

GENERAL TERMS AND CONDITIONS OF SALE

1. DEFINITIONS

In this document:

'Company' shall mean Geola Digital UAB;

'Buyer' shall mean any company, firm or individual from whom the Company receives an order which the Company has accepted in writing;

'Goods' shall mean the product, materials, equipment and/or services to be supplied by the Company;

'Specification' shall mean the technical description (if any) of the Goods contained or referred to in the company's acknowledgement of the order;

'Contract' shall mean any contract between the Company and the Buyer for the sale and purchase of the Goods incorporating these terms and conditions.

2. APPLICABILITY OF CONDITIONS

2.1 The Company accepts orders for the supply of Goods subject only to these conditions. No terms or conditions endorsed upon, delivered with or contained in the Buyer's purchase order, confirmation of order, specification or other document will form part of the Contract simply as a result of such document being referred to in the Contract.

2.2 These Conditions apply to all the Company's sales and any variation to these conditions and any representations concerning the Goods shall have no effect unless expressly agreed in writing and signed by a director of the Company.

3. FORMATION OF THE CONTRACT

3.1 No order placed by the Buyer shall be deemed to be accepted by the Company until a written acknowledgement of order is issued by the Company in the form of the Proforma-Invoice or Order's Acknowledgement followed by the Proforma-Invoice. The Company reserves the right to refuse or modify whole or part of the order in consideration of the stocks or any legitimate reason. The Contract is in full force after the Buyer has paid to the Company sum specified in aforementioned Proforma-Invoice, subject to conditions specific for particular Goods, as described herebelow. Unless agreed in writing by both parties, and following agreement by the Buyer to reimburse the Company in an amount to be determined by the Company, the Buyer cannot cancel any order or offer accepted by the Company.

4. PRICES

4.1 Unless fixed prices have been specifically agreed in writing by the Company notwithstanding any offer, quotation, tender price or price list, all prices are subject to alteration without notice and Goods will be invoiced at prices and, where applicable, exchange rates ruling at the date of dispatch.

4.2 The price for the Goods shall be exclusive of any value added tax and all costs or charges in relation to loading, unloading, carriage and insurance all of which amounts the Buyer will pay in addition when it is due to pay for the Goods.

5. ORDER ACCEPTANCE

- 5.1 Company has no obligation to fulfill an Order until the Buyer's payment has been received on the Company's bank account.
- 5.2 In the case, when Buyer is ordering Goods, which are photomaterials, the Company issues a proforma-invoice for said goods and start to prepare and/or to manufacture, as the case may be, the Goods for dispatch only after receiving the prepayment for said goods from the Buyer. In the proforma-invoice issued for each particular set of the goods is stated the time when said goods would be ready to be dispatched from the Sellers premises.
- 5.3 In the case, when Buyer is ordering Goods, which are custom design digital holograms ("i-Lumograms"), Company prepares electronic preview of the i-Lumograms and sends it to Buyer for approval. Buyer shall be responsible for verifying the accuracy of all elements of the preview proof, including but not limited to, positioning, text, spelling, grammar, layout, image proportion and placement. Buyer agrees that on Buyer's approval of the preview proof, Buyer is obligated to pay for the i-Lumograms. After the Buyer approves the preview in writing, Company issues the Proforma-Invoice for payment and sends it to the Buyer. Company reserves the right to accept or reject any Order from the Buyer. For example, but without limitation, the Company may reject an order if to the Company's best knowledge or belief fulfilling the order would result in:
- producing the i-Lumograms which content is unlawful, threatening, abusive, defamatory, obscene, invasive of another person's privacy, infringes a third party's intellectual property or other proprietary rights, or furthers the commission or concealment of a crime;
 - damage Company's equipment or software (e.g, because it, contains software viruses);
 - Company's infringing a third party's intellectual property or other proprietary rights;
 - i-Lumogram which will render poor and/or unusual visual appearance, unless such an appearance is desirable by the Buyer, which is confirm by the Buyer in written form.
- 5.4 Company's acceptance of an order is not a representation or warranty to Buyer that reasons for non-fulfillment such as those identified above do not exist with respect to the requested i-Lumogram.

6. CONTRACT TERMINATION

- 6.1 If Buyer does not transfer the payment in 10 working days after the date stipulated in the Proforma-Invoice issued by the Company, the Company may terminate the Contract and will have no obligation to the Buyer.
- 6.2 The Buyer shall pay the Company for work performed by the Company for the Buyer up to the effective date of the Contract termination.

7. TERMS OF PAYMENT

- 7.1 Payments for all Goods, including shipping, handling and any applicable taxes, duties, tariffs and other assessments ("Assessments"), shall be made by bank transfer or credit card at the time of reception of Proforma-Invoice.

- 7.2 If Company has pre-approved sale on or other payment terms and/or methods, then, shipping and handling charges and applicable Assessments in accordance with the approved payment terms and/or methods will be reflected in the corresponding Proforma-Invoice, which shall be paid by the Buyer according terms and conditions specified in it.
- 7.3 Buyer, who represents a legal entity, that is resident of a country belonging to European Union (EU), shall provide his entities valid VAT ID number on Order - otherwise Company will add 21% VAT to the total Price.
- 7.4 Notwithstanding Paragraphs 7.1 and 7.2 above, if Company is required to pay or to collect, pay and report any Assessments that are not paid at the time of fulfillment of the Order or if expedite fees to shippers are required for to accommodate Buyer's expedited delivery request, Buyer shall reimburse Company for any such amounts paid by Company that are less than 10% of the total Order price. If any such amounts would exceed 10% of the total Order price, Company will not fulfill the Order or incur any expenditure related with the Order until it has the written direction and agreement of Buyer to reimburse Company for such amounts. Failure of Buyer to provide direction shall excuse Company's delay in fulfilling the Order. Company, upon request from the Buyer, will provide him with reasonable documentation of amount and payment of such additional amounts.
- 7.5 If the Buyer fails to pay the Company any sum due pursuant to the Contract, the Company reserves the right to charge interest on late payment of 2% per annum above the Euro Interbank Offered Rate (Euribor) quoted by the European Banking Federation on the web site <http://www.euribor-rates.eu/> from the due date until full payment is received.
- 7.6 Unless otherwise agreed in writing, the Contract price shall be paid in Euro.
- 7.7 If the Company agrees to accept the payment in the form of the Letter of Credit (L/C), then aforementioned L/C shall be irrevocable, established in favor of the Company, with flexed terms of dispatch/delivery and confirmed by a first class Lithuanian Clearing Bank acceptable to the Company. Also L/C shall be valid for cash drawings against presentation of the Company's invoice(s), before Goods leaves Lithuania, EU. The Order is conditional upon such letter of credit being received with the order.
- 7.8 The Buyer shall make all payments due under the Contract without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Buyer has a valid court order requiring an amount equal to such deduction to be paid by the Company to the Buyer.
- 7.9 All payments payable to the Company under the Contract shall become due immediately upon termination of this Contract despite any other provision.

8. TIME FOR DELIVERY

- 8.1 Dates quoted for delivery are estimated only and not conditions of sale and time of delivery shall not be made of the essence. If no dates are so specified, delivery will be within a reasonable time.
- 8.2 Subject to the other provisions of these conditions the Company will not be liable for any direct, indirect or consequential loss (all three of which terms include, without limitation, loss of profits, loss of business, depletion of goodwill and like

loss), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery the Goods (even if caused by the Company's negligence), nor will any delay entitle the Buyer to refuse to accept delivery, to terminate or rescind the Contract unless such delays exceeds 90 days.

9. DELIVERY

- 9.1 All packages will be packed, marked, and shipped in accordance with the requirements necessary for shipment by common carrier. Buyer is responsible for providing his correct and full address details for the delivery of Goods. Unless otherwise agreed in writing by the Company, Company is able to send Goods only to Buyer's business address. Company is not able to deliver Goods to events of any kind (such as conferences or exhibitions) directly. Buyer bears the risk of loss of all goods after departure from Company's facilities.
- 9.2 The Company reserves the right to deliver the Goods by installments and in such event each installment shall be treated as a separate Contract, provided that deliveries of further installments may be withheld until the Goods or materials comprised in earlier installments have been paid for in full.

10. NON-ACCEPTANCE OF DELIVERY

- 10.1 If for any reason, the Buyer refuses or fails to take or accept delivery of the Goods at the time specified, or the Company is unable to deliver the Goods on time because the Buyer has not provided appropriate instructions, documents, licenses or authorizations:
- The Contract price shall nevertheless be paid as if delivery has taken place;
 - The Company shall be entitled at its option to terminate the Contract with immediate effect to dispose of the Goods as the Company may determine and to recover from the Buyer any loss and additional costs incurred as a result of such refusal or failure.
- 10.2 The Company may store the Goods until delivery whereupon the Buyer will be liable for all related costs and expenses (including without limitation, storage and insurance) but the Company shall not be bound to take any steps for the custody and care of such Goods or shall not be liable for any loss or damage suffered by the Buyer arising therefrom.

11. ACCEPTANCE AND REJECTION

- 11.1 Buyer can reject any Goods prior to its first use of the Goods or within 48 hours after shipment, whichever occurs first if the Goods do not correspond to its Specifications. If Buyer does not reject the Goods in writing to Company within the period for rejection stated above, the Goods are deemed accepted by the Buyer.
- 11.2 In the event that defect of Goods is caused in any part by reliance on defective Buyer Data, Buyer shall bear the expense of any repair or replacement of the Goods. "Buyer Data," as used in these Terms and conditions of Sale means any computer file, data or software provided, generated, compiled, arranged or referenced for use by the Buyer to the Company in order to create the Goods.

- 11.3 If Buyer determines, and Company agrees that a defect in Goods is not caused by Buyer's Data, within the period for rejection stated in Paragraph 11.1 above, Buyer shall contact Company to obtain instructions on return procedure. Buyer shall return the Goods to Company, within the time frame prescribed by the Company, at Buyer's expense with sufficient written details of any defects for Company to replace or correct the Goods. If the Goods cannot be replaced or corrected, in Company's sole discretion, Company will either refund or credit Buyer at Company's option.
- 11.4 In the case, when Buyer is not accepting Goods, which are custom design digital holograms ("i-Lumograms") the rejection will not be accepted by the Company if:
- the i-Lumogram(s) colour gamma differs from the colour gamma in the Buyer's Data more than for 15%;
 - the i-Lumogram(s) have a less than four lamination defect spots in size smaller than 1.5mm at the dark part of the image.

12. PASSING OF TITLE

- 12.1 Ownership of the Goods shall not pass to the Buyer until the Company has received in full (in cash or cleared funds) the purchase price of the Order of which the Goods form part (each order being considered as a whole) and all other sums which are due to the Company from the Buyer on any account.
- 12.2 Until ownership of the Goods has passed to the Buyer, the Buyer shall:
- 12.2.1 hold the Goods sold on a fiduciary basis as the Company's bailee and shall not sell, dispose of, or process the Goods except with the express written permission of the Company;
 - 12.2.2 set aside and store the Goods (at no costs to the Company) separately from other goods in the possession of the Buyer so as to be clearly and separately identifiable as the Company's property and the Buyer shall deliver them up to the Company at any time on demand;
 - 12.2.3 Maintain the Goods in satisfactory condition and keep them insured on the Company's behalf for their full price against all risks to the reasonable satisfaction of the Company. The Buyer shall be able to produce the policy insurance to the Company on request.
- 12.3 If the Buyer is authorized to resell the Goods to a third party before ownership has passed to it solely it is on the conditions that the Buyer:
- 12.2.1 shall not mingle any proceeds of sale with any other monies and shall at all times keep them in a separate bank account and identifiable as the Company's monies and shall forthwith account to the Company for the proceeds of sale to the extent of the Buyer's indebtedness to the Company;
 - 12.2.2 any sales shall be effected in the ordinary course of the Buyer's business at full market value; and
 - 12.2.3 any such sale shall be a sale of the Company's property on the Buyer's own behalf and the Buyer shall deal as principal when making such sale.
- 12.4 In the event that the Buyer shall breach any of its obligations under these conditions or under any other agreement between the parties, the Company reserves the immediate right to repossess all or any of the Goods to which it has

retained title aforesaid and hereafter to resell the same and for this purpose the Buyer hereby grants an irrevocable right of license to the Company's servants and agents to enter upon all or any of any premises where the Goods are or may be stored with or without vehicles during business hours. This right shall continue to subsist notwithstanding the termination of the Contract for any reason and is without prejudice to any accrued rights of the Company hereunder or otherwise.

13. PASSING OF RISK

- 13.1 Unless otherwise agreed in writing, the risk in the Goods shall pass to the Buyer upon delivery. The Buyer shall insure the Goods with a reputable insurance company and if the same are damaged or destroyed, then such insurance monies, as are payable, shall be immediately paid by the Buyer to the Company to the extent of the indebtedness of the Buyer to the Company and without prejudice to any right of the Company to recover from the Buyer any balance of the purchase price remaining due under the Contract.

14. LIMITATION OF LIABILITY

- 14.1 In no event will the Company have any obligation or liability to Buyer (whether in tort, contract, warranty or otherwise and notwithstanding any fault, negligence, product liability, or strict liability) for any damages sustained by Buyer or any other person arising from or related to any use, inability to use or results of use of Goods or Company's software, for any direct, incidental, special, or consequential damages even if such party was advised of the possibility of such damages. Company's liability to Buyer for any reason and upon any cause of action shall at all times and in the aggregate be limited to the amount actually paid by Buyer to Company for the Goods. Company disclaims all warranties, whether express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, or non-infringement, and any warranty that may arise from course of dealing, course or performance, or usage.

15. BUYER'S DATA

- 15.1 For the purpose of creating i-Lumograms (including without limitation preview proofs) and for archival purposes, Buyer grants Company a non-exclusive, transferable, perpetual right and license to reproduce, create derivative works from, display, and otherwise use and retain ("Use") any data that Buyer delivers to Company for i-Lumograms ("Buyer Data"). Buyer authorizes Company to use Buyer Data that is not Confidential Buyer Data (see below) to create i-Lumograms for use in Company's marketing, sales and promotional activities. Unless Buyer instructs Company otherwise, Company will credit Buyer's name for the data and images used to create such i-Lumograms.
- 15.2 Buyer represents and warrants to Company that Company's Use of Buyer Data, will not result in infringement of any third party's rights because:
- 15.2.1 Buyer owns all rights in the Buyer Data, and/or
- 15.2.2 if any third party owns any rights in Buyer Data, such third party has granted Buyer the right and authority to license Company's Use thereof as provided for in these Terms of Sale.

- 15.3 Company's right to retain Buyer Data and any Company-created custom graphics and setup for Buyer creates no obligation on Company to do so. At its sole discretion, Company may delete Buyer Data and related Company-created custom graphics and setup thirty days after shipment of the related Goods to Buyer. If additional Buyer Orders require Buyer Data previously delivered or Company-created custom graphics or setup previously created that Company has not retained, charges for the Orders shall be the same as though the Buyer Data or the Company-created custom graphics or setup had not been previously delivered or created, as the case may be.
- 15.4 Notwithstanding clause 15.3 Company may keep Buyers Data for the period of three years for additional fees agreed by the parties in writing. Nevertheless, Company will held no responsibility whatsoever for the Data loss caused by a natural disaster, electricity malfunction, fire, flood, or act of God.
- 15.5 Company agrees that from receipt of Buyer's Order and for two years following shipment of the Goods to Buyer, Company:
- 15.5.4 will not use or disclose Buyer Data that Buyer has identified as its proprietary, trade secret or otherwise confidential information by written legend prominently displayed thereon at the time Buyer delivers it to Company in connection with the Order ("Confidential Buyer Data") except for the purposes expressly authorized under these Terms of Use or other written authorization provided by Buyer to Company, and
- 15.5.5 shall allow access to Confidential Buyer Information to only those of Company's employees who are directly engaged in creating Buyer's Goods, subject to precautionary measures reasonably calculated to prevent disclosure of Confidential Buyer Information to unauthorized persons, but in any event measures that are at least as stringent as those Company uses to safeguard confidentiality of its own comparably confidential information.

16. GRAPHICS AND RELATED EXECUTABLE CODE

- 16.1 For some orders, Company may deliver graphics and executable code to Buyer. Company is the owner of any such executable code delivered to Buyer. Buyer's right to use or modify the executable code shall only be in conjunction with a Company Goods and shall not be disclosed or transferred to any other person or organization. Buyer shall not attempt to reverse engineer such executable code and any attempt to do so invalidates this license. Any other use of such executable code must be approved in writing by Company.

17. CLAIMS

- 17.1 Notice of any claim relating to damage to the Goods whilst in transit shall be made to the Company in writing within 48 hours of the receipt of the Goods. In the event of loss or non-delivery of the Goods the Buyer shall notify the Company in writing within 3 days of receiving the advice note from the shipper. The Company shall consider claims only if the above conditions are met and the claim is signed by the Buyer and accompanied by full particulars giving the invoice and the Company's order number and the copy of the delivery and/or advice note in respect of the Goods undelivered, lost or damaged.

- 17.2 Any claims for the image appearance on the i-Lumogram not as it was expected by the Buyer, or photomaterials not performing as it was expected by the Buyer in his setup, will be ultimately rejected by the Company

18. WARRANTY

- 18.1 The Company warrants that the Goods shall be in conformity with the Specification. The Company shall replace, repair or at its option refund the purchase price as applicable to any Goods, except lasers, laser systems and other assemblies, which do not in its sole opinion comply with this warranty, provided that the Buyer shall return the defective Goods at his expense if the Company so requests. Provided always that any claim under this warranty is made within 48 hours of the receipt of the Goods alleged to be defective.
- 18.2 The warranty for lasers, laser systems and other assemblies are specified in the particular contracts for such particular item sale. However, present General Terms and Conditions of Sales also are applicable in general for all aforementioned items.
- 18.3 It is the Buyer's responsibility to determine whether the Goods are suitable for the contemplated use, whether or not such use is known to the Company. No warranty, condition or representation is given or made as to the quality of the Goods supplied hereunder their condition or their fitness for any particular purpose and any such warranty, condition or representation whether express or implied whether by statute, by collateral agreement or otherwise is hereby excluded.

19. TERMINATION BY THE COMPANY

- 19.1 The Company shall (without prejudice to any of its other rights hereunder) be entitled to terminate any Contract forthwith by written notice to the Buyer if the Buyer shall:
- 19.1.1 Become insolvent;
 - 19.1.2 Fail to pay any amounts falling due (whether under these conditions or otherwise) to the Company within 15 days of the date payment is due;
 - 19.1.3 Have a Receiver appointed;
 - 19.1.4 Pass a resolution for winding-up (other than for purposes of reconstruction or amalgamation);
 - 19.1.5 Commit a breach of any term of the Contract or any other contract with the Company.

20. FORCE MAJEUR

- 20.1 If the commencement continuation or complete performance by the Company of its obligations under this Contract is prevented, hindered, delayed or rendered uneconomic by reason of force majeure then the Company shall not be responsible to the Buyer for any loss or damage incurred or sustained by the Buyer as a result. For the purpose of this condition, the term Force Majeure shall include any factor affecting the performance of this Contract attributable to acts, events, non-happenings, omissions or incidents beyond the reasonable control of the Company and, in particular (but without limiting the generality of the

foregoing) the following, namely strikes, lock-outs, riots, civil revolution, war, state of national emergency of governmental action, trade dispute or labour disturbance, accident, breakdown of plant or machinery, difficulty or increased expense in obtaining workmen, materials or transport, fire, explosion, storm, flood, earthquake or other natural physical disaster or circumstances affecting the supply of the Goods (or the raw materials thereof) by a Company's normal source of supply or the delivery of the Goods by the Company's normal route or means of delivery.

- 20.2 Upon termination of such contingency the undelivered Goods involved shall be delivered by the Company and accepted by the Buyer under the terms of the Contract, unless otherwise agreed.
- 20.3 If such Force Majeure lasts for more than 45 days, then the party may terminate the Contract without liability to the other party by giving a 14 days notice to the other party.

21. INDEMNITY

- 21.1 Buyer shall defend, indemnify and hold harmless Company, and its officers, directors, employees, and agents (each an "Indemnified Party") from and against all causes of action and other claims of any kind whatsoever, and all loss, damage, cost and expense (including but not limited to reasonable attorney fees and related expenses), which in any manner are caused by, arise from or in relation to, or are incident to:
- 21.1.2 injury, damage or harm sustained or allegedly sustained by Buyer or any person claiming through Buyer arising out of or related to Buyer's reliance on or use or misuse of the Goods, or any asserted flaw in a Goods, including but not limited to the accuracy or completeness of its display of Buyer Data
- 21.1.3 Buyer's (or its employees', agents' and representatives') performance or exercise of any of Buyer's obligations, rights or privileges under these Terms or Sale,
- 21.1.4 taxes, levies, fees, assessments and other charges levied or imposed on or in connection with Buyer's purchase of the Goods,
- 21.1.5 falsity or misleading character of any representation made by Buyer to Company, or breach of any warranty made by Buyer to Company ("Covered Claims").
- 21.2 Buyer shall not settle or compromise any claim covered by its defense and indemnity obligations without Company's prior written consent.
- 21.3 Buyer's obligation to defend, indemnify and hold harmless each indemnified party expressly includes, without limitation, covered claims arising out of or relating in whole or part to Company's negligence or gross negligence.

22. MISCELLANEOUS

22.1 Severance

Any provision of the Contract which is held by a court or other competent authority to be invalid or unenforceable in whole or in part shall be deemed severable and the

**Geola Digital uab**

Address: Naugarduko 41, Vilnius, Lithuania

Reg. No 126132241, VAT ID: LT261322410

Tel.: +37052132737

www.geola.com; info@geola.com

remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

22.2 Entire Agreement clause

The Contract contains all terms of the agreement between the Company and the Buyer.

22.3 Assignment

The Buyer shall not be entitled to assign the Contract or any part without the prior consent of the Company. The Company may assign the Contract or any part of it to any person, firm or company.

22.4 Communication

Any communication required to be served pursuant to the Contract by either party to the other shall be in writing and served to that other party by first class post at its registered office [or principal place of business]. Any notice hereunder shall be deemed to have been given if sent by pre-paid, first-class post to the party concerned at its last known address. Notices sent by first-class post shall be deemed to have been given 7 days after dispatch.

22.5 Waiver

No waiver of the Company in enforcing any of its rights under this Contract shall prejudice its right to do so in the future.

22.6 Governing law/Jurisdiction

All contracts made with the Company shall be governed by and construed according to the laws of European Union and the parties hereby submit to the jurisdiction of the Lithuanian and EU courts.