



LUG[®]

LUG Light Factory Ltd.
Producer of Professional Lighting Fittings



GENERAL SALES CONDITIONS:

1. General precautions

- 1.1 All supplies and services of LUG Light Factory Limited Liability Company (Ltd.) shall be subject to the below mentioned rules constituting integral part of the contract, where the PURCHASER confirms that they are full and exclusive evidence of the agreement between the PURCHASER and LUG Light Factory Ltd. All additional and different terms and conditions or arrangements shall be effective only after approval of LUG Light Factory Ltd. in writing.
- 1.2 The regulations below shall be considered as accepted as soon as the PURCHASER approves the offer of LUG Light Factory Ltd. either by submitting the order or by signing the agreement and obtaining the hereby sales conditions.

2. Offer / Order confirmation

- 2.1 The offers of LUG Light Factory Ltd. shall not be binding unless clearly defined otherwise.
- 2.2 The PURCHASER's order shall not be binding until its confirmation in writing and only to the extent confirmed by LUG Light Factory Ltd. in writing.
- 2.3 The orders submitted without previous offer of LUG Light Factory Ltd. shall not be binding for the company unless – and to such extent – as it has been confirmed in writing by LUG Light Factory Ltd. The same applies in case when the PURCHASER modifies the conditions defined by the offer of LUG Light Factory Ltd.

3. Documents

- 3.1 The data presented in catalogues, prospectus, offer documents and agreements such as illustrations, pictures, dimensions, sizes and weights, use and efficiency indicators as well as other data shall be approximate data and shall not be binding unless clearly indicated that they are binding.
- 3.2 LUG Light Factory Ltd. reserves the right – in special conditions – to change the project and where it is necessary to material changes, not leading to deterioration of the product quality.
- 3.3 LUG Light Factory Ltd. reserves the ownership right and copyrights to pictures and other documents. The PURCHASER shall not be entitled to use them for other purposes, copy, duplicate or disclose them to the third parties. The documents shall not transfer the ownership title or imply granting license. Pictures and other documents constituting the offer shall remain the property of LUG Light Factory Ltd. and shall be immediately returned on its request including all their copies.
- 3.4 LUG Light Factory Ltd. shall be entitled to protect all patents and technological solutions used when manufacturing the lighting fittings including also the protection of concluded agreements' construction.
- 3.5 The PURCHASER shall be obliged not to submit other entities information or technical documentation providing the base of construction for the equipment ordered by the purchaser.
- 3.6 All sales references and prepared documents available to customers shall be subject to return at the request of LUG Light Factory Ltd. If the order has not been submitted in LUG Light Factory Ltd. they have to be returned without such request.



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4. Prices, packing, insurance

- 4.1. Sales prices of the products of LUG Light Factory Ltd. do not include the charges of sales, excise tax, turnover, import, export and other taxes and customs duties that LUG Light Factory Ltd. will be expected to pay pursuant to the legal requirements.
- 4.2. Unless the PURCHASER clearly defines, LUG Light Factory Ltd. does not insure the products ordered from transport risk.
- 4.3. Packaging, transport cost - according to the purchaser's order shall be added to the price of product- equal to the costs paid by the producer (with no additional margin added).

5. Risk transfer

- 5.1. Unless otherwise defined, the risk shall be transferred to the PURCHASER during the products delivery to the first carrier.
- 5.2. If the dispatch is delayed due to not fulfilling the obligations by PURCHASER and if this delay results from the reasons independent from LUG Light Factory Ltd., the risk shall be transferred to the PURCHASER at the time of obtaining information about the readiness to dispatch the product.

6. Delivery dates

- 6.1. All delivery deadlines shall be precisely calculated according to the effective approximate work schedule including production capacity, delivery deadlines of sub-suppliers and contracting parties. In case of changing the base LUG Light Factory Ltd. reserves the right to extend the delivery deadline accordingly. The delivery term begins with sending the delivery confirmation, concluding the trade and technical details of the agreement performance, obtaining by LUG Light Factory Ltd. documents delivered by the PURCHASER, issuing all necessary authorizations and approvals, signing the agreement and transfer the payment determined in the agreement on the bank account of LUG Light Factory Ltd. Meeting the delivery deadline depends on fulfilling all contractual obligations by the PURCHASER. All changes required by the PURCHASER may result in extending the delivery deadline. The products are considered to be delivered on time if they are transferred to the first carrier or if they are reported as ready to be sent before the agreed delivery deadline. Partial deliveries are also acceptable. Small defects do not influence the PURCHASER's obligation to collect the products and in such case the delivery deadline is considered as met.
- 6.2. If the delivery shall be delayed due to the reasons attributed to the PURCHASER or if it is not collected on time by the PURCHASER, LUG Light Factory Ltd. at its own discretion and without responsibility is entitled to store the products at the PURCHASER's risk, invoice them and charge the PURCHASER the storing expenses. If the storing takes place in LUG Light Factory Ltd., the storing cost amount to not less than 1,0% of the invoiced value per month beginning from the date of informing about the dispatch readiness. LUG is entitled to define the next collection deadline and if it is not met it is entitled to sell or freely dispose the products. The sales or other products management does not release the purchaser from the obligation to pay for the products.
- 6.3. If the delivery shall be delayed by unpredictable events or independent of LUG Light Factory Ltd. – force majeure resulted directly, indirectly or as a due to fire, flood, accidents, civil riots, war, strikes, lockouts, mechanical damages, sabotage, delayed delivery of important raw materials and components, embargo, lack or delay of obtaining official authorizations by supplier or sub-supplier due to reasons (of similar or not similar character to these mentioned



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above) the delivery deadline shall be reasonably extended. In such case the PURCHASER shall not be entitled to terminate the agreement or submit any claims due to the delivery delay. The delivery deadline should be extended by the justified period, any delay should not be longer than one month.

6.4. LUG Light Factory Ltd. can refuse or delay the delivery without any responsibility and be entitled to claim compensation from the PURCHASER if: the PURCHASER starts or agrees to bankruptcy procedure, official receiver or any refusal to pay, appointing bankruptcy estate administrator, transfer for the debtors or if the PURCHASER shall be subject to bankruptcy procedure or announcing insolvency.

7. Payment conditions

- 7.1. Payments shall be carried out according to the provisions of the agreement or confirming the order acceptance.
- 7.2. Payments shall be made only on LUG Light Factory Ltd. bank account and free from any transfer costs and any burdens during the determined deadline without assigning to LUG Light Factory Ltd. any deductions, fees, costs and other expenses due to bank guarantee or bill of exchange or cheques that due to detailed agreement LUG Light Factory Ltd. And the PURCHASER shall be attributed to the PURCHASER. LUG Light Factory Ltd. Is entitled to calculate legal interests for the payment delay.
- 7.3. Payment discontinues due to mutual claims or compensation deduction shall be possible only if the mutual claims are not controversial or are legal.
- 7.4. If the payment is delayed with reference to the deadline of its transfer, LUG Light Factory Ltd. shall be entitled – without notice about delay – to satisfy all its claims from the bank guarantee, bill of exchange or cheques that should be submitted for payment performance.
- 7.5. If the deliveries are delayed due to the reasons not related to LUG Light Factory Ltd. The payment is required to be made in the primary period.
- 7.6. Not making payments by the PURCHASER within the required deadlines and defined in the hereby agreement shall authorize LUG Light Factory Ltd. to stop the supplies and make appropriate deadline correction or the supply after making the payment. In the event when such payment obligation shall be extended by more than (40) days after the required deadline LUG Light Factory Ltd. may in any time after such deadline terminate the hereby agreement by written notice sent to the Purchaser by letter or fax and it will be entitled to claim the costs of all performed work and materials delivered as well as suffered damages. Not fulfilling the payment obligation within the required deadline shall be the base of rejecting all PURCHASER's claims towards LUG Light Factory Ltd. due to supplied delay resulting from not fulfillment the payment obligation.
- 7.7 The date of payment shall be date of receiving the money transfer on the bank account of LUG Light Factory Ltd.

8. Guarantee

- 8.1 LUG Light Factory Ltd. guarantees that the products sold based on the hereby conditions are free from any legal and physical defects.
- 8.2 LUG Light Factory Ltd. guarantee shall not apply if the PURCHASER have made any changes or modifications to the products.



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- 8.3 LUG Light Factory Ltd. shall never be responsible for any losses, damages or expenses resulting directly or indirectly from using the products including (but not limited to) indirect damages and conditional responsibility of any character.
- 8.4 LUG Light Factory Ltd. shall make free of charge repair or replacement for faultless all elements considered and confirmed by LUG Light Factory Ltd. as defective within 12 months from giving out the products due to the reasons LUG Light Factory Ltd. is responsible for, in particular: defective project, material faults, workmanships and performance. In such case the PURCHASER shall immediately inform LUG Light Factory Ltd. in writing about such faults presenting their detailed description. The replacement of products shall cover sending to the PURCHASER faultless products and obtaining defective products from the PURCHASER in exchange. LUG Light Factory Ltd. shall cover the costs of sending defective products and replacing them by faultless products but shall not cover the costs of their disassembly and labor cost related to the replacement of defective products. Sending defective products to LUG Light Factory Ltd. for their replacement shall be each time agreed with LUG Light Factory Ltd. and only in such case the costs of sending products shall be covered by LUG Light Factory Ltd. LUG Light Factory Ltd. shall each time decide about the way of considering the claims that decides if the defect is replaced by repair or replacement of defective products.
- 8.5 LUG Light Factory Ltd. assures that it will take the necessary steps to perform the guarantee repair not later than 14 days from the date of informing about the defect. The guarantee shall be extended by the time of excluding from exploitation the item covered by guarantee.
- 8.6 The notification about defects shall be sent not later than within 14 days from date of its occurrence. The complaint shall include the defect description. The PURCHASER shall be obliged to submit all data and information required by LUG Light Factory Ltd. in order to consider the complaint.
- 8.7 During the guarantee period the PURCHASER's rights of statutory warranty shall be suspended.
- 8.8 Regarding the entities not being consumers, LUG Light Factory Ltd. excludes its statutory warranty responsibility pursuant to art. 558 of the Civil Code.

9. Final provisions

- 9.1 All arrangements so far oral or written concluded between the parties of the hereby document contrary or inconsistent with the provisions of the hereby offer shall be cancelled. It is understood that the guarantee agreements or arrangements contradictory to or inconsistent with the hereby document do not exist. The order, agreement or any other document submitted by the PURCHASER shall be considered both by the PURCHASER and LUG Light Factory Ltd. as the order based on the hereby sales terms and conditions and accepting by LUG Light Factory Ltd. such order or offer submitted by the PURCHASER clearly depends on the PURCHASER's acceptance of all terms and conditions defined in the hereby document.
- 9.2 Any disputes resulting from the hereby agreement shall be submitted to the Courts of competent jurisdiction correct according to the head office of LUG Light Factory Ltd.
- 9.3 Any aspects not covered by the hereby agreement shall be subject to the Polish law regulations and Polish Civil Code.