

1. General

- 1.1. Dynamic Source Europe GmbH is a distributor of electronic components.
- 1.2. The general terms and conditions of sale herein (GTCS) apply to all orders accepted by Dynamic Source Europe GmbH (Seller) and shall be applicable to all Goods and Services delivered to the Buyer. In case these GTCS do not include applicable provisions the General Terms of Delivery of the Austrian Electrical and Electronics Industry (FEEI) and Austrian law shall additionally apply. Buyer acknowledges and agrees that any terms and conditions set forth on any purchase order or other document submitted by Buyer are hereby rejected by Seller and are superseded by GTCS which shall govern in all respects. Acceptance by Buyer of the Goods and Services shall be deemed conclusive acceptance of GTCS.

2. Conclusion of contracts, cost estimates, scope of delivery

- 2.1. Offers presented by the Seller are non-binding, unless stated otherwise. All Seller's documents related to the offer and the project stay in the Seller's property and may not be reproduced or made accessible to third parties without the Seller's consent. These documents must be returned to the Seller immediately upon request.
- 2.2. Any cost Estimate presented by the Seller is non-binding. Cost Estimates are subject to payment unless the Seller is assigned with all herein listed services.
- 2.3. Contracts between Buyer and Seller are concluded only when the Seller either issues a Confirmation of Order or delivers the ordered goods to the Buyer. For the scope of delivery only the written Confirmation of Order is decisive.
- 2.4. The Seller may change the confirmed order, provided that the products perform the same functions and are released by the Buyer.
- 2.5. The Seller is entitled to partial deliveries as well as the delivery of quantities in a range of ten percent more or less of the ordered quantity, as well as rounding up to manufacturer-specific packaging units.
- 2.6. The Seller at his sole discretion is entitled to accept or execute orders only when the Buyer provides a collateral security or advance payment.
- 2.7. It is the responsibility of Buyer, or carrier acting as Buyer's agent, to obtain all necessary export and import licenses and to comply with all other statutory provisions.
- 2.8. Buyer shall be solely responsible for designating and identifying on its purchase order, by way of compliant part number, date code, or other such markings, those Goods that are to comply with the European Union's Directive 2002/95/EC, Restriction on Use of Hazardous Substances ("RoHS") or other environmental law and regulation. Seller will supply the part ordered without any inquiry whether that part does or does not so comply.

3. Tariffs and Conditions of Payment

- 3.1. All prices are listed in DOLLAR ex the Seller's warehouse, excluding VAT, shipping, insurance, installation, commissioning, consulting, training and application support, unless otherwise agreed. All prices are fixed. Any services that are ordered by the Buyer and are not part of the contract, are subject to additional adequate consideration.
- 3.2. The Seller is entitled to adjust the agreed prices corresponding to increased costs for wages, wage-related labor or material (Also due to currency fluctuations regarding the import of raw materials or components from third party suppliers).
- 3.3. The Buyer is responsible to arrange for professional disposal of waste material according to environmental standards. In case the Seller is separately assigned with this disposal, the Seller is entitled to receive an adequate consideration, unless otherwise agreed.
- 3.4. The invoices are due for payment within thirty days its date without any deductions. Cash discounts may only be granted by explicit written agreement.
- 3.5. The Buyer is not entitled to withhold payments for whatever reason. In case of delayed payments, the Seller is entitled to charge default interest of 10 % per year as well as all pre- and extra-judicial recovery costs, notwithstanding the Buyer's right to charge further damages.
- 3.6. In case of Buyer's default in payment, the Seller reserves the right to deliver any orders only under the condition of pre-payment or to withdraw from contracts.
- 3.7. The Buyer is not entitled to offset any counterclaims unless those counterclaims have been assigned by court judgment or are explicitly acknowledged in writing by the Seller.

4. Retention of Title

- 4.1. The Seller retains the full ownership of the delivered goods until the purchase price is fully paid.
- 4.2. When such delivered goods (under sec.4.1) are further processed to new products, these are co-owned by Seller and Buyer in proportion to the

processed value shares. The same applies if the goods are processed or mixed with other products outside of the Seller's ownership.

- 4.3. The Buyer is not entitled to resell such goods (under sec. 4.1) to a third party, unless the Seller (i) has been informed in good time in advance, stating name and address of the third party, and (ii) has explicitly agreed with this resale in writing. In this case the Buyer's purchase price claim is (as a security) assigned and transferred to the Seller. The buyer is obligated to affix a corresponding notification in his company books and invoices.
- 4.4. In case the Buyer breaches the contract, in particular defaults the payment, the Seller is entitled – after having granted an adequate period of notification – to demand the return of the goods and to withdraw from the contract. In case the Seller claims the retained ownership title, the Seller does not automatically withdraw from the contract, unless explicitly declared.
- 4.5. The Buyer must notify the Seller immediately in writing when bankruptcy proceedings have been commenced or delivered goods (under sec. 4.1.) have been officially seized by court-order or third parties.
- 4.6. The Seller is entitled to resell any retained products without limitation. Any revenues arising from such resale will be credited to the Buyer's account; a handling-fee of 10 % is deducted.

5. Time of Delivery

- 5.1. Dates of delivery are only binding when confirmed by Seller. All dates of delivery shall be extended for an adequate period of time, in case of obstacles outside the Seller's sphere, e.g. the Buyer misses to provide product details or does not fulfill his duties, natural phenomena, epidemics, accidents, major breakdowns, work disputes, labor obstruction or retirement of relevant employees, late or faulty deliveries and government measures.
- 5.2. Delays in delivery do not entitle the Buyer to withdraw from the contract without granting an adequate period of notification. Such a withdrawal has to be executed by registered mail. Any right of withdrawal only applies to such part of Buyer's orders that are in default of delivery. In this case the Buyer is not entitled to claim any damages arising here from.
- 5.3. The Buyer is aware that in the event of a shortage of goods manufacturers deliver a reduced allocation of goods, whereupon the Seller has no influence. The Seller must pass on this reduced goods allocation to the Buyer; for this reason the Buyer is not entitled to any claims whatsoever, in particular for damages.
- 5.4. If delivery on call has been agreed, the ordered products shall be delivered within six (6) months after the dates scheduled in the delivery forecast, but not later than twelve (12) months after placing the order, unless otherwise agreed.

6. Fulfillment, Transfer of Risk, Acceptance

- 6.1. The Buyer is obliged to accept the Seller's deliveries according to the order.
- 6.2. Delivery conditions are „ex works“ (INCOTERMS 2010), unless otherwise agreed. Benefits and risks are transferred to the Buyer as the products exit the Seller's warehouse.

7. Default of Acceptance

- 7.1. If the Buyer defaults on acceptance of products for more than two weeks (e.g. by refusal of acceptance, delay with advance payments) and does not eliminate any obstacles causing the delay within an adequate grace period, the Seller may dispose of those products otherwise.
- 7.2. If the Buyer defaults on acceptance of products, the Seller is entitled to store those products and to charge the Buyer with an update storage fee.
- 7.3. The Seller's rights (i) to demand payment for delivered products and rendered services and (ii) to withdraw from the contract after granting an adequate grace period, shall not be affected.
- 7.4. The Seller is entitled to a penalty payment (lump-sum) of 40 % (calculated from the order value) in case the Seller (legitimately) withdraws from the contract. The Buyer is obliged to pay this penalty irrespective of his fault. The Seller is not required to present proof for actual damage.

8. Warranty

- 8.1. The Buyer is obliged to examine the delivered products and in writing notify the Seller of any defects. The delivery shall be deemed in accordance with the contract, if the Buyer fails to notify the Seller within 10 working days after delivery of any defects. In this case the Buyer loses any claims for warranty, damages and errors.
- 8.2. The warranty period is twelve (12) months from the date of transfer of risk. Additionally, the manufacturer's warranty conditions apply, which the Seller makes available upon request. The presumption rule of sec ABGB (Austrian Civil Code) is excluded. The Buyer must prove that the products had been defective when delivered.
- 8.3. The Seller is not responsible and denies warranty for any defects resulting from natural wear and tear, force majeure, improper handling and use, interference by the Buyer or third parties, excessive use, operation of the products outside the „manufacturer data sheet“ , unsuitable equipment or extreme environmental influence.

- 8.4. The Seller shall fix any product defects within the scope of warranty, if Buyer complies with the agreed terms of payment. The Seller shall fix any defects at his discretion, either by improvement (repair) or replacement in his own of the Buyer's premises (the Buyer is obliged to grant free access to his premises). Replaced parts become the Seller's property. The warranty period will not be extended thereby.
- 8.5. If the Seller is not able to fix the defect, the Buyer is entitled to either replacement of the defective product or a price reduction. Any other claims under the title of warranty are excluded. In particular, the Buyer can not withdraw from the contract or demand compensation for consequential damages.
- 8.6. Product returns to the Seller are only permitted after the Seller's prior written approval.
- 8.7. If the Buyer's claims of defects prove to be incorrect, the Buyer shall reimburse to the Seller any expenses incurred to determine lack of defects.
- 8.8. Any costs of repair or correction of defects incurred by Buyer or a third party will not be reimbursed by the Seller.
- 8.9. Sec. 933 b ABGB (Austrian Civil Code) shall not apply.

9. Liability

- 9.1. For damages outside the scope of the PHG (Austrian Product Liability Act) the Seller shall only be liable in case of proven intent or gross negligence and within the scope of statutory provisions. Any Seller's liability for slight negligence, imbursement of consequential and pecuniary damages as well as damages arising from claims of third parties against the Buyer is excluded.
- 9.2. Any damages have to be claimed in court within six months after the Buyer is aware of the damage and the person causing the damage. Any claims that are not asserted within this period, shall be expired.
- 9.3. Any Seller's liability for whatever legal reason – if permitted by law – is limited with a maximum amount of USD 1.000.000 (one million)
- 9.4. The Seller explicitly is not liable for damages resulting from improper handling or storage, overuse, failure to follow operating and installation instructions, incorrect assembly or commissioning, improper maintenance or natural wear and tear.
- 9.5. In case the Buyer is entitled to have damages covered by his insurance, he is obliged to do so. In this case the Seller is only liable for any financial disadvantages that the Buyer incurs by claiming the insurance benefit (e.g. higher insurance premium).
- 9.6. Any advice by the Seller, such as suggestions of solutions, product suggestion or "crossing/transcoding" of product information is provided to the best of the Seller's knowledge and utmost care. Such advice is not charged and does not constitute part of the contract between Seller and Buyer (the recipient of advice). It remains the Buyer's sole decision as to whether the products or solutions offered by the Seller are suitable for the Buyer's application. Reference is made to the product specification according to the manufacturer's information.

10. Export Control

The Buyer is solely responsible for the compliance with export regulations and the procurement of any required export licenses.

11. Templates, Forms, etc.

- 11.1. Expenses for templates, forms, tools, mechanical devices etc. ("equipment") are due for payment immediately after invoicing. The equipment remains the property of the manufacturer also after payment of the invoice and regardless of products manufactured by using the equipment.
- 11.2. If orders are no longer placed within one year of the last use of the equipment, the Seller or the manufacturer is authorized to dispose of the equipment without any restrictions.

12. Intellectual Property, Confidentiality

- 12.1. Plans, sketches, cost estimates, and any other material provided or contributed by the Seller remains the Seller intellectual property.
- 12.2. Any use of such material (under sec. 12.1) - or parts here from – outside the intended scope, e.g. passing on, duplicating, making public or otherwise available, requires the Seller's explicit consent.
- 12.3. The Buyer undertakes to keep confidential all information obtained due to the business relationship with the Seller. The confidentiality obligation remains valid for 3 years after termination of the business relationship.

13. Severability Clause

Any invalidity of single provisions in the GTC's does not cause that the entire contract is invalid. Such invalid provisions shall be replaced by effective and enforceable provisions that come as close as possible to the economic purpose of the void provision.

14. Data Protection

The Buyer explicitly agrees with the electronic registration and processing of any company data. This consent can be revoked at any time in writing.

15. Credit Check

The Buyer explicitly agrees that his data may be transmitted to Austrian Creditor Protection Associations in order to conduct a credit check. The Seller is entitled to refuse acceptance of orders after checking the Buyer's creditworthiness.

16. Applicable Law and Place of Jurisdiction

- 16.1. The place of fulfillment is Salzburg.
- 16.2. Austrian law shall exclusively apply to the entire legal relationship between Buyer and Seller. The provisions of the CISG as well as conflict-of-law-rules under Austrian law do not apply.
- 16.3. Place of jurisdiction is the city, which the Seller has his registered office. However, the Seller may also – at his sole discretion – bring actions into the court in the city, where the Buyer has a registered office.