

TERMS AND CONDITIONS OF QUOTATION AND SALE

1. TERMS AND CONDITIONS

These Terms and Conditions supersede all those published and issued previously by ORGANIC LIGHTING SYSTEMS, INC. (ORGANIC LIGHTING). All products ordered from ORGANIC LIGHTING or appointed Sales Agencies constitutes acceptance of the terms set forth herein, as such terms may be updated or revised. The buyer's acceptance of the provisions of ORGANIC LIGHTING Terms and Conditions herein shall apply on Buyer's receipt of the goods. These Terms and Conditions constitute the entire agreement between ORGANIC LIGHTING and the Buyer, and supersede other communications between the two parties, whether written or oral.

2. ACCEPTANCE OF ORDERS

All orders are subject to acceptance by ORGANIC LIGHTING and are subject to ORGANIC LIGHTING Terms and Conditions. ORGANIC LIGHTING reserves the right to select its customers and reject any order. Additions to orders are allowed in the case of the original order has not yet been released to manufacturing. Any other terms proposed by Buyer and/or stated in a customer's purchase order are not valid unless approved by an authorized ORGANIC LIGHTING representative and accepted in writing. Acceptance of any order is subject to availability of product and the ability of ORGANIC LIGHTING to deliver. Buyers will be directed to the nearest appointed sales agency in their area. In the case of which a specified area is not covered by a sales agent, the buyer may purchase or inquire directly through ORGANIC LIGHTING.

3. PRICING

Please refer to the current price lists. All prices stated in the price lists are US dollars and subject to change without notice. Special projects and large quantity purchasing are open to variable quotations upon inquiry and rely solely upon ORGANIC LIGHTING's discretion. ORGANIC LIGHTING must confirm all quotations in documentation for the period shown on the quotation. Quotations will be valid for a period of thirty (30) days from date of quotation from ORGANIC LIGHTING.

4. SALES AND TAXES

ORGANIC LIGHTING prices do not include Federal, State or Municipal sales, use, excise or similar taxes. Consequently, in addition to the price specified herein, the amount of any present or future sales, use, excise or other similar tax applicable to the sale or use of the equipment hereunder, shall be paid by the Buyer; the Buyer shall provide ORGANIC LIGHTING with a tax exemption certificate acceptable to the taxing authorities.

5. TERMS OF PAYMENT

- **5a: Approved Distributor Credit accounts.** Net 30 days for standard product orders. Payment to be made according to agreed credit terms detailed as 5b below; or according to other credit terms agreed in writing by Organic Lighting Systems. Custom orders; Where secondary work such as cutting to customer requirements, connecting components, or any additional services are provided, 50% deposit payment is required and the balance due Net 30 days. Custom orders are non-cancellable.
- **5b: Non Credit Accounts.** Product is normally shipped immediately from inventory and full payment is required prior to shipping. Special or custom orders where secondary work such as cutting to customer requirements, connecting components, or any additional services are provided, 50% deposit payment is required prior to production release and the balance due prior to shipping. Custom orders are non-cancellable.

Terms of payment for ORGANIC LIGHTING Approved DISTRIBUTORS. The invoice total, unless otherwise agreed, is due within 30 days net, with a 2% discount applied for payment within 10 days. A service charge of 1.5% per month will be charged by ORGANIC LIGHTING or its authorized collection agency on any customer balance that is outstanding from its stated payment deadline. The service charge shall be paid in full and due one month from original customer balance payment date. The service charge will continue to be added to any past due balance monthly until full payment is received. Should it become necessary for ORGANIC LIGHTING to institute formal collection proceedings to collect any past due amounts from the customer; ORGANIC LIGHTING shall be entitled to recover its attorney's fees and other costs associated with the proceedings. Notwithstanding the acceptance of any order by ORGANIC LIGHTING, we reserve the right not to ship material to any customer not paying in accordance with our terms or who in the sole opinion of ORGANIC LIGHTING, may be unable to meet its payment obligations to ORGANIC LIGHTING.

6. INVOICING

All invoices are due and payable in compliance with the standard terms stated herein. Buyer shall be liable for legal fees incurred by ORGANIC LIGHTING to collect past due amounts. In the case of an apparent discrepancy in a line item charge, the Buyer is obligated to advise ORGANIC LIGHTING Customer Service in writing of the nature of the claimed discrepancy within five (5) days of receipt of the invoice. This includes all requests for proof of delivery. A claim of discrepancy does not excuse Buyer of the absolute obligation to pay the remaining balance of the invoice in accordance with the standard terms of payment. After review, ORGANIC LIGHTING will have sole discretion to resolve the discrepancy; and the Buyer expressly agrees to abide by ORGANIC LIGHTING's decision. ORGANIC LIGHTING will promptly inform Buyer of its decision regarding any disputed items or charges.

7. SHIPPING

ORGANIC LIGHTING will use its best efforts to meet shipment or delivery dates specified by ORGANIC LIGHTING; stated dates are estimates only. ORGANIC LIGHTING will not be liable for any delay or non-delivery in shipping for any reason, but not limited to delay or non-delivery caused directly or indirectly by Acts of God, fire, flood, strike or lockout or other labor dispute, accident, civil commotion, riot, war, governmental regulation or order, whether or not it later proves to be invalid, or from any other cause or causes beyond ORGANIC LIGHTING's control. In no case will ORGANIC LIGHTING be liable for loss of profits or any indirect, special, incidental, multiple, punitive or consequential damages on account of any delay in delivery or non-delivery whether or not excused hereunder. Buyer requests for shipping deferment must be approved by ORGANIC LIGHTING and are subject to price negotiation.

8: FREIGHT ALLOWANCE AND F.O.B. POINT

All sales are shipped from Orange, CA. Risk of loss and title of goods shall pass to Buyer upon delivery to the designated carrier. All orders are prepay and add for the contiguous United States. Canada, Hawaii and Puerto Rico shipments. Contact ORGANIC LIGHTING for applicable terms and conditions outside the contiguous United States. ORGANIC LIGHTING reserves the right to select carrier for freight allowed shipments via least expensive surface route within the Contiguous United States. Buyer will assume all charges for transportation specified via more

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expensive means. Acceptance of a specified routing does not constitute a guarantee of ship date, transit time or arrival date.

ORGANIC LIGHTING reserves the right to ship all prepaid orders in one complete shipment. Partial shipments may be made at ORGANIC LIGHTING discretion. At no time will ORGANIC LIGHTING be responsible for any cartage or storage charges at destination. Claims for loss or damage must be reported directly to the carrier. ORGANIC LIGHTING's willingness to assist does not indicate liability for claim or replacement.

9: EXPORT REGULATIONS/PERMITS

Buyer will comply with the provisions of the United States Government's Export Administration regulations and related documentation requirements and internal control procedures. Buyer shall be responsible for obtaining any necessary export or import licenses and permits.

10: BACK ORDERS / HOLD ORDERS

Back orders that are the responsibility of ORGANIC LIGHTING will be shipped F.O.B. factory or point of shipment with freight prepaid and shipped via the most cost effective method, only when the original order was qualified for freight allowance. Orders of more than \$5,000 will be accepted on a "Hold For Release" basis only if the time periods specified on a written order are 120 days or less, and a deposit of 50% will be required. Procurement of components will be instigated and held for production until a firm release date is given. Any order containing separate releases specified by the Buyer, will each be treated as individual orders and subject to freight allowance and minimum billing.

11: CANCELLATIONS

Buyer may cancel orders for standard products with written notice to ORGANIC LIGHTING subject to the following conditions and with ORGANIC LIGHTING's written consent. ORGANIC LIGHTING will always try to accommodate requests for cancellations but cannot guarantee stoppage of shipment for stocked products. If an order is stopped during production or after shipping arrangements have been made buyer shall pay any costs associated with this order. If a cancellation request is received and the order cannot be stopped the product can be returned according to terms as stated in the Return Goods Policy section. In the event of a cancellation request for a cut to-length non-stock, special order, or custom products (as defined in 5c), ORGANIC LIGHTING's consideration will be made only if no work has been performed and no material purchased. Proof of production progress is not a guarantee. If work has been performed any costs and overhead incurred will be charged to the customer, which may include a cancellation charge up to the price of the product. Upon cancellation, buyer owned materials are not guaranteed to be returned

12: RETURNED GOODS POLICY

All returned merchandise is subject to ORGANIC LIGHTING approval and must comply with official return policy. Request for permission to return merchandise must be made within twenty (20) days from date of shipment with exception to defective products, and Buyer must provide original ORGANIC LIGHTING invoice number. Documentation of permission to return must be provided. All returned goods must be in unopened original packaging for credit to be issued.

Items returned for refund will be shipped at buyer's expense. Incoming return packages must have, clearly stated on outside of package as well as all pertaining paperwork, the Return Authorization (RA) number. Products will be inspected upon return and these conditions must be verified and approved by ORGANIC LIGHTING before return procedures can advance. If

products are not in-original resalable condition as above, all products will be returned to customer without any credits issued.

A minimum of 35% restocking-fee will be charged on standard product and will be deducted from all credits issued on authorized standard product returns. Credit will be issued for only the actual quantity received and accepted, and will be based on original invoice price. A Return Authorization (RA) form, supplied by ORGANIC LIGHTING, must accompany the return shipment. Material must be received by ORGANIC LIGHTING within thirty (30) days of issuance of the RA and must be a non-discontinued product. ORGANIC LIGHTING reserves the right to deduct for any damage sustained in transit. Unauthorized returns will be refused. All non-stocking, cut to length, special or custom made product, or discontinued items are not returnable. If the return of goods is proved to be a fault of ORGANIC LIGHTING and permission is granted for its return, ORGANIC LIGHTING will give a full credit refund.

13: APPLICATION/INSTALLATION

Professional installation is required of all ORGANIC LIGHTING products. ORGANIC LIGHTING does not warrant the accuracy of any application of a product other than its stated applications nor will ORGANIC LIGHTING cover the costs of system performance recommendations provided from any engineering opinion other than ORGANIC LIGHTING. Responsibility for selection of the proper product or application rests solely with the Buyer. Products should be installed, used and maintained in accordance with the applicable ORGANIC LIGHTING instructions, National Electrical code and/or any prevailing local codes. No modifications to ORGANIC LIGHTING product can be made, other than cutting to length and connecting, field cuttable products in accordance with ORGANIC LIGHTING installation and assembly instructions, which must be carried out by a qualified electrician with experience of LED products installation.. Installations in wet locations must have waterproof connector and end-cap covers correctly installed. Any other unauthorized modification will void any U.L. ETL or CE listings and ORGANIC LIGHTING warranty.

NOTE: Catalog pages are for reference only. Specifications, dimensions and performance may change without notice or change in accordance with customized application.

14: PRODUCT SPECIFICATION ORGANIC LIGHTING reserves the right to modify designs, change specifications, change prices, and discontinue products (discontinued products are not available for refund).

15: INDEMNIFICATION

Buyer shall indemnify, defend and hold harmless ORGANIC LIGHTING and its executives, directors, agents, employees, affiliates, representatives, successors, and assigns from and against all losses, liabilities, costs and expenses (including, without limitation, attorneys' fees) arising out of or in connection with claims by third parties for any loss, damage or injury caused or alleged to be caused by breach by Buyer or its employees, partners to whom Buyer sold Product, contractors, representatives, agents or affiliates, (collectively, "Buyer Parties") of any obligation herein; negligent use, application, installation or implementation of Product by any of the Purchaser Parties; and/or unless authorized in writing by ORGANIC LIGHTING, modification of Product or integration of Product into other products by any of the Buyer Parties. Buyer shall not join, settle or otherwise attempt to affect or dispose of any such claim without ORGANIC LIGHTING's written consent.

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16: LIMITED WARRANTY AND LIMITATION OF LIABILITY MATERIAL

ORGANIC LIGHTING warrants that its products will be sold free from defects in material and workmanship in its intended use for the period of 2 years from date of Buyer's purchase (the invoice date) or such modified term as may apply to specific products where a longer term with specific use and performance conditions are stated as part of the written specification or quotation (the lesser of 5 years or 50,000 illuminated hours at <25°C for LEDs). If within 2 years from date of purchase any of its products are found defective in workmanship or materials, ORGANIC LIGHTING will repair or replace, at its sole discretion, the defective product upon presentation of proof of purchase and the defective product. Buyer must notify ORGANIC LIGHTING promptly of any claim under this warranty. NO OTHER WARRANTY, WHETHER EXPRESSED OR OTHERWISE IMPLIED, SHALL EXIST IN CONNECTION WITH ORGANIC LIGHTING'S PRODUCTS OR ANY SALE OR USE THEREOF. ORGANIC LIGHTING'S warranty shall extend only to the first Buyer of a product from ORGANIC LIGHTING, from ORGANIC LIGHTING Buyer, or from an AUTHORIZED DISTRIBUTOR reselling ORGANIC LIGHTING product, and is non-assignable and non-transferable and shall be of no force and effect if asserted by any person other than such first Buyer. This warranty applies only to the use of the product as intended by ORGANIC LIGHTING and does not cover any misapplication or misuse of said product.

This warranty does not apply to: (a) damage to units caused by accident, dropping or abuse in handling, Acts of God or negligent use; (b) units which may have been subject to unauthorized repair, opened, tampered with, taken apart or otherwise modified; (c) units not used in accordance with instructions; (d) damages exceeding the cost of the product; (e) transit damage, initial installation costs, removal costs or reinstallation costs. ORGANIC LIGHTING will not be liable for incidental or consequential damages. This warranty is in lieu of all other express or implied warranties.

17: LIMITATION OF LIABILITY

IN NO EVENT, WHETHER AS A RESULT OF A BREACH OF CONTRACT, TORT, STRICT LIABILITY, WARRANTY OR ALLEGED NEGLIGENCE, SHALL ORGANIC LIGHTING BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, MULTIPLE, PUNITIVE OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, LOSS OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF THIRD PARTIES OF THE BUYER FOR SUCH DAMAGES. IN NO EVENT SHALL ORGANIC LIGHTING'S TOTAL LIABILITY FOR ANY REASON ARISING HEREUNDER EXCEED THE PURCHASE PRICE PAID TO ORGANIC LIGHTING FOR THE PRODUCT PURCHASED BY THE BUYER HEREUNDER.

Any claim by Buyer for breach of the foregoing warranty shall be deemed waived by Buyer unless submitted to

ORGANIC LIGHTING in writing within ten (10) days from the date Buyer discovered, or by reasonable inspection should have discovered the alleged breach. Any cause of action for breach of the foregoing warranty shall be brought within one year after the cause of action has occurred. Any charges for labor, materials, etc. that does not have our written approval before such work is implemented will not be allowed. Contact ORGANIC LIGHTING Customer Services for support.