

### 1. General Provisions

- 1.1. These General Terms and Conditions apply to all supplies of products or services ("Supplies") by Iskraemeco, merjenje in upravljanje energije, d.d., Kranj ("Supplier"), whether they are referred to in special contracts or not. The terms or conditions of the Customer, if they are in conflict, supplement or deviate from the present Terms and Conditions do not become part of the contract, unless the Supplier gives written explicit consent to them.
- 1.2. Present Terms and Conditions apply also in case of supplemental and deviant Customer's terms and conditions, even if there is no special reference to present Terms and Conditions or if they are not enclosed in particular transaction.
- 1.3. Any waiver of the present Terms and Conditions should also be set forth in writing. Rights beyond the scope of present Terms and Conditions, to which the Supplier is entitled to under statutory provisions, remain unaffected.
- 1.4. The Supplier may transfer or assign rights and obligations from the contract with the Customer to a third party.
- 1.5. The Supplier retains all rights to designs, drawings and technical documents. The Customer acknowledges these rights and shall not make such designs, drawings and documents available to any third party, either in whole or in part, nor use them for any purposes other than the agreed purposes without prior written authorisation by the Supplier

### 2. Orders

- 2.1. All Supplier's offers are unbinding, unless it is explicitly stated therein to be binding. All Orders are subject to Supplier's confirmation. All Customer's Orders are binding.
- 2.2. The contract is concluded with full application of present Terms and Conditions when the Supplier confirms a Customer's Order. If the Customer's Order contains Customer's objections to the contents of confirmation, the Customer should object to it without undue delay, otherwise the contract is deemed to be concluded with full Customer's authorization.

### 3. Product Specifications

- 3.1. If the contract concerns delivery of the items that are subject to technological change, the Supplier shall deliver Supplies according to the most recent technological sheet, subject to amendment from time to time. If the Customer is interested exclusively in the type ordered and such type may not deviate from it under any circumstances, the Customer should explicitly advise so to the Supplier when presenting the Order at the latest.
- 3.2. Within the agreed frame of releasing Orders, the Customer must issue the release 10 (ten) weeks before the requested delivery date at the latest, and within 9 (nine) months after the Confirmation of the Order at the latest, unless otherwise agreed upon. After 9 (nine) months, the Supplier can give additional reasonable period to the Customer to release the Order and upon termination of this additional term, the Supplier may either deliver the Supplies and issue the invoice as per art. 5.3. or rescind the contract and claim damages in lieu of performance. Additionally, the Supplier is entitled to charge the full price applicable to the quantities actually released by the Customer.

### 4. Representations and Warranties

- 4.1. The Supplier warrants that all delivered Supplies shall be new, unused and shall conform to regulations, standards and technical specifications that are applicable in Slovenia. All Supplies shall be free of defects in components or faulty manufacture. The Supplies are intended solely for the specified purpose.
- 4.2. The Customer must examine the Supplies in 8 (eight) days upon delivery; hidden defects must be reported to the Supplier without undue delay. The Customer is obliged to send the Supplies with full documentation applicable at its own cost to the Supplier for examination of defects. Any failure from the Customer's side to examine and report defects shall be deemed as full acceptance of Supplies and waiver of right to claim any defects, including hidden defects.
- 4.3. The warranty shall be 12 (twelve) months from the date of manufacturing. Any replacement or repair does not affect the warranty period in any way whatsoever.
- 4.4. The warranty includes repair or replacement of defected products only, provided the defect is caused solely by the Supplier. The defected Supplies shall be replaced or repaired as a sole remedy, at the Supplier's discretion. In case of replacement, the defective products become the ownership of the Supplier, without any compensation to the Customer.
- 4.5. In case of a malfunctioning component, the Supplier's total warranty and liability is limited to the type of remedy, compensation and validity provided for in the warranty given by a supplier of such component. Any potential Customer's right to rescind or terminate the contract is excluded.
- 4.6. The Supplier will not recall the Supplies due to unusually large number of similar defects or malfunctions, disregarding the volume of defected products or similarity of such malfunctions, not even if there is a proven systematic error. Each individual product shall be inspected and tested individually. The Supplier will not acknowledge any request to replace all or substantial number of the same products due to "generic defect", "epidemic defect", etc., without identified such defect in every single product.
- 4.7. The Supplier makes no warranty or representations in the following cases:

- a) Defects were not solely caused by the Supplier,
  - b) Deviations from specifications are unsubstantial or a defect only insignificantly impairs the use of such Supply,
  - c) Any modifications of the Supplies by the Customer, Customer's customers or end-users, or if any of the official seals or warranty numbers have been tampered without previous written approval from the Supplier
  - d) In case of any repair or alteration performed by the Customer or any third person, even if only attempted and not finished, and even if successful, unless it was performed with explicit written approval by the Supplier;
  - e) SupplierCustomerCustomerCustomerif the defect is caused by accident, improper use, negligent or improper handling, unusual physical or electronic stress, excessive strain, abuse, misuse, neglect, use of unsuitable appurtenance, improper installation or packaging, if erection was not performed by the Supplier,
  - f) If the product was not used according to its purpose.
- 4.8. The warranty does not cover any cost of testing, removing, shipment from Customer to Supplier and back, any installation costs or costs of downloading any software. At the Supplier's request, the Customer must send the products to the place dedicated by the Supplier, at Customer's own risks and costs.
  - 4.9. Any information about the Supplies distributed by the Supplier, either in brochures, catalogues, data sheets, advertising materials, specifications and descriptions and other technical supply conditions, certificates and other documents, constitute no warranty as to the quality, state and durability of the Supplies. Samples of the goods distributed by the Supplier are test samples only and do not constitute a warranty of the quality and state of the Supplies, without explicit written agreement.
  - 4.10. All costs of testing and inspecting the Supplies shall be charged to the Customer, if no defect is found, and proportionally, if only part of the defect is established.

### 5. Prices and Terms of Payment

- 5.1. The relevant prices are the prices on the confirmation of the Order. All prices are ex works (EXW as per Incoterms 2000) and exclude packaging, freight, insurance, customs, VAT and other applicable taxes or fees. Statutory taxes and fees, including VAT shall be added at the then applicable rate. Any additional costs, such as costs of certificates or any authorization documents, shall be borne by the Customer; the latter shall upon the Supplier's request pay the abovementioned costs to the Supplier in advance.
- 5.2. The Supplier reserves his rights to change prices without notice in the following cases (after Confirmation of the Order or submission to the tender and before actual delivery):
  - a) Subsequent modifications or changes on the Supplies, or place, time or manner of delivery that are made upon Customer's request;
  - b) The delivery is extended and the reason is not on the Supplier's side, or at least part of the reason is not on the Supplier's side;
  - c) The Customer supplied to the Supplier incomplete documents or provided deficient information that was required;
  - d) If these General Terms and Conditions do not apply exclusively and conditions of the contract may cause rise in the Supplier's costs.
- 5.3. The invoice shall be issued at the moment of dispatch from the Supplier's premises. All invoices should be paid 30 days, unless otherwise agreed upon in writing. Payment must be made to the Supplier's bank account, without any delays or deductions whatsoever. Payment shall be considered effectuated at the moment when the Supplier has the full amount at his unlimited disposal.
- 5.4. Bills of exchange or checks are accepted only on behalf of a payment and if agreed so in writing; all applicable discounts and costs shall be borne by the Customer.
- 5.5. In case the Customer is in delay of payment, the Supplier shall claim, without prejudice to any other remedy or claim, a default interest in the amount of 5% (five percent) over the legal default interests valid in the Republic of Slovenia, but not exceeding maximum permitted by the law. The Supplier may at any moment, until payment of all due amounts, default interests included, rescind the contract for default and claim full damages.
- 5.6. In case of any claim of initiation of insolvency procedure or suspension of payment, all claims by the Supplier fall due immediately, including any ancillary claims and damage compensation claims. The Customer is obligated to inform the Supplier of any such deed in advance, and if this is not possible, immediately upon such deed. Any omission of this obligation shall cause liability of the Customer for all damages thus caused.
- 5.7. The Supplier is entitled to count payments from the Customer towards the Customer's oldest debt first. If any costs or interests have already accrued, the payment shall be counted first to the costs, then to the interests and finally to the principal claim.
- 5.8. Counterclaims of the Customer can be offset only if they have been confirmed with the final (unappealable) court decision or are undisputed. The same applies for claims of the right of retention, which must be based on the same contractual relation.

- 6. Delivery**
- 6.1. Any agreement on delivery terms or period must be made explicitly in writing, otherwise they are not binding. Any delivery term shall start to run with the dispatch of the Confirmation of the Order, but in any case only after all required documents, permits and releases are submitted or obtained by the Customer, all open issues are fully clarified, and the agreed advance payment is paid etc., whichever of above conditions is the latest.
- 6.2. The agreed term shall be observed if the Customer fulfils all its obligations properly and in the timely manner, and under condition that all Supplier's subcontractors deliver in timely manner and properly.
- 6.3. Supplier The terms of delivery shall extend at least for the period of delay in the following cases:
- Approvals, permits, documentations, information, advance payment etc. are not received on time and/or if the Customer or his customer (third party) has not fulfilled any of the agreed obligations;
  - If there are any unpaid open claims against the Customer, arising from contractual relation, damage compensation or other;
  - Delay in supply of material or any supplies by the Supplier's suppliers, as well as delays caused by any industrial actions.
- 6.4. Terms of supplies are met when the Supplier notifies the Customer that he is ready to perform or performance or installation has started, or when the Supplier notifies the Customer that the Supplies are ready for acceptance.
- 6.5. In case of late delivery that is solely caused by the Supplier (without observation of the other provisions of this article), the Customer shall not charge any penalties or raise damage claims for the first three weeks. If the Customer claims any damages and Supplies are delivered in sufficient time, all such claims for damages shall cease with immediate and retroactive effect. The Customer is not entitled to terminate the contract or the Order in case of late delivery. In no event shall the penalty for delivery exceed 0,5 % per week of delay and in no event exceed 5 % of the contract price altogether.
- 7. Passing of Risk**
- 7.1. The risk for the Supply shall pass over to the Customer with dispatch of the Supplies from the Supplier's premises (EXW as per Incoterms 2000). The Supplier will, upon request and full advance payment of costs, organize the shipment and insure the Supplies for usual risks during the transportation; should no specific instructions be given, the Supplier shall choose the carrier and the itinerary, being liable only for willful misconduct or gross negligence.
- 7.2. Delay of passing of the risk for any reason that is not solely on the Supplier's side or any delay in acceptance shall cause automatic passing of the risk on the first day of delay. From the onset of delay the Supplier will, at Customer's costs and risks, store the Supplies. The Supplier may organize insurance of the Supplies for the ordinary risks on behalf of the Customer and on his costs. The Customer will be entitled to Supplies only against full payment of all related costs and expenses.
- 8. General and Product Liability**
- 8.1. All claims of the Customer against the Supplier, any of his officers, directors, employees, agents, shareholders, subcontractors and any other person with whom the Supplier performs his operations, shall be excluded to the maximum permitted by the law. This exclusion includes, but is not limited to any direct, indirect and consequential damages, loss of profit, production, data or use, even if the Supplier has been especially advised by the Customer of the possibility of any kind of damage.
- 8.2. The Supplier shall be, notwithstanding other provisions of present General Terms and Conditions, liable only in case of mandatory liability, for instance in case of willful misconduct or gross negligence, loss of life, bodily injury, damage to health or general product liability. In such case, however, all potential claims arising from one or several damages shall be limited to a maximum of 10% (ten percent) of all turnover of this Customer in the last 12 (twelve) months and shall be in any case subject to evidence of actual cause and level of damages.
- 8.3. The Customer may not remove or modify any warnings about the risks resulting from improper use of Supplies and shall – if this interdiction is violated - hold the Supplier harmless from all product liability claims raised by third parties.
- 8.4. The Customer shall inform the Supplier without undue delay of any risk with using the Supplies and potential product defects that could result with the product warning or product recall. If a product defect of the Supplies causes the product recall or issuance of the product warning by the Supplier, the Customer is obliged to assist the Supplier and shall follow all Supplier's orders and instructions, which the Customer can reasonably be expected to perform. The Customer shall cover the costs and damages resulting from such product defect to the extent of Customer's responsibility for such defect and damages.
- 9. Retention of Title**
- 9.1. Title to the Supplies shall remain vested in the Supplier until all claims the Supplier has against the Customer that arise from business relationship, are fully settled. The Customer is obliged to handle the Supplies that are under retention of title with due care, sufficiently insured against all possible risks for their full replacement value and with claims of such insurance assigned to the Supplier. The Supplier hereby accepts any such assignment, and if assignment is not permissible, the Customer is obligated to instruct the insurer to make all payments directly to the Supplier. The Supplier's right for other claims shall remain unaffected. Upon Supplier's request, the Customer shall provide the evidence of the conclusion of insurance policy.
- 9.2. The Customer may not, during the retention-of-title, pledge the Supplies, assign them as security or collateral or make any other disposition which could jeopardize the Supplier's rights, apart from selling the Supplies to the Customer's customers in the regular course of business. The Customer is obliged to protect on his costs the Supplies with retention-of-title and inform the Supplier of any threat against the retention.
- 9.3. If the Customer sells the products, which are subject to the retention-of-title, he assigns to the Supplier all claims against Customer's customers, including all ancillary rights, and the Supplier already now accepts such assignment. If the assignment is not permissible, the Customer is obligated to instruct the customer to make all payments directly to the Supplier. The Customer is hereby authorized to collect all due payments regarding the Supply with retention-of-title on behalf of the Supplier, such authorization being subject to recall at any time.
- 9.4. In case of delay in payments or initiation of any insolvency procedures against the Customer, the Supplier may revoke all authorizations and shall notify Customer's customers of the assignment. The Customer is obliged to disclose all information necessary for collection of debts and to inform the debtors of the assignment. The Supplier is also entitled to rescind the contract, whereupon the Customer is obliged to surrender all Supplies still in Customer's possession.
- 9.5. If the Supplies under retention of title are processed, combined or mixed with other goods that are not owned by the Supplier, then the Supplier acquires co-ownership of the new item in proportion of the value of the Supply to the value of other goods at the time of processing.
- 9.6. The retention of title does not authorize the Customer to rescind the contract or return the goods instead of settling the Supplier's claims.
- 9.7. The Supplier may at any time request from the Customer to deliver a security of payment acceptable to the Supplier in the amount of 25% (twenty-five percent) over the value of Supplies, until all Supplier's claims are fully settled.
- 10. Intellectual property**
- 10.1. All Supplier's intellectual property is reserved. The present General Terms and Conditions grant no rights or license to use the software – even if the software constitutes part of the Supplies – and other intellectual property in any manner and for any purpose, apart from the rights granted in writing in special license agreement.
- 10.2. All copies shall be returned or destroyed upon request without undue delay, disregarding the media they are on.
- 11. Force Majeure**
- 11.1. If the event of force majeure prevents the Supplier from performing his contractual duty, including the delivery of Supplies, the Supplier is released from his duty to perform for the duration of impediment without being liable for damages. The same applies if the Supplier cannot perform due to unforeseeable events on which the Supplier has no influence, such as industrial actions, official acts, energy shortage, and significant disruption in suppliers' chain or of operations.
- 11.2. If the impediments continue for more than 6 (six) months, the Supplier is entitled to rescind the contract. After such period and upon request of the Customer, the Supplier shall declare whether it will rescind the contract or not.
- 12. Final provisions**
- 12.1. Any transfer of rights and obligations of the Customer to a third party is subject to written approval by the Supplier.
- 12.2. If not explicitly provided differently by the parties in writing or if not defined in present General Terms and Conditions, trade terms of the International Chamber of Commerce (INCOTERMS) shall apply directly, in version valid at the time of the confirmation of the order.
- 12.3. If any of the provisions of the present General Terms and Conditions prove to be unenforceable or null and void or if it becomes invalid, this does not affect the validity of the agreement between the parties or the present General Terms and Conditions. Any such provision shall be deemed replaced with other provision that is as close to the purpose of the invalid provision as possible.
- 12.4. All agreements between the parties shall be governed by laws of the Republic of Slovenia excluding the United Nations Convention on the Contracts for the International Sale of Goods (CISG).
- 12.5. Place of jurisdiction for all disputes arising from the business relationship between the Supplier and Customer shall be the statutory seat of the Supplier. The Supplier is additionally entitled to bring an action at the statutory seat of the Customer as well as at any other permissible place of jurisdiction.