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1. PRICES

Prices are valid for such period of the term of the Supply Agreement as agreed between both parties and remain valid until a new agreement on prices has been reached.

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

2. INVOICES

Seller will issue an invoice for the delivered goods with the payment terms as agreed between him and the Buyer. Invoice should clearly show the Buyer's purchase order, the customs tariff number, delivered quantity, delivery date, packing number and price for each article number.

Each invoice shall be in the agreed and the same currency and sent to the address provided by the Buyer.

3. INTEREST ON ARREARS

In case of non-payment or delayed payment Seller may charge interest on the arrears at a rate of 9% according to Slovenian obligatory code unless otherwise agreed. Seller reserves the right to a higher charge to cover damages arising from the delay.

4. PAYMENT TERMS

The non-payment of one invoice, even if partial or the non-fulfilment of payment conditions agreed between the parties, will give the Seller the right to: hold up the execution of his contract obligations without any previous notice, make up for his possible losses.

The goods delivered to the Buyer but not paid yet remain the property of the Seller until full payment.

5. HOLD UP SUPPLIES

Beside the statement at item "Payment terms", should one of the terms not be complied with, even if partially, or should any modification of any kind occur either in the trade name or in the trade position of the customer, the Seller will have the right to stop the outstanding supplies.

6. DELIVERIES

Any agreed trade terms shall be constructed in accordance with INCOTERMS 2010 and passage of risk shall take place when Products or parts have been handed over to Buyer in accordance with said terms.

The Buyer's delivery needs will be stated in the purchase order. Orders can be updated weekly or as may be otherwise agreed.

The Seller announce the shipment day and hour to the buyer or carrier for the takeover within the agreed time.

On the date of delivery, the recipient must be at the delivery address between 8:00 and 14:00.

If the buyer or his carrier will not take into account those terms, the seller shall have the right to charge the buyer the storage costs for non-acceptance of the goods.

If the package or pallet is not picked up within date, which is announced, to seller/carrier are subject to a daily storage costs. Storage costs is the cost of holding a shipment at a location (warehouse, CES, etc). Storage costs become applicable upon the date which is announced for pick up:

- EUR 25€ for each started hour up to a maximum of 8 hours in case day (date) and time (hour) are given.

- EUR 100€ for each missed day of the takeover if the day (date) of the takeover is given.

Liability for damage and loss of the shipment shall be transferred from Siliko to the customer on the day of the delay.

7. QUANTITY OF THE GOODS DELIVERED

It is agreed between the parties that the Seller, considering this special kind of manufacturing, will have the right to carry out the order with +/-10% change for the quantity agreed.

8. CANCELLATION

The Buyer agrees that, during the Fixed Period (agreed between the parties), he shall reimburse the Seller for the items and/or materials specifically purchased or manufactured for the Buyer which cannot be used in other products or cancelled without costs at the Seller's supplier. In case of Buyer cancellation, the Seller shall make all efforts to return the components and cancel purchase orders and take other measures, to minimize invoiced amounts owed by the Buyer. All materials and components paid for by the Buyer are the property of the Buyer.

9. MOULDS

Unless otherwise agreed, the amount charged to the Buyer for the moulds is to be considered a full payment of all production costs of these moulds, copyright excluded. After payment is received the moulds are being regarded as then Buyer's property left at the Seller to be used and stored in good housekeeping. Modifications are therefore considered to be the single responsibility of the Buyer and in accordance charged for.

The non-satisfaction of samples, which is however under size tolerance, does not give authorisation to the Buyer not to pay the agreed charges as stated in above which charges must be in any case paid and refund to the Seller.

10. PRODUCTION RELEASE

Before serial deliveries the initial samples sent to the Buyer must be approved by the Buyer. The samples should be representative of future production under the conditions applying to such serial production.

11. CLAIMS

In case the Buyer finds unconformity in quality issue on the Product delivered by the Seller, he has the obligation to inform the Seller about the unconformity with the Claim report.

The Seller is obligated to issue an 8D report within 8 days after received claim. Costs arising from the claim are to be agreed by both parties based upon the justification of the claim itself.

12. RESPONSIBILITY

The Buyer forces himself to supply drawings, projects or samples to manufacture products that do not violate other industrial or commercial property rights and gives in this respect the widest warranty to the Seller. Consequently, the Buyer engages himself to hold the Seller harmless from any prejudicial consequence caused by the transgression to this engagement.

13. COMPETENT LAW-COURTS

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

14. ACCEPTANCE

By accepting these general sales conditions the Buyer gives up his own possible general purchase conditions, both separately and in total way.