

Strand Selecon Lighting Europe General Conditions of Sale, Delivery and Payment

Article 1 - definitions

In these General Conditions "the Company" shall be taken to mean Strand Selecon Lighting Europe; a Division of Philips Lighting B.V., established in Enschede, the Netherlands.

In these General Conditions the "Principal" shall also be taken to mean the person to whom an offer from the Company is addressed.

In these General Conditions the "goods" shall also be taken to mean all work and services connected with the delivery of goods.

Article 2 - offers

1. All offers from the Company shall be without obligation and shall be based on details, documents, drawings etc. provided by or on behalf of the Principal, unless the contrary is explicitly stated in writing in the offer.

2. All offers from the Company shall be valid for a period of 30 days, unless the contrary is explicitly stated in writing in the offer.

Article 3 - agreement

1. An agreement, which in this article shall also be taken to mean changes and/or additions thereto, shall only be binding if this has been formed in writing.

An agreement shall be formed in writing at the moment of signature of the contract by the Company and the Principal, or on the day of receipt by the Company of the order confirmation of the Company signed by the Principal.

Oral promises from and agreements with subordinates of the Company shall not be binding on the Company.

2. The contract or the order confirmation which has been signed for agreement shall show the contents of the agreement formed between the parties in a correct and complete manner.

3. In the performance of the agreement slight deviations with customary tolerances shall be permissible.

4. Unilateral cancellation on the side of the Principal shall not be valid, unless the Company declares in writing that it agrees with such a cancellation.

Article 4 - notices, details and statements

The notices, details (including drawings and depictions) and statements made or given by the Company, in whatever form and of whatever nature, shall be without obligation and shall never be binding upon the Company, unless the contrary is expressly determined in the agreement.

Article 5 - ownership of the offer, documents, models etc.

1. The Company shall at all times remain the owner of/party entitled to the offer, the notices, details and statements referred to in article 4, and also models, tools etc. provided by the Company within the framework of the offer, even if costs have been charged therefore. The Company shall be deemed to be the sole designer or the sole maker thereof. The Principal shall return these objects to the Company upon the first request of the Company.

2. The Principal shall be obliged to maintain secrecy towards third parties in respect of all objects mentioned in this article, as well as in respect of business information and know-how in the widest sense of the word which originates from the Company and which has been brought to its attention by the Company within the framework of the offer or the agreement.

Article 6 - prices

1. The prices quoted and/or agreed upon by the Company shall be in Euros or Sterling, unless express agreement to the contrary is made. They shall not include taxes - including value added tax (BTW) - and levies.

2. The prices for deliveries of goods are based on delivery Ex Works (EXW).

3. The Company shall have the right to increase prices which have been quoted and/or agreed upon in the event of an increase in the prices of goods which are to be obtained from third parties, raw materials and parts, wages, social insurance costs, transport costs, insurance premiums, costs imposed by or on behalf of (semi) governmental bodies (including import or transit duties), or other cost price components (including currency changes) and costs.

Article 7 - delivery time / delivery

1. The delivery time shall commence at the last of the following times:

- the day that the Company has all documents, details, permits, exemptions, approvals, awards etc. at its disposal which are necessary for the delivery of the goods;

- the day of receipt by the Company of the advance payments and/or securities which have been provided as referred to in article 13.

2. The delivery time is based on the work circumstances at the time of conclusion of the agreement and on timely delivery of the materials ordered by the Company for the performance of the agreement. If delays arise as a result of a change in these circumstances or as a result of the fact that materials which were ordered in good time for the performance of the agreement are not delivered in time, the delivery time shall be extended in such a manner as is reasonable, taking all circumstances into account.

3. The delivery shall be made Ex-Works (EXW) from Enschede. When interpreting the conditions of delivery the most recent edition of the Incoterms at the time of formation of the agreement, as compiled by the International Chamber of Commerce (ICC), shall be decisive.

4. If the Principal does not take receipt of the goods after it has been informed that these are at its disposal, the Company shall be entitled to store the goods for the account and risk of the Principal.

5. The Company shall always be entitled to carry out partial deliveries, unless a partial delivery has no independent value.

6. The delivery time may not be deemed to be a final term, unless express agreement to the contrary has been made. The Principal can accrue no rights whatsoever from a transgression of the delivery time, to the extent that this does not exceed a period of three months.

7. A contractual fine imposed on a transgression of the delivery time shall not be owed by the Company, if the transgression of the delivery time is the result of a default which cannot be attributed to it.

Article 8 - transport delivery

1. If it has been agreed that the goods will be delivered by transport, this shall be carried out for the account and risk of the Principal in a manner which shall be determined by the Company and with a means of transport which the Company shall choose.

Article 9 - risk and transfer of title

1. The Principal shall bear the risk for all direct and indirect damage which might occur to the goods immediately after the goods, not counting unimportant parts thereof, apply as having been delivered in the sense of article 7.

2. The Company reserves the title of all goods which have been delivered, until all of its claims on the Principal in respect of the goods which have been or are to be delivered by the Company under the agreement to the Principal, and also in respect of default on the side of the Principal in the performance of such agreements, have been paid in full, or bills of exchange, letters of credit, cheques or other payment documents have been honoured in full.

If the goods delivered by the Company are processed in other goods, whether they have been manufactured as new or not, the Principal shall, upon the first request of the Company, award it a lien without possession with the highest priority on those goods.

3. As long as the title to the goods has not passed over to the Principal, the Principal shall not be entitled to give these goods to third parties as security or to transfer the title thereto, to award third parties any rights thereon, or to connect these in a fixed manner with the ground and/or a building or to connect them in such a manner with other movable goods or real estate that the goods become components or accessory goods for these other goods, all this without prejudice to the provisions in section 7 of this article.

4. The Principal shall be obliged to keep the goods delivered under the reservation of title with all due care and as the recognizable property of the Company. The Principal shall also be obliged to insure the goods for the duration of the reservation of title against damages or loss, as a result of any cause whatsoever, and to allow the Company to inspect the policies upon its first demand. All claims of the Principal on the insurers of the goods under the said insurances shall, as long as the Company so desires, be transferred to it, or, as soon as it so desires, it shall be awarded a lien thereon.

5. The Company shall be entitled, if the Principal defaults in the performance of the obligations referred to in section 2 of this article, to immediately take back the goods which have been delivered under the reservation of title and which are still present with the Principal without any further notice in default. To the extent that it is necessary the Principal irrevocably authorizes the Company to exercise the right of repossession referred to in this article.

6. If, and to the extent that the Company has availed itself of its right to repossess goods referred to in section 5, the agreement shall be dissolved without court intervention in whole or for a proportionate part, without prejudice to the right of the Company to compensation of damages and costs.

In respect of the dissolution referred to in the preceding paragraph the Principal shall be credited for the market value (which in no event may be higher than the original purchase price) less the damages suffered and costs incurred by the Company.

7. A Principal acting in the exercise of its business or profession shall be permitted to sell and deliver the goods delivered under the reservation of title to third parties within the framework of the exercise of its business. In respect of such sales the claim of the Company on the Principal in respect of the goods sold on by the Principal shall, to the extent that this was not already claimable, immediately become claimable in full.

In the event of sales on credit the Principal shall furthermore be obliged, if so requested, to notify its buyer of the fact that the Company is the owner of the goods which have been delivered as long as the customer concerned has not paid for these in full.

8. A Principal acting in the exercise of its business or profession undertakes not to transfer the claims which it can invoke against its customers to third parties without prior written permission from the Company, and also to

transfer the said claims to the Company as soon as the latter expresses the desire therefore, or to award it a lien without possession thereon, as it chooses.

Article 10 - payment

1. If the contrary has not been expressly agreed upon in writing, the payment of the agreed price shall take place at the latest within 30 days after the invoice date, without any deduction or set-off, at the office of the Company or into a bank or giro account which is to be indicated by the Company and effectively in the currency in which the invoice is drawn up. The Company shall be entitled to invoice each (partial) delivery separately, without prejudice to the other rights of the Company (such as in respect of payment in advance and the provision of security). If instalment payments have been agreed upon, the Company shall be entitled to immediately invoice each instalment separately after it has elapsed.

2. In all cases the Company shall have the right to demand a payment in advance from the Principal up to a maximum of 50% of the agreed price.

If the Company has good reasons to fear that the Principal will not fulfil its obligations, the Company shall be entitled, before delivering its performance or continuing therewith, to demand security which is sufficient in its opinion for the performance of the payment obligations of the Principal.

The Company shall have the right to postpone the performance of its obligations until the Principal has made this advance payment, or it has provided security.

3. If the Principal believes that it has a claim on the Company with regard to the performance of the agreement, this shall not release it from its obligation to pay in the agreed manner.

4. All payments shall always serve as payment in the first place of all costs and interest which are due and in the second place for the due claims in the sequence of their age, even if the Principal states something else upon payment.

5. If the Principal has not paid at the time or within the term referred to in section 1 of this article, it shall be automatically legally in default without any prior notice in default, and shall owe an interest on the due amount of 1% per month, from the day that payment should have been made at the latest, without prejudice to the further rights which accrue to the Company.

6. The costs, both judicial and extra-judicial, which the Company incurs in respect of the non-performance, or improper performance by the Principal of its obligations, including extra-judicial costs of recovery and the costs of legal aid, must be reimbursed by the Principal to the Company. The extra-judicial costs of recovery are set in advance at least an amount equal to the recovery rates of the Dutch Barristers Association ("Nederlandse Orde van Advocaten"), with a minimum of Euros. 500.00.

Article 11 - returned consignments

It is not permitted to return goods delivered by the Company to it without its prior written permission. In the event that goods are returned this shall take place at all times for the account and risk of the sender.

Article 12 - guarantee and claims

1. Under observance of the restrictions given below, the Company shall give a guarantee on the goods which it has delivered such, that in the event of defects, in respect of which the Principal proves that these have arisen within 6 months after the delivery as referred to in article 7, exclusively or mainly as a result of a defective manufacture of the object or use of bad raw materials or materials, the goods or parts concerned shall be replaced without charge by the Company by new ones.

The Principal shall give the Company the opportunity of doing so, without charging costs of any kind whatsoever.

Costs which arise as a result of the fact that this has not been complied with shall be for the account of the Principal.

The costs of investigation by the Company into alleged defects shall be for the account of the Principal if it appears that no defect is present for which guarantee has been given. The guarantee of the Company shall not apply in the following cases:

- a. if the defects are partly the consequence of normal wear and tear, inexpert and/or incorrect treatment, use and/or storage or maintenance of the goods;
- b. if the defects are entirely or partially the consequence of any government regulation in respect of the nature or the quality of the materials which have been applied or the nature of the goods which have been delivered.

3. The Principal must inspect the goods immediately following delivery as referred to in article 7 (or have this done). Claims in respect of visible defects must be made at the latest within 8 days after delivery as referred to in article 7 by means of a registered letter or by email, together with a full description of the alleged defects.

Claims in respect of non-visible defects must be made at the latest within 8 days after they have been discovered but in any event within the guarantee term, by means of a registered letter or by telefax, together with a full description of the alleged defects.

4. All claims to guarantee in respect of (certain) defects shall lapse:

- a. if a claim has not been made within the term laid down in section 3 of this article;
- b. if the Principal has not immediately given the Company the opportunity of investigating the claims and complying with its guarantee obligations;
- c. if repair or other work has been carried out, or changes or alterations have been made to the goods by the Principal itself or by third parties, without prior written permission from the Company;
- d. if the Principal has not complied, or has not complied properly with any obligation which it has;

5. No more guarantees shall be given on parts and/or goods obtained from third parties by the Company than is given to it by its supplier.

6. In the event the Principal gives raw materials or goods to the Company for processing, guarantee shall only be given on the soundness of the performance of the processing which has been ordered.

7. The Company shall never be obliged to comply with its guarantee obligations to the

extent that the costs which ensue therefrom are higher than the price agreed upon for the delivery of goods concerned.

8. The Company shall only be obliged to comply with the guarantee obligations described in this article inside The Netherlands, unless written express agreement to the contrary has been made.

Article 13 - liability

1. The liability of the Company under the agreement shall be limited to performance of the guarantee obligation described in the preceding article.

2. The liability of the Company shall in no event extend to business damages or other indirect damages.

3. With regard to all persons and all goods, for the period that they are under supervision and/or are situated in the (business) site of the Company the express stipulation shall apply that it shall in no event be liable for death, bodily and/or spiritual injuries or injuries of any nature whatsoever (as concerns persons) and for damages, theft, destruction, loss or any damages whatsoever (as concerns goods), except to the extent that purposeful action or crass fault of its director(s) personally shall be proved.

4. The exclusions and/or restrictions of liability stipulated in the above mentioned sections by the Company itself are likewise stipulated for and for the benefit of its subordinates, all other persons whom it uses within the framework of the agreement, and also for those persons from whom it sources goods, parts raw materials and/or materials which have been delivered, also if there is a case of purposeful action or crass fault.

Article 14 - force majeure

1. In these conditions force majeure shall be taken to mean all circumstances which are independent of the desires of the Company, even if these could already have been foreseen at the time of conclusion of the agreement, which permanently or temporarily obstruct the performance of the agreement, and also, to the extent that they are not already included thereunder, war, threat of war, civil war, riots, strikes, shut-out of employees, transport difficulties, fire, unworkable weather and other disruptions in the business of the Company or its suppliers.

2. In the event that performance of the agreement is prevented as a result of force-majeure, the Company shall have the right to, without court intervention, either postpone the performance of the agreement for a maximum of 6 months, or to dissolve the agreement in whole or in part, without the Company being obliged to pay any compensation of damages.

Article 15 - (imminent) default

1. In the cases mentioned in the law, and also if the Principal does not properly comply with

one or more obligations which arise for it from the agreement, including these General Conditions, or if there is serious doubt as to whether the Principal shall be capable of complying with its obligations towards the Company, and also in the event of bankruptcy, moratorium of payments, full or partial closure, liquidation, transfer or encumbrance of the business of the Principal, including the transfer and/or pledging of an important part of its claims, and furthermore in the event that an attachment for the preservation of rights or for enforcement is laid on goods of the Principal, the Company shall have the right, without notice in default or court intervention, either to postpone the performance of each of these agreements for a maximum of six months, or to dissolve them in whole or in part, this without it being obliged to pay any compensation of damages or provide any guarantee, and without prejudice to the further rights which accrue to it.

2. In the event of postponement or dissolution as referred to in the preceding section of this article, the agreed price shall become immediately claimable, after deduction of the costs which have been saved by the Company as a result of the postponement or the dissolution.

Article 16 - general

1. If one or more provisions of the agreement concluded by the parties, including provisions of these General Conditions, are null and void or become legally invalid, that agreement shall remain in force for the rest. The parties shall consult on the provisions which are null and void or which become legally invalid, in order to make a replacement agreement.

2. If one or more provisions of these General Conditions and/or of the agreement concluded by the parties should come into conflict with obligatory provisions of law, laid down or which will be laid down by an institution which is competent therefore, then these latter provisions shall be deemed to have taken the place of the provisions concerned of these General Conditions or the agreement concerned, respectively.

Article 17 - disputes and applicable law

1. In respect of all disputes connected with the agreement, or further agreements which arise therefrom, are the result thereof or which are connected therewith, only the civil courts shall be competent. If a dispute belongs in the first instance to the competence of the District Court, then the District Court in Groningen shall be competent in the first instance, unless the Company makes an express choice for the competence of the court of the place of establishment of the Principal.

2. Dutch law is applicable to the agreement and also to all further agreements which arise therefrom, are the result thereof or which are connected therewith, to the exclusion of the provisions of the Vienna Purchasing Convention or any future international rules relating to the purchase of movable and corporeal goods, the effect of which may be excluded by the parties.

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