



GENERAL TERMS AND SALES CONDITIONS

I. TERMS AND SALES CONDITIONS

General:

These General Terms and Sales conditions shall apply to all orders and agreements for existing and future business partners, even though they have not been specifically explicitly notified thereof. The General Terms and Sales conditions are published on the web site www.kovinoplastika.si. Conversely, the buyer's conditions of purchase do not bind the seller, even if he does not respond to them and are explicitly attached to the order.

The seller delivers the goods to the buyer on the basis of a written order. If the seller does not confirm the order or does not reject it within 8 days of receipt, the order is considered to be accepted. The seller reserves the right of ownership and copyright for his drawings, plans, drafts which should not be made accessible to the third parties. The buyer is obliged to issue and forward to the seller an order for the goods in written form (in writing, fax, e-mail, EDI).

The order has a legal nature of an offer made by the buyer for the conclusion of the sales contract adjoining these General Terms and Sales conditions. Subsequently, a written Annex with the order/offer to the adjoining sales contract shall be prepared and exchanged between the parties by e-mail or registered mail.

Subject of purchase and sale:

The goods listed in the order or in the offer.

Quality of goods:

The goods should comply with the agreed characteristics, whereby quality of products is determined according to the type of production and product by technical documentation and specifications for the product.

If the order does not require that the goods should comply with certain standards or does not contain the description of what quality the ordered goods should be, the seller shall deliver and submit the goods of usual quality, without any responsibility regarding the quality of goods.

Relevant certificates for the goods are attached if such a request was made in the buyer's order of goods. In case that the request for certificates was made by the buyer, the seller is responsible for the attached documentation to relate to the delivered goods, but the seller is not responsible for any information provided in this documentation.

Any mutually acceptable deviations or changes in the quality of products from the technical documentation should be agreed in advance by both parties in writing.

Packaging:

The packaging is included in the price of goods. The special transport packaging (euro pallets, box pallets) should be returned, unless specifically agreed otherwise in writing.

The cost of empty packaging return is on the side of the buyer, unless otherwise agreed in writing.

Price:

The seller shall charge the buyer for the goods no later than 8 days after shipment, at the prices from the seller's price list valid on the day of the shipment, unless the parties specifically agree otherwise in writing.

In case of changes in duties, fees, price of basic material on the market, prices of components and other costs which are beyond the seller's control and which affect the price level and occurred in the period from the contract conclusion up to the delivery of goods, the seller reserves the right to appropriate price changes.

Unless explicitly stated otherwise in the order confirmation, the prices are set in net amount and the buyer is obliged to pay all taxes and duties on goods and costs for transport, insurance, delivery, storage, handling, demurrage etc. Any increase in such costs, which shall take effect after the date of order confirmation, shall be borne by the buyer.

The buyer is obliged to pay the invoice for the delivered goods, without any reduction, within the mutually agreed payment period.

Withdrawal from the contract, either in whole or in part, also causes that all obligations of the buyer fall due on the day of withdrawal, including those that have not matured yet, without any prior notification by the seller about such consequence.



In case that the buyer owes to the seller in addition to the principal also the interest and costs, the seller shall take into account the buyer's payment in such order that the costs are repaid first, then interest and finally the principal. Such order of precedence shall also apply in case when the seller offsets his claim against the buyer by claim that the buyer has against him.

Place and type of delivery:

Unless otherwise agreed for an individual shipment, the delivery term FCA Lož (Incoterms 2020) shall apply.

The seller notifies the buyer about the availability of goods for acceptance. The acceptance is possible on the agreed day between 7 a.m. and 2 p.m. In case that the buyer does not accept the goods on that day, the seller is entitled to charge the buyer for the storage costs. The storage costs shall start from the day agreed for acceptance of the goods. The flat rate for each day of delay is € 100.

The liability for damage or loss of goods passes from the seller to the buyer on the first day of the delay.

Compliance, inspection and liability (claim)

All deliveries of goods should be made in accordance with technical documentation and required standards and/or within a mutually acceptable deviation from the ordered goods. Upon delivery of goods, the buyer is obliged to inspect the goods and to check the quantity and other characteristics of goods in accordance with order confirmation and to report immediately in writing any visible defects, damage and other defects. It is understood that the buyer has received the goods free of any defects and in corresponding quantities if the seller is not notified in writing within 3 days after delivery and before further use of goods about the defects of goods and the incorrect quantity of goods. However, the buyer is obliged to notify the seller in writing about the damage of goods that occurred during transport no later than on the day of goods unloading. The buyer is not entitled to any claim for defects in goods if these defects could be identified by a normal inspection of goods, but the buyer did not perform such inspection.

All defects that the buyer could not determine by normal inspection of goods should be reported to the seller in writing as soon as the buyer notices such defect (in writing, fax, e-mail). The buyer shall have no right on claims against the seller for any defects in goods which appear after the period of 3 months after delivery and for any defects about which he did not notify the seller in accordance with this paragraph.

All claims should be reported to the seller in accordance with specified deadlines and in writing. For each claim the buyer shall separately state the following:

- the data related to the purchased goods (date of delivery, date of order, date of order confirmation etc.);
- the reasons for claim and the volume of goods for which the claim in question is asserted (also photo of defects and locations of defects on the product);
- the explanation of claim (value of goods for which the claim in question is asserted, method of solving the matter in question etc.).

All notices of defects in goods or any incorrect quantities of goods and all claims should be supported by the buyer's documentation proving the justification of buyer's notice of defects in goods, possible incorrect quantities or claims concerning this, otherwise the seller has the right to consider the claim as irrelevant. In any case, the buyer is obliged to take all necessary measures to prevent any further damage and is not entitled to withhold payment of already issued seller's invoices. If the seller finds that the goods have defects, he has the right either to replace the damaged goods with the ones of the same type, or, if the buyer has not paid the purchase price for these goods yet, to reduce the purchase price or withdraw from the contract in the part relating to the goods with a defect. The claim solved in this way shall not give the buyer any right to assert any claims against the seller for defects in goods.

The seller assumes no liability for any damage caused to the buyer or any third party directly or indirectly due to defects in goods (damage due to additional production costs, damage due to decreased production, damage due to lost profits etc.). The seller is liable for damage caused by defects in goods only due to his gross negligence or intent, which the buyer is obliged to prove. In any case, the seller is liable for damage up to the amount of invoiced value of the damaged goods.

The buyer is obliged to enable the seller to inspect the damaged goods, whereby he should also enable him to take a test sample of goods and perform a technical inspection of goods, otherwise he shall lose all rights arising from defects in goods.

The seller is obliged to consider the buyer's notice of defects in goods and to reply within 8 days from receipt in the form of 8D-Report.

If the alleged defects in goods require an inspection at the buyer production site or in his warehouse or if it is necessary to appoint an appropriate expert to give an opinion on the suitability of questionable goods, the seller's deadline for processing the buyer's notice of defects is extended by at least 60 days from receipt of written notice of defects and/or longer if and to the extent necessary to resolve the whole matter. The costs of expert shall be borne by the party who, according to the expert opinion, is responsible for the defect in goods. The relevant expert who shall give an opinion on the suitability of goods in question should be approved by both the buyer and the seller in writing.



The seller shall not be held liable for any damage caused to the buyer at unloading the goods which takes place at the buyer's premises.

The seller has the right to withhold processing of all buyer's claims until the buyer settles all of his undisputed overdue liabilities.

The seller is responsible to ensure the goods delivered to the buyer comply with the order confirmation. The buyer is obliged to provide the seller with all necessary information to ensure the goods with appropriate characteristics and with all information regarding the further use of goods and acknowledges that the seller has fully fulfilled his obligation to supply the relevant goods when the seller delivers the goods with characteristics that were required. Any seller's advice to the buyer, whether written or oral, prior to or during the use of goods, is of an informative nature only and shall not bind the seller in any way. The same applies also in case that the seller provides the buyer with the goods on trial. The seller's advice to the buyer shall not relieve the latter of obligation to check the suitability of goods for their intended use.

If the claim arose during transport, the buyer is obliged to submit the following documents:

- an original of consignment note or freight forwarder's note with the notice that the consignment is damaged and, where possible, the cause of damage;
- a statement of assignment (cession) that only the seller may claim the compensation;
- a record of complaint written by the receiver of goods.

The buyer may assert his rights from warranty in accordance with control and/or warranty card attached to the delivered goods.

Handling with the goods:

In case of goods which are marked with special labels "Sensitive", the buyer should pay special attention at loading, reloading, further transport and unloading of goods and other handling with the goods due to possible damage. If damages occur due to improper handling of the goods after acceptance of goods at the buyer, the seller is not obliged to deal with them, nor is he liable for them. In case of damage on the transport packaging the receiver of goods should immediately check the contents and report the damage to the carrier upon receipt.

Product characteristics:

For products that are subject to a mutual contract, the buyer has at disposal the valid catalogs which show:

- technical data of product;
- basic product characteristics;
- maintenance instructions;
- method of installation or installation instructions (for products that require it).

Tools

Unless otherwise agreed, the amount charged to the buyer for produced tool shall cover all production costs of the tool. Copyright is not included in this amount.

The invoice for the tool shall be issued after the buyer's written confirmation of samples. If the buyer fails to confirm the samples without any just cause within a time period of 45 days of receiving them, the seller has the right to invoice the tool after that deadline. The buyer is obliged to pay this invoice within the specified payment period.

After full payment of tool, the tool ownership passes from the seller to the buyer. The buyer shall leave the tool at the seller for the purpose of producing the products for him and for storage in the spirit of due diligence.

Any tool modifications are subject to a new offer prepared by the seller based on the buyer's request.

Release of production

Prior to serial production the buyer should confirm the reception of the first samples and physically return the confirmed samples to the seller. The confirmed first samples shall be used as reference samples within the production process.

II. TERMS OF PAYMENT

Debt-creditor relationship arises on the day of submitting a written order (fax, other form of electronic ordering) or on the day of conclusion of adjoining sales contract for individual delivery/sale. The invoice is issued in accordance with the given order.

Method of payment:

The buyer shall settle his obligation no later than on the last day of maturity (due date) by the agreed method of payment. Until the full payment of purchase price the goods remain in the ownership of the seller.



The parties agree that the usual method of payment shall be the assignment, cession, compensation, money transfer, chain compensation or other applicable methods of payment.

At the request of the seller, the buyer should ensure a suitable instrument of payment insurance that should be submitted to the seller prior to delivery of goods, on the basis of the prepayment invoice or final invoice issued.

The seller may refuse the received payment instrument if, in his opinion, it does not provide a sufficient insurance for the payment. The judgment on this is in the sole discretionary power of the seller.

If the buyer is late with payment, the seller has, in addition to the right to charge statutory default interest from the date of invoice maturity (due date) until its payment, the right to apply one or more of following measures of his choice until the receipt of full payment (he is obliged to inform the buyer about that):

- to charge a flat rate costs for reminders - 50 €/reminder;
- to withhold the shipment of products intended for the buyer;
- to reject the order;
- to require immediate payment of overdue amount and all payments, including those not overdue yet;
- to perform subsequent deliveries only on the basis of full advance payment for the ordered goods;
- to require the insurance of payment for all future deliveries (the buyer undertakes to provide the seller with all information required by the insurance company to secure the seller's claims against the buyer), or
- to withdraw at his own discretion from all or only certain confirmed orders and/or other contracts concluded with the buyer who is late with payment and to require compensation for damages.

However, in case of delay in payment the seller shall not be held liable for any damage caused to the buyer as a result of application of the above measures.

Interest:

The seller shall charge statutory default interest from the date of the invoice maturity (due date) until its payment.

Risk transfer, delivery of goods, tax duties

The contracting parties shall determine the delivery date for the goods by order or by order confirmation.

The delivery date is considered to be respected and the seller is not considered to have delayed the delivery of the goods if he was willing to perform the delivery of goods to the buyer until the agreed date, but the delivery of goods does not occur by the agreed date due to reasons on the side of the buyer.

In case of withdrawal from the order on the side of the buyer he is obliged to reimburse all costs incurred to the seller in connection with the order.

Return of goods

The buyer is not entitled to return the goods for reasons on his side (e.g. wrong order of goods etc.).

Notwithstanding the preceding paragraph, in exceptional cases the seller may agree to the return of the goods, whereby the buyer should return the goods to the seller's warehouse at his own expense in their original and undamaged packaging.

The return of the goods may be carried out on the basis of a prior agreement between the contracting parties and on the basis of a seller's written confirmation. The buyer may return the goods only in case that the goods are not damaged and that it is possible to establish that they are in fact the goods delivered by the seller according to the buyer's order. The buyer may return the goods to the seller within 1 month from the date of issue of the goods, unless otherwise specifically agreed in writing between the contracting parties.

III. SPECIAL PROVISIONS

The seller reserves the right to suspend the delivery agreed under the Purchase Agreement without any prior notification in case that the buyer fails to settle its previous obligations following the deliveries or does not secure the payment with the contractually agreed payment instrument.

A transit shipment and invoicing are possible with the written consent of both parties by concluding a written Annex to the adjoining sales contract.

Any shipments outside the basic transport packaging are only possible upon written agreement with the seller.

The seller reserves the right of ownership to the shipped and invoiced goods until the final payment of purchase price and default interest.



In case that the buyer wants to change the contract and/or ordered quantities, this may only be done upon the agreement with the seller in writing.

IV. TERMINATION OF CONTRACTUAL RELATIONSHIP

In case of termination of contract between the contracting parties for a reason on the buyer's side the buyer is obliged to pay the seller all the costs that would arise from the production of contractual products according to his order. In case that the buyer does not accept the entire ordered quantity of goods together with the agreed security stock, the seller has the right to deliver the goods to the buyer and to require the payment of purchase price for the goods.

Each contracting party may withdraw from the contract without giving a reason for withdrawal with a unilateral written statement and with a notice period of 3 months. The contracting party that wants to withdraw from the contract should notify the other party with a statement of withdrawal in writing by registered mail with acknowledgement of receipt.

The notice period referred to in the preceding paragraph shall begin on the day when the opposite contracting party receives the statement of withdrawal. If the contracting party does not want to accept and/or does not accept the registered mail with a statement of withdrawal, the withdrawal from the contract takes effect on the 15th day after delivery of registered mail to the post office.

The seller has the right to withdraw from the contract without period of notice by stating the reason for withdrawal when the buyer seriously violates the provisions of this contract, such as (enumeration is exemplary only):

- if the buyer is more than 30 days late in paying or if he is late in paying of two consecutive overdue obligations;
- if proceeding of bankruptcy, compulsory settlement or liquidation has been initiated against the buyer;
- if the buyer becomes insolvent;
- if the buyer uses the seller brand name, pictorial material, logo, promotional material etc. without the seller's permission or contrary to the agreement with the seller and/or the seller's instructions.

The buyer has the right to withdraw from the contract without period of notice in case when the seller seriously violates the provisions of this contract.

The statement of withdrawal from the contract without notice period should be given in writing and should be submitted to the other party. The contractual relationship terminates with the mere submission of statement to the other party.

V. USE OF BRAND NAME AND OTHER MATERIALS

The buyer agrees that:

- he shall not use the seller's brand name without his explicit written permission;
- he shall not use it in contradiction with the agreement on its use or seller's instructions;
- he shall ensure the compliance with the indents 1 and 2 of this paragraph at all times, also at the implementation of any further transactions with his business partners,

otherwise he shall be liable to the seller for any damage that may result thereof and the seller may also terminate the contract for culpable reasons.

The previous paragraph of this article shall also apply for the seller's photographs, seller's logo, seller's promotional material etc.

VI. BUSINESS SECRET

The contract partners shall consider the agreed elements of the adjoining sales contract as a business secret and shall not pass them on to any third party.

The seller undertakes to keep the provided information as confidential. He shall establish all necessary measures to prevent the dissemination of information received to fulfill the contract. Any technical drawings and models, accompanying documentation, plans and samples that the buyer received and/or with which he is acquainted, are and shall remain the property of the buyer.

The seller and the buyer shall undertake to treat and to protect as a business secret all non-public commercial and technical details they become acquainted with during the business relationship.



For the items covered by business secrecy it is not allowed to disclose them to any unauthorized third party or to otherwise enable an access to them.

VI. OTHER PROVISIONS

Force majeure:

In case of force majeure, as defined by Code of Obligations of the Republic of Slovenia, the one or the other contracting party shall be released from the obligations under the sales contract until the force majeure is terminated. The contracting party should inform the other contracting party about the causes and occurrence of force majeure immediately and/or in case that this is not possible, no later than within three working days.

In the event mentioned in the previous paragraph, the deadline for delivery of goods does not expire and the seller has the right to deliver a smaller quantity of ordered goods to the buyer, depending on the ability to deliver and other obligations towards the third parties.

Disputes:

Any disputes arising from these General Terms and Sales conditions or adjoining sales contract shall be settled in mutual consent by both parties. In case that it is not possible to reach any agreement, the contracting parties agree that the case shall be processed by the competent court in Ljubljana, Slovenia unless the contracting parties agree otherwise in writing.

For the buyers from the Republic of Slovenia, as well as for the buyers outside of the Republic of Slovenia, the Slovenian law and the provisions of Slovenian Code of Obligations shall apply, unless the contracting parties agree otherwise in writing.

Status changes:

In case of a change in the status of any contracting party, the latter or its legal successor is obliged to inform the other contracting party by registered letter within 15 days following the change about the name of the new company that shall assume its rights and obligations under these General Terms and Sales conditions. The buyer is obliged to report any change of business account no later than 5 days from the date of change with a copy of notice of new account. He shall also provide a photocopy of registration sheet on the status change.

Other modalities and special features shall be set out in the sales contract adjoining to these General Terms and Sales conditions.

Should the particular issues not be regulated by these General Terms and Sales conditions or the adjoining sales contract, the provisions of the Slovenian Code of Obligations shall apply mutatis mutandis.

Stari trg pri Ložu, July 2020