

General Terms and Conditions of Business

as at 1st January 2006

1. General / Conclusion of contract

1.1 Orders from our customers should always be made in writing, if possible by e-mail, giving the number and name of the item. They represent a binding contractual offer which will be accepted by LifeEnergy Systems GmbH by the supply of the goods.

1.2 Any transfer of rights and obligations arising from the sales contract requires the written agreement of LifeEnergy Systems GmbH.

2. Prices and terms of payment

2.1 The list prices at the time the order is placed or confirmed shall apply to the consignment.

2.3 All prices shall be understood to be exclusive of delivery charges. The delivery charges will be calculated on the basis of the number, size and weight of the articles purchased.

2.4 Payment of our invoices is due immediately, if not mentioned otherwise in the terms of payment of the price list, and without deductions. Payment shall be deemed to have been made only when LifeEnergy Systems GmbH can gain access to the money. In the event of delayed payment, we are entitled to calculate interest on arrears at 5% above the base lending rate of the European Central Bank at the time in accordance with the Discount Rate Transition Act.

2.5 New orders are only accepted by LifeEnergy Systems GmbH, if all open payments from previous deliveries are received by LifeEnergy Systems GmbH.

3. Delivery, date of delivery

3.1 All articles that are immediately available from stock will as a rule be dispatched within 24 hours.

3.2 Part deliveries agreed with the customer shall be regarded as stand-alone deliveries with respect to payment obligations, passing of risk and obligations under warranty. If articles are not available immediately, with the result that the delivery date is delayed, LifeEnergy Systems GmbH will inform the customer.

3.3 We may use our discretion in deciding on the mode of dispatch, the dispatch route and the company authorised to dispatch the goods, unless the purchaser gives express instructions.

3.4 As soon as the consignment including the delivery items is handed over by the carrier to the purchaser, the risk shall be transferred to the person placing the order. The purchaser must contest both obvious and any other damage found to have occurred during transportation to the carrier or haulier immediately and make a written note on the original delivery sheet of the carrier or haulier about the damage and then inform the seller in writing in order to be able to assert any claims against the seller.

4. Repurchase

4.1 The goods will be repurchased only if it can be proven that they were supplied in error. Requests for exchange, repurchase or credit notes where LifeEnergy Systems GmbH does not accept responsibility for the cause will only be processed following written confirmation by LifeEnergy Systems GmbH.

5. Retention of title

5.1 We retain the title in the goods being purchased until payment of all accounts arising from the supply agreement has been made in full. If the customer acts in a manner contrary to contract, we are entitled to demand the return of the goods being purchased. The taking back or seizure of the object of the reservation shall not constitute withdrawal from the contract.

5.2 The purchaser shall be entitled to sell on the goods in the regular course of business. However, the purchaser shall assign all claims vis-à-vis his/her customer or third party arising from the resale to us in the amount of the final invoiced sum.

6. Warranty / Exclusion of liability

6.1 We offer a guarantee for a period of 24 months from the date of delivery that the delivery items are free of defects according to the state of technology at the time. Liability for normal wear and tear is excluded. Insignificant deviations in colour, dimensions and/or other features of quality and performance in the goods shall not justify any claims on the part of the purchaser, in particular any claims under warranty.

6.2 If a defect in the object of sale appears within one year from the date of delivery, the customer shall be entitled to assert his right to rectification of the defect or the supply of defect-free goods (supplementary performance) if he so chooses. Within the bounds of subsequent improvement, exchange for products of higher value shall be deemed to have been already accepted. If the chosen method of supplementary performance is linked to disproportionately high costs, the claim shall be limited to the type of supplementary performance remaining at the time. Any further rights, in particular the cancellation of the purchase agreement, may only be asserted after the expiry of a reasonable period of time for supplementary performance or failure on two occasions to effect a supplementary performance.

6.3 We accept no liability for defects and damage which occur as a result of the goods being used improperly or for unsuitable purposes, non-observance of instructions for use or faulty or negligent treatment. This shall apply particularly to the operation of the products with the wrong type of current or voltage or connection to unsuitable power sources. The same shall apply to defects and damage that can be traced back to fire, lightning strike, explosion or network surges, or dampness of any type unless the customer can prove that these circumstances were not the cause of the contested defect.

6.4 The warranty shall become void if the customer allows any tampering with or repairs to the goods without express written confirmation from LifeEnergy Systems GmbH or if this done by persons who are not authorised by us, if the fault may be connected to this.

6.5 Any obvious faults must be notified in writing within 2 weeks of receipt of the delivery; otherwise all claims arising from this defect are excluded. Where products are bought for commercial purposes, §§ 377 and 378 of the German Commercial Code (HGB) shall also apply.

6.6 LifeEnergy Systems GmbH will decide on a case by case basis whether the goods with which fault has been found should be returned for inspection. In this case the purchaser

should please send the goods to LifeEnergy Systems GmbH carriage paid. If it is confirmed that the goods are defective, LifeEnergy Systems GmbH will compensate the purchaser in accordance with paragraph 7.2 of this agreement and will reimburse the carriage costs. If no defect is found in the inspection of the purchased goods, LifeEnergy Systems GmbH will impose an inspection fee of maximum 20.00 EUR and the purchaser will bear the carriage costs.

6.7 Unless expressly agreed otherwise, further claims on the part of the purchaser – on whatever legal basis – are excluded. We therefore accept no liability for damage not arising directly on the delivery item; in particular we do not accept liability for loss of profit or other financial loss on the part of the purchaser. The preceding exemption from liability shall not apply if the damage is due to a deliberate act, gross negligence or the lack of a warranted characteristic, a breach of obligations material to the contract, statutory delay in performance, impossibility or claims under §§ 1 and 4 of the German Product Liability Act.

7. Disposal

7.1 Used fluorescent lamps as well as all electrical and electronic devices should not be disposed of in normal household rubbish, as shown by the crossed-through refuse bin on the label of the relevant products. Instead they should be handed in for proper treatment, recovery and recycling at the scheduled collection points. At his community the customer can get information about the nearest collection point, where he can dispose the lamps free of charge.

Used LifeLite products may also be sent directly (carriage paid) to LifeEnergy Systems GmbH for disposal.

8. Cancellation of and compensation for unfulfilled orders

8.1 We may cancel the agreement if we become aware of a default in payment, the opening of bankruptcy or judicial composition proceedings, the refusal of bankruptcy for lack of substance, protesting of a bill or cheque or other concrete indications of a worsening of the financial circumstances of the purchaser.

9. Use of customer data / Data protection and data security

9.1 General declaration on data protection: LifeEnergy Systems GmbH undertakes to collect personal data only in order to enter into the contractual relationship. We adhere strictly to the provisions of the German Federal Data Protection Act. The data (names and addresses) which we collect is (are) stored by us only for the purpose of processing the purchase agreement and only passed on to our partners entrusted with the delivery in this connection.

9.2 Individual declaration on data protection: Your personal data will only be used by us to fulfil your order. Any further use – e.g. for advertising purposes without your express agreement – is excluded. Our customers may request and receive information regarding the scope and purpose of data processing at any time.

9.3 If we are given permission to use or pass on data for advertising purposes, this permission may be revoked at any time and information be demanded regarding any additional recipients. Furthermore data may be amended, embargoed or deleted on request. We do not create user profiles.

10. Place of jurisdiction, partial ineffectiveness, applicable law

10.1 In business dealings with traders and public-law corporations, the agreed place of jurisdiction for all legal disputes arising from the contract shall be Offenbach am Main; we are also entitled to sue at the domicile of the customer.

10.2 If individual clauses of the supply agreement or of these General Terms and Conditions of Business are unworkable, the remaining clauses shall remain effective.

10.3 In commercial transactions with consumers, the court of the end user's permanent abode is also applicable to contractual disputes.

10.4 In commercial transactions with consumers, the law of the end user's permanent abode is also applicable insofar as the issue mandatorily concerns the provisions of consumer law.

11. Supplier

LifeEnergy Systems GmbH
Mühlheimerstrasse 33
63179 Obertshausen
Germany

Tel.: +49 (0)6104 45254

Fax: +49 (0)6104 45255

e-mail: lifeenergy@lifelite.de

Website: www.lifelite.de