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**LED INDUSTRIAL GROUP TERMS AND CONDITIONS OF SALE**

**THESE TERMS AND CONDITIONS ("these Terms") EXCLUSIVELY GOVERN THE ORDER CONTAINED IN THE ACCOMPANYING ORDER FORM AND/OR OTHER LEDIG DOCUMENTATION (the "Order") ANY ADDITIONAL OR DIFFERENT TERMS IN ANY FORM DELIVERED BY CUSTOMER ARE HEREBY DEEMED TO BE MATERIAL ALTERATIONS AND NOTICE OF OBJECTION TO THEM AND REJECTION OF THEM IS HEREBY GIVEN.**

**BY PLACING THE ORDER, CUSTOMER ACCEPTS AND AGREES TO BE BOUND BY THESE TERMS UNLESS CUSTOMER AND LEDIG HAVE SIGNED A SEPARATE AGREEMENT REGARDING THE ORDER, IN WHICH CASE THE PROVISIONS OF SUCH SEPARATE AGREEMENT WILL GOVERN WHEN INCONSISTENT WITH THESE TERMS .**

**Definitions; Customer Acknowledgment**

"Customer," "Buyer" "You" and "Your" refer to the party placing the Order. "We", "Our" and "Us" refer to LED Industrial Group, Inc (LEDIG). These Terms and the Order, together, constitute a binding contract (this "Agreement") between Customer and LEDIG, and Customer agrees to be bound by this Agreement by placing the Order.

1. ACCEPTANCE OF ORDERS. Seller's acceptance of all orders and all offers and sales by Seller are subject to and expressly conditioned upon Buyer's assent to the terms and conditions of this Agreement. The Agreement consists of these sales terms and conditions, Seller's quotation, if any, and Seller's order acknowledgement. Buyer's acceptance of any offer by Seller must be made on such terms and conditions exactly as offered by Seller. Any of Buyer's terms and conditions which are different from or in addition to those contained in this Agreement are objected to by Seller and shall be of no effect unless specifically agreed to in writing by Seller. Commencement of performance or shipment shall not be construed as acceptance of any of Buyer's terms and conditions which are different from or in addition to those contained in the Agreement. If a contract is not earlier formed by mutual agreement in writing, acceptance by Buyer of products or services furnished by Seller pursuant hereto shall be deemed Buyer's assent to all of the terms and conditions of this Agreement. This Agreement shall be governed by the laws of the State of Florida as if made and to be performed entirely within such state. The UN Convention on the International Sale of Goods shall not apply. Dollar amounts are expressed in U.S. dollars.

2. ORDERS AND PRICES. Proposals for Seller to supply products to Buyer are valid for 30 days from issuance unless otherwise agreed to by Seller in writing. Orders may not be cancelled or modified, either in whole or part, without Seller's express written consent. If Seller consents to any order modification or cancellation, it may impose an order modification or cancellation fee. All prices are as stated in Seller's quote and specifically override any prices referenced in Buyer's purchase order. Prices for orders for immediate shipment are prices in effect at time of receipt of order. Qualifying orders specifying future delivery will be invoiced at prices and terms

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in effect at time of shipment. The prices stated in this Agreement are in U.S. dollars and do not include transportation, insurance or any sales, use, excise or other taxes, duties, fees or assessments imposed by any jurisdiction. All applicable taxes will be paid by Buyer, unless Buyer provides Seller with appropriate tax exemption certificates, and if Buyer requests that Seller ship products to Buyer's customer, Buyer must provide Seller with a valid resale certificate or other valid exemption certificate for its customer, and Buyer hereby indemnifies Seller for all taxes, costs, fees, expenses, penalties, and other charges if Buyer cannot provide adequate evidence that it remitted the applicable sales tax to the destination state. Any amounts paid at any time by Seller that are the responsibility of Buyer shall be invoiced to Buyer and reimbursed to Seller. All prices and other terms are subject to correction for typographical or clerical errors.

3. TERMS OF PAYMENT. All payments shall be in U.S. dollars. Buyer shall pay for products in cash upon delivery, unless an earlier or later time for payment is specified in the order acknowledgement (in which case payment shall be due at the time so specified). Each shipment shall be considered a separate and independent transaction and payment for each shipment shall be due accordingly. Seller may, at its option, elect to extend credit to Buyer. There are no discounts for early payment. If Seller extends credit to Buyer, invoices will be issued upon shipment and payment shall be due in full within thirty (30) days from the invoice date or such other date specified in the Agreement. Seller reserves the right to change the amount of or withdraw any credit extended to Buyer. Unless otherwise specified in this Agreement or agreed to in writing by Seller, amounts owed for services will be invoiced monthly or, if sooner, upon completion of the work. Payment of such invoices is due within thirty (30) days from the invoice date. Amounts not paid when due shall be subject to interest at the rate of one and one-half percent (1½%) per month or, if less, the maximum rate permitted by law. In the event of the bankruptcy or insolvency of Buyer, or the filing of any proceeding by or against Buyer under any bankruptcy, insolvency or receivership law, or in the event Buyer makes an assignment for the benefit of creditors, Seller may, at its election and without prejudice to any other right or remedy, exercise all rights and remedies granted Seller in Section 7 as in the case of a default by Buyer under this Agreement.

4. DELIVERY, TITLE AND RISK OF LOSS. Unless otherwise agreed to in writing by Seller, products shall be shipped EXW Seller's manufacturing facilities or inventory hub (Incoterms 2000) to any location designated by Buyer (subject to Section 15) and shall be deemed delivered to Buyer when delivered to the transportation company at the shipping point. Unless otherwise agreed to in writing by Seller, all transportation charges and expenses shall be paid by Buyer, including the cost of any insurance against loss or damage in transit which Seller may obtain at Buyer's written request. Seller reserves the right to ship products freight collect. Each individual luminaire order having a net value of \$3,000 or more will be shipped prepaid or freight allowed to destination on shipments within the continental United States via routing of Seller's choice,

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but Buyer is responsible for all insurance and any sales, use, excise or other taxes, duties, fees or assessments imposed by any jurisdiction. Luminaire orders with a net value of less than \$3,000 will be charged a shipping and handling fee of 9% of the order value, or \$50, whichever is greater. Buyer agrees upon Seller's request to sign appropriate financing statements evidencing Seller's security interest. Subject to the security interest reserved to Seller, title and risk of loss and/or damage to products shall pass to Buyer upon delivery of the products to the transportation company at the shipping point. Confiscation or destruction of or damage to products shall not release, reduce or in any way affect the liability of Buyer. In the event Buyer rejects or revokes acceptance of any products for any reason, all risk of loss and/or damage to such products shall nonetheless remain with Buyer unless and until the same are returned at Buyer's expense to such place as Seller may designate in writing. All products must be inspected upon receipt and claims filed by Buyer with the transportation company when there is evidence of shipping damage, either concealed or external.

5. PERFORMANCE. Seller will make a reasonable effort to observe the dates specified herein or such later dates as may be agreed to by Buyer for delivery or other performance, but Seller shall not be liable for any delay in delivery or failure to perform due to acceptance of prior orders, strike, lockout, riot, war, fire, acts of God, accident, delays caused by any subcontractor or supplier or by Buyer, technical difficulties, failure or breakdown of machinery or components necessary for order completion, inability to obtain or substantial rises in the price of labor or materials or manufacturing facilities, curtailment of or failure to obtain sufficient electrical or other energy supplies, or compliance with any law, regulation, order or direction, whether valid or invalid, of any governmental authority or instrumentality thereof, or due to any circumstances or any causes beyond its reasonable control, whether similar or dissimilar to the foregoing and whether or not foreseen. As used herein, "performance" shall include, without limitation, fabrication, shipment, delivery, assembly, installation, testing and warranty repair and replacement, as applicable. Buyer agrees that any delay in delivery or failure to deliver or perform any part of this Agreement shall not be grounds for Buyer to terminate or refuse to comply with any provisions hereof and no claim or penalty of any kind shall be effective against Seller for such delay or failure; provided, however, that if the delay or failure extends beyond six (6) months from the originally scheduled date either party may, with written notice to the other, terminate this Agreement without further liability for the unperformed part of this Agreement.

6. ACCEPTANCE. All products delivered hereunder shall be deemed accepted by Buyer as conforming to this Agreement, and Buyer shall have no right to revoke any acceptance, unless written notice of the claimed nonconformity is received by Seller within sixty (60) days of delivery thereof. Notwithstanding the foregoing, any use of a product by Buyer, its agents,

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employees, contractors or licensees, for any purpose, after delivery thereof, shall constitute acceptance of that product by Buyer. Due to the uncertainty regarding the amount of rejected parts that will be encountered in manufacturing any special made-to-order or custom product, orders will be considered complete if final quantities are within +/- 10% of order quantities. Overruns and shortages within 10% of order quantity will be shipped and invoiced. Invoiced overages and product shortages must be reported within 60 days of invoice date. Any discrepancy not reported within 60 days will not be considered for an adjustment.

7. **DEFAULT AND TERMINATION.** Buyer may terminate this Agreement if Seller materially defaults in the performance of its obligations hereunder and fails to cure such default within sixty (60) days after written notice thereof from Buyer. Such termination shall be Buyer's sole remedy in the event of a default by Seller. Buyer shall be deemed in material default under this Agreement if Buyer fails to pay any amounts when due hereunder, cancels or attempts to cancel this Agreement prior to delivery or refuses delivery or otherwise fails to perform any of its obligations hereunder or fails to pay Seller any sums due under any other agreement or otherwise. In the event of a material default by Buyer, Seller may, upon written notice to Buyer, (1) suspend its performance and withhold shipments, in whole or in part, (2) terminate this Agreement, (3) declare all sums owing to Seller immediately due and payable, and/or (4) recall products in transit, retake same and repossess any products held by Seller for Buyer's account, without the necessity of any other proceedings, and Buyer agrees that all products so recalled, taken or repossessed shall be the property of Seller, provided that Buyer is given credit therefor. Exercise of any of the foregoing remedies by Seller shall not preclude exercise of any of the others, and neither the existence nor exercise of such remedies shall be construed as limiting, in any manner, any of the rights or remedies available to Seller under the Uniform Commercial Code or other laws.

8. **LIMITATION OF LIABILITY AND CLAIMS.** SELLER'S AGGREGATE LIABILITY IN DAMAGES OR OTHERWISE SHALL IN NO EVENT EXCEED THE AMOUNT, IF ANY, RECEIVED BY SELLER HEREUNDER. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL LOSS OR DAMAGES OF ANY KIND, HOWEVER CAUSED, OR ANY PUNITIVE, EXEMPLARY OR OTHER DAMAGES. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR PRODUCTS OR SERVICES FURNISHED BY SELLER MAY BE BROUGHT BY BUYER MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION ACCRUED.

9. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations, proposals, agreements and understandings, whether oral or

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written, relating to the products to be purchased hereunder or otherwise relating to the subject matter of this Agreement. Any representation, warranty, course of dealing or trade usage not expressly contained or referenced herein shall not be binding on Seller.

10. ATTORNEY'S FEES. In the event of default in payment of the purchase price or any part thereof, Buyer agrees to pay Seller's expenses, including reasonable attorney's fees and expenses, incurred by Seller in enforcing payment thereof, including all expenses incurred in connection with any arbitration or judicial proceeding.

11. ARBITRATION. Any controversy or claim (including, without limitation, any claim based on negligence, misrepresentation, strict liability or other basis) arising out of or relating to this Agreement or its performance or breach, which involves an amount in excess of \$50,000 (exclusive of interest and costs), shall be settled by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce, if arbitration is demanded by either party. The location of the arbitration shall be the City of Racine, Wisconsin, if Seller's principal office is located in the United States, or Hong Kong if Seller's principal office is located outside of the United States. The decision in such arbitration shall be final and binding and any award rendered thereon may be entered in any court having jurisdiction.

12. ASSIGNMENT. Buyer shall not assign or transfer any rights or claims under this Agreement without the prior written consent of Seller, and any purported assignment made without such consent shall be void. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.

13. EXPORT CONTROL. Seller's export of the products, and any technical information related thereto, may be subject to United States and/or other national or international (e.g., UN) laws and regulations controlling the export and re-export of technical data and products, or limiting the export of certain products to specified countries (e.g., embargo regulations). Seller shall not be obligated under these Sales Terms and Conditions to export, transfer or deliver any products or related technical information to Buyer if prohibited by applicable law or until all necessary governmental authorizations have been obtained. Seller shall not be liable under these Sales Terms and Conditions for any expenses or damages resulting from failure to obtain or delays in obtaining any required government authorizations. Buyer shall comply fully with all export administration and control laws and regulations of the U.S. government and/or other national

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or international (e.g. UN) laws and regulations as may be applicable to the export, re-export, resale or other disposition of any products purchased from Seller.

14. **PRODUCT SAFETY.** Buyer shall comply fully with all industry safety standards applicable to the manufacture, distribution or sale of items incorporating the products supplied by Seller, including but not limited to American National Standards Institute (ANSI) / Illuminating Engineering Society of North America (IESNA) RP-27 (or equivalent eye safety labeling standards) and International Standard IEC 62471- 2006, published by the International Electrotechnical Commission, including all marking, labeling, and supplemental user and service information (if any) required by the standards, where applicable. Buyer shall comply fully with all applicable safety-related laws, rules and regulations of any governmental body having jurisdiction to regulate the manufacture, distribution or sale of items incorporating the products supplied by Seller. Buyer shall obligate all persons and entities buying such products from Buyer (other than end users) to comply with such industry standards, laws, rules or regulations applicable to such person or entity. Buyer shall defend and hold Seller harmless against any expense, loss, costs or damages relating to any claimed failure by Buyer to comply with such industry standards, laws, rules or regulations or from any bodily injury, illness or property damage resulting from products manufactured by Buyer which incorporate the products supplied by Seller.

15. **GENERAL.** If the products purchased from Seller are to be used in the performance of a government contract or subcontract, no government requirements or regulations shall be binding upon Seller unless specifically agreed to by Seller in writing. No modification, amendment, rescission, waiver or other change in this Agreement shall be binding on Seller unless agreed to in writing by Seller. The invalidity or unenforceability, in whole or in part, of any provision herein shall not affect the validity or enforceability of any other provision herein. Failure or delay on the part of either party to exercise any right, power, privilege or remedy herein shall not constitute a waiver thereof. The section headings contained herein are for convenience of reference only and are not to be used in the construction or interpretation of this Agreement

#### 16 Limited Warranty

**LIMITED WARRANTY:** This limited warranty (this “Warranty”) applies only to the original End-user (the “End-user”) of any LEDIG Product (individually and collectively, the “Product”) and cannot be transferred. This Warranty applies even in the event that the Product is initially sold by LEDIG for resale to an End-user.

Unless specified differently LEDIG warrants its products to be free from defect in materials and workmanship:

- Light Bulbs, Down Lights, Spot Lights: 2 years
- Tubes: 3 years if purchased before June 2013 otherwise 5 years
- 7202 and 8202 lights: 5 years

#### Special Conditions

- The warranty period starts on the date of invoice. The warranty period is based on a burning behavior of max. 4000 hrs/year at ambient temperature next to the LED product of 75 °F with 10 mm spacing.
- By default, Purchaser receives above mentioned 'standard warranty'. On request, an 'extended warranty' or 'customized project warranty' can be agreed upon after evaluation of the specific application conditions.
- Purchaser shall not rely upon any other information or documentation.

This warranty only covers Products applied within their 'intended' or 'normal use' as defined by:

- operating conditions are in accordance with the information on the Products and its packaging; AND
- ambient temperature never exceeds the operating temperature range 0 °FC to +90 °F (for LED tubes: 0 °F to + 110 °F); AND
- relative humidity in the installation never exceeds 80% RH, or never exceeds the IP rating of the Product, if any, is provided; AND
- Products are operated in an open luminaire (and closed luminaire for LED tubes), with minimum 10 mm air around the body of the Products; AND
- Products are not subjected to more than a total of 50,000 switching cycles (with a switching cycle defined as 30 seconds 'on' and 30 seconds 'off'); AND
- the electrical installation in which the Product operates is not subjected to voltage fluctuations in a range exceeding +/- 10%.

This Limited Warranty shall be void in the event of repairs, modifications, accident, abuse, damage, improper transport, handling, service, storage, installation and maintenance, different use from intended use, power supplied to any part of the Product that exceeds rated tolerance,

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excessive operating conditions, acts of God, vandalism, fire or failure to comply with operating instructions.

**WHAT THIS LIMITED WARRANTY DOES NOT COVER:** This Warranty does not cover any defects or damages caused by: (a) failure to properly store the Product before installation; (b) shipping and delivery of the Product if shipping is FOB; (c) neglect, accident, abuse, misuse, misapplication, or incorrect installation; (d) repair or alteration not authorized in writing by LEDIG personnel or performed by an authorized LEDIG Reseller or Agent; (e) improper testing, operation, maintenance, adjustment, or modification of any kind not authorized in writing by LEDIG personnel or performed by an authorized LEDIG Reseller or Agent; or (f) use of the Product under other than normal operating conditions or in a manner inconsistent with the Product's labels or instructions.

If LEDIG furnishes advice or assistance for Product or any system or equipment in which Product may be installed, such advice or assistance shall not subject LEDIG's liability, whether in contract, warranty, negligence or otherwise.

This Warranty is not valid if the Product's label has been removed or is illegible. Any Warranted Items repaired or replaced pursuant to this Warranty will be warranted for the remaining portion of the original Warranty subject to all the terms thereof.

LEDIG shall not be responsible for any charges for testing, checking, removal or installation of Warranted Items.

LEDIG DOES NOT WARRANT EQUIPMENT NOT MANUFACTURED BY LEDIG. IF PERMITTED BY THE APPLICABLE MANUFACTURER, LEDIG SHALL PASS THROUGH SUCH MANUFACTURER'S WARRANTIES TO END-USER.

THIS WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY OFFERED BY LEDIG WITH RESPECT TO THE PRODUCTS AND SERVICES AND, EXCEPT FOR SUCH FOREGOING WARRANTY LEDIG DISCLAIMS ALL OTHER WARRANTIES INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE. CORRECTION OF NON-CONFORMITIES IN THE MANNER AND FOR THE PERIOD OF TIME PROVIDED ABOVE SHALL CONSTITUTE LEDIG'S SOLE LIABILITY AND END-



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USER'S EXCLUSIVE REMEDY FOR FAILURE OF LEDIG TO MEET ITS WARRANTY OBLIGATIONS, WHETHER CLAIMS OF THE END-USER ARE BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE.

CLAIMS PROCEDURE: If you experience a problem that you believe is covered by this Limited Warranty, please contact us via e-mail to [warrantyusa@LEDIG.com](mailto:warrantyusa@LEDIG.com) and provide us with your name, address, telephone number and a specific detailed description of the defect or problem, as well as any other information or materials you believe is relevant. You may be required to provide additional information or materials at the request of LEDIG, including photographs. As a condition of coverage under this Limited Warranty, you must notify us of any problem or defect within thirty (30) days after you discover or reasonably should have discovered it. Return authorization is required.

LIMITATION OF LIABILITY: The remedies of the End-user set forth herein are exclusive and are the sole remedies for any failure of LEDIG to comply with its obligations hereunder. In no event shall LEDIG be liable in contract, in tort (including negligence or strict liability) or otherwise for damage to property or equipment other than the Products, including loss of profits or revenue, loss of use of Products, loss of data, cost of capital, claims of customers of the End-user or any special, indirect, incidental or consequential damages whatsoever. The total cumulative liability of LEDIG hereunder whether the claims are based in contract (including indemnity), in tort (including negligence or strict liability) or otherwise, shall not exceed the price of the Product on which such liability is based.

END-USER'S OBLIGATIONS: In order to receive the benefits of this Warranty, the End-user must use the Product in a normal way; follow the Product's operation and maintenance manual; and protect against further damage to the Product if there is a covered defect.

OTHER LIMITATIONS: LEDIG's obligations under this Warranty are expressly conditioned upon receipt by LEDIG of all payments due to it (including interest charges, if any). During such time as LEDIG has not received payment of any amount due to it for the Product, in accordance with the contract terms under which the Product is sold, LEDIG shall have no obligation under this Warranty. Also during such time, the period of this Warranty shall continue to run and the expiration of this Warranty shall not be extended upon payment of any overdue or unpaid amounts.

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**COSTS NOT RELATED TO WARRANTY:** The End-user shall be invoiced for, and shall pay for, all services not expressly provided for by the terms of this Warranty, including without limitation, site calls involving an inspection that determines no corrective maintenance is required. Any costs for replacement equipment, installation, materials, freight charges, travel expenses or labor of LEDIG representatives outside the terms of this Warranty will be borne by the End-user.