TERMS & CONDITIONS

GENERAL
All sales by SPI Lighting Inc. (SPI) are made subject to the following terms and conditions of sale. SPI objects to any additional or different terms contained in any purchase order or communication previously or hereafter provided by Buyer to SPI. No such additional or different terms will be of any force or effect. Buyer's placement of any order for goods to be provided by SPI constitutes Buyer's unconditional acceptance of the following terms as the entire agreement between Buyer and SPI with respect to the purchase and sale of such goods. The following terms and conditions, and any contract for sale of goods by SPI shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to principles of conflicts of laws.

ORDERS
All orders are subject to acceptance by SPI at its office in Mequon, Wisconsin. Buyer's order is accepted only on the terms and conditions contained herein and the provisions of any purchase order or other writing inconsistent herewith shall not constitute a part of the sales contract. No modifications of any term or condition will be valid or binding upon SPI unless approved by SPI in writing.

ORDER CANCELLATIONS
No order may be cancelled or altered by Buyer except upon terms and conditions acceptable to SPI. Verbal order cancellations will not be accepted. Custom made equipment and "Specials" may not be cancelled after release of the order. Released standard and modified equipment will be subject to a cancellation charge based on materials ordered, engineering time, submittal drawings, work performed and administrative expenses at no less than 40% of the order value. All costs for warehousing and freight on orders cancelled after shipment and/or refused at destination will be charged to the Buyer.

DELIVERY
All orders will be shipped freight prepaid, subject to the current SPI Lighting Freight Charge schedule. Title and risk of loss or damage in transit shall pass to Buyer upon delivery of goods to carrier at SPI's premise (F.O.B. shipping point).

Before accepting shipment, inspect carefully for evidence of damage and shortage. If either is found, refuse to accept the shipment until the carrier's agent or representative states in writing on the freight bills the extent of the damage or shortage. If discovery of the damage or shortage is made after you have received the goods, stop unpacking and notify the carrier's agent or representative immediately. Verify your claim with the carrier's agent or representative. All claims for damages, shortages or other errors must be made in writing to SPI immediately after receipt of shipment. Failure to give such notice shall constitute Buyer's unqualified acceptance and waiver of all such claims.

RETURNS
Due to the build to order nature of SPI's products, product returns cannot be accepted. Please contact SPI Sales staff for further clarification should circumstances warrant. Returns for defective material pursuant to SPI's warranty (see Warranty and Obligations) may be made only after prior written authorization from SPI. Authorized returns must be made in accordance with the terms of any such authorization. Unauthorized returns of defective material may be returned to Buyer freight collect.

PAYMENT
General payment terms to qualifying accounts are net 30 days. Qualification of accounts is at SPI's sole discretion. Unless otherwise provided, full payment is due within 30 days after the date of the invoice. A 1.5% per month service charge will be added to past due accounts.

PATENT INDEMNITY
(i) In the event any Product not made by another or not made to Buyer's specifications is claimed to infringe any United States patent, copyright, trademark or other trade designation, trade secret, or other intellectual property right in effect in the United States at the time Buyer's order is accepted, SPI Lighting Inc. agrees, at its option: (1) to procure for Buyer the right to use the Product; or (2) to modify or replace the Product so as to avoid infringement, or (3) to accept redelivery of the Product and reimburse Buyer for the purchase price and any reasonable transportation expenses incurred by Buyer. Should any litigation be instituted against Buyer based on a claim that any Product in the condition received from SPI so infringes, SPI will undertake the defense on Buyer's behalf and pay any damages and costs awarded therein against Buyer, provided SPI is given prompt written notice and is furnished with copies of all demands, process and pleadings; and provided Buyer cooperates fully in giving SPI authority, information and assistance at SPI's expense for such defense, as well as control over the defense and any settlement and negotiations with regard to settlement.

(ii) The foregoing represents SPI Lighting Inc.'s entire and exclusive obligation with respect to any charge of infringement of any intellectual property right and is in lieu of any statutory warranty relating to infringement. SPI will have no responsibility insofar as any Product is made by another, is modified by Buyer, or is made or modified by SPI in accordance with Buyer's order, and Buyer will indemnify, defend and hold SPI harmless against all damages, costs or expenses, including attorneys' fees, paid or incurred by SPI in connection with any claim of infringement of a patent, copyright or trademark, trade secret, or other proprietary right which arises out of SPI's compliance with Buyer's specifications. SPI will also have no responsibility with regard to any settlement, admission or promise made by Buyer without SPI's prior written consent, nor will SPI be liable for any indirect, special or consequential damages of any nature whatsoever, including lost profits, claimed to have been sustained by Buyer or any user of Product arising out of any claim of infringement.

(iii) SPI Lighting Inc. may be entitled to indemnification from certain of its suppliers, and the rights and options vested in SPI will extend to such suppliers and may be exercised by them.

WARRANTY AND OBLIGATIONS
(i) SPI Lighting Inc.'s exclusive warranty to the Buyer for resale is that its products are free from defective material and workmanship. SPI's obligation is expressly limited to repair or replacement at its option, without charge, at SPI's factory within a period of one year (5 years on LEDs, the failure of individual LED diodes must exceed 10% of total number of diodes for a product to be considered defective.) from the date of shipment and only after prior written return authorization has been granted. This warranty does not apply to products that have been altered, repaired or installed in other products outside of SPI's factory. SPI Lighting does not manufacture ballasts, photoelectric controls or lamps. SPI Lighting's warranty does not apply to any of these items nor does it apply to any other component part or accessory manufactured by another manufacturer. Any warranty regarding such components is made by the manufacturer of the components, and customer shall direct all claims to the component manufacturer. This warranty is in lieu of all other warranties, express or implied, and excludes any implied warranty of merchantability or fitness for a particular purpose. There are no warranties that extend beyond the description of the product in the Company's literature.

(ii) The Company's liability on any claim of any kind whatsoever, including any warranty claim and/or negligence claim, for any loss or damage arising out of, connected with, or resulting from this contract, or from the performance or breach thereof, or from the repair, maintenance, modification or use of any merchandise covered by or furnished under this contract, including the supply of any replacement parts, shall in no case exceed the total amount of the contract price. In no event shall the Company be liable for special, indirect or consequential damages.

(iii) All claims, actions or proceedings, legal or equitable, against SPI Lighting Inc. must be commenced in court within one (1) year after the cause of action has accrued or the act, omission or event occurred from which the claim, action or proceeding arises, whichever is earlier, without judicial extension of time, or said claim, action or proceeding is barred, time being of the essence of this paragraph.

SPI Lighting Inc. further reserves the right under special conditions to make field repairs or alterations if it is determined that said action could benefit either party.

The validity, construction and enforcement of this agreement will be governed by and interpreted under the laws of the State of Wisconsin, but without giving effect to its conflict of laws provisions.

PRICING
"Immediate release" orders will be invoiced at prices in effect on the date order is received by SPI unless otherwise covered by a specific, written quotation. Pricing on "hold for release" orders and outstanding quotations will be honored for 90 days. Any orders or quotations extending past 90 days will be subject to negotiation at time of release. Prices are subject to change without notice.

DESIGN DETAILS
As a result of product improvement, construction or design details described herein are subject to change.

SPECIALS
All specials involving finish or housing configurations will be quoted upon request.

END OF LIFE POLICY – SOLID STATE LIGHTING
SPI is dedicated to continually updating solid state lighting products as technology changes. This may be due to advances in technology, competitive pressure or other strategic reasons. To better service our customers, SPI has established an End of Life Policy (EOL) for Solid State Lighting products. To help with this, SPI has a date code and lot code on all LED boards.

When a product has reached its EOL, SPI will:
- Post a notification on corporate website of the changes and substitutions, 6 months prior to implementation if possible.
- Inventory replacement parts, if applicable.
- Document the last customer ship date.
- Provide technical and implementation assistance to accommodate requests for products that have previously reached EOL.
- Revise this policy as required.