

ZUMTOBEL LIGHTING, INC. TERMS AND CONDITIONS OF SALE

THESE STANDARD TERMS AND CONDITIONS APPLY TO ALL PURCHASES WHETHER OR NOT SUCH PURCHASE IS SUBJECT TO A SIGNED PURCHASE ORDER AGREEMENT OR DISTRIBUTION AGREEMENT BETWEEN ZUMTOBEL LIGHTING, INC. AND THE PURCHASER.

TERMS

Except as expressly agreed to in writing signed by Zumtobel Lighting, Inc. ("ZLI"), these terms and conditions constitute the entire agreement between ZLI and the purchaser ("Purchaser"). Any contrary or additional terms or conditions in any purchase order or other writing from Purchaser shall be of no force or effect and are hereby rejected. Purchaser's submission of a purchase order shall indicate Purchaser's acknowledgment of and agreement to these terms and conditions.

ACCEPTANCE

All orders are subject to (i) acceptance by ZLI and (ii) these terms and conditions. No order is binding unless ZLI issues a written acknowledgment or acceptance. ZLI reserves the right to reject any order for any reason.

PRICES AND TERMS OF PAYMENT

All previous price schedules are superseded. Prices are subject to change without notice. ZLI's order confirmation, and the prices specified therein, is final and binding and any changes must be in writing signed by ZLI.

Except as otherwise stated herein, prices are FOB factory, Highland, New York and Fair Lawn, New Jersey. Prices do not include lamps (unless lamps are specifically ordered), installation, special packing, insurance or any sales, user, excise, or similar taxes. Applicable sales tax is separately itemized.

Any order under \$250.00 distributor net value will be charged an additional \$50.00 minimum handling fee.

Payment terms are net thirty (30) days from date of invoice.

Amounts past due are subject to a finance charge of 1.5% per month. Purchaser will be charged for all costs incurred for collection of overdue invoices which may include

reasonable attorneys' fees, court or arbitration costs and other expenses. All invoices are payable in U.S. funds and shall be paid fully net, without set-off, deduction, or counterclaim.

FREIGHT AND DELIVERY

Freight will be allowed on single net orders of at least \$5,000 (standard orders) in the continental U.S. Shipments over the minimum to Alaska, Hawaii, Puerto Rico, or export are freight allowed to dockside within the continental U.S.

Carrier and routing are at ZLI's discretion. ZLI will endeavor to ship all items in one shipment. If Purchaser requests multiple shipments on the same job, which do not constitute a full truckload, ZLI will pay the freight on the initial shipment only. Purchaser will pay for all remaining partial shipments at Purchaser's own expense.

ZLI will not be responsible for freight costs for orders quoted at 0% commission for accommodation sales or showroom fixtures. Additional charges will apply as follows for

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| ▣ Elevated lift-gate service | \$50.00 |
| ▣ Inside delivery | \$50.00 |
| ▣ Delivery Appointments | \$50.00 |
| ▣ Wait time (after two hours) | \$100.00/hour |

special job site requirements:

A handling charge of up to 10% of the order will be added to freight charges for orders not meeting the minimum freight allowance. Purchasers

arranging for their own transportation will be charged a flat handling fee of \$100.00.

Shipping dates are approximate. No responsibility is accepted for delays beyond ZLI's control. All shipments travel at Purchaser's risk. Factory responsibility ends upon acceptance by the carrier. Title and risk then pass to Purchaser and any damage arising in transit should be filed promptly with the carrier. Claims for shortages or damage in transit must be filed by the consignee with the carrier.

GRANT OF SECURITY INTEREST

Purchaser hereby grants ZLI a security interest in all products sold to Purchaser to secure due and punctual payment and performance of all of its obligations to ZLI. Purchaser

authorizes ZLI to execute all financing statements and other documents, and take all other actions, which ZLI shall deem necessary to perfect, protect, continue, or maintain such security interests.

RETURNS

Merchandise returned to ZLI without its prior written authorization will be refused. All returned goods must be accompanied by a Return Goods Authorization ("RGA"). The RGA# must be clearly marked on the freight paperwork or the shipment will be refused. Authorized returns must be sent prepaid; collect shipments will be refused. Requests for an RGA must be made within 90 days of invoice date, and merchandise must be returned within 60 days of issuance of the RGA. All returned merchandise is subject to a minimum service charge of 50%. Repacking and repairs are in addition to freight both ways and any reconditioning charges which may be necessary. All merchandise must be returned in factory sealed cartons and in saleable condition, and only by authorized ZLI carriers. Merchandise authorized for return in writing due to manufacturer's defect or error will be accepted at full credit without a service charge.

Merchandise with an invoice value of \$2,000 or less is not subject to return. Additionally, all special, custom made and modified fixtures, and fixtures with special finishes, are not returnable.

CANCELLATIONS

Cancellation requests must be received in writing and will be considered on a case-by-case basis for approval. All cancellations are subject to a minimum cancellation charge of 25% and/or any costs for labor and material for items that have already been manufactured or material that has been purchased for the order in question. Orders for custom, modified or special fixtures with special finishes cannot be cancelled.

ZLI reserves the right to change these terms and conditions of sale without notice.

Effective: August 1, 2012



ZUMTOBEL LIGHTING, INC. LIMITED WARRANTY -L.E.D. and non-L.E.D. Products

ZLI warrants to purchaser that its products have been carefully manufactured and inspected to be free of defects of workmanship and materials when installed and used as intended. Any abuse or misuse contrary to normal operations shall void this warranty. ZLI at its sole and non-reviewable discretion will (i) repair, or replace, FOB factory, freight prepaid any ZLI product defective in workmanship or materials or (ii) refund the purchase price of the affected fixtures pro-rated over the warranty period. Such repair, replacement or refund is the exclusive remedy against ZLI, and is limited to one year from date of shipment for all non L.E.D. products. For L.E.D. products only, the warranty is five years from the date of shipment. Repair or replacement does not extend the warranty period.

The purchaser must notify ZLI of a warranty claim covered by this limited warranty within thirty (30) days of the date any alleged defect occurred, and such notice must be accompanied by the relevant proof of purchase, including purchase order or corresponding invoice. Any notices to ZLI must be in writing and addressed to the Customer Service Department of ZLI at the U.S. address listed on ZLI's web site, www.zumtobel.com. Notices must be sent by first class mail, or commercial overnight delivery.

ZLI will not accept any charge-backs, nor will any labor or material costs be reimbursed without prior written approval from ZLI. This warranty does not cover ballasts, drivers or lamps if any, installed in the lighting fixture or other components manufactured by third parties. ZLI specifically excludes any liability for any costs of any kind or nature incurred by purchaser due to a defective ballast, driver, lamp or other component manufactured by a third party. Purchaser's sole recourse for defective ballasts, drivers, lamps or other components manufactured by a third party is against such third party manufacturer.

No representative, dealer, or employee is authorized to give any warranty other than as expressed herein unless made in writing and signed by a ZLI officer. This warranty does not apply to products repaired or altered outside the ZLI factory.

Other than as explicitly set forth herein, there are no warranties, express or implied, that apply to this sale, including, without limitation, any warranty of merchantability or of fitness for a particular purpose. To the extent that any implied warranties may nonetheless exist by operation of law, any such warranties are limited to the duration of this warranty. Some States do not allow limitations on how long an implied warranty lasts, so the above limitations may not apply to a particular sale. In the event of any inconsistency between the terms of this limited warranty and any applicable state law, the state law shall govern.

The warranty provided shall apply exclusively on the condition that the products are used in accordance with the given product and application specifications (data sheets) and that they have been installed and placed in service in a proper workmanlike manner (strictly according to the installation instructions enclosed with the product if installation instructions are provided and, if no installation instructions are provided, in accordance with guidelines as specified by ZLI, which guidelines will be provided upon request, and within all applicable guidelines and requirements of any applicable state, local or other building and electrical codes applicable to the installation of lighting fixtures and related lighting products); provided temperature and voltage limits are not exceeded and the product has not been exposed to any mechanical stresses and strains outside the normal, intended purpose. The warranty for electronic control gear shall apply only if the product is installed with lamps that meet the relevant products specifications. The warranty exclusively covers product failures that were caused by proven defects in material, design or production as well as failure rates exceeding the nominal, acceptable failure rate. In case of electronic control gear and/or components such as LEDs, the nominal failure rate is 0.2%/1000 burning hours, unless the nominal service life and nominal failure rate of a gear or of a component are defined otherwise in the product and application specifications (data sheet). The limited warranty is provided only on the condition that the purchaser has registered the installation/building online within ninety (90) days from the invoice date (Registration is made through the company's web site, www.zumtobel.us). THIS WARRANTY IS VOID IF THE DAMAGE TO THE ZUMTOBEL PRODUCT (i) WAS CAUSED BY LIGHTNING OR OTHER ACTS OF GOD OUTSIDE OF ZUMTOBEL'S CONTROL; (ii) RESULTS FROM ANY VOLTAGE EMANATING FROM OUTSIDE OF THE FIXTURE OR ZUMTOBEL PRODUCT IN EXCESS OF THE RATED VOLTAGE or (iii) THE PROPER ESD (electrostatic discharge) PROCEDURES ARE NOT FOLLOWED PRIOR TO HANDLING THE LED BOARD.

ZLI shall have the sole and non-reviewable discretion to determine if a product does, in fact, contain a defect in accordance with the limited warranty. Any and all repair, replacement products or replacement parts may contain new or recycled materials which are equivalent to new products or parts in respect of performance and reliability. The dimensions and the design of the replacement product may deviate to a minor (justifiable) extent from those of the original product. "Recycled materials" are parts of products that have been used or overhauled and are not new. Although such parts or products are not new, they are in a "like new" condition as regards performance and reliability after having been overhauled or repaired. The functionality of any and all replacement products or replacement parts is equivalent to that of the product or part to be replaced. ZLI warrants the replacement products or replacement parts will not have any defects in material or manufacturing



defects for the remaining duration of the applicable warranty period and such replacement products and parts will carry a minimum 90-day warranty.

This warranty does not apply to any ancillary costs incurred in connection with remedying the defects (such as, for instance, the costs of installation and dismantling, transport of the defective and of the repaired and/or new product to or from ZLI; disposal, mileage, travel time, hoisting engines, scaffolding, lost income, business interruption etc.). All such ancillary costs, without limitation, shall be borne by the purchaser making the warranty claim.

This warranty shall expire immediately if the purchaser or a third party makes any changes to or performs any repair work on the products without ZLI's prior written consent or if the product is installed inappropriately or by non-qualified staff. ZLI does not assume any liability in excess of this limited warranty as expressly stated herein. This limited warranty runs in favor only of the actual purchaser of the product from ZLI and may not be assigned to any third party(s) without ZLI's advance, written approval. This limited warranty does not cover polycarbonate or acrylic material used in the Products which may yellow or become brittle over time as yellowing or brittling may naturally occur over time as part of the normal, aging process. Adequate records of operating history, maintenance, and/or testing must be kept by the purchaser and provided to ZLI upon request.

Additional information concerning LED products: LED products, by their nature, are very sensitive to heat. Installation and operation must be within the product guidelines and, if no installation instructions are provided, in a good and workmanlike manner by competent installers. LED products must be installed in applications where ambient temperatures are within the range of specified operating temperatures and are operated within the electrical values shown on the LED driver. Any questions about installation should be directed to ZLI prior to any installation. Unauthorized removal of LED modules will void the warranty. A reduction in luminous flux is normal as long as the relevant value does not fall below 0.6%/1000h burning hours. A luminous flux within that range is considered normal and not a defect. Due to technical progress and changes in the luminous flux of products that is caused by their use, subsequent deliveries of LED light sources may have light properties deviating from those of the original products ZLI warrants that the initial LED Correlated Color Temperature (CCT) at the time of shipment will be within described parameters as stated in the Zumtobel product specification sheet. If the product specification sheet specifies a certain Correlated Color Temperature only and not parameters, ZLI warrants that the CCT will be within 10% of that CCT, or within the range specified on the specification sheet at the time of shipment. ZLI further warrants that the initial luminous flux will be within 10% of the range specified in the specification sheet at the time of shipping. ZLI will not be responsible for any color shift in LED modules installed in ZLI fixtures. Color changes or shifts in LED lighting are a natural consequence of LED lighting and shall not be considered a defect covered by this limited warranty.

LIMITATION OF LIABILITY: Repair, replacement or pro-rated refund of the purchase price of the product is purchaser's exclusive remedy. ZLI shall not be liable for any special, incidental or consequential damages, including, but not limited to, lost revenues, lost profits, loss of use of software, loss or recovery of data, rental of replacement equipment, downtime, damages to property, and third-party claims, arising out of any theory of recovery, including warranty, contract, statutory or tort. Notwithstanding the term of any limited warranty or any warranty implied by law, or in the event that any limited warranty fails of its essential purpose, in no event will ZLI's entire liability exceed the purchase price of this product. Some States do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation may not apply to a particular sale.

This limited warranty shall be governed by New York law as if fully performed in New York and without regard to its conflict of law principles. The parties agree to submit any and all disputes arising out of this limited warranty to binding arbitration within New York City before JAMS before a single arbitrator under the simplified JAMS commercial arbitration rules, or any similar commercial arbitration forum on which the parties agree and such arbitration forum shall be the sole and exclusive venue for resolution of any and all disputes arising out of this limited warranty. The arbitrator shall award the prevailing party its costs of arbitration including reasonable attorney's and expert's fees, arbitration fees and all other reasonable and customary costs of arbitration.

IF THERE IS ANY INCONSISTENCY BETWEEN (I) THE TERMS OF THIS LIMITED WARRANTY AND ZLI'S GENERAL TERMS AND CONDITIONS AND (II) ANY TERMS AND CONDITIONS CONTAINED WITHIN ANY DOCUMENT GENERATED BY THE PURCHASER, THE TERMS OF ZLI'S LIMITED WARRANTY AND ITS GENERAL TERMS AND CONDITIONS SHALL PREVAIL AND SHALL BE THE DETERMINATIVE DOCUMENTS.

Effective: July 1, 2013

The warranty in effect as of the date of acceptance of any order by ZLI will apply to that sale. ZLI, however, reserves the right to change the terms of its limited warranty at any time and any such change(s), once posted on this site, shall apply to any orders accepted by ZLI at the time such change are in effect.