

XAL Inc.

General Terms and Conditions of Sale

Effective January 2018

1. SCOPE

The following General Terms and Conditions of Sale apply to and are deemed to be incorporated within all Contracts (i.e. purchase agreements) between XAL Inc., 133 W. 19th Street, 9th Floor NY, New York, 10001 („XAL INC“ or „Seller“) and a buyer („Buyer“) for the sale and the supply of services, equipment, products and materials unless the contrary is expressly and specifically agreed in writing by the Seller. By entering into contract or – if earlier – accepting the delivery of goods the Buyer accepts these terms and conditions and shall be deemed to have withdrawn its own terms and conditions. These terms and conditions constitute the entire agreement between the Seller and the Buyer unless a specific agreement is concluded in writing. 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. Even if acknowledged, variant, opposing or supplementary general business conditions will not become an integral part of the contract, unless their validity is expressly agreed to in writing by XAL INC.

2. CONCLUSION OF CONTRACT

All Seller's quotations are subject to confirmation. Thus, a contract is only concluded when the Seller issues a confirmation of order or makes a delivery after receiving an order from the Buyer. The height of prices of the Seller shall remain valid according to section 3 of these General Sales Terms & Conditions. An order from the Buyer always represents a binding offer. The Seller reserves the right to decline an order, for example upon evaluation of the Buyer's creditworthiness. Buyers' submission of a purchase order shall indicate purchaser's acknowledgment of and agreement to these general terms and conditions. Purchase orders shall be made out to and sent to XAL INC, 133 W. 19th Street, 9th Floor NY, New York, 10001, and shall be deemed accepted only upon issuance of a written acknowledgement of such order by XAL INC. XAL INC agrees to furnish the merchandise covered by its distributor net price list only subject to these Terms and Conditions. XAL INC shall expressly agree with any changes or additions to the order made by the Buyer after the conclusion of the contract and reserves the right to indemnification. The Seller reserves the right to partial or non-performance of a contract with businesses in case of the Seller's incorrect or improper deliveries by suppliers. In this case the Seller undertakes to inform the businesses without delay and any compensation will be reimbursed partially or fully. The Seller shall expressly agree with any changes or additions to the order made by the Buyer after the conclusion of the contract and reserves the right to indemnification. All offers and purchase orders shall only come into force under explicit inclusion of this general terms and conditions.

3. PRICES, QUOTATIONS, TRADE DESCRIPTIONS, SPECIFICATIONS

Unless otherwise indicated, all prices in quotations shall be valid for a period of up to 60 days from the date of quotation and are subject to these Terms and Conditions. XAL INC reserves the right to withdraw or change any quotation at any time for any reason prior to XAL INC's written acknowledgement of any purchase order. Possession of the distributor net price list does not constitute in itself an offer to sell for a current price. All prices quoted shall be exclusive of lamps for those fixtures where lamps are not built-in. XAL INC takes all reasonable precautions to ensure that the price quotations, descriptions, illustrations, and technical data in XAL INC 's catalogues, distributor net price lists, and any of its other publications (collectively, „XAL INC Information“) are correct at the time of printing, but shall not be responsible for any errors or omissions. All XAL INC Information is intended as guidance only and XAL INC reserves the right to change such information at any time. XAL INC creates catalogues on- and offline and any other sales documents, lists and drawings, as well as weights and measurements with the utmost care, but reserves the right to subsequently correct any obvious errors. XAL INC endeavors to correctly ship quantities ordered. It shall be the responsibility of the Buyer to verify quantities against drawings and final verification.

4. PAYMENT TERMS

Unless otherwise agreed in writing, all invoices shall be paid net within 30 days. Unless otherwise expressly agreed in writing, the Seller's prices are given on the basis EXW (INCOTERMS latest version). Contracts or orders may be altered according XAL INC's Credit Department's discretion. XAL INC may at any time alter or suspend credit, refuse shipment, or cancel unfilled orders when, in its sole opinion if the financial conditions of the Buyer or the status of his/her account warrants it. The Buyer agrees to the sending of invoices by electronic means.

5. SHIPMENTS

Freight on individual shipments to a destination within the Continental USA shall be prepaid by XAL INC and billed to Buyer. Freight on shipments made to a destination outside the Continental USA including, but not limited to, Hawaii, Alaska, Puerto Rico, or any foreign country, are prepaid by XAL INC to a Continental USA forwarder's warehouse determined by the Buyer and billed to Buyer and such shipments are the Buyer's responsibility beyond such point (including, without limitation, cost for export packing and handling and customs or taxes and tariffs). The risk passes according to section 7. All shipments are EXW Connecticut, CT. In all events, XAL INC retains the right to select the carrier, method, and route of shipment for which it bears the cost. XAL INC reserves the right to make partial shipments unless otherwise stipulated in Buyer's purchase order. Each such partial shipment will be invoiced by XAL INC at time of shipping and shall be paid by Buyer when due, without regard to subsequent shipments. Delay in any partial shipment shall not relieve Buyer of its obligation to accept the remaining shipments of the order. XAL INC shall have the right to stop delivery at any time and the discretion to terminate any order if Buyer defaults on payment of any shipment after it has become past due for payment. Special methods of shipment such as, but not limited to, overnight courier, any other express delivery, or shipments in any specified manner upon Buyer's request, shall be Buyer's sole responsibility. If XAL INC is notified by Buyer not to deliver merchandise after said merchandise has already been fabricated according to Buyer's order and is ready for shipment, then Buyer shall pay reasonable storage charges until such merchandise is released and accepted by Buyer. If any shipment made in accordance with Buyer's instructions is refused for any reason, then Buyer shall be responsible for payment as if goods were accepted at time of delivery and Buyer shall pay for any re-handling and reshipping charges and all reasonable storage charges as they are incurred.

6. MINIMUM ORDER

Any purchase order of less than USD 100 net value shall be subject to a minimum billing of USD 100.

7. TITLE, RISK OF LOSE, AND DELAYED SHIPMENTS

Regardless of the shipping arrangements made, title and risk of loss to the products shall pass to Buyer at XAL INC's location in Oxford, CT (EXW).

Any delivery dates quoted are given and intended as estimates only and XAL INC shall not be liable for any loss or damage resulting from delayed shipments on a later date than the date quoted.

8. WARRANTY, DISCLAIMER AND REMEDLES

XAL INC warrants for a period of 24 months from the shipment date ("Warranty Period") that the products are free from any manufacturing defects so long as the same are utilized in accordance with the final specifications. Lamps are expressly excluded from this warranty. Color point shift that takes place over the product life is to be considered as normal wear and expressly excluded from this warranty. Ballasts, transformers and dimmers are warranted separately by their respective manufacturers and only to the extent of their individual warranty.

IT IS EXPRESSLY UNDERSTOOD THAT XAL INC MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS. SPECIFICALLY, XAL INC MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE APPLICATION OR USE OF THE PRODUCTS FOR A PARTICULAR PURPOSE. INSTALLATION OR SERVICE BY A NON-LICENSED ELECTRICAL CONTRACTOR, REPAIRS OR ALTERATIONS OUTSIDE OF XAL INC'S FACTORY, ABUSE, NEGLIGENCE OR ACCIDENT AS WELL AS ANY OTHER IMPROPER INSTALLATION, APPLICATION OR USAGE OR THE USE CONTRARY TO XAL INC'S PRINTED INSTRUCTIONS, IF ANY, OF ANY PRODUCT OR PARTS OF PRODUCTS VOIDS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED.

Any manufacturing defect shall be proven and notified in writing to XAL INC. Defective products must be returned to XAL INC, 150 Hawley Road, Oxford, CT, during the Warranty Period. The Buyer shall grant XAL INC the possibility to supplementary performance and shall give XAL INC notice within an appropriate period of time for supplementary performance. XAL INC may, at its option, repair the defective products or replace such with conforming products of like size and quantity and in conformity with the specifications as set forth on the purchase order. Repaired products or new replacement products will be shipped to Buyer in accordance with the shipment provisions contained, herein.

The cost of shipment is to be borne by the buyer. In case the goods are established as defective, the seller will reimburse the buyer accordingly.

9. LIABILITY

XAL INC'S LIABILITY TO BUYER SHALL IN NO EVENT EXCEED 100% OF THE AMOUNT HAVING BEEN ACTUALLY PAID TO XAL INC WITH RESPECT TO THE SUBJECT PRODUCT. BUYER ACKNOWLEDGES AND AGREES THAT XAL INC SHALL IN NO EVENT BE LIABLE TO BUYER OR ANY THIRD PARTY FOR, AND BUYER HEREBY WAIVES ANY RIGHT TO CLAIM, ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, EXPENSES, LOST PROFITS, LOST SAVINGS OR OTHER DAMAGES ARISING OUT OF THE USE OR INTENDED USE OR OTHERWISE IN CONNECTION WITH THE PRODUCTS.

10. COPYRIGHT

All trademarks, drawings, descriptions, and other information issued by XAL INC shall remain the property of XAL INC together with the copyright and patents therein.

11. CANCELLATIONS AND RETURNS

Merchandise may not be cancelled or returned without written authorization from XAL INC. XAL INC reserves the right to charge for costs involved in accepting any such cancellation or return. Custom products (manufactured to special nonstandard design), or any products that have been installed may not be cancelled or returned at any time or under any circumstances. Any request to return products must be submitted to XAL INC in writing within 60 calendar days of shipment from our factory. Any such request must be approved by our Aftersales Department. Approved returns are subject to a written Returned Goods Authorization (R.G.A.) issued by XAL INC. This R.G.A. number provided to you must be written on the outside of each package sent to our factory in Oxford, CT. Products shall be returned within 30 calendar days from issuance of the R.G.A., if any, shipping charges are paid by the Buyer, to XAL INC's location in Oxford, CT, in the original, unopened packing. All returns are subject to inspection. A restocking charge of 30% up to 100% of invoice value shall be incurred upon receipt of product, shipping charges incurred by the buyer for the original shipment to the buyers locations are non-refundable. 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 30% 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.

12. INDEMNIFICATION

Buyer hereby indemnifies and holds harmless XAL INC, its directors, officers, employees, agents and its affiliates and their respective directors, officers, employees, and agents from and against any and all injuries, damages, costs, losses, penalties, demands, claims, actions, causes of action, judgments, assessments, obligations, liabilities, and expenses, including, without limitation, attorneys' fees, which in any way arise out of, or by reason of, or are claimed to arise out of, or by reason of, the use or misuse of the products hereunder, excepting only such injuries, damages, costs, losses, penalties, demands, claims, actions, causes of action, judgments, assessments, obligations, liabilities, and expenses which have been demonstrated and proven to be resulting from the sole gross negligence or willful misconduct of XAL INC. The intent hereof is that the Buyer shall indemnify and hold harmless XAL INC, its directors, officers, employees, agents and its affiliates and their respective directors, officers, employees, and agents to the maximum extent permitted by law. Buyer shall pay XAL INC's expenses, including, without limitation, reasonable attorneys' fees, incurred as a result of Buyer's default in the performance of any of the Buyer's obligations hereunder.

13. FORCE MAJEURE

XAL INC shall not be responsible or liable for any delay or failure to deliver any of the products if such delay or failure results directly or indirectly from any act of God, war, riot, insurrection, embargoes, acts of civil or military authorities, fires, floods, explosions, accidents, strikes, lockouts, differences with workmen, delays in transportation, shortage of fuel, labor or materials, delays of suppliers, capacity shortages, infringement claims that cannot be resolved or can only be resolved through the payment of royalties or incurrence of other monetary obligations by XAL INC, governmental restrictions, prohibitions or allocations (including any statute, ordinance, regulation, or order of any governmental body), or any other cause beyond the reasonable control of XAL INC. Any such event or circumstance shall release XAL INC without penalty from performance, in whole or in part, of its obligations hereunder.

14. APPLICABLE LAW

The validity, interpretation, and legal effect of these Terms and Conditions shall be governed and construed in all respects by the laws of the State of New York, without regard to the conflict of law's provisions thereof. The CISG is expressly excluded.

15. ARBITRATION

Any controversy or claim arising out of or relating to these Terms and Conditions or the validity or breach hereof, shall be settled by arbitration in New York, NY, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment upon the award rendered may be entered in any court of competent jurisdiction.

16. SEVERABILITY

In the event that any provision of these Terms and Conditions shall be found to lack validity or become void, the remaining provisions hereof shall remain in force. XAL INC reserves the right to make any changes as it deems suitable

XAL INC reserves the right to change and modify this General Terms and Conditions without prior notice.