

MISCELLANEOUS

Supplier's obligations:

- to supply the ordered equipment within the agreed scope and quality in accordance with the applicable rules and standards, seeking the approval of the Mandator first if material or equipment needs to be replaced, otherwise the Mandator shall not be obliged to pay for the equipment;
- all supplied equipment, elements, spare parts etc. must be completely new, manufactured in line with state-of-the-art technology and the latest specialised industrial know-how, as well as in conformity with the applicable rules and standards, while the Supplier shall also be obliged to provide adequate certificates of attestation;
- the supplied equipment must be manufactured pursuant to the Technical Requirements for Products and Conformity Assessment Act (Official Gazette of the Republic of Slovenia, No. 17/2011) and the Machinery Safety Rules (Official Gazette of the Republic of Slovenia, No. 75/2008 et seq.). The Supplier shall certify the conformity with essential occupational health and safety requirements with adequate markings on the equipment (machinery/devices) and shall be obliged to submit, upon takeover or at the latest before the equipment is put into operation, an adequate declaration of conformity in Slovene language and a CE Declaration of Conformity (European CE Mark Directives) with all particulars in accordance with the applicable rules;
- to supply and assemble the equipment manufactured in line with the following directives: the Electromagnetic Compatibility (EMC) Directive 2004/108/EC, Directive 2006/95/EC relating to electrical equipment designed for use within certain voltage limits, the Machinery Directive 2006/42/EC;
- to organise user trainings for the Mandator before takeover for handling the supplied equipment;
- to ensure spare parts for additional 10 years after takeover;
- to protect the equipment from damage and destruction until handed over to the Mandator;
- to satisfy all other obligations defined in the offer and other documentation or arising from other mutual arrangements.

If the Supplier's obligation also includes start-up of the equipment, the obligations shall extend to the following:

- after the conclusion of works and prior the takeover, the Supplier shall submit to the Mandator the complete technical and other documentation required for operation and maintenance of the equipment that was delivered/mounted by the Supplier. This includes all required certificates, approvals, measurements, warranty certificates for the equipment and in-built elements, any warranties against defects during the warranty period, instructions for use and maintenance of the equipment etc.;
- regular settlement of obligations towards their Subsuppliers. In case of late payment, the Supplier shall be obliged to conclude a suitable assignment agreement with the Mandator and the Subsupplier;
- if the subject of the contract is to be supplied to the site of the investor of the Mandator, the Supplier's workers should be informed of the regime on that site, in particular, as regards any smoking ban in the business premises and in open areas, the traffic order, rules on safety at work, fire escape, list of workers present on the site etc. and ensure that such rules and instructions are consistently adhered to. Furthermore, the Supplier's workers and the workers of its Subsuppliers shall also be obliged to take all of the above into account. If the Supplier's workers violate the aforementioned rules, this could constitute a ground for withdrawal or cancellation of the order without any notice period and a prohibition of future work. In case of delivery to the site of the investor, the Mandator shall be obliged to familiarise the Supplier with such rules.

If the supplied equipment includes the delivery of a new or used machine, the Supplier shall also be obliged to submit all documentation and satisfy the requirements from Annex 1.

Payment conditions

- successfully effected takeover (see indent "takeover ");
- submission of all documentation from the offer and order;
- presentation of all agreed instruments of security (guarantees, bills of exchange etc.) if specified in this order.

If any of the previous items is not fulfilled, the Mandator may refuse to pay and the payment shall not fall due until all previously mentioned items have been fulfilled. Although the payment dynamics may deviate from this order, all previously mentioned items need to be fulfilled before the final payment in any event.

If the Mandator contests an invoice or a part of an invoice, they shall notify the Supplier thereof within 8 working days and settle the undisputed part of the invoice, the Supplier shall be obliged to issue a credit note for the disputed part.

Takeover

a) in case the Supplier's obligation only includes the delivery of equipment:

Once the Supplier has the equipment ready to be taken or handed over, he is obliged to notify the Mandator thereof and make the delivery to the agreed location within the agreed time or make the arrangements for takeover in accordance with the agreed Incoterms clause (Incoterms 2010). The Mandator shall carry out a customary inspection of the supplied equipment, inform the Supplier of obvious defects and confirm the receipt of the equipment by signing the delivery note (takeover).

If it is revealed after the takeover by the Mandator that the equipment shows a defect which could not have been noticed during the customary inspection (latent defect), they have to notify the Supplier immediately after the defect has been discovered or within 2 years after the takeover at the latest. The delivery note shall be an integral part of the invoice.

b) in case the Supplier's obligation includes the delivery and start-up the equipment:

After the Supplier has delivered the equipment and start it up, he is obliged to inform the Mandator. The parties shall carry out the takeover of performed works within 8 days upon such notification, drawing up and signing a record on takeover which lays down *inter alia* the period for rectification of any minor deficiencies. In case of major deficiencies, takeover shall not take place but a new time limit shall be set. The record on takeover shall constitute an integral part of the invoice.

If the Supplier fails to rectify the discovered defects and deficiencies within reasonable time limits or fails to remedy them during the warranty period, the Supplier shall be obliged to carry all costs incurred by the Mandator in this regard or the costs claimed by the investor from the Mandator (costs of substitutional performance, possible price differences of substitute providers, administrative costs related to the remedy of defects, the costs of court and administrative proceedings etc.).

Delivery time

The Supplier is obliged to deliver the equipment until the date as previously mentioned on the order.

Deviation from the previously mentioned delivery times shall be possible only upon written consent by the representative of the Mandator.

Timely delivery of equipment shall mean such delivery effected during the delivery time in terms of quantity and quality. If the Supplier fails to deliver the equipment within the specified period or fails to deliver it at all, the Mandator shall be entitled to engage another supplier with full or partial execution of works and, in both instances, charge an extra payment of 5% to cover the overheads. Moreover, all increased costs (difference in prices of the other supplier) including penalty and damage incurred thereby,

shall be borne by the Supplier. The Mandator shall be entitled to take the same action if the Supplier unjustifiably discontinues or stops the delivery.

Penalty for delay in delivery

If the Supplier fails to deliver the equipment within the specified time periods, he is obliged to pay to the Mandator a penalty amounting to 0.5% of the sum from this order for each calendar day of default, though the penalty may not exceed 10% of the sum from this order.

If default under this contract causes damage to the Mandator which exceeds the penalty, the latter shall charge to the Supplier also the difference between the damage incurred and the charged penalty.

Any penalty shall be charged on a special invoice to be issued by the Mandator to the Supplier and set off with the invoice issued by the Supplier.

Warranty period and warranty for defects within the warranty period

The Supplier shall guarantee the quality of the supplied equipment (latent defects) and the quality of in-built elements for **two years** after the effected final takeover.

In case of defect during the warranty period, the Supplier shall ensure a repair or delivery and replacement of the defective element free of charge. For each part replaced during the warranty period, a new warranty period shall begin anew after installation. The Supplier may authorise an expert of the Mandator to eliminate the defective element during the warranty period. If an element breaks down three times, the Supplier shall replace it with a new one. The Mandator may issue an invoice to the Supplier for the value of non-executed warranty repairs.

Confidentiality

The Supplier and the Mandator are obliged to treat all information and data obtained in the process of realisation of this order as a business secret of the other party, and shall not be entitled to disclose such information and data to third legal or natural persons without prior written consent of the other party. Such information or data may be used exclusively for the purpose of carrying out their obligations, duties and rights under this order. In case of default, the violating party shall pay to the other party 0.5% of the value of this order for each violation.

Termination of the Order by the Mandator

The Mandator shall have the right to terminate the order at any time without any notice period, especially in the following cases:

- if the Supplier is in delay with delivery times under this order and fails to deliver the equipment even within the grace period of 8 days;
- immediately after the Supplier runs behind schedule if it can be concluded from the Supplier's conduct that the Supplier will not fulfil their obligations even in the grace period;
- if the Supplier becomes incapable of rendering fulfilment;
- if the Supplier is prepared to fulfil only one part of the order without any justified reason, and the Mandator has no interest in such fulfilment;
- if it is obvious that the Supplier will not fulfil their obligations;
- if the Supplier fails to respect the provisions and obligations from the order and the offer or seriously violates them.

If the Mandator terminates the order, he is obliged to pay the Supplier for all equipment delivered to that point, and at the same time have the right to request from the Supplier a compensation for damage

incurred, the costs of substitutional performance and administrative costs as a result of the termination. The Mandator shall charge the previously incurred costs on a special invoice to be issued to the Supplier and set off with the invoice issued by the Supplier.

Termination of the Order by the Supplier

The Supplier shall also have the right to terminate the order but only in case of force majeure or due to the Mandator failing to meet their obligations (default of payment...). In this case the Supplier shall be entitled to receive payment for the already delivered equipment and a compensation for the damage suffered due to the Mandator failing to meet their obligations.

Disputes (law and jurisdiction)

Any disputes arising out of this order that cannot be settled amicably, shall be resolved by the competent court of subject matter jurisdiction in Ljubljana. Slovenian law shall be applied to the settlement of disputes.