

## TERMS AND CONDITIONS FOR RETAIL SALES PARTNERS DOMESTIC MARKET (United States)

This document details the Terms & Conditions for retailers who sell all Koncept products. The retailers are collectively referred to as “Sales Partners”.

- **Purchase Orders (PO).**

- All POs must be placed via email or fax:
  - Email address: po@koncept.com
  - Fax: 323.261.8998
  
- Koncept will provide the Sales Partner with an order acknowledgement and an Estimated Ship Date (ESD) for each order.
  
- In-stock orders will ship within 5 – 7 business days of receipt of the purchase order. An ESD for out of stock product will be sent on a case by case basis
  
- Order cancellations and changes should be sent to the email address and fax number listed above. Cancellations cannot be guaranteed until shipping status is confirmed.
  
- Special/Custom Orders placed with the factory cannot be cancelled or changed once received by Koncept. Examples include but are not limited to custom LED color/finish and specialty mounts/parts. Standard Lead time on custom orders is 8-10 weeks from receipt of the purchase order.
  
- All Sales Partners are required to pay shipping on their Gen 3 orders unless the order meets ONE of the conditions outlined in the Koncept Freight Allowed policy (applicable to orders shipping within continuous United States only):
  - PO totals \$1,000 or more **-OR -**
  - All products in the purchase order are ordered in case pack quantities per model # (no mixing between LED light color or finish). Koncept lamps are packed in quantities of five (5) except UCX, which is packed in quantities of six (6) and Mr. n lamps are packed in quantities of ten (10).
  
- Tono and Sobre do not qualify for Koncept’s FFA.
  
- If Koncept receives a PO that contains missing or incorrect information, the PO will be placed on hold and the Sales Partner will be asked to correct submit a revised PO with correct information.

- **Terms & Payment Policy.**

- Sales Partners must complete and sign the Koncept Account Application, Terms and Conditions and Credit Card Authorization forms for their account to be opened. POs will not be processed until these completed forms have been received by Koncept.
  
- All Sales Partners must pre-pay the first \$1,000 in ordered product.
  
- If the initial PO is greater than \$1,000, the Sales Partner will satisfy the entire amount and continue on pre-pay terms until they are granted net 30 terms.

- If the first PO is less than \$1,000, the Sales Partner must pre-pay all POs until the \$1,000 amount is satisfied. They will continue on pre-pay terms until they are granted net 30 terms.
  - The Sales Partner's credit limit will be determined at the time net 30 terms are granted.
  - Koncept accepts the following forms of payment:
    - Corporate check made payable to  
Koncept Inc.  
Attention: Accounts Receivable  
429 E. Huntington Drive  
Monrovia, CA 91016
    - Credit cards – Visa, MasterCard, Discover and American Express (On opening POs up to \$1,000. Future orders or balances over \$1,000 must be paid by corporate/personal check)
    - ACH Transfer
  - Sales Partner will pay when due, according to Koncept's Terms & Conditions, all bills, statements, accounts and invoices from Koncept. Credit terms, if granted, are typically Net 30 days from the date of the invoice unless otherwise agreed upon.
  - All past-due accounts shall bear a charge at the rate of 1.5% per month or the maximum legal rate of interest, whichever is less. Koncept may suspend delivery of any PO or remaining installment thereof until such payment is made, or may cancel the remaining installments thereof, and Sales Partner shall remain liable to pay for any products or services already shipped or delivered.
  - Sales Partner agrees to pay any reasonable attorney fees and court costs incurred by any efforts to enforce payment of sums due by the Sales Partner or to collect the same.
  - Sales Partner agrees to submit financial information from time to time as may be reasonably requested by Koncept for the establishment and/ or continuation of credit terms. Koncept, at any time, may cease further extensions of credit to Sales Partner.
  - Any Sales Partner with returned or stop payment checks will be placed on C.O.D.-only terms requiring payment by Cashier's Check only.
- **Return Policy.**
    - **Unsold Products** – Koncept is not able to accept returns of any unsold products from its distributors and dealers.
    - **Customer Returns** – In the case of returning open box items from end users, a Sales Partner must contact Koncept to obtain a Return Merchandise Authorization (RMA) number within 30 days of the date of product purchase by end user. Koncept will not accept returns without prior authorization and an RMA number. Note: Special/custom ordered lamps cannot be returned for credit.

Once issued, RMA numbers are valid for fifteen (15) calendar days within which returned products must be received by Koncept. RMA numbers will not be extended or reissued. The RMA number(s) should be prominently displayed on the shipping label of boxes containing the returned product. Shipping charges are non-refundable.

Sales Partners agree to pay a 15% Restocking Fee for open box returns but the fee will be waived upon confirmation that the lamp is in new re-sellable condition.

- At Koncept's discretion, Advance Replacements will be under these circumstances:
  - Defective floor samples need to be replaced.
  - Customer is waiting for lamps to be replaced (purchased within last 90 days).
  - Defective units must be returned or the Sales Partner will be billed for the cost of the replacements.
- Except for the bullet points listed above, Sales Partners will pay shipping for other Advance Replacements.
- Koncept will accept defective returns within 90 days from purchase date and give the Sales Partner credit toward future purchases.
- Sales Partners must use only reputable carriers capable of providing proof of delivery and insurance for the entire value of the shipment for shipping returned items

- **Warranty Policy.**

- All models come with a manufacturer's warranty against defects in materials or workmanship. Please see Warranty Card included in each retail package for more information on the warranty period. This coverage becomes effective from the end user's date of purchase so we encourage the Sales Partners to maintain accurate sales records.
  - An end user is eligible for a warranty extension of one year on all Gen 3 models if they register their product online at the Koncept website. Sales partners should direct their customers to: <http://www.koncept.com/productsupport>.
  - We encourage our Sales Partners to ask end users to contact Koncept directly for any warranty or technical support outside of your stores' standard return policy.
  - Koncept does not offer, nor will we honor, any extended warranties offered through our Sales Partners. Koncept always encourages the end user to contact the company directly in the case of a defective lamp.

- **Samples Policy.**

- Sales Partners who wish to display products on their floor or in their showrooms may speak to their Koncept sales representative about our sample program. Display samples are generally limited to one model per year.
- If the Sales Partner's samples need to be replaced for any reason, replacement samples must be ordered and paid for by the reseller.

- **Authorized Reseller Policy.**

- Koncept supports our Sales Partners and have developed an Authorized Reseller/Dealer policy to further ensure your success.
- Sales Partners should provide the street address, city, state, and zip of ALL of their dealer locations and Koncept will list each location in the “Stores” section of the [www.Koncept.com](http://www.Koncept.com) website. When a location is listed, they are designated as an official Koncept Authorized Dealer.
- Sales Partners must provide all websites where Koncept products are being sold. Sales partners must not advertise or sell Koncept products on marketplace sites such as Amazon.com, eBay.com, Buy.com, etc. unless expressly authorized in writing by Koncept.
- Full product warranty is in effect if the end user purchases product from an Authorized Dealer. Sales Partners are not prohibited from selling refurbished or pre-owned product. However, Koncept will not honor any warranties on these products, and the Sales Partner is not bound by Koncept’s mandatory MAP policy on these products.
- Koncept encourages Sales Partners to display “Koncept Authorized Dealer” logo in their brick & mortar and online stores. The online Authorized Dealer logo will be emailed for your website, and a supply of Authorized Dealer stickers will be sent to you upon request. Please contact [sales@koncept.com](mailto:sales@koncept.com).
- Tracking unauthorized sales of Koncept product is not the responsibility of the Sales Partner. However, we appreciate the diligence and assistance of our Sales Partners and expect them to report unauthorized resale if they see it.

- **Minimum Advertised Price (MAP) Policy.**

- Product pricing for our Sales Partners is outlined in Koncept’s Retail Pricelist. Sales Partners are encouraged to keep the most recent Koncept pricelist on file for their own reference.
- In order to encourage our Sales Partners to promote and invest in the marketing and sales of Koncept products, and to promote the perceived quality and value of those products, Koncept implemented a MAP Policy for price advertising. This MAP Policy relates to price promotion in all advertising channels (print and broadcast) as well as online sales based in the United States and Canada. MAP Policy includes the Sales Partner’s hosted web store as well as third-party web stores.
- The MAP for all Koncept products is listed on our most recent pricelist. MAP pricing is established by Koncept and may be adjusted by Koncept at its sole discretion. Thirty (30) days advance notice will be given on any updated MAP prices before they are deemed applicable.
- The MAP Policy applies to all advertisements of Koncept products in any and all media, including without limitation, flyers, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail-order catalogs, Internet or similar electronic media, online listings, television, radio and public signage. The MAP Policy is not applicable to any in-store advertising that is distributed to any customer.
- The terms and conditions of the MAP Policy are confidential and may only be disclosed to Sales Partners.

- Intentional and / or repeated failure to abide by this policy can result in suspension and / or termination of dealership or distributorship of Koncept products. Koncept does not intend to do business with dealers or distributors who degrade the image of Koncept and its products as deemed so by the company. Koncept is under no obligation to provide prior notice or warning before taking any action under this policy.

- **Sales and Shipping Policies & Guidelines.**

- **Online Sales.**

- It is Koncept's policy to position all products in higher-end sales channels for the discriminating or style-conscious consumer who is shopping for unique, high quality task lighting in their home or business environment. While Sales Partners in the United States and Canada are encouraged to include Koncept products in their online sales efforts, they are required to do so in keeping with this policy.
- Koncept reserves the right to monitor and review the Sales Partner's online efforts to ensure that the positioning standards are maintained.

- **Online Sales Policy - Outside the U.S. & Canada.**

- The Koncept products you order and stock are specifically manufactured to meet the established criteria and laws governing electrical products in our domestic (U.S. & Canada) market. As a result, we ask that our sales partners refrain from selling Koncept products to anyone – business or end user – outside the U.S. and Canada. There are several reasons for this:
  - The warranty will be voided on any product that is shipped to an international market area.
  - Koncept domestic products will not necessarily meet electrical standards in other countries. This could cause serious problems for the lamp, the surrounding environment or the end user.
  - Koncept works with international distributors who sell our products in their local area. Online purchases will cause a conflict with these international distributors.
  - Many of our sales partners sell Koncept product online, and we encourage you to do so as long as the end user will be using the product in our domestic market area.

- **Drop Ship Policy.**

- Koncept will drop ship for Sales Partners; however, it is not common practice for us to do so. Customers who request drop ship service must agree to a \$10.00 charge for every drop ship order

- Sales Partner Policy Acknowledgment

- Please indicate your understanding of these policies (Return Policy, Warranty Policy, MAP Policy, Sales Policies and Guidelines, Payment Policy) and your willingness to abide by the Terms and Conditions set forth in this document by printing the name of your company (Sales Partner) and signing your name below.

- Company: \_\_\_\_\_ Date: \_\_\_\_\_

- Authorized Representative (print):  
\_\_\_\_\_

- Authorized Representative (signature):  
\_\_\_\_\_

- For your convenience, and to support Koncept's ongoing *Green Initiatives*, we offer you a choice of automatically receiving invoices and statements by email or by fax.
- Either of these choices will save paper, reduce the time it takes for invoices and statements to reach you, and ensure that these materials are sent to the correct contact within your company.

- Contact Name:  
\_\_\_\_\_

- Title: \_\_\_\_\_

- Email address OR Fax number:  
\_\_\_\_\_