



General Terms and Conditions for Orders by the Company MONTER DRAVOGRAD d.o.o.

Applied since 5 July 2013

1. General, Order and Order Confirmation

- 1.1 The below General Terms and Conditions for Orders issued by the company Monter Dravograd d.o.o. apply to all orders of the company and/or to deliveries of goods or services of the company Monter Dravograd d.o.o.
- 1.2 Orderer may cancel his order, unless it is confirmed in writing by Supplier/Contractor within three working days after its receipt (Order Confirmation).
- 1.3 If Order Confirmation deviates from Order, then such deviation binds him only after having provided his written consent to it. Orderer is bound to General Business Terms and Conditions of Supplier/Contractor to the extent as they comply with his terms and conditions or if confirmed in writing. His receipt of delivery or service or payment does not indicate that he has also provided his consent.
- 1.4 Modifications or amendments of Order apply only if confirmed in writing by Orderer.
- 1.5 Upon entering into an Agreement with the company Monter Dravograd d.o.o., Supplier and/or Contractor accepts and acknowledges these General Sales Conditions in the sense of being familiar with them, supplementing special agreements between individuals and are binding.

2. Application Rights

- 2.1 Supplier/Contractor guarantees a non-exclusive, transferrable right with no time limits for the Orderer at the global level to use, install the delivered goods and services into other products and to sell them all over the world;
to use or allow the use of software and appertaining documentation (hereinafter collectively referred to as »software«) in connection with installation, testing and functioning of software.

3. Time of Service Performance, Liquidated Damages in the Event of any Disturbance in Service Performance

- 3.1 The punctuality of delivery or subsequent fulfillment is defined by the time when goods arrive at a destination place as specified by Orderer, and the punctuality of delivery with erection or assembly as well as services are defined by their acceptance.
- 3.2 In the event of evident delay of delivery or service and/or subsequent fulfillment, Orderer must be immediately informed hereof with the request for his decision.
- 3.3 If Supplier/Contractor is in delay, Orderer has the right to charge 0.3% liquidated damages for each started working day of delay, up to max. 10% total contract value.
- 3.4 Although there is no reasonable reservation upon acceptance of deliveries, services or subsequent fulfillment, liquidated damages can be enforced till final payment.

4. Transfer of Risk, Shipment and Place of Performance

- 4.1 For deliveries with erection or assembly and for services, risk is transferred to another person upon acceptance, and for deliveries without erection or assembly upon arrival at the place of acceptance, as specified by Orderer.
- 4.2 Cost of dispatch and packaging is borne by Supplier/Contractor, unless there is a different agreement. Additional cost due to non-compliance with dispatchment regulation is borne by

Supplier/Contractor. Supplier/Contractor shall bear additional cost for faster transport which may be necessary for fulfillment of delivery term.

4.3 Each shipment has to be provided with a specification of shipment or Delivery Note specifying the contents and complete designation of Order.

5. Invoices

5.1 Invoice has to contain Order designations and numbers of each position. Invoice shall not be paid until this information is missing. Copies of Invoice have to be indicated as Duplicates.

6. Payment

6.1 Payments are made within 30 days with a deduction of 3.5% discount or within 90 days net, unless there is a different agreement.

6.2 Payment term begins to run as soon as delivery or service is complete and the correctly issued Invoice has arrived. If Supplier/Contractor has to test material, make inspection protocols, documents on quality or any other documents, then delivery and services are considered as complete only after these documents have arrived as well. Discount can be deducted also when Orderer performs offset/compensation or withholds payment in a reasonable value due to defects; payment term begins to run when defects have been completely eliminated.

6.3 Payment does not indicate a confirmation that delivery or services comply with the Agreement.

7. Incoming Inspection

7.1 After arrival of shipment, Orderer shall immediately check if ordered goods comply with Order in terms of quantity and type of goods, if any outer visible damage emerged due to transport and for any other visible defects.

7.2 If this inspection by Orderer detects a defect, he shall inform hereof the Supplier/Contractor. If defect is found at a later point of time, he shall also inform him of this.

7.3 Claims may be filed within one month after delivery or service, or – if defects are detected later during processing or machining or prior to application, within one month after such defect is found.

7.4 Orderer shall be liable against Supplier/Contractor only for above mentioned inspection and information.

8. Product Liability

8.1 If before or upon transfer of risk, defects are found or if defects develop during the period of limitation as mentioned in item 8.9, Supplier/Contractor has to eliminate these defects at his cost and in compliance with Orderer's choice or deliver a new product free of defects, and the same applies also to services. This applies also to those deliveries where inspection is limited to inspection of random samples only. Decision is left at Orderer's option.

8.2 If Supplier/Contractor does not fulfill subsequent fulfillment requirement within the deadline determined additionally by Orderer, the Orderer then has the right to withdraw from the Agreement in total or in part with no damages, or, to demand price reduction, or, to carry out by himself at Supplier's/Contractor's cost the repair or purchases a new one and/or has a third party carry it out for him, and to demand damages instead of service.

8.3 Repair can be done with no deadline determination at the cost of Supplier/Contractor if delivery is carried out after delay.

8.4 The same shall apply if Orderer has – in order to prevent his own delay or because of some other urgent incidence – a special interest in immediate subsequent fulfillment and if it is not probable for the Supplier/Contractor to eliminate the defect within a reasonable period in the event of such urgency.

8.5 Above rights shall become time-barred one year after the information about defect has been received, however, not before the period of limitation herein has expired first.

- 8.6 If Supplier/Contractor in the frame of his liability to eliminate defects makes a new shipment or repair, deadlines specified in items 8.9 start to run anew.
- 8.7 Supplier/Contractor bears the cost and risk for return shipment of faulty delivered goods.
- 8.8 Requirements for factual defects shall become time-barred in three years, except if law stipulates longer deadlines. Demands for legal defects shall become time-barred in five years, except if law stipulates longer deadlines.
- 8.9 Limitation period begins to run with a transfer of risk (item 4.1). For deliveries to destinations where Orderer performs orders outside his plant or workshop, the period of limitation begins after acceptance by Orderer's buyer, however, not later than one year after risk transfer.

9. Checking Legal Defects/Warning Liability

9.1 Deliveries of products which are free of legal defects are of great significance for Orderer. Supplier/Contractor binds himself to check deliveries and services in relation to any presence of legal defects and he shall point the Orderer to any opposite protective right. Ordinary legal period of limitation shall apply for any violation of these rights.

10. Providing Orders to a Third Person

10.1 Providing orders to a third person without Orderer's written consent is not allowed and it provides Orderer with the right to withdraw from the Agreement in total or in part and to demand damages.

11. Delivery of Material

11.1 Material delivered to Contractor shall remain in Orderer's ownership and has to be stored separately, properly identified and it shall be managed separately. The use of that material is allowed only for Orderer's orders. In the event of a fault-based reduction of value or a loss, Contractor shall provide replacement. This applies also to a calculated transfer of material bound to Order.

11.2 Processing or machining of material shall be done for Orderer who becomes direct owner of a new or transformed object. If this is not possible due to legal reasons, then Orderer and Contractor agree that Orderer becomes the owner of the new object at any moment of processing or transformation. Contractor protects the new object for Orderer on a free basis and with due skill, care and diligence.

12. Tools, Models, Patterns, Confidentiality of Data, etc.

12.1 Without a prior Orderer's written consent, it is forbidden to give tools, models, patterns, templates, drawings, standard lists, printed material and grooves left at the Contractor by the Orderer to any third party, as well as products made and it is not allowed to use these for any other purpose than just for the purpose of this Agreement. They should be protected against unallowed access or use. Orderer may demand their handover with reservation of further rights if Contractor violated this obligation.

12.2 Contractor shall not allow any third person to have access to information obtained from Orderer. If Orderer agreed with the submission of Orders to a third party, that party has to be properly bound in writing to fulfill above obligations.

13. Assignment of Claims

13.1 Assignment of claims is allowed only on the basis of a previous written consent by Orderer.

14. Payment insolvency of CONTRACTOR

14.1. If Contractor stops payments, if temporary receiver is appointed due to insolvency or if insolvency proceedings are introduced for Contractor's property, Orderer has the right then to withdraw from the agreement in total or in part, or to cancel the Agreement. In such event, Orderer can demand proper payment for equipment to continue works or for deliveries and shipments of Contractor made by that moment.

15. Code of Behaviour

15.1 Supplier/Contractor binds himself to comply with laws of the legal order in effect. He in particular binds himself not to participate, actively or passively, directly or indirectly – in any form of bribery or violation of the fundamental rights of employees or child work. In addition, he shall take over responsibility for health and safety of his workers on the working places, and he shall comply with environment protection law, he shall promote and demand compliance with this Code of Behaviour also from his suppliers.

15.2 If Supplier/Contractor bears the blame for violation of these obligations, Orderer has - without prejudice to further demands - the right to withdraw from the Agreement or to cancel the Agreement. If violation of obligations can be remedied, this right can be realized only after a proper deadline for the remedy of obligations' violation has expired with no success.

16. Export and Foreign Trade

16.1. Supplier/Contractor has to abide by all requirements of the effective national and international customs duty and foreign commercial law (»foreign trade law«). Two weeks after Order at the latest as well as in the event of any changes, Supplier/Contractor has to immediately provide Orderer with all information in writing which Orderer needs in compliance with foreign trade law for export, import and repeated export, and in particular:

- all valid numbers of export document including classification number of export inspection in accordance with the US Commerce Control List – ECCN statistical numbers of goods in compliance with the actual distribution of goods in foreign trade statistics and HS code (harmonised system), and
- country of origin (non-preferential origin) and, if required from Orderer, statements by Supplier on preferential origin (with European suppliers) or Certificates on preference (with non-European suppliers).

16.2 If Supplier/Contractor violates his obligations according to 16.1, he shall bear all cost and damage arisen to Orderer from this frame, except if he is not liable for violation of obligations.

17. Complementary Stipulations

17.1 If conditions in Order do not contain any stipulations, legal stipulations shall apply then.

18. Place of Jurisdiction, Applicable Law

18.1 Any disputes arising from the Agreement between Supplier and/or Contractor and the company Monter Dravograd d.o.o., with these General Terms and Conditions as its integral part, or any disputes in connection with the Agreement shall be resolved by the competent court (by the registered office of Monter Dravograd, d.o.o.) in the Republic of Slovenia.

18.2 Slovenian substantive law shall apply.

19. Final Stipulations

19.1 These General Terms and Conditions shall apply for an indefinite period of time and/or till they are replaced with new ones.

19.2 Any modifications and supplements of these stipulations are binding only if confirmed by the company Monter Dravograd d.o.o. and Supplier and/or Contractor in writing.

Monter Dravograd d.o.o.
Šentjanž pri Dravogradu, June 2013