agreed, the Seller shall be entitled to withdraw from the agreement, of which the Seller shall immediately notify the Purchaser, and the Seller shall refund the paid amount to the Purchaser.

7.2 The Seller shall not be liable to the Purchaser for a failure to meet the obligations from the concluded purchase agreements according to these conditions if this happens due to

unforeseeable and unavoidable events, which could not be prevented by the Seller. The Seller shall not be liable to the Purchaser for any consequential and indirect damage.

VIII. Final Provisions

8.1 Other relationships between the Buyer and the Seller untreated by contract or these GTC are governed by the Civil Code, as amended.

8.2 The Parties have agreed upon their future property disputes from this contract will be settled by arbitration with the single arbitrator JUDr. Bc. Martin Kulhánek, Ph.D., lawyer at Czech Bar Association with evidence number 8780. In case this arbitrator was unable to be the arbitrator from any reason the Parties nominate the Mgr. Lucie Jamborová, lawyer at Czech Bar Association with evidence number 12715. The Parties also have agreed upon in case of a lawsuit will be addressed to: Sdružení rozhodců, a. s., Brno, Příkop 8, with the name of the arbitrator. The fee for the arbitration is payable due to the filing a lawsuit and makes 3% of the amount in dispute but not less than 5 000 CZK (+ appropriate VAT). The arbitration must be only written and it is addressed to the Parties' addresses listed in publicly accessible registers and the decision can or cannot contain the final justification.

8.3 These GTC are publicly accessible in the company residence and on the website: www.el-lumen.cz and they will be given anytime to the Buyer on request.