

GENERAL TERMS AND CONDITIONS

I. General

MOLTO LUCE GmbH shall be hereinafter referred to as the "Supplier" or "us" and the respective contractual partner shall be hereinafter referred to as the "Customer". The Business Terms shall apply to all transactions between the Supplier and the Customer, i.e. transactions under which orders are placed via phone or otherwise, without any written document or the use of a form. Customers shall acknowledge the present Business Terms upon the placing of an order or the acceptance of an order confirmation, including all future transactions between the partners; upon the acceptance of the delivery, Customers once again acknowledge the Business Terms as binding.

No Customers' objections expressed in any kind of the Customer's form – especially the Customer's Business Terms – are hereby expressly disregarded. We hereby expressly refuse the applicability of any Business Terms of our Customers that may be in conflict with our Business Terms. Any collateral arrangements and modifications of the present Business Terms shall only become legally effective upon our express written confirmation thereof. Any prohibitions of cession expressed in our Customers' "General Business and Purchase Terms" and all other contractual conditions regarding the assignment of debts shall be ineffective!

II. Offer

Our offers shall always be non-binding until the written confirmation of the respective purchase order; (purchase) agreements shall not be deemed entered into prior to the issue of a purchase order confirmation. We shall be eligible to refuse each job within 8 days following the receipt of the same, without giving a reason thereof. If differing from the purchase order, the content of our agreement confirmation shall be deemed approved unless the Customer submits a written objection within one week following the receipt thereof.

All data in our catalogues, pricelists and drawings, and all weight and dimension specifications have been processed with due care. However, we cannot exclude an error, changes in structures and dimensions. MOLTO LUCE assumes no responsibility for these whatsoever.

III. Delivery

The terms of delivery specified by us and/or agreed are always non-binding. In the event of any delay in the deliveries, the Customer shall be obliged to allow us to have the delivery deadline extended accordingly. The delivery periods shall also be extended upon the occurrence of unforeseen circumstances, whether these may occur in our plant or at our subcontractors, including, for example, interruptions in operation, strikes, lockouts, failures in transportation, force majeure, etc. No claims regarding compensation for damages arising from delayed deliveries will be accepted. All deliveries are at the Customer's risk (damaging, destruction, loss, etc.). The goods shall be packed in a due manner and according to the business customs. The Customer waives all claims as a consequence of delayed deliveries by MOLTO LUCE, especially as regards the payment of penalties.

IV. Billing/Pricing

The final invoices will reflect the discounts applicable as of the date of delivery, or discounts agreed between the Parties. The offer calculation shall only apply if an order is placed for the entire quantity of the goods offered. The prices specified are ex warehouse and – unless otherwise agreed for specific products – without assembly, including packaging and exclusive of VAT. As regards supplies charged in a foreign currency, we shall be authorized to choose in every case as of the maturity date whether we will claim the payment in euros or the foreign currency originally taken as basis.

V. Terms of Payment

Unless otherwise specified in an individual invoice, all our invoices are payable within 30 days net. In the event of a default in payment, we are eligible to charge interests on late payment accruing at a rate of 3% above the respective discount rate of the Austrian National Bank; however, not less than 12% p.a.

The payments received will as a general rule be set-off against any expenses incurred (reminders, maintaining the respective records, recovery, etc.), and subsequently against the due interests and finally against the amounts owed, i.e. always the currently oldest overdue debt.

We are not obliged to accept bills of exchange or cheques. If, however, we do accept such securities, this can only be applied for the settlement of payments and exclusively against the Customer's settlement of any discount and collection expenses. We therefore do not consider this manner of payment to be cash payment, and therefore no cash payment discount can be granted. Upon our acceptance of securities, the originally agreed maturity dates will not be postponed. We are eligible to claim the payment of the amount due against the returning of such securities at any time. We are not obliged to exercise any further supplied under any continuing agreements until the payment in full of amounts payable, including interests on late payments, other expenses and costs.

If a Customer is in delay regarding any amount due or if the Customer's financial circumstances deteriorate, we shall be eligible to claim cash payments on any supplies under applicable agreements prior to dispatching the goods, thus overriding the agreed maturity deadline. Upon a delay regarding the payment of any amounts due, all other debts with the maturity deadline not exceeded shall fall payable, including, for example, bills of exchange with the maturity deadline not exceeded. The Customer shall not be entitled to retain any payments or set the same off against the Customer's own counterclaims.

Any prohibitions of cession expressed in our Customers' "General Business and Purchase Terms" and all other contractual conditions regarding the assignment of debts shall be ineffective! The discount will only be provided if we are not forced to recover the agreed purchase price via legal remedies (petition, execution, etc.).

VI. Delayed Acceptance

We shall be eligible to store any non-collected goods against the payment of the respective storage fees. The maturity of the purchase price shall commence upon the expiry of the goods collection deadline.

VII. Reservation of Ownership

The supplied goods shall remain our property until the payment in full of the purchase price, including all surcharges (interests, expenses, etc.). The reservation of ownership shall also apply to all debts payable to the Supplier by the Customer in connection with other supplies. The Customer shall only be entitled to re-sell the goods subject to our ownership right within the course of due business and provided that the reservation of our ownership is respected by the Customer's consumers. Other handling of the goods subject to the reservation of ownership, especially as regards the use thereof for the security of creditors' claims or pledging thereof, is hereby excluded, and the Customer shall in such a case be obliged to indemnify the Supplier for any damages incurred in connection herewith.

The Customer shall assign to us any claims from the re-selling of the goods subject to our reservation of ownership, and undertakes to notify us, upon our request, about the names of debtors and amounts owed, and notify the debtors concerned about the assignment of their respective claims. Should the Customer fail to meet its payment liabilities or other liabilities arising from the reservation of the Supplier's ownership or should the Customer fail to comply with these commitments in a timely manner, suspend payments or enter into bankruptcy proceedings against the Customer's assets, all amounts due by the Customer to the Supplier shall immediately fall payable, even though bills of exchange may have a later maturity deadline. Unless the overall remaining amount due is immediately settled, the Supplier shall be entitled to claim immediate release of the Supplier's goods, with the exclusion of any retention right. All expenses incurred in connection with the repossession of the goods shall be settled by the Customer.

Irrespective of the Customer's payment obligation, the Supplier shall be entitled to monetize the repossessed goods in a manner most convenient for the Customer. The yields from the sale will be charged in favour of the Customer, after the deduction of all expenses associated with the sale, against the Customer's total debt; the remainder, if any, will subsequently be released to the Customer. If the goods are seized by a third party, the Customer shall be obliged to inform the distraint officer about the reservation of ownership, and notify us about the seizure of the goods via registered mail.

Any expenses on the intervention shall be settled by the Customer. The right of retention and mutual set-offs of claims and debts are excluded. Any repossession of goods shall not be considered a withdrawal from a contract. Such a withdrawal shall require a specific statement in this respect.

VIII. Complaints and Warranty

The Customer is obliged to check the goods immediately upon the acceptance thereof, and notify of any defects identified. Complaints of a general character must be submitted within eight days following the date of delivery, while complaints regarding defects in workmanship or material shall be submitted within one month of the date of delivery. No later complaints will be accepted, especially as regards the granting of a warranty and compensation for damages. The contractual partner shall always prove that the defect existed as of the date of the delivery. The warranty period is twelve months of the delivery/acceptance. If Molto Luce is obliged to remedy a defect, the warranty period regarding such a remedied defect shall be six months following the remedy thereof. The goods subject to the complaint shall be sent for our inspection free of charge. If the inspection reveals any defects in workmanship or material, the goods will be replaced or a credit note issued, at our own discretion. Even if the buyer is eligible to claim reduction of the purchase price and/or withdrawal from the agreement, in accordance with the respective provisions of the law, we may have such warranty claims compensated with remedy (in the form of a repair or supply of missing goods) or replacement. The warranty shall not apply to illuminating elements and electrical parts subject to early wear.

Claims for the compensation for damages in excess of this extent, especially as regards the compensation for damages caused by the defective product (including, for example, lost profit, interruption in production, assembly and removal, hoisting equipment, scaffolding, etc.) are hereby excluded and shall be covered by the buyer. Our liability shall not apply to products modified or processed without our written consent. The Customer shall be obliged to settle a 15% handling fee on any goods returned. We shall not accept the return of goods supplied on the basis of a specific order, special structures and components not produced in series.

IX. Customer's Right of Withdrawal from Agreement

The Customer may only withdraw from the agreement if the agreement is not exercised or within 1 week following the handover of the Business Terms, if the Customer is a consumer within the meaning of the Consumer Protection Act.

However, this shall not apply if the business has been established by the Customer or if the agreement has not been preceded by any negotiations. Otherwise, it is only possible to withdraw from the agreement under specific conditions and with the Supplier's written consent. As regards the Customer's claims regarding compensation for damages arising from the defectiveness of the item concerned (claims for compensation for damages caused by defective products are hereby expressly excluded), the withdrawal from the agreement shall be governed by § 1298 of the Austrian General Civil Code (ABGB). Contrary to the applicable law, the warranty period is hereby agreed as six months following the date of delivery.

X. Documents (such as invoices, refusal of agreement, etc.)

sent to the Customer to the last notified address shall always be deemed delivered unless the Customer notifies us of a change in the address in writing.

XI. Expenditure budgets

The expenditure budgets shall be non-binding, unless otherwise expressly agreed in writing. The Customer shall pay a fee as agreed for the processing of binding expenditure budgets.

XII. Payment Collection

Our representatives are not authorized to collect any payments. Payments addressed to us and releasing the Customer from debts owed to our company may only be sent to bank accounts notified by us or to our company's bodies entered in the Commercial Register, except for where the collecting person submits a written power of attorney granted by the company management. Payments in cash may only be rendered in our offices and against a receipt.

XIII. Rights arising from Law

Unless otherwise agreed in these Terms Payment and Delivery, the provisions of the Austrian General Civil Code and Commercial Code (ABGB and HGB) shall apply. Should any specific clauses of the present Terms of Payment and Delivery be in conflict with the applicable provisions of the laws, the remaining provisions shall remain in effect. The invalid provision shall be replaced by a valid provision most closely reflecting the economic goal of the original provision.

XIV. Verbal Agreements

Verbal agreements shall have no effect. All supplements hereto must be issued in writing and be confirmed by us.

XV. Place of Performance and Competent Court, Applicable Law

The place of performance shall be exclusively within the town of WELS. All disputes arising from or in connection with the contractual relationship shall be referred to the local court in WELS.

The present General Terms shall be exclusively governed by the legal code of Austria.