

PRECIOSA General Terms and Conditions

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1.0 General Provisions

By ordering the goods or by taking delivery of the goods from PRECIOSA¹ the Buyer confirms acceptance of these General Terms and Conditions (hereinafter referred to as "GTC"). GTC represent a complete mutual agreement between the PRECIOSA and the Buyer.

GTC take precedence over the other or different conditions of the Buyer, which are hereby rejected. All express agreements between the parties remain unchanged and shall prevail over GTC.

¹ The term PRECIOSA includes PRECIOSA, a.s., PRECIOSA BEAUTY, s.r.o., PRECIOSA-LUSTRY, a.s., PRECIOSA ORNELA, a.s. and companies belonging together with them in one financial holding group of mutually related entities that deal with the products of these companies (including therefore the company PRECIOSA International (HK) Limited, based in Hong Kong, PRECIOSA Gulf FZCO based in the UAE and PRECIOSA CENTR, A.O. based in Russia).

2.0 Ordering

2.1 Any offers from PRECIOSA are non-binding. PRECIOSA may at any time change the specification of its products and the range of goods.

2.2 The Buyer orders goods by any means of written communication, including e-mail, fax, letter or Internet communication, allowing clear identification of the Buyer. Regardless of the method of communication used when ordering goods, the order shall become binding (purchase agreement for the supply of goods is concluded) after PRECIOSA confirms in writing the Buyer's order (Order Confirmation), or (if no written Order Confirmation is made) at the moment of delivery of the goods ordered.

2.3 Characteristics of the sample (such as colour, condition and size) listed in catalogues, brochures, sample cards, etc., are only binding if they are expressly mentioned in the Order Confirmation. In any case, however, the deviations caused by the manufacturing process, such as in colours, size, weight, and product quality that meet the common quality standard and are generally accepted for this type of mass-produced product are acceptable.

2.4 An order confirmed by PRECIOSA may not be changed or cancelled by the Buyer unless approved in writing by PRECIOSA.

2.5 PRECIOSA may reject acceptance of any order.

3.0 Packaging

3.1 Ordered goods will be delivered in the appropriate packaging so as to avoid the risk of damage to goods during transportation to the place of destination.

3.2 Unless the packaging is specifically agreed upon, it shall be chosen by PRECIOSA.

4.0 Prices

- 4.1 Prices will be charged according to the price list of PRECIOSA.
- 4.2 The prices are to be understood as prices EX WORKS (named place) in accordance with INCOTERMS 2010, unless otherwise agreed.
- 4.3 PRECIOSA reserves the right and privilege to invoice the price of the goods according to the prices in force at the time of dispatch of goods, i.e. orders that were confirmed may be charged at new rates if prices change at the time between the Order Confirmation and the invoice issuance date, unless otherwise agreed.

5.0 Delivery

- 5.1 Deliveries will be made EX WORKS (named place) in accordance with INCOTERMS 2010. The delivery date is subject to an availability schedule. The deadline for delivery is specified in the Order Confirmation, but it is only a non-binding informative deadline subject to availability. PRECIOSA is not responsible for not meeting the delivery deadline.
- 5.2 Partial deliveries are permitted and may be billed. Transport insurance and any customs fees are governed by INCOTERMS 2010.
- 5.3 If the Buyer does not accept or returns the goods without acceptable reasons, the Buyer shall pay all costs associated with transportation, transport insurance and customs fees.

6.0 Terms of Payment

- 6.1 Payment shall be deemed to have been made if the full amount payable to PRECIOSA is credited to PRECIOSA. The Buyer shall make payment in accordance with written instructions by PRECIOSA, either directly to PRECIOSA, or to the bank account designated by Preciosa.
- 6.2 If invoices are not paid on time, PRECIOSA has the right to charge the Buyer default interest of 10% p.a., which is applied to the period from the invoice due date until the date of actual payment. No requirement of the Buyer extends the maturity date.
- 6.3 In case of a late payment PRECIOSA has the right at its sole discretion to defer or cancel any further deliveries without this step being considered a breach of contract.
- 6.4 The Buyer may not at its counterclaim withhold any payment of the purchase price, or a part thereof. The Buyer shall not deduct its counterclaim amount from the purchase price without the express consent of PRECIOSA.
- 6.5 The Buyer may assign the rights and obligations towards PRECIOSA only with the written consent of PRECIOSA.

7.0 Retention of Title

- 7.1 PRECIOSA retains title to all supplied goods until all payments for goods are made. The Buyer shall store such goods separately from other goods.

7.2 Notwithstanding the foregoing provisions, the risk of damage to the goods shall pass to the Buyer upon delivery of the goods.

7.3 The Buyer is entitled under normal business circumstances to sell the goods. The Buyer shall retain any revenues resulting from the sale separately from their other funds for the benefit of PRECIOSA until all payments for goods are made.

8.0 Licences and Permits

8.1 When any licence or another authorization from government authorities is required to initiate or maintain a business relationship, the party which has its registered seat in a state that requires them shall arrange for licenses or permits unless local laws provide otherwise. If the party obliged to arrange this fails to meet this requirement, the other party shall have the right to withdraw from the contract and claim compensation for the full amount of damages sustained in connection with the failure to meet this obligation.

9.0 Complaints and Warranty

9.1 PRECIOSA shall check prior to shipment of goods that all the goods to be delivered to the Buyer are free of defects.

9.2 The Buyer is obliged to check carefully immediately after receiving the goods whether the goods have obvious quality defects, or whether or not the delivery conflicts with the order (quantitative defects).

9.3 Any complaints for obvious qualitative or quantitative defects must be submitted to PRECIOSA within 14 days of receipt of goods. Complaints made after 14 days from receipt of goods can be rejected by PRECIOSA.

9.4 The warranty period for the hidden qualitative defects lasts 12 months from the date of delivery of goods unless local laws provide otherwise. Complaints for hidden qualitative defects of the goods must be exercised without undue delay after the defect is discovered, but no later than by the end of the warranty period.

9.5 This warranty does not apply to small deviations from the product specifications.

9.6 The warranty also does not apply to products which, in the opinion of PRECIOSA, were subjected to normal wear, abuse, alteration or attempted repair, neglect, misuse or accidents. The warranty does not cover parts subject to wear, such as batteries, lamps, etc.

9.7 Complaints must be presented in person or in writing (e-mail, fax or letter) and must be supported by a detailed description and relevant documents. If defects of goods are alleged, the Buyer shall include at the request of PRECIOSA the defective goods in their original packaging or along with the original packaging.

9.8 If complaints for qualitative defects of the goods are put forward and are well supported and recognized by PRECIOSA, then PRECIOSA after an agreement with the Buyer (or if no such agreement is made then at its own discretion) shall either repair the goods or replace them with non-defective goods or shall provide the Buyer with a reasonable discount or complete refund in exchange for the faulty goods. If PRECIOSA approves returning of the goods, such goods will only be accepted if they are returned in the original packaging or along with the original packaging.

9.9 If a complaint regarding missing goods is put forward and PRECIOSA recognizes it, it may based on its own choice either deliver the goods or issue a credit note crediting the Buyer.

9.10 PRECIOSA makes no other warranties and assumes no other obligations, unless expressly agreed in the contract.

9.11 All warranties apply only to the Buyer. The Buyer shall not transfer such warranties or provide warranties on behalf of PRECIOSA to third parties. However, the Buyer can itself provide warranties to its customers.

10.0 Liability and Damages

10.1 Liability of PRECIOSA is limited to direct damage to goods as such, and unless otherwise agreed in writing, and in no event will it exceed the amount paid to PRECIOSA for the goods.

10.2 PRECIOSA shall never be liable for indirect, incidental, extraordinary, consequential or other related damage if the liability is not expressly provided for by law for cases of intentional or reckless conduct and/or gross negligence. In this case, the Buyer shall bear the burden of proof. Unauthorized modification, disregarding of provided instructions and information given or disregarding the normal use of the product and/or other improper use of the goods shall deprive PRECIOSA of any liability.

10.3 PRECIOSA assumes no liability in connection with the further processing, respectively further use of PRECIOSA products.

10.4 Product specifications and technical instructions are given according to our best knowledge. These specifications and instructions do not relieve the Buyer of the obligation to carry out its own tests of the proposed techniques and tests of suitability of products for the intended application. Using the proposed techniques, as well as the application, use and processing of goods are the sole responsibility of the Buyer, and the Buyer shall defend, indemnify and hold harmless PRECIOSA against any and all claims of third parties based on liability for damage caused by the product, or otherwise associated with the use of goods purchased by the Buyer and waives all its claims

11.0 Force Majeure

11.1 In the event of circumstances that could not be foreseen at the time when the parties entered into the Contract and which obstruct the fulfilment of contractual obligations by PRECIOSA, PRECIOSA shall have the right to postpone the fulfilment of obligations until normal commercial conditions are restored.

11.2 Only those events that PRECIOSA could not prevent or avert, such as war, revolution, strikes, natural disasters, actions of state authorities, delays in transport or customs formalities and lack or loss of energy and materials that were not caused by PRECIOSA shall be considered cases of force majeure.

12.0 Intellectual Property Rights

12.1 PRECIOSA is the owner of registered verbal and combined trademarks of PRECIOSA in the Czech Republic and in other countries.

- 12.2 The Buyer is only entitled to use the trademark on PRECIOSA products and PRECIOSA products packaging for the purpose of identifying those products.
- 12.3 The Buyer also has the right, with the written consent of PRECIOSA, to mark a display cabinet or another exhibition place in which exclusively PRECIOSA products are offered for sale with PRECIOSA trademarks.
- 12.4 Any other use of trademarks, logos and other intellectual property rights owned by PRECIOSA, especially in connection with products, services, trademarks, logos and other intellectual property rights of the Buyer or third parties is prohibited.
- 12.5 The use of any intellectual property rights of PRECIOSA in publications, regardless of the type of media, is subject to the prior consent of PRECIOSA. Without written permission, such publication is prohibited.
- 12.6 Any technical documentation, plans, drawings, models, brochures, catalogues, etc. shall remain the intellectual property of PRECIOSA. They are protected by legal provisions against copying, imitating, as well as acts of unfair competition. By adopting these materials, the Buyer undertakes to protect the confidentiality of information and not to use these materials for purposes other than those for which they were provided.
- 12.7 The Buyer may not make any changes to the PRECIOSA products, promotional materials, or packaging.
- 12.8 The Buyer undertakes to oblige its customers and dealers (except for the final customers) to comply with these rules regarding treatment of the intellectual property of PRECIOSA.
- 12.9 PRECIOSA shall not be liable for infringement of intellectual property rights of third parties, if it occurs in connection with products manufactured or put into operation on the basis of drawings, designs, models, specifications or other production documents generated by the Buyer. Buyer must defend, indemnify and hold harmless PRECIOSA against any and all third-party claims based on intellectual property rights, or otherwise related to the use of PRECIOSA products purchased by the Buyer and waives all of its claims.
- 12.10 Wider use of trade marks, logos and other intellectual property of PRECIOSA is permitted for the Buyers who receive authorization from PRECIOSA and become its Authorized Distributors.
- 12.11 Authorization entitles the Authorized Distributor to free use of the PRECIOSA brand and trademarks for the purpose of marketing activities to promote sales of PRECIOSA products according to the General Conditions for Authorized Distributors.

13.0 Data Protection

- 13.1 The Buyer agrees to the electronic storage and processing of data required for business transactions to be internally used by PRECIOSA in accordance with valid data protection regulations.

14.0 Special Conditions for Supplies of PRECIOSA CRYSTAL COMPONENTS

14.1 PRECIOSA explicitly states that not all colours are available for each item in the product catalogue. The scope of the product catalogue is authoritatively described in the current version of the Complete Product Catalogue "PRECIOSA CRYSTAL COMPONENTS".

14.2 For items that are not normally supplied according to the product catalogue and must first be made, the minimum order quantity per item and size applies. This applies for each order item (i.e. including for each colour).

14.3 It should also be noted that there are items that are available only in colour coatings. With the exception of Aurora Borealis (AB) it is possible to supply up to 20% smaller or larger quantities with respect to all orders of coatings. This also applies to products of special production (shape, colour, size, coating).

14.4 An integral part of the current GTC pertaining to complaints regarding PRECIOSA CRYSTAL COMPONENTS is the "Warranty Terms and Conditions", which specify the rights and obligations of the Buyer and PRECIOSA and describes in detail the principles and procedures for how the complaint regarding PRECIOSA CRYSTAL COMPONENTS will be handled. In case of complaints concerning PRECIOSA CRYSTAL COMPONENTS, the provisions contained in the Warranty Terms and Conditions shall have precedence over the provisions in the GTC.

14.5 PRECIOSA's defect liability does not especially apply to any damage of PRECIOSA CRYSTAL COMPONENTS caused by fire, water, storage or operation of the Goods in insufficiently insulated premises where water or condensing humidity can access, and further by storage or operation outside the temperatures between 0°C up to 40°C, further to damage caused by intervention of a third person without prior consent of the seller, or by intervention inconsistent with directions for use, negligent behaviour of third parties, unprofessional manipulation by the Buyer or a third person, by failure to follow the procedure set forth in the application manual.

15.0 Special Conditions for Supplies of Project Luminaires

15.1. Where any Goods delivered on the basis of shop drawing confirmed by a customer are concerned, such goods will be delivered in compliance with this shop drawing; any changes requested by a customer will be charged additionally above the limit of the set purchase price.

15.2. Where any Goods that need installation are concerned, the Buyer is obligated to follow the instructions given by PRECIOSA in an attached installation manual. In case such installation is a part of the delivery, the Buyer is obligated to:

- 1) ensure scaffolding suitable for installation of the Work at its own costs;
- 2) hand over the site to PRECIOSA in a condition that is suitable for installation, i.e. clean, without dust or any other impurities, and with a sufficient space for erection of such scaffolding. The Buyer shall prevent unauthorized persons from accessing the place of installation for the purpose of securing safety and protection of property; PRECIOSA shall not be liable for any damage occurred to or injury suffered by unauthorized persons due to their presence at the place of installation;
- 3) stop any other works that might limit installation of the Work at the site. If a delay of installation occurs due to other works being carried out at the site or due to failure to comply with the term when such installation should commence, the term of performance shall be prolonged by the number of days corresponding with the number of days of such delay without entitlement to contractual penalties.

Moreover, the Buyer shall pay extra costs relating to useless presence of PRECIOSA´s installers at the installation place including their transport to the place of delivery. The Buyer shall confirm readiness of the site (date of installation) one week before at the latest;

4) provide the site with suspension fixtures corresponding with individual characteristics of individual lights. Further, the Buyer is obligated to ensure connection of such lights to the electric network by a person that disposes of authorizations complying with the legal order of the given country or other international regulations;

5) ensure and pay corresponding accommodation for PRECIOSA´s installers;

6) ensure for PRECIOSA´s installers any visas corresponding to local legislation and access of PRECIOSA´s installers to the site;

7) any extra works relating to any additional modifications of a light above framework of the approved documentation, e.g. extension or shortening of suspension parts of such lights, minor modifications of decorative parts, changes of electric installations, etc. will be charged to the Buyer additionally;

8) The Buyer shall ensure all local permits for installers that will authorize them to access the place of installation.

15.3. The Buyer agrees to undertake any cost (bank, money transfer, insurance) that may arise out of the Czech Republic for the payments that may be already or yet to be done.

15.4. PRECIOSA´s defect liability does not especially apply to any damage caused by fire, water, storage or operation of the Goods in insufficiently insulated premises where water or condensing humidity can access, and further by storage or operation outside the temperatures between -20°C up to 45°C, further to damage caused by intervention of a third parson without prior consent of the seller, or by intervention inconsistent with directions for use, technical standards or safety regulations, negligent behaviour of third parties, unprofessional manipulation by the Buyer or a third person, by intervention to fixing or securing elements of the light, by failure to follow the procedure set forth in the installation manual, and also to damage of the product by excessive or insufficient power in the electric distribution network, or by operating at incorrect feeding voltage, or by connecting to forbidden sources of power.

16.0 Final Provisions

PRECIOSA reserves the right to change these GTC at any time at its sole discretion.

All contracts entered into between PRECIOSA and the Buyer shall be governed by Czech law. Application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded. The Contracting Parties undertake to try to reach an amicable settlement of disputes arising from this contractual relationship. If an amicable settlement can not be reached, all disputes arising out of contracts entered into between PRECIOSA and the Buyer and in connection with them shall be decided finally by the Arbitration Court attached to the Czech Chamber of Commerce and the Agricultural Chamber of the Czech Republic according to its rules by one arbitrator appointed by the president of the arbitration court. The Parties declare that the decisions reached by the arbitration court will be recognized by both parties as final and binding.

If any point of these GTC is not completely clear, do not hesitate to contact us.