

Vilnius, July 2017

General Terms and Conditions

1. General Clauses

1. These terms shall apply to all deliveries and services from UAB "Microdis Electronics", company code – 111818252 having its office in Naugarduko str. 96, Vilnius, Lithuania, later called the "Seller", even if they are not mentioned explicitly in later contracts. They are considered as accepted at the latest with receipt of the goods or services.
2. Contradictory conditions shall only apply if they are agreed by the Seller explicitly and in written. Subsidiary agreements and supplements of the contract are invalid, as far as they are not confirmed by the Seller in written.

2. Object of the contract

1. By this contract which the Seller obligates himself to transfer ownership of a good(-s) to another person - the Customer - and the latter obligates himself to accept the good(-s) in exchange of a fixed money consideration or agreed in written price.
2. The Seller confirms, that has ownership of this selling goods and it's not restricted by third persons, except when the Seller informs the Customer, that selling goods have ownership restrictions or rights from third persons.

3. Offers and prices

1. All prices are NET prices and apply ex-factory of the Seller plus VAT. The Seller's offers are without obligation and subject to change, unless otherwise agreed in written. Seller's prices are set in NET prices in Euro, which are equal in amount to in the offer set currency, calculated by the official exchange rate of the European central bank on the day when Seller gives the invoice to the Customer.
2. The Seller has the right to change the offer price in case of a changed currency rate and other price forming factors.
3. If the exchange rate on the day of the payment is increased for more than 2% compared with exchange rate of the invoice delivery date, a correcting invoice may be raised, according to the proportional exchange rate raise.
4. The Seller reserves the right to bill 10,- EUR as arrangement fee for orders of a merchandise value below 50,- EUR.

4. Order

1. The Customer must give to the Seller a product/service order. Order must be in written form, which is sent to Seller via fax or email. The Order form must contain information about Customer's name, address, products names which are ordered, quantities, desirable specification (if applied) and date of favoured lead time.
2. The order made by the Customer by email or other written form is a binding offer and obligates him to accept and pay for the goods when the Seller has accepted the offer. The acceptance of the Seller will be in written form, normally by e-mail. The acceptance shall contain the conditions of

the order confirmation.

Orders which have been confirmed by the Seller in written cannot be cancelled, goods that have already been delivered cannot be returned or replaced, unless a warranty case is given. Exceptions require prior agreement with Seller in written.

3. If the Customer does not accept goods after Seller's confirmation of the offer, the Customer must pay 50 % of the price of goods as penalty, if the parties did not agree different penalty. The penalty sum does not limit the Customers obligation to compensate Seller's damages, including costs of storage, taxes and other, related with goods transfer, retransfer and storage.

5. Manufacturer's data

1. If the Customer orders goods which are continued to develop in technical matters, the Seller may deliver according to the up-to-date manufacturer's data sheet, unless the Customer has advised the Seller in written that he needs another type and the Seller has accepted the latter requirement.

2. Product data given by manufacturer do not constitute any warranty given by the Seller.

3. Any acceptance of a warranty must be explicitly and in written and referred to as such. Indications in catalogues, brochures, installation or repair instructions, leaflets and other general information are no warranty or taking of the exercise risk.

4. The same conditions are applied if the Seller gave the Customer a prototype concerning the quality of the goods.

6. Delivery terms and conditions.

1. The Seller is bound under the contract to deliver the goods to the Customer, put the products into the Customer's possession by the right of ownership (trust) and to warrant ownership of the goods.

The product/ service is being delivered/ provided in conditions according to the Seller's written acceptance mentioned under point 4.2.

2. The Seller is not responsible for mistakes in Customer's Purchase order.

3. Terms of delivery and deadlines are not binding until the Seller confirms the Customer a binding delivery date in written.

4. Part delivery is admissible in reasonable time.

5. Unanticipated obstacles in delivery like force majeure, terrorism, strikes, unexpected disturbances in the own company or in the company of a pre-supplier, unexpected transportation difficulties or other circumstances caused by events or conditions beyond the Seller's control allow the Seller to delay the delivery of goods for the period of obstacles or to rescind his contractual obligations in part or completely.

6. Delivery is under the reserve of the correct and timely delivery by the Seller's supplier. This applies only in case that the Seller is not responsible for the non-delivery, especially when the Seller agreed a hedging transaction with a supplier, if the Seller provides evidence for the careful choice of the supplier.

7. The Customer is bound to accept the delivered products, unless he is entitled to demand replacement of the things or rescission of the contract.

8. Customer is bound to take such measures and perform such actions which are required under the usually stated demands seeking to ensure due delivery and acceptance of products.

9. Where the Customer is in breach of his obligation and does not accept or refuses to accept the goods, the Seller has the right to demand that the Customer accepts the goods and pay the agreed purchase price and related penalties.

10. The Customer shall be informed by the Seller about the unavailability of delivery in reasonable time. If a payment has already been transferred to the Seller, this sum of money shall be returned to the Customer in reasonable time (14 days).

11. The Seller shall meet the delivery deadline only if the Customer on his part fulfils his duties duly and in time, including especially caring for data he must obtain, documents and permits and making a deposit, if this has been agreed.

12. Parts that are out of stock in the meantime are automatically noticed as arrears and delivered in addition as soon as possible. Otherwise the invoice shall be duly endorsed that the article can be ordered after a certain period. Concerning belated or impossible deliveries, the Customer shall not be entitled to damages based on delayed or impossible delivery, especially for loss of profit. This does not apply to claims for injury of life, bodily harm and health damage or if the damage is caused grossly negligent or intentional by the Seller or his vicarious agents or by violation of an essential contractual obligation.

13. Where the Customer has the right under the law or the contract to return to the Seller the goods delivered to him, the Customer must take such steps as are reasonable in the circumstances to preserve the things subject to be returned until their return.

14. If the dispatched goods which are subject to be returned have been placed at the Customer's disposal at their destination, he is bound to return them at his own expense.

7. Submission of product

1. Product is being submitted in Seller's warehouse in Vilnius. If Customer does not take the product in time, he is obliged to pay a fee for warehouse (storage) expenses, which is 0,02% counted from ordered product net price for each day.

2. By Customer's request and only under the Seller's confirmation, with all risks and all expenses of the Customer (individually set by Seller, assuming, among other things, the cost of postage and packing, taxes) goods can be sent through third parties.

3. All the risk, including accidental ruin or damage associated with the product is being passed to the Customer at the time, when product is being handed over to third parties.

4. For international deliveries the International delivery terms according to Incoterms 2010 shall apply in addition.

8. Payment conditions

1. The amount paid for the products/services sold, must be paid to the Seller in agreed time, calculated from the date of the invoice, in cash or by money transfer to the Seller's bank account.

2. Payment shall be deemed effective when the money is on the Seller's bank account or paid in cash.

3. The Seller has the right to change the terms of payment agreed if finding that there is a risk that the Customer fails to fulfil its financial obligations arising from the contract of sale.

4. If payment is late, Seller has the right to calculate the interest rate in accordance of Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions. In case of mentioned directive won't apply, then interest rate is 0,04% of invoice sum for each day of delay, calculated from the day following the date of expiry of the term of payment on the invoice. Seller shall have the right to claim further damages if interest

rate does not cover it.

5. Seller has the right to postpone other Customer orders as long as the Customer fulfils his obligations.

9. Reservation of proprietary rights

1. All goods are delivered under reservation of proprietary rights of the Seller until the Customer has paid the full price. The Customer shall become the owner when he has paid all debts owing and accruing.

2. The risk of accidental perishing of or damage to the goods shall pass to the Customer from the moment when the Seller is deemed under the contract to have been duly discharged of his duty to deliver the things, regardless of the time of passing of the right of ownership.

3. The risk of accidental perishing of or damage to the things sold during the carriage thereof shall pass to the Customer from the time when goods have been departure from Seller's warehouse.

4. When the subject matter of contract are goods characterised by description of the kind of the goods and the Customer refuses to accept the goods or is otherwise in breach of the contract, the risk of accidental perishing of or damage to the goods shall transfer to the Customer from the moment when the Seller identifies the goods and notifies the Customer thereof.

5. The Seller shall have the right to rescind his contractual obligations without prejudice to other rights if the Customer is in arrears with payment.

6. The Customer may not distraint the goods or transfer them by way of security or do anything else that puts a risk on the property of the Seller. The Customer bears all the costs which result of replacement of the goods, if they cannot be collected by the third person.

7. The Customer must grant the Seller or a third person which has been commissioned by the Seller access to the goods which have been delivered under reservation of proprietary rights of the Seller and give him the goods. The Seller shall have the right to commercialize the goods.

8. Any processing or modification of the goods which have been delivered under reservation of proprietary rights of the Seller shall be effected on behalf of the Seller. The Customer's expectant right on the goods persists on the modified goods. If the goods are processed with other products which do not belong to the Seller, the Seller shall obtain partial ownership in the resulting new goods at a ratio corresponding to the value of the delivered goods relative to other processed items at the time of processing. The Customer stores the new goods for the Seller. The same rules shall apply for the new goods as for the goods which have been delivered under reservation of proprietary rights of the Seller.

9. If the Seller delivers goods into countries whose law does not establish a reservation of proprietary rights with the same protection for the Seller as ruled in this terms and conditions, the Customer grants the Seller rights according to contract under its terms and conditions.

10. The Customer shall execute any declarations or actions which are necessary therefore. The Customer shall participate in any actions which are necessary and beneficial for the validity and enforceability of those security interests.

10. Defects

1. The Customer must claim overt defects within 5 working days after delivery and covert defects immediately after discovery in written. The Customer must provide reclamations to the Seller only in Seller's approved form, called RMA (return material authorisation).

2. Goods withdrawal is excluded if the Customer cannot refund the goods and this is not based on impossibility of refund which is in the nature of the goods or on the fact that the defect arises only on processing or modification of the goods.
3. The Parties agreed that the Customer reimburses any expenses which have been necessary for supplementary performance, in particular transportation, labour and material costs, if the goods are defective.
4. The Seller`s liability for loss suffered is excluded concerning unpredictable consequential losses, in particular concerning financial losses and lost profit. This does not apply to claims resulting of injury to life, body or health.

11. Quantity and type of Goods

1. The quantity of goods which the Seller is bound to deliver to the Customer shall be established in the written agreement in unit quantity, volume or other units or in monetary terms.
2. Where the performance of the contract has been initiated, the contract shall be deemed concluded in respect of the quantity of goods actually accepted by the Customer.
3. In the day of goods receiving the Customer is obliged to check, that the ordered amount and type of goods have been delivered. In case of mismatch, the Customer must inform Seller as soon as possible but not later than 5 working days and make appropriate remarks in courier documents.

12. Legal Consequences of Breach of the Contractual Condition relating to the Quantity of the Goods

1. If the Seller delivers to the Customer a quantity of goods less than that determined in the order confirmation, the Customer shall be entitled, unless the contract provides otherwise, either to demand the Seller makes up any deficiency in the quantity or to reject the delivered goods and refuse to pay the price or, where the price has already been paid, to claim recovery of the price.
2. Where the Seller delivers to the Customer a quantity of goods greater than that determined in the order confirmation, the Customer must give notice thereof to the Seller within the 5 working days time limit. If, upon receipt of the Customer`s notice, the Seller fails to notify within reasonable time of further actions that should be taken, the Customer shall have the right to refuse to take the excess quantity and send them back to the Seller, unless otherwise agreed by the Parties.
3. If the Customer takes delivery of all or part of the excess quantity, he must pay for it at the contract rate, unless otherwise agreed by the Parties.

13. Liability

1. The Customer shall have no indemnity claims resulting from non-contractual or precontractual liability. This does not apply to claims resulting of injury to life, body or health or if the damage has been caused by gross negligence or intent of the Seller or his vicarious agents or if the Seller has injured cardinal duties.
2. Limitation period for claims based on defects are 6 months from the date when goods are delivered to the Customer.
3. It applies also for claims of tortuous acts which result of defects of the goods. Limitation period begins with the handover of the goods.

4. The Seller`s unlimited liability for injury to life, body or health or for intent or gross negligence shall remain unaffected.

14. Jurisdiction

1. All the issues shall be settled between the Parties by way of negotiations.
2. Exclusive place of jurisdiction for all disputes arising directly or indirectly from the contract shall be the court of the place of business of UAB "Microdis Electronics", which is in Vilnius, Lithuania, if the Lithuanian law does not imperatively set other jurisdictions in Lithuania`s courts.
3. The contractual relationship shall be governed exclusively by Lithuanian law.

15. Severability clause

1. If any provision in these terms be or become invalid, the other provisions of these terms will remain in full force and effect.
2. All amendments and alterations to this terms and conditions shall be made in writing.