

# terms and conditions of trade

## 1. General

1.1. All legal transactions with LI Industries GmbH (hereinafter referred to as "the contractor") in the field of solar outdoor lights and power charger products shall take place exclusively according to the following conditions.

1.2. We hereby expressly rule out a counter-confirmation on the part of the client with reference to its terms and conditions and/or purchasing conditions.

1.3. Assurances, subsidiary agreements and amendments to the contract shall require our written confirmation in order to be effective.

## 2. Offer, order confirmation and conclusion of the contract

2.1. We can accept an order from the client within two weeks by sending an order confirmation or by sending the products ordered within the same period of time. The contents of the order confirmation shall be considered the determining factor for the contract.

2.2. We reserve the right to make technical changes provided that no unreasonable disadvantages for the client arise as a result.

2.3. Our offers are made subject to prior sale and are therefore subject to confirmation and not binding until the conclusion of the contract, unless we explicitly describe them as binding.

2.4. In the case of projects, project certificates and official and other permits shall be obtained by the client and made available to us in good time.

2.5. The offer shall be considered accepted and the contract as concluded when the order confirmation is sent or goods ordered are dispatched.

2.6. If no business deal is concluded, the originals of any documents we have made available (framework supply contracts, evidence of ability to supply, technical drawings, calculations, etc.) shall be returned to us immediately. They may not be copied or presented to third parties without our written agreement.

2.7. In the case of feigning the conclusion of a contract, we reserve the right to demand damages.

## 3. Performance deadlines and dates, acceptance

3.1. The delivery dates stated by us are not fixed dates. The actual delivery date can diverge by up to 30 working days from the delivery date stated by us. In the case of a divergence of up to a maximum of 30 working days, the client shall not be entitled to assert any claims of whatsoever nature against the contractor.

3.2. The delivery deadline shall be extended appropriately in the case of unforeseen events which are beyond our control (e.g. force majeure), as far as these have an influence on the completion of the object to be supplied.

3.3. Partial and pre-deliveries shall be permissible.

3.4. The client may only withdraw from the contract in the case of a delay in delivery which is our responsibility, and provided that the promised service or delivery has not been effected within a reasonable period of grace.

3.5. It is not possible to withdraw from the contract for independent services which have already been rendered. In addition, claims on the part of the client due to non-fulfillment, late fulfillment and any possible consequential damage shall be excluded.

3.6. After delivery, the client shall be obliged to carry out an acceptance test without delay. If the client does not fulfill its obligation with regard to acceptance, we will set a reasonable period of grace.

3.7. If the client delays the acceptance test, we shall be entitled to charge for the damage caused, particularly storage costs and any additional costs

## 4. Prices and terms of payment

4.1. Prices shall be deemed to be ex works Hamburg (EXW Germany Incoterms 2010), unless otherwise indicated in the order confirmation. The prices do not include the applicable rate of statutory VAT.

4.2. If more than three months pass between the conclusion of the contract and the delivery of the goods, we reserve the right to increase the price by a reasonable amount, particularly in the case of changes in the cost of materials, energy and wages.

4.3. The EURO shall be the standard currency for payments. Payment in other currencies shall require our express written agreement. In this case, no disadvantages shall be caused to us due to exchange rates.

4.4. Payments shall be made in accordance with the order confirmation. We reserve the right to deliver for cash in advance only. Discounts will not be granted. If other methods of payment or provision of security are permitted by us.

4.5. In the case of default in payment, we shall be entitled to charge 10 % interest on arrears without setting a further deadline. Moreover, the client shall be obliged to reimburse us for all costs, expenses and cash payments caused as well as for costs which we have incurred as a result of the pursuit of our claims.

4.6. The client shall not be able to reduce or fulfill its payment obligations by offsetting these against claims on the contractor.

4.7. In the event that the contract is terminated the client is not entitled to the refund of down payments/partial payments made for orders. In this particular case we shall reserve the right to charge the amount of the down payments/ partial payments in connection with a follow-up order.

## 5. Costs for project development

5.1. We will invariably charge for services which we render on behalf of the customer within the framework of project development and/or project preparation.

5.2. If no order is placed, the services rendered up to this time shall in each case be invoiced. An hourly rate of EUR 150.00 shall be deemed to be agreed.

## 6. Reservation of title

6.1. All supplied and/or installed goods shall remain our property until full payment has been made.

6.2. If the client should fall into arrears, we shall be entitled to take back the goods which are subject to our reservation of title. Taking back goods subject to reservation of title shall represent a withdrawal from the contract.

6.3. We shall be entitled to realize goods subject to reservation of title after taking them back. After deduction of a suitable amount for realization costs, the realization proceeds shall be offset against the amounts owed by the client.

6.4. The client shall immediately and explicitly inform third parties who assert claims to goods subject to reservation of title about our reservation of title.

6.5. The client shall be entitled to resell the object of sale in the ordinary course of business. To safeguard the legal position of the contractor, in particular to safeguard the outstanding receivables from delivery transactions between the contractor and the customer, the latter shall on the conclusion of the contract assign to the contractor all receivables accruing to the customer from the resale to the customer's purchasers or third parties in the amount corresponding to the outstanding balance from the delivery transactions. The customer shall also remain entitled to collect this receivable after the assignment. The power of the contractor to itself collect the receivable shall remain unaffected thereby. However, the contractor engages not to collect the receivable for as long as the customer fulfills his payment obligations, does not fall into default in payment and, in particular, no application has been made for the opening of bankruptcy or composition

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proceedings. If this is the case, however, the contractor can demand that the customer disclose the receivables assigned to the contractor and the respective debtors, provide all the information necessary for the collection, release the appurtenant documents and notify the debtors (third parties) of the assignment.

## 7. Guarantee and liability

7.1. We guarantee for the period of 24 months from the date of delivery that the goods were – in accordance with the respective state of the art at the time of the order – faultless in design, materials and craftsmanship. We assume no liability or additional guarantees for batteries (accumulators) unless required by mandatory law.

7.2. Minor color variations, color variations which are a result of the use or the composition of different materials, as well as breakage and tears of the solar cells shall not be treated as deficiencies.

7.3. The functionality of the goods (particularly illumination strength, availability, etc.) depends to a great extent on the conditions at the location. It shall not be considered a defect if, due to the local conditions (light/shade, climate), a light provides a lower performance than that indicated by us for typical locations.

7.4. Guarantee claims shall be asserted in writing by means of a registered letter detailing the defects. The object of the complaint shall be kept available for inspection by us and/or sent back to us if requested.

7.5. We shall not be liable for damage which results from the following:

- a. Defective installation by the client or third parties.
- b. Improper interventions which have not been explicitly instructed or permitted by us as well as unauthorized attempts at repair.
- c. Normal wear and tear as well as force majeure.

7.6. Replacement deliveries will be provided ex works Hamburg (EXW Hamburg). Other expenses shall be borne by the client.

7.7. Replaced parts may diverge from the original parts which have to be replaced in their version and their design due to technical progress and design changes, provided that the functioning of the system as a whole is not impaired.

Reconditioned parts or parts of returned goods can also be used as replacement parts, provided that the parts are visually and in their operability in conformity with new goods.

7.8 Continuing liability shall be excluded, regardless of the legal nature of the claim which is being asserted. Insofar as our liability is excluded or limited, this shall also apply to the personal liability of our staff, vicarious agents, managers and executive bodies.

## 8. Product liability

8.1. Goods supplied by us only offer the level of safety which can be expected based on licensing regulations, operating instructions, our regulations on the treatment of the goods and other instructions given.

8.2. Any liability on our part shall be excluded if the storage or use of the goods is not carried out according to the relevant regulations, recognized technological standards and the delivery description provided, as well as in the case of changes to the goods which were not carried out by us.

8.3. Our products are not designed for cleaning with highpressure equipment. The contractor shall not be liable for losses arising through cleaning with high pressure equipment.

## 9. Other provisions

9.1. The order, its execution and the resulting entitlements shall be governed solely by German law unless otherwise agreed.

9.2. The place of jurisdiction shall be Hamburg.

9.3. If individual terms of these general terms and conditions should be wholly or partly ineffective, this shall not affect the validity of the remaining contract.

Hamburg, January 1, 2013