

GENERAL TERMS AND CONDITIONS OF SALE - GTCS

1. Scope: These SCHRÉDER terms and conditions of sale ("Terms") apply to contractual relationships in respect of the sale of products and services (together "Products") by SCHRÉDER S.A. or its affiliated companies including SCHRÉDER Hungary Lighting Equipment PLC. (address: Hungary, 2084 Pilisszentiván, Tópart 2., registration number: 13-10-040784) named below as "SCHRÉDER" to the CUSTOMER ("CUSTOMER"). Variations to these Terms shall be enforceable subject to SCHRÉDER's prior acceptance in writing.

2. Offering and Ordering:

2.1. CUSTOMER's submission of an order ("Order") in response to SCHRÉDER's estimate or quotation ("Offer") constitutes CUSTOMER's unconditional acceptance of these Terms and implies CUSTOMER's renunciation of its own terms and conditions. Each Order responding to an Offer must be duly acknowledged by SCHRÉDER in writing ("Acknowledgment").

2.2. A binding contract ("Contract") requires an Acknowledgment following an Order in response to an Offer to which these Terms apply. Each Offer shall be valid during thirty (30) calendar days from the date it is made, unless otherwise stated in the Offer. Any variation to an Offer shall only be binding when confirmed by SCHRÉDER in writing.

2.3. Any variation or cancellation of a Contract shall be subject to SCHRÉDER's acceptance in writing. In case of variation or cancellation of a Contract by CUSTOMER, SCHRÉDER shall be entitled to the price corresponding to all ordered Products, without prejudice to additional claims, including but not limited to compensation for any ensuing losses.

3. Delivery:

3.1. Unless otherwise specified in writing by SCHRÉDER, delivery of all Products is ruled by the Incoterms 2010®, Ex Works (EXW). The place of delivery may be specified by SCHRÉDER on the Acknowledgment.

3.2. Delivery schedules shall be calculated from the later date of the following: 1) the date on which SCHRÉDER acknowledged the Order or 2) the date on which SCHRÉDER received all the necessary information and/or advanced payment required from CUSTOMER.

3.3. Products are packed according to SCHRÉDER's standards, unless otherwise agreed in the Contract. The Products may be disassembled for packing and shipping convenience. SCHRÉDER may deliver Products in one or more consignments.

3.4. Accomplishment date is the second day after the date of sending the „shipping list notification” to CUSTOMER or the date of physical transportation if it is earlier. SCHRÉDER notifies the CUSTOMER about the accomplishment date in the „shipping list notification”. CUSTOMER has to pick-up & deliver the Product after two working days from „shipping list notification”.

3.5. If the CUSTOMER do not pick-up & deliver the PRODUCT within two working days period, SCHRÉDER stores the Product until eight (8) days for free of charge, after this period the daily charge for storage is 0,2% of the Products total ordered value. If the CUSTOMER do not deliver the Products 45 days after the „shipping list notification”, SCHRÉDER may cancel the Order with an unilateral statement and may sell the Product to other third parties. In this case SCHRÉDER entitled to claim penalty from the CUSTOMER for the price difference and any other interests or costs occurred.

3.6. CUSTOMER bears all risks of loss of or damage to the Products from the date they have been delivered at the place of delivery. Save notification of a complaint in writing within ten (10) business days following the date of delivery, CUSTOMER shall be deemed to have accepted the Products without reservation.

3.7. Title to the Products shall remain with SCHRÉDER until the payment of such Products has been made in full. CUSTOMER undertakes that it will not, without SCHRÉDER's express prior written consent, dispossess itself or otherwise pledge or permit any third party to establish a proprietary interest on the Products before CUSTOMER has paid for the Products in full, including due costs and indemnities. As of the date of delivery, CUSTOMER shall be responsible for setting up appropriate insurance coverage in respect of all risks of damage to the Products or Products loss. CUSTOMER must also indicate SCHRÉDER's interest as owner of the Products on the insurance policy (pending payment in full). CUSTOMER must at all times ensure that the Products are identified as SCHRÉDER Products and that they should not be commingled with other products or made subject to a claim by any third party.

3.8. Should CUSTOMER fail to pay the price at due date, SCHRÉDER may, at any time prior to payment in full, recover the Products at CUSTOMER's expenses. The right of recovery shall be without prejudice to any claim for damage or loss suffered by SCHRÉDER in this regard.

4. Price and Payment:

4.1. Unless otherwise agreed in the Contract, the prices are quoted net, in EUR or in the local currency, and do not include taxes, duties or other levies applicable to the Products. All transportation costs, including incidental travel and attendance, as well as any costs related to specific tests requested by CUSTOMER shall be charged to CUSTOMER. Prices are firm during the validity term of the Offer only.

4.2. Payment shall be made at SCHRÉDER's registered office, net and without discount, onto one of SCHRÉDER's bank accounts mentioned on the invoice. Should invoices be payable against an irrevocable documentary credit, they must be opened prior to SCHRÉDER's Order confirmation and confirmed by a reputable bank, accepted by SCHRÉDER in writing.

4.3. If deliveries are made in instalments, each instalment will be sepa-

rately invoiced and shall be paid for when due. Once the amount indicated on the invoice is credited to SCHRÉDER's bank account, the invoice shall be perceived as paid by CUSTOMER.

4.4. Any disagreement regarding an invoice must be notified to SCHRÉDER in writing within five (5) business days from the date on which the disputed invoice was sent. Without notification, invoices are deemed accepted.

4.5. SCHRÉDER's agents and salesmen are not authorized to collect payments. Unless otherwise agreed in writing, all invoices must be paid within thirty (30) calendar days following the accomplishment date (as referred in point 3.4) indicated on invoice. If the invoice is not paid on its due date, SCHRÉDER may in addition to any other rights and remedies under applicable laws, charge an interest on the outstanding amount at the rate of Hungarian National Bank base rate plus eight percent (8%). Moreover, SCHRÉDER may claim an amount of EUR 40 (or the equivalent in the local currency) for collection costs for any overdue invoice. Without prejudice to any other rights and remedies, non-payment of any overdue invoice entitles SCHRÉDER amongst other measures to: (1) claim immediate payment of all other outstanding invoices; (2) suspend all ongoing Orders and deliveries until the amount due shall have been paid in full, including late interests, costs and indemnities; (3) reclaim possession of the delivered Products at CUSTOMER's costs; (4) require financial guarantees or new payment terms for ongoing Orders; (5) terminate the Contract, without prior notice nor compensation. SCHRÉDER shall then be entitled to an indemnity for breach of Contract which shall at least amount to thirty percent (30%) of the total net price agreed. Any advance or down payments, whatever their value, shall be forfeited to SCHRÉDER.

4.6. In the event of sale or transfer to a company under any form whatsoever of CUSTOMER's business assets, all outstanding amounts shall become immediately due, notwithstanding any previous agreement.

4.7. Mutual debts may be set off by SCHRÉDER, without formality.

4.8. Should CUSTOMER's financial situation have deteriorated whether involving a creditors' voluntary arrangement, seizure of all or part of CUSTOMER's assets, protest of bills, and more generally any modification of its financial situation, SCHRÉDER shall be entitled to require additional financial guarantees from CUSTOMER for the fulfilment of its obligations or to modify payment terms or to suspend delivery until such have been agreed and implemented or to terminate the contract by written notice, without prejudice to SCHRÉDER's rights and without compensation to CUSTOMER.

4.9. SCHRÉDER receivables are covered by Credit Insurance Firm. If the Credit Insurance Firm is not covering the whole Order value, CUSTOMER has to ensure other guarantee (prepayment, bank guarantee, collection liability etc.) to SCHRÉDER. If the Credit Insurance Firm decreased the credit line during SCHRÉDER accomplishment, SCHRÉDER is entitled to:

- a) stop the shipment(s) until the CUSTOMER provides other guarantee (prepayment, bank guarantee, direct debit, etc.) , and/or
- b) or modify payment terms within reasonable limits

5. Warranty:

5.1. The following warranty shall apply to all Products sold to CUSTOMER. Specific warranties applicable to certain SCHRÉDER products (i.e. Owllet, Road & Urban, Tunnel, LED ...) shall overrule this warranty if conflicting therewith.

5.2. SCHRÉDER undertakes for a period of twelve (12) calendar months from the date of delivery of its Products ("Warranty Period") that it will at its sole discretion repair or replace, at its premises or elsewhere, any supplied and paid Product which is defective due to the defective material supplied by SCHRÉDER, provided that CUSTOMER: (a) shall duly notify SCHRÉDER in writing within thirty (30) calendar days after CUSTOMER detected or should have detected the defect and in any case within the Warranty Period of such defect; and (b) shall bear shipping, disassembly, reassembly and other costs of any kind; and (c) satisfies SCHRÉDER that the Products have not been subject to abnormal or unusual use, wilful damage, negligence or used for a purpose which was not stipulated by CUSTOMER in the Order and that the Products have been exposed only to normal wear and tear; and (d) has not carried out or made any third party carry out repairs, replacements, adjustments or alterations on the Products without SCHRÉDER's express prior written agreement; and (e) has installed or procured the installation of the Products strictly in accordance with instructions supplied by SCHRÉDER for that purpose and the defect or fault has not been caused by the careless installation or maintenance of the Products by CUSTOMER or third parties. Should CUSTOMER assemble the control gear itself, it bears exclusive and full responsibility for any electrical problem that may arise; and (f) has not continued the use of the Products after having notified SCHRÉDER of the defect. The replaced Products or parts become SCHRÉDER's property and, if repairs or replacements take place at CUSTOMER's installation, such Products or parts shall be returned to SCHRÉDER at its request, carriage paid within one month of replacement.

5.3. This warranty does not apply to damage or malfunctions in Products delivered by SCHRÉDER which are caused by: (1) a failure in performance, structural defect or functional deficient when SCHRÉDER has complied in full with CUSTOMER's written briefs, drawings or designs ("Specifications") for Products to be supplied by SCHRÉDER, which Specifications subsequently are found to be inadequate, incomplete or defective; or (2) electrical surges or other variations in the electrical supply, or the supply of electricity at a level which exceeds the maximum recommended power supply to enable the Products to perform safely and properly; or (3) corrosion due to an abnormal

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environment or to chemical or other elements extraneous to the manufacturing process (eg: salt) or other natural hazard.

5.4. The warranty shall apply to the replaced Product(s) or part(s) thereof until expiry of the remaining duration of the Warranty Period. LED luminaires shall not be considered defective solely as a result of the failure of individual LED components if the number of inoperable components is less than 10% of the total number of LED components in the LED luminaire.

6. Intellectual property:

6.1. All intellectual property rights of whatever nature (including any copyright rights, systems including software, database rights, patent or design rights whether or not registered), technology and know-how concerning SCHRÉDER's Products shall remain the exclusive property of SCHRÉDER or SCHRÉDER S.A. Subject to the provisions set forth herein, the sale by SCHRÉDER of any Products shall only imply the non-exclusive, non-transferable and non-sub-licensable limited license to CUSTOMER under any SCHRÉDER's intellectual property rights ("IPR") used in the Products to use (only) the Products as sold by SCHRÉDER to CUSTOMER.

6.2. CUSTOMER shall not use the Products for any purpose not expressly authorized by SCHRÉDER. SCHRÉDER shall retain all intellectual property rights in all drafts, studies, drawings, plans, designs, texts, projects, records and documents, in whatever medium or reproduction of all kinds, supplied to CUSTOMER ("Documentation"). CUSTOMER may use the Documentation for internal purposes only and must return the Documentation to SCHRÉDER upon first request. The sale of any Product by SCHRÉDER to CUSTOMER shall not constitute the transfer of ownership, title or rights in software(s) that may be embedded in or delivered with the Product.

6.3. Nothing in these Terms shall be construed as conveying any express or implied license, right or immunity, directly or by implication, estoppel or otherwise, to CUSTOMER under any patent, copyright, trademark or other proprietary/intellectual rights owned or controlled by SCHRÉDER or any third party, except as explicitly granted under these Terms.

6.4. SCHRÉDER assumes no liability for infringement of intellectual property rights of any third party covering any combination of any Products sold by SCHRÉDER with any product, whether or not supplied or sold by SCHRÉDER, or any method or process in which any Product sold by SCHRÉDER may be used.

7. Confidentiality:

7.1. CUSTOMER acknowledges that all technical, commercial and financial data and information belonging to SCHRÉDER ("Confidential Information") which is not already in the public domain at the time it is communicated to CUSTOMER is communicated by SCHRÉDER in strict confidence and remains the property and entitlement of SCHRÉDER. Confidential Information may not be disclosed to a third party without SCHRÉDER's express prior written consent and may not be used for any purpose other than the fulfilling of CUSTOMER's Order.

7.2. CUSTOMER shall indemnify SCHRÉDER against any and all direct, indirect and punitive damages, losses, costs and other liability arising from claims resulting from CUSTOMER's or its own CUSTOMER's breach or non-compliance with this article.

8. Limitation of liability:

8.1. SCHRÉDER shall not be liable to CUSTOMER or any other person for any loss of profits, lost savings, loss of reputation, loss of goodwill, legal fees and expenses, indirect, incidental, punitive, special or consequential damages arising out of or in connection with the sale of any Products by SCHRÉDER or the use thereof, whether or not such damages are based on tort, warranty, contract or any other legal theory – even if SCHRÉDER has been advised, or is aware, of the possibility of such damages. SCHRÉDER shall not be held liable for and shall not indemnify any person against any loss or damage whether such damage is direct or indirect or consequential loss, including without limitation, economic loss, interruption of work, idle assets, loss of use and production, if the damage resulted in all or part due to CUSTOMER's fault, the person incurring damage or a person subject to the authority or under the responsibility of one of these.

8.2. SCHRÉDER's aggregate and cumulative liability towards CUSTOMER, if any, under any contract shall not exceed an amount of ten percent (10%) of the value of the Products sold to CUSTOMER, which in any case shall not exceed an aggregate amount of EUR 500.000 (or the equivalent in the local currency).

9. Suspension and Termination

9.1. Suspension:

9.1.1. Force Majeure: Upon due notice to CUSTOMER in writing, SCHRÉDER may suspend performance of its obligations under a contract in the event of occurrences beyond its control and for which it is not responsible including but not limited to fire, storm, earthquake, national or local government law, decree or regulation, strikes or other industrial action, acts of war, insurrection, or national emergency, unavailability of transport, general lack of supplies, interruption of power supplies, or any other event that can be qualified as event of force majeure. If an event of force majeure prevents fulfilment of CUSTOMER's Order and lasts for three consecutive calendar months, or for a total of three months in a period of six calendar months, either SCHRÉDER or CUSTOMER shall be entitled to cancel all or part of the Order without any obligation whatsoever to the other party.

9.1.2. Import/Export controls: CUSTOMER shall comply with restrictions on certain transactions of SCHRÉDER which are subject to export control laws

and regulations prohibiting export or diversion of products and technology to certain countries. Should delivery of Products be subject to an export or import license or be restricted or prohibited due to export/import control regulations, SCHRÉDER shall be entitled to suspend its obligations until such license is granted or until such restrictions or prohibitions shall be revoked. In addition SCHRÉDER shall be entitled to immediately cancel any Order without incurring any liability towards CUSTOMER.

9.2. Termination: Without prejudice to any rights or remedies, SCHRÉDER may, by written notice to CUSTOMER, terminate with immediate effect any contractual relationship with CUSTOMER, or any part thereof without liability whatsoever, if (a) CUSTOMER violates or breaches any of the provisions of the agreed contract terms and conditions (including these Terms); (b) Any insolvency proceedings, bankruptcy, liquidation, winding up or similar procedures are instituted against CUSTOMER, whether filed or instituted by CUSTOMER, a trustee or receiver is appointed over CUSTOMER, or any assignment is made for the benefit of creditors of CUSTOMER; (c) The control or ownership of CUSTOMER changes; Upon occurrence of any of the events referred above, all payments to be made by CUSTOMER to SCHRÉDER shall become immediately due and payable.

9.3. Sanction(s) or embargo(es): CUSTOMER represents not to be subject to any sanction(s) or embargo(es) which would prevent SCHRÉDER to enter into or pursue the contractual relationship. Should CUSTOMER be or become subject to such sanction(s) or embargo(es), SCHRÉDER shall be entitled to suspend or terminate the contractual relationship forthwith without any notice or indemnification. In such case, CUSTOMER shall be responsible for and indemnify SCHRÉDER for any damages, claims, penalties or other losses that may be asserted against or incurred by SCHRÉDER.

10. General provisions

10.1. References:

CUSTOMER grants SCHRÉDER the right to inform third parties that SCHRÉDER provides or has provided Products to CUSTOMER. In consequence thereof, SCHRÉDER shall be entitled to use CUSTOMER's commercial name(s) or brand(s) or logo(s) in a fair and reasonable manner for self-promotion and advertising, to refer thereto or to take pictures of the installed Products for self-promotion and advertising.

10.2. Description plans and documents, samples:

Information relating to SCHRÉDER's Products contained in SCHRÉDER's catalogues, prospectuses, promotional documents, notices, price lists or displayed on its websites is given for illustrative purposes only and is not binding on SCHRÉDER.

10.3. Anti-bribery:

A CUSTOMER agrees that it shall comply with all applicable laws on prevention of bribery. CUSTOMER's failure to comply with any anti-bribery legislation is a ground for immediate termination of the contractual relationship by SCHRÉDER without SCHRÉDER incurring any liability towards CUSTOMER. In such case, CUSTOMER shall be responsible for and indemnify SCHRÉDER for any damages, claims, penalties or other losses that may be asserted against or incurred by SCHRÉDER.

10.4. Assignment:

CUSTOMER shall not assign either its rights or its obligations arising under any contractual relationship without SCHRÉDER's prior express written consent.

10.5. Interpretation:

If one or more provisions of these Terms is found to be invalid, illegal or unenforceable (in whole or in part), the remainder of the provision and of these Terms shall not be affected and shall continue in full force and effect as if the invalid, illegal or unenforceable provision(s) had never existed. In this case, the Parties shall amend the invalid, illegal or unenforceable provision(s) or any part thereof or agree on a new provision which embodies as closely as possible the purpose of the invalid, illegal or unenforceable provision(s).

10.6. Dispute resolution:

Unless otherwise agreed in writing, all contractual relationships between SCHRÉDER and CUSTOMER shall be governed by the law of the country where the seller has its registered office to the exclusion of the application of the Vienna Convention of April 11, 1980 on international sales. Any dispute shall be submitted exclusively to the commercial courts of the place where SCHRÉDER S.A. or its affiliated company has its registered office or, at SCHRÉDER's sole discretion, of the place where CUSTOMER has its registered office.