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1. CONDITION

Only written orders or variations thereto made on Buyer's official printed order forms are binding on Buyer and submitted to these «General Conditions of Purchase» if these have been submitted to Seller once. All other terms and /or conditions of parties involved into transactions with Buyer are subsidiary to these »General Conditions of Purchase«. Buyer will not be bound by Seller's terms and conditions, unless Buyer expressly agrees to parts of such terms and conditions in writing. »Goods« implicates all materials, items, tools, subassemblies, equipment, software, systems and documentation to which this order relates. shall mean Buyer's affiliates for whose benefit the "Goods" and/or work and/or service are being purchased.

2. QUALITY & WARRANTIES

Seller warrants the delivery made to be:

- produced, performed and/or executed by the supplier itself and not by any third party acting as subcontractor or otherwise, unless with the prior written approval by Buyer,
- of quality ordered, fit for purpose made known to Seller whether expressly or by implication and free from defects whether in design, material or workmanship,
- Seller will exercise all reasonable skill, care and due diligence and shall carry out all work in accordance with good engineering and professional practice,
- corresponding exactly with the agreements, specifications, norms, quality and reliability applicable,
- without prejudice to Buyer's other rights and remedies, including but not limited to the warranty for hidden defects and for lack of security, Seller shall at his own cost make good all defects appearing in the "Goods" and/or work within 24 months from first use or such other period as may stipulated in the order and/or norm applicable.
- after ceasing to manufacture the "Goods" and for a term of at least five years, Seller guarantees an adequate repair service as well a supply of spare parts within proper perspective of the previous conditions supplied for,
- complies with legal requirements applicable in Slovenia and other (international) laws and regulations;
- complies with CE 1907/2006 regulation REACH. The supplier shall provide the declaration of REACH
- conformity, if applicable,
- complies with EN 2002/95/EC regulation RoHS, concerning restrictions in the use of hazardous substances such as Plumb, Mercury, Cadmium, Exavalency Chromium, PPB, PBDE and Deca-BDE. The supplier shall provide the declaration of RoHS conformity, if applicable.

If reference is made in the agreement to technical, safety, quality or other regulations and documents not attached to the agreement, the Seller shall be deemed to have knowledge of these unless Buyer is informed to the contrary in writing immediately. Buyer is obliged to provide the

Seller with further information on these regulations and documents soonest. The Seller shall bear the costs related to, and obtain the necessary permission, permits or licenses in good time required for carrying out of the agreement and for complying with the conditions stipulated therein, if not specified different in writing only and addressed as such.

3. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

All dies, moulds, tools, jigs, patterns, materials drawings, designs, specifications software and other type of data provided and/or paid for by Buyer will remain at all times the property of Buyer, are to be surrendered to Buyer immediately if asked for, and are to be used by Seller for the purpose of Buyer's instructions/orders solely.

If intellectual property rights apply to the delivery or accompanying documentation, Buyer shall be entitled to the legal use thereof free of charge by means of a non-exclusive, worldwide, perpetual license. All intellectual property rights that arise due to the execution of the delivery by the Seller, its employees or third parties involved by the supplier for performance of the agreement, belong to Buyer. The Seller is obliged to do everything necessary to obtain or establish the abovementioned rights within line with any existing agreement with Buyer. Seller guarantees that the delivery does not infringe on any intellectual property rights of third parties. Seller indemnifies Buyer against any (alleged) claims by third parties in this regard and shall reimburse Buyer for any damages suffered as a result thereof.

4. PROCESSING OF ORDER

Buyer reserves the right to revoke any order placed or made by it if the supplier does not issue a confirmation of receipt thereof within three business days in writing. If the order confirmation differs from the original order placed, Buyer's order will be legally binding at all times, unless agreed explicitly in writing to be in agreement with the deviation. The acceptance of deliveries or supplies by Buyer as well as payments made in this regard shall not imply acknowledgement of any deviations. 'Writing' includes facsimile transmissions and the electronic exchange of pdf-files, e-mail and comparable means of communication. Deviations found during processing of the order will consequently lead to a "HOLD" on the document involved, till written agreement has been reached.

5. INSPECTION & EXPEDITING

Buyer, Buyer's customer and/or if different the end user and/or any official body concerned shall be entitled to inspect or test the "Goods" or work and expedite progress of this order at any reasonable time at Seller's works or at the works of any of Seller's sub-contractors or assignees. Seller will give Buyer adequate notice of Seller's and its subcontractor's works if tests, progress of any kind is to be carried out related to Buyer's interest/"Goods", which Buyer consequently is entitled to attend. Seller will provide Buyer with such test certificates as Buyer may require and /or specifies.

Such inspection, testing and/or attendance by Buyer does not relieve Seller of any liability nor does it imply acceptance of the "Goods" or work. Seller shall promptly inform Buyer of any contact with

any customer(s) of Buyer, the end user and/or any official body in connection with Buyer's orders and/or "Goods" and/or work and shall not act upon any instruction from any of them unless confirmed in writing by Buyer. The previous stated within perspective of which Seller is aware off/informed about by Buyer.

In case of nonconformities found during inspection & Expediting, Buyer shall inform Seller accordingly and Buyer shall be entitled to replacement or repair at its discretion or may proceed to revise and/or terminate and/or annul all existing agreements, or partly if still considered confident. All this does not affect Buyer's right to compensation. All costs related to the additional inspections and re-inspections shall be borne by Seller, except for the costs of inspection staff appointed by Buyer in the first place.

6. DELIVERY

The Buyer's delivery conditions will be stated in the purchase order (INCOTERMS 2010). The delivery date(s) or delivery period(s) of the agreement

shall be firm and binding and shall apply to the entire delivery, including the relevant drawings or other documents pertaining thereto. Should circumstances arise whereby the deadline for an agreed delivery date(s) or period(s) is expected to be exceeded, Seller shall inform Buyer hereof without delay. If Seller exceeds any agreed delivery date(s) or period(s), Buyer is entitled to take all measures necessary in order to safeguard its obligation(s) towards its end user, which costs involved will be the full responsibility of Seller, and claimed as such at Seller without any restriction(s). Imposition, recovery or settlement of this penalty shall not affect Buyer's right to performance, compensation and termination of the agreement.

7. REJECTION

In case "Goods" and/or work do not comply with the order/specification, Buyer shall be entitled to reject the "Goods" and/or work or any part of them at any time up to 12 months after delivery, using its Claim Report (OB-P.02.01), irrespective oh whether Buyer is deemed to have accepted them in an earlier stage. Without prejudice to any other right or remedy available to Buyer, Buyer shall be entitled to return any rejected "Goods" to Seller at Seller's risk and expenses. The Seller is obliged to eliminate any delay in the obligations of Buyer with regards to the rejected "Goods" and/or work and will make every effort necessary at Seller's expenses to safeguard Buyer from any claim resulting of this rejection of "Goods" and/or work.

8. PACKAGING AND DISPATCH

Packaging has to be in compliance of Buyer's instructions on the written orders by all times. In case specific instructions fail, Seller is obliged to ask Buyer for it in advance, resulting into the proper packaging for each delivery to be made. Seller will value at all times, submitted to the previous listed, the packaging to be as economically, safely and carefully as possible and in such a manner that the shipment can be handled during transportation within perspective of international

regulations. Seller shall ensure that the delivery arrives at the destination in good order. Shipments on pallets shall take place on euro format pallets, or euro pallets, if not agreed different in writing in advance. Neutral packaging materials without printing are to be used as far as possible to encourage reuse of packaging materials. Packaging materials shall be suitable for reuse or recycling.

“Goods” ordered/delivered for which a “Food & Drug Approval/Application” is specified need to be packed into plastic bags, avoiding any kind of contamination during the process of decontamination entering the European Union. Special packaging that has to be returned to the supplier shall be marked as such. The destination shall be as indicated in the agreement, including the frequency based on which such return shipment will be made. Seller shall mark the shipment with Buyer’s order reference number, number of boxes, number of pallets, as well the correct delivery address. The outside of the package shall have a packing list attached with the contents of the shipment listed.

9. DELIVERY & TITLE

The risk for the delivery remains with Seller until the delivery arrives at the agreed place of delivery and has been accepted in writing by Buyer by a person duly authorized to do so, with his or her name stated and signed for. Title to the delivery shall pass to Buyer at the moment of signed delivery acceptance, if not agreed otherwise in writing.

Models, stamps, moulds, templates, dies, calibers, drawings and the like procured or manufactured by Seller in aid of the delivery, shall be deemed to have been made available to Seller by Buyer at the moment that these “Goods” are delivered to the Seller or have been manufactured by it or its subcontractor. If Buyer makes items available or is considered to have made items available to the supplier in aid of the delivery, these shall remain or become the property of Buyer and Seller shall be obliged to clearly mark these items as Buyer’s property and to make a declaration of ownership available if requested to do so. Seller is obliged to store, service and insure Buyer’s property within the common experience of proper paternity. Items created by amalgamation, confusion or otherwise, become Buyer’s property at the moment of creation. Seller shall be deemed to have created the items for Buyer and shall retain these new items as Buyer’s property and make a declaration of ownership available to Buyer if requested to do so.

10. PRICE & VARIATION

The price listed on Buyer’s order is fixed in Euro and leading by all times. Buyer reserves the right to vary the order and if any such variations cause a change to Seller’s costs, an equitable variation shall be made to the price payable to Seller. Any financial claim or request for a change to the due date for delivery/completion must be made in writing.

Prices may be subject to review regarding market price and/or cost development of materials or components used. Following such a review, Buyer may open price negotiations with Seller and Seller shall participate in such negotiations in good faith.

11. INVOICING & PAYMENT

Invoices shall be submitted bearing order reference number(s) as per order(s) placed and itemized listing the item numbers. Buyer shall be entitled to suspend payment for as long as these details remain outstanding. Duplicates of invoice shall be identified as such.

Any discrepancy found by Buyer's dedicated staff, processing Seller's invoice will automatically put this process on "HOLD". Buyer is obliged to inform Seller about the invoice status being on "HOLD" and the details causing it. Payment does not imply in any respect whatsoever a waiver of Buyer's right to performance of the agreement. Buyer is entitled to debit claimable debts against claimable liabilities with the supplier by means

of a debit note in case Seller did not issue a credit note for it, despite Buyer's request to do so. Buyer may request a deposit or bank guarantee at Seller's own cost before it makes "Goods" and/or works available or if partial or total payment in advance takes place.

12. LIABILITY & INSURANCE

Seller shall be liable for all damages suffered by Buyer due to a defect or shortcoming of the delivery, a defect in the equipment or materials used in executing the order or agreement or as a result of any act or omission by Seller, its employees or subcontractors relating to the delivery. Seller shall completely indemnify Buyer against claims by third parties for damages resulting from the circumstances mentioned above or for damages, claims and costs resulting from the performance and/or execution of the deliveries by any third party acting as subcontractor or otherwise. Seller shall indemnify and hold Buyer harmless against any and all claims regarding the deliveries, based on product liability legislation in Slovenia.

13. ASSIGNMENT & SUBCONTRACTING

Seller is not entitled to assign, transfer or subcontract the whole or any part of the order/contract without prior written consent of Buyer.

14. TERMINATION & SUSPENSION

Buyer shall have the right to completely or partially dissolve the agreement without further notice of default by means of written notice to that effect without prejudicing its other rights, in the event that:

- Seller defaults on one or more of the obligations as contained in the agreement;
- Seller becomes bankrupt or insolvent, or is made subject of an administration order, or commences a winding-up by reason of insolvency, or the business has been transferred to a third party;
- the delivery is rejected after inspection or re-inspection;

Then without prejudice to any other remedy available to Buyer, Buyer shall be entitled to terminate the order(s) immediately by notice in writing – waiver of the performance – purchase equivalent or

similar “Goods” and/or work from others and recover the additional costs of so doing from Seller. In the event of termination the risk of the “Goods” and/or works already delivered remains with Seller. The “Goods” and/or works shall then be at the Seller’s disposal and they are to be collected by the Seller. The Seller shall refund any payments made by Buyer in terms of the terminated agreement immediately.

15. GUARANTEE

If, within a period of 24 months, submitted and prevailed to the end user’s guarantee informed about in advance, after acceptance of the delivery, the delivery is found to be non-compliant with the stipulations in article 3 of these conditions, Seller shall, for its own account, replace, repair, or re-execute the delivery at Buyer’s discretion

when first requested to do so within the term indicated by Buyer without prejudice to Buyer’s other legal rights. If Seller continues to default on its guarantee obligations, Buyer has the right to proceed to replace, repair or re- execute the order at Seller’s expenses, with or without help from third parties. Buyer shall notify Seller of the exercise of this right in advance where possible. A guarantee as described above shall apply afresh to replaced, repaired or re-executed parts of a delivery.

16. NON-DISCLOSURE & INFORMATION OBLIGATIONS

Seller shall provide Buyer with all information pertaining to the delivery insofar as it could be of importance to Buyer. Seller shall not reveal confidential information to its own employees not involved with the delivery or to third parties, unless Buyer has agreed to this in writing in advance. Seller shall not be entitled to use Buyer’s name and/or logo in advertisements and other commercial publications without prior written permission from Buyer.

17. COURTLY CODE

In the event Seller offers and/or gives gift or any other contribution being considered inappropriate with regards to the historical based custom(s) to an employee of Buyer without Buyer’s prior written approval, Buyer shall have the right to terminate the order or agreement, without any obligation or liability.

18. LAW

For each possible dispute the competent law-court is the one in Ljubljana, Slovenija.

19. PUBLICATION

A copy of these General Conditions can be downloaded from the website from Buyer (www.siliko.si).