

GENERAL CONDITIONS OF SALE AND DELIVERY

ARTICLE 1 - SCOPE OF APPLICATION

- 1.1 Notwithstanding any communications to the contrary in the past or future, the buyer (hereinafter the "Buyer") accepts by requesting a quotation from, placing an order or concluding an agreement with Kreon, Inc., with registered office at **20 Murray Hill Parkway, Suite 180, East Rutherford, NJ 07073 ("KREON")** that only the following provisions apply to all contractual, precontractual and non-contractual legal relationships between KREON and the Buyer, both current and future: (in descending ranking order, the next in the absence or by implication of the previous one) (1) the written agreement between KREON and the Buyer; (2) the written order confirmation from KREON; (3) these general terms and conditions; (4) the Vienna Convention on International Sale of Goods; (5) NJ law.
- 1.2 All other provisions and conditions, such as the general and/or special terms and conditions of the Buyer, are not applicable and are explicitly rejected by KREON. Other (derogatory) conditions are only applicable in as far as they are expressly signed as agreed by KREON. Exceptions expressly signed as agreed by KREON only apply to the specific sale to which they relate and cannot be invoked for other, even similar orders.
- 1.3 If one or part of a provision of these general terms and conditions should be rendered null and void, the rest of the provisions and/or the remainder of that provision shall remain valid. If one or part of the provisions is rendered null and void, KREON, and the Buyer, as far as is possible and according to their own loyalty and convictions, shall negotiate to replace the invalid provision with an equivalent provision in the general spirit of these general terms and conditions, or the competent judge or arbitrator shall moderate the provision to that effect.
- 1.4 Buyer is understood to mean anyone who calls on KREON's products and/or services, places an order with and/or request a quotation from KREON in the name and/or for the account of any other (legal) person.

ARTICLE 2 - ORDERS AND QUOTATIONS

- 2.1 All quotations issued by KREON are valid for 30 days only and are non-binding. KREON can withdraw any quotation at any time whatsoever. All quotations issued by KREON are in any case without obligation and shall be solely deemed an invitation for the Buyer to place an order. An agreement is only established when a person who is authorized to bind KREON in law confirms the Buyer's order in writing or electronically, or when KREON starts to implement the order. Unless if explicitly stated otherwise in these general terms and conditions, all orders and offer acceptances made by the Buyer, including oral orders and offer acceptances, are irrevocable. KREON is free to select the parties with which it wishes to enter into an agreement.
- 2.2 KREON has the right to always require an advance payment or an integral prepayment. In such event, KREON's obligations towards the Buyer shall be suspended completely until the amount concerned is paid integrally and this, without any right of recourse for the Buyer regarding KREON. If Kreon has the impression that there are problems with the creditworthiness of the customer, Kreon has the right to ask for a prepayment.
- 2.3 All deliveries of products and/or performances of services that were not foreseen in the written agreement between KREON and the Buyer or, in absence thereof, in the order confirmation by KREON, are additional orders and/or additional works upon request by the Buyer and will be charged to the Buyer as such.

ARTICLE 3 - CANCELLATION

- 3.1 The Buyer can cancel or modify a placed order, free of charge, by sending a notification to KREON within a period of 24 hours after receipt of the order confirmation. Such notification may only be made in writing.
- 3.2 In case of a late notification, at the latest on the moment of delivery of the goods, the following principles shall apply: 1) In case the order concerns standard goods, KREON shall charge a (cancellation) cost, equal to 75% of the initial invoice amount; 2) in case the order concerns customized goods, KREON shall charge a (cancellation) cost, equal to 100% of the initial invoice amount.

ARTICLE 4 - PRICES AND PAYMENT

- 4.1 The prices for goods are based on Ex Works (ICC Incoterms 2010), unless otherwise agreed, and are VAT excluded. A separate individual price is calculated for every purchase. This price is only valid for a specific defined purchase and therefore does not apply to other, even similar purchases.
- 4.2 All charges and taxes, of whatever kind, applicable on the price or goods, as well as all transportation and insurance costs, as the case may be, need to be paid separately by the Buyer.
- 4.3 Currency fluctuations, increases in prices of materials, auxiliary materials and raw materials, wages, salaries, social security charges, costs imposed by the government, levies and taxes, transportation costs, import and export duties, or insurance premiums, arising between the order confirmation and delivery and/or execution of sold goods and/or services entitle KREON to increase the agreed price accordingly.
- 4.4 Unless stated otherwise, all invoices are payable upfront, without deduction or discount, in the currency as mentioned on the invoice and, in case of lack of currency specification, in US Dollars. Acceptance of a bill of exchange or any other payment instruments by KREON does not constitute novation. No reason entitles the Buyer to withhold his payment.
- 4.5 The Buyer shall notify KREON by registered letter within five (5) calendar days as from the receipt of the invoice of any complaints regarding such invoice.
- 4.6 In accordance with the NJ Act on Financial Guarantees of 15 December 2004, KREON and the Buyer will automatically set off all currently existing and future debts towards each other by operation of law. This means that in the long-term relationship between KREON and the Buyer the largest amount receivable will always remain on balance after the above-mentioned automatic set-off. This set-off will in all events be enforceable against any trustee in bankruptcy and other joint creditors, who will therefore not be able to object to the set-off performed by the Buyer and KREON.
- 4.7 In case of non-payment or incomplete payment on the due date of one invoice, interest at one (1) percent per month will become payable, by force of law and without notice of default, as from the invoice date. Every month started shall be considered as a complete month regarding the calculation of the interest. In case of non-payment or incomplete payment on the due date of one invoice, the Buyer will be liable for fixed compensation equal to ten (10) percent of the remaining amount due, with a minimum of \$ 250.00, notwithstanding KREON's rights or remedies to obtain full compensation for the costs and damages incurred.

KREON will have the right, by force of law and without notice of default or any other formality, to postpone the execution of its obligations under any agreement towards the Buyer, to terminate any agreement with the Buyer with immediate effect, to claim payment of all outstanding invoices (including those that have not fallen due) or to reject the execution, notwithstanding any older agreement and/or any other rights or remedies that could be invoked by KREON, in case: - one invoice is not (completely) paid on the due date, or; - the Buyer does not meet its obligations under an agreement, or; - the Buyer becomes insolvent, goes bankrupt, a bankruptcy petition is filed against the Buyer, the Buyer makes a proposal in connection with its insolvency following the bankruptcy legislation, application of the NJ law of 31 January 2009 on the continuity of enterprises or its equivalents, the Buyer ceases his activities in full or for a substantial part, transfers its assets in detriment of its creditors, or in case KREON has genuine reasons to believe that the Buyer shall not be able to pay its debts as they become due, or; - direct or indirect change of control over the Buyer takes place or in case the Buyer transfers all of its assets or a substantial part thereof to a third party anyway (including merger, (partial) demerger, transfer or investment of an universality or activity branch).

- 4.8 The failure of KREON to take immediate steps following a breach or non-compliance by the Buyer can under no circumstances be interpreted as forfeiture of rights by KREON.
- 4.9 Acceptance of partial payment is subject to reservation of all rights and will be charged in the following order: (1) collection costs, (2) compensation for damages, (3) interest, (4) principal amounts.

ARTICLE 5 - DELIVERY TERMS

- 5.1 Except as agreed otherwise, deliveries shall always occur conform the Incoterm "Ex Works" (ICC Incoterms 2010) at the place designated by KREON or, in absence thereof, at the registered office of KREON .
- 5.2 The stated delivery terms are non - binding upon KREON and are only provided as an indication. They cannot be considered as an essential part of the obligations of KREON towards the Buyer.
- 5.3 Changes to the price inquiry and/or order of the Buyer, changes to the written agreement between KREON and the Buyer, as well as changes to the order confirmation from KREON automatically result in lapse of the proposed expected delivery times.
- 5.4 Any delay in the delivery will not give rise to the cancellation of the sale or to payment of any compensation to the Buyer. Nor does such delay release the Buyer of its obligation to accept or pay the goods. In case of non - delivery of the goods, KREON shall compensate the advancements paid by the Buyer, without any additional interest or other compensation. KREON is by no means liable for delays incurred because of failures on the part of its manufacturers and/or suppliers, the Buyer, its customers and/or any other third party.
- 5.5 KREON has the right to deliver the purchased products and/or services in several parts. Partial implementation or delivery does not give rise to the dissolution of the agreement between KREON and the Buyer or to any compensation whatsoever.
- 5.6 Except as provided otherwise, explicitly and in writing, the Buyer shall collect the purchased products himself, at his own expense and risk from the place and at the time indicated by KREON . If the Buyer fails to collect the products within five (5) business days, he will be liable for storage expenses of \$ 500.00 flat fee per month. If the scheduled collection date is exceeded by eight (8) weeks, KREON has the right to declare the agreement between KREON and the Buyer dissolved from the date the dissolution notice is sent, without notice of default and without judicial intervention.

ARTICLE 6 - ACCEPTANCE, COMPLAINTS (PRODUCT AND/OR TRANSPORT) AND RETURN

- 6.1 The Buyer shall carry out an initial check immediately on collection and/or delivery of the purchased products and/or services, concerning among others the conformity of the delivery (correctness of the (types) products and services, location, quantities, possible damages caused by transport, etc.). Complaints regarding the conformity of the delivery must be made by formulating a reservation on the delivery note or by registered letter within five (5) business days as from the delivery date, failing which the Buyer is deemed to have accepted the delivered products and/or services as agreed. Complaints formulated on the delivery note must be confirmed to KREON by means of a registered letter within the period.
- 6.2 The placing into service, making use of, the processing, the repacking and/or the resale of the goods, delivered by KREON , shall be considered as approval and acceptance, as well as final delivery of the goods and shall release KREON of all its responsibilities and liability in accordance with article 10 of this general terms and conditions.
- 6.3 Complaints regarding defects, that could not be detected upon collection and/or delivery of the products and/or services need to be notified to KREON by registered letter at the latest within a period of six (6) months. Notwithstanding the foregoing, the Buyer forfeits the right to rely on any defect, unless he notifies KREON thereof by registered letter within a period of eight (8) calendar days after discovering or after he should have discovered the non-compliance or defect.
- 6.4 The Buyer, notifying a complaint, needs to provide KREON with the following information: - a detailed description of the defect; - pictures of the defect; - production date of the product(s); - number of installed products; - time elapsed since the initial installation; - number of defective products; - date the defect was first discovered; - circumstances of installation, including voltage, type of fitting, location, and - details of the order.
- 6.5 In case defects are notified on time and correctly, KREON will at its own discretion: (1) (partially) replace the non - compliant or defective goods, components thereof and/or services, whether or not by a functional equivalent; or (2) repair the defective goods and/or components thereof; or (3) compensate for the non - compliant or faulty part at the price provided in the written agreement between KREON and the Buyer or in absence thereof, at the price provided in the order confirmation by KREON ; (4) credit an amount which reasonably relates to the nature and extent of the defect concerned. The Buyer recognizes that these measures, each individually, form a complete and adequate compensation for every possible damage which might arise out of a defect and accepts that the execution of these measures cannot be considered as an acceptance of liability by KREON .
- 6.6 A possible (partial) replacement and/or repair of products, components and/or services cannot give rise to the dissolution of the agreement between KREON and the Buyer or to any compensation whatsoever.
- 6.7 Without KREON 's explicit written confirmation, the Buyer shall under no circumstances have the right to return products, to execute works itself or to have works executed by third parties.
- 6.8 KREON reserves the right to examine the non-conformity of the delivery and/or other defects and investigate the causes thereof. Upon KREON 's request, the Buyer shall deliver the goods to KREON , at its own expense and risk, within a period of five (5) business days after receipt

of the request from KREON thereto, at the place of initial delivery, as defined in article 5.1 of these general terms and conditions.

- 6.9 Complaints and/or a possible (partial) replacement or repair of the goods and/or services do not in any case release the Buyer from his payment obligations within the stated time limit under the written agreement between KREON and the Buyer, the order confirmation of KREON , these general terms, and conditions and/or the respective invoice.
- 6.10 The Buyer is required to compensate costs incurred in connection with unjustified complaints.

ARTICLE 7 - WARRANTY TERMS

- 7.1 Tools of light - LED - 5-year warranty
- 7.1.1 KREON lighting devices correspond with the technical specifications and characteristics as described in the corresponding catalogues, technical documentation, standards, and guidelines. The measures and dimensions mentioned in the catalogue and/or on the price list are approximated measures. Small measurement deviations, as well as changes to the shape and outlook of the model are possible and are explicitly withheld by KREON.
- 7.1.2 KREON provides a warranty period of maximum of 5 years with regard to KREON LED products, starting as from the invoice date of KREON to the Buyer, and taking into account the following limitations: - The warranty period is limited to 25.000 operating hours, starting as from the invoice date; - The warranty conditions only relate to the failure rate exceeding the nominal failure rate (0,2% per 1.000 operating hours); - Based on technical progress and following the use - dependent change of the luminous flux of LED products, deviations in the light properties compared to the original product could be possible in case of subsequent deliveries of LED light sources. The warranty period of 5 years can be extended for a specific project. All costs related to such extension shall be solely borne by the Buyer and are only valid after written confirmation to the Buyer; - The warranty covers manufacturing defects only.
- 7.1.3 With regard to the KREON conventional and LED retrofit products, a warranty period of 2 years is provided, starting from the invoice date of KREON to the Buyer and covers only manufacturing defects. The warranty period regarding the lamps contained in this product is however limited to the maximum number of operating hours, as mentioned in the technical specifications from the manufacturer of the lamps concerned.
- 7.1.4 The warranty provided by KREON does not cover defects caused by the installation or use of the products in a way that is non - compliant with the guidelines of KREON , as set out in the installation instructions of KREON . As non - compliant installation or use shall be considered, without being limited hereto: failure to properly connect and install the product, use in an unsuitable environment (including as regards to temperature, humidity, air circulation, etc.).
- 7.1.5 The warranty also does not cover: - defects caused by an incorrect installation; - fluctuations in the power supply voltage greater than +/- 3% with respect to the nominal voltage of the lamp; - defects that are the result of exposure to excessive physical force, vibration or direct contact with water droplets; - products subject to wear and tear, such as batteries, switches with magnetic ballast, hard drives, computers and servers including hard drives or other mechanical parts that are subject to wear and tear, as well as defects in the software, bugs and/or viruses.
- 7.1.6 The warranty provided by KREON only covers the repair or replacement of the defective goods, or the sending of a credit note. Labor, installation, or other costs related to the replacement or repair of the defective goods are not included and will be borne by the Buyer.
- 7.1.7 Notwithstanding the foregoing, the warranty expires in case of abnormal use, faulty maintenance, modification of the goods by the Buyer and/or disassembly or repair by a non - qualified person.
- 7.2 The Buyer shall provide KREON with a warranty claim of an end-user within a period of eight (8) calendar days after notification of this claim by the end - user, in accordance with article 6, in lack whereof the Buyer itself shall be responsible regarding the warranty obligations, without the possibility of recourse to KREON . The Buyer shall provide KREON with all reasonable assistance in the investigation of the warranty claim, including (but not limited to) providing the goods concerned to KREON in accordance with article 6.8 of these general terms and conditions. KREON reserves the right to subcontract the Buyer for the execution of the work under KREON 's warranty obligations towards the end - user.
- 7.3 KREON solely decides whether a warranty claim complies with the conditions of the warranty provided by KREON .

ARTICLE 8 - RETENTION OF TITLE

- 8.1 The delivered goods remain the exclusive property of KREON until full payment of the complete price (including costs, interest, and all other related amounts). In case of non - payment by the Buyer on the due date - and notwithstanding KREON 's rights under article 4.7 - or if the Buyer does not comply with any other of his obligations, or if KREON suspects that the Buyer will not comply with his obligations, KREON automatically has the right to claim the same and/or other goods delivered by KREON , at the Buyer's cost. The exercise of this right will result in immediate and automatic cancellation of the agreement. At receipt of the goods, and only in as far as the goods are found to be in good condition, shall the amounts already paid be repaid to the Buyer. However, the following amounts will be deducted from the

amounts already paid: (1) loss of profits, budgeted at a fixed compensation of 25% of the total invoice amount; and (2) a fixed compensation of 10% of the total invoice amount, as a compensation for the (additional) management and administration costs. The foregoing shall apply notwithstanding the right of KREON to proof higher damages.

- 8.2 In case the Buyer resells the delivered goods, before the price is fully paid (including costs, interest, and all other related amounts) to KREON , or in case of breach of this retention of title clause, KREON will automatically acquire a right of pledge to the sale price that is realized for the goods or to the claim of the Buyer on his customer pursuant to the resale of the goods.
- 8.3 The Buyer always needs to do what can be reasonably expected of him to secure ownership rights to unpaid goods. If third parties seize goods or wish to establish or enforce rights to the goods, the Buyer is obliged to notify KREON immediately.

ARTICLE 9 - CONFIDENTIALITY AND INTELLECTUAL PROPERTY

- 9.1 KREON remains the sole and exclusive titular of all intellectual property rights on the goods and/or services delivered by her. The Buyer guarantees that the data provided by him to KREON do not breach the intellectual property rights of any third party.
- 9.2 Any documents, information, models and/or designs, of any nature provided to the Buyer during the negotiations and/or execution of the agreement between KREON and the Buyer, and/or which are mentioned in a document from KREON , including an order confirmation and a delivery note, must be treated as confidential. The abovementioned documents must be returned at KREON 's first request. Such documents, information, models, and designs remain the property of KREON and shall not be disclosed to third parties, copied or used directly or indirectly, wholly or partially for purposes other than those for which they are intended, except with the express written consent of KREON . The obligation to observe confidentiality also continues after the end of the agreement between KREON and the Buyer, at least until the information in question has entered the public domain without the fault of the Buyer.

ARTICLE 10 - FORCE MAJEURE

- 10.1 The liability of KREON regarding the sold goods is limited to its legal responsibilities as manufacturer and/or reseller, depending on the circumstances.
 - 10.2 In case the agreement concerns goods that were not manufactured by KREON , but are only being resold by KREON , KREON cannot be held liable for any damages other than the conformity of the delivery. All complaints and/or damages not regarding the conformity of delivery, shall belong to the sole responsibility of the manufacturer(s) and/or supplier(s) of KREON . The Buyer can file such complaints and/or claim compensation for such damages during the shortest of the following periods: - the warranty period provided by the manufacturer or supplier to KREON ; - an absolute maximum of 1 year after delivery of the goods and/or services concerned.
- If the Buyer notifies KREON on time and correctly, in accordance with this general terms and conditions, of any complaint and/or damage, other than regarding the conformity of delivery, KREON shall pass such complaint directly to the respective manufacturer or supplier. During the further handling of the complaint, KREON shall function solely as intermediary between the Buyer and the manufacturer or supplier. The responsibility of KREON shall be limited to the passing on of information between the manufacturer or the supplier on one hand and the Buyer on the other hand. KREON can under no circumstances be held liable regarding the effective complaint and/or damage.
- 10.3 KREON shall not be liable for (i) damages caused by the Buyer, reseller, end – user or any other third party, (ii) damages caused by the failure of the Buyer, reseller and/or end – user, (iii) damages due to the wrongful or inadequate use of the sold goods, (iv) damages to the sold goods, which the Buyer tried to adapt or in case components were used by the Buyer that do not meet the parameters, as provided by KREON , (v) damages due to the breach of any legal and/or other obligations, including the user's manual and installation instructions, delivered with the goods, by the Buyer, his personnel or employees, a reseller and/or end-user, (vi) damages caused by incorrect and/or incomplete information provided to the Buyer, reseller and/or end – user by the Buyer, manufacturer(s) and/or supplier(s) of the sold goods and/or any other third party.
 - 10.4 KREON shall under no circumstances be liable for loss of profits, production loss, environmental damage or any other consequential or indirect damages of whatever nature, incurred by the Buyer or any other third party. Further, KREON shall not be liable for damages caused by her agents, subcontractors or any other third party (including damages due to fraud, willful misconduct or gross negligence).
 - 10.5 KREON is not liable for any shortcoming in the performance of any obligation caused by force majeure or hardship. By force majeure and hardship are understood, among other things (this list is purely given as an example): production breaks, supply chain problems, scarcity of raw materials, manpower, energy and transport, or delays in transport, currency fluctuations, increases in prices of materials, auxiliary materials and raw materials, wages, salaries, social security charges, costs imposed by any government, levies and taxes, transportation

costs, import and export duties, or insurance premiums, arising between the order confirmation and delivery, ice formation, exceptional weather conditions, strikes, lock outs, work stoppages or other collective labor disputes, mobilization, wars, disease or accidents, communication and information technology breakdowns, government measures, export bans, including lack or withdrawal of transport facilities, export obstacles, affecting KREON or its suppliers.

- 10.6 In case of force majeure or hardship, as described in article 10.5, KREON may, without prior notice of default or recourse to a court of law and without any right of recourse for the Buyer with regard to KREON , at its discretion: (1) propose to the Buyer to replace the missing products and/or components by a functional equivalent; (2) temporarily suspend performance of its obligations; (3) dissolve the agreement between KREON and the Buyer by registered letter and without recourse to a court of law; and/or (4) invite the Buyer to renegotiate the agreement between KREON and the Buyer. If the Buyer does not participate in good faith in the renegotiation, KREON may, in accordance with article 11 of these general terms and conditions, request the courts or an arbitrator to determine new contractual conditions and/or order the Buyer to pay compensation.

ARTICLE 11 - DISPUTES

- 11.1 NJ law shall be applicable on all relations between KREON and the Buyer.
- 11.2 All disputes arising between the Buyer and KREON shall be subject to the exclusive jurisdiction of the competent courts of the registered office of KREON . In case the Buyer is not established within the State of NJ, any disputes between KREON and the Buyer shall be definitively settled according to the Arbitration Rules of CEPINA, by three arbitrators appointed in accordance with those rules. Proceedings shall be heard in New Jersey. The arbitration will only be conducted in English. However, KREON has the right to bring the dispute for the competent courts of the registered office of the Buyer. The following is an overview of the current service and payment fees under these Terms and Conditions of Sale.

Service Fees	Invoice Fee as a % of PO value
Shipping Charge-Back Fee	4%
Programming Fee	7%
Failure Analysis	\$500
Commissioning Service Fee	\$500

Payment Fees	Invoice Fee as a % of PO value
Delinquent Payment to terms	1%/month
Credit Card Fee	3.5%
MOQ Break Fee	\$ 250.00

Order Modification Fees	Invoice Fee as a % of PO value
Order Expediting Fee	20%
Order Cancellation Fee Between 13-8 weeks of Kreon Shipment Date	60%
Order Cancellation Fee Between 0 - 8 weeks of Kreon Shipment Date or Custom Order	100%
Inventory Holding Fee for Orders that have been requested to push out	\$ 500.00 / month

Shipping & Handling Fees	Invoice Fee as a % of PO value
Shipping Information not provided within 7 working days of Kreon Shipment Date and/or Shipment Booking Shop Order is not released 3 working days ahead of Kreon Shipment Date to facilitate shipment by the end of the month.	5%