

General conditions of sale

General Conditions of Sale

Areas of application

These Conditions of sale shall apply to any business companies and other entities of private and public law, present on the market in any legal-organisational form that enter into business transaction with the Supplier on the grounds of valid legislation and concluded agreements.

I. Application

1. Orders become fully binding after the Supplier has confirmed reception of order in writing. If the Buyer does not agree with the content of the confirmation of order within 2 working days, the order shall be concluded and valid under the conditions stated in the confirmation. Any changes and additions to the quotation must be made in writing in an Annex. All quotations are changeable, unless explicitly labelled as fixed.
2. These Conditions apply to all business transactions, despite not being explicitly stated in the order confirmation, i.e., another document. If the Supplier and Buyer conclude a special agreement, in the event of a collision of provisions of this agreement and the conditions in case, the provisions of these General conditions of sale shall apply.
3. General Conditions of Sale and General Conditions of Purchase shall not apply unless their use had been previously confirmed by the Supplier in writing. Valid regulations on distance sales are not transferable to commercial business relations concluded with the Supplier.
4. If any provision of these Conditions shall become invalid, it shall not impact the validity of the remaining provisions and conditions.

II. Prices

1. The Price is set ex-Works, without the transport charges, customs and import fees i.e. export fees and palettes; when repayment of VAT does not apply in line with the valid legislation, the price shall increase by the VAT sum in question, determined according to the national legal regulation.
2. If changes in prices of incoming raw materials and/or material (also auxiliary) and/or manufacturing costs shall occur after the handover of the quotation or after confirmation of the order, any of the parties may demand readjustment of prices. Adjustment is set according to the valid costs factor in comparison to the total price. If the Buyer shall not accept the new prices set on the grounds of the adjustment in question and not approve the new pricing, the Supplier has the right to withdraw from the previously issued quotations and confirmed orders and cancel any further cooperation. In the given event the buyer has no right to claim compensation or reimbursement of costs arising from the cessation of the business relationship, resulting from the buyer's non-confirmation of new pricing.

Prices of basic raw material change quarterly, according to the index measured pursuant to PolymerScan Platts index.

III. Delivery, recovery and force majeure

1. Plan of shipment is drawn upon reception of documents required for the performance of the order, payment, i.e., timely delivery of materials, if such was the agreement. The shipment date is deemed complete following the reception of notification on delivery, even if the date of actual delivery was delayed or became impossible, under the condition that the delay had not been caused by the Supplier.
2. If the agreed delivery is not performed on time due to a direct mistake of the Supplier, the client must nevertheless allow a reasonable period for the delivery.
3. Partial delivery shall be deemed acceptable.
4. The Supplier has the right to demand that the Buyer determines binding production quantity on recall and time schedule of the delivery upon

ordering. If the Buyer fails to issue such a commitment in three weeks following the demand in question, the Supplier has the right to withdraw from the agreement in two weeks after this period, in case the Buyer does not organise the transport of goods, the goods to be forwarded, on the client's expenses and demand a payment. The Supplier has the sole right to choose.

5. If the Buyer fails to accept the correct quotation of the Supplier, the Supplier does not have to re-issue the quotation, nor is he bound to continue to provide sales to this Buyer and may withdraw, free of charge, from all supply elements without giving prior notice, regardless of other rights, contracts and regulations which determine the rules of sales.
6. In cases of force majeure Supplier has the right to postpone the delivery for the duration of force majeure, including the period necessary for restitution of normal state, in case of which it may fully or partially withdraw from the agreement. Force majeure includes events such as strikes, blockades or other unpredictable and unavoidable situations, such as breakdowns and delays in transport or interruptions, lack of raw materials or energy without the fault on Supplier's side, due to which the Supplier, regardless of all sensible efforts, is unable to perform timely delivery. This shall also apply in any case of delay occurring after previous delays and with any delays by the subcontractor.
7. In such cases, the Buyer has the right to demand the supplier to state if either withdrawal from the contract or past due delivery would be acceptable for the Supplier in two weeks. If the Supplier fails to answer Buyer's demand, the Buyer has the right to cancel unfinished deliveries.
8. The Supplier must inform the client without further delay about the occurrence of force majeure, specified in Section 6 of this Article.

IV. Conditions of payment

1. All payments must be made in € (EURO) to the benefit of the supplier's transaction account stated on the invoice. The Buyer must verify the number of the bank account and the bank the account is opened with. Supplier operates with four transaction accounts:
 - SI56 0294 5026 1055 647 opened at NLB d.d.,
 - SI56 0433 1000 2893 237 opened at NOVA KBM d.d.,
 - SI56 0313 8100 6379 252 opened at SKB d.d.,
 - SI56 0700 0000 0143 262 opened at Gorenjska Banka d.d.

Remittance is only valid when made on one of the above accounts. Unless agreed otherwise, the Buyer, i.e., the ordering party shall fully pay the goods, i.e., other services before the delivery, i.e. performance of service.

2. Unless agreed otherwise, the Buyer must pay legal default interest in case of payment overdue in the amount 8% annually; if serious damage has occurred to the Supplier due to delay in payment, the Supplier has the right to demand repayment of full damage.
3. Payments in other instruments (documentary credit, bank guarantees, bills of exchange, etc.) are only allowed on the grounds of a prior explicit written agreement and only for payment of certain receivables. Any charges in relation to these methods of payment are to be settled by the Buyer.
4. The Buyer may only withhold a payment if his claim is indisputable and justified in valid legislation. A complaint by the Buyer does not represent a basis for withholding payment, particularly applicable for withheld payments for non-claimed goods.
5. Failure to comply with conditions of payment in two subsequent calendar months, i.e., in case of arising of circumstances which give reasonable doubt about the Buyer's ability to pay, shall result in immediate payment of all overdue receivables. In such cases Supplier has the right to demand advance payment for all unsettled deliveries and cancel the agreement.
6. With the legal intention of insuring the receivables, the Buyer must submit true and full written data on his financial condition and business operation free of charge upon the Supplier's written request.

V. Packaging, shipment, transposal of risk and accepting delays

1. Unless otherwise agreed, the packaging, method of transport and transport route shall be chosen by the Supplier. The Supplier also has the right to perform the transport by recruiting his own forwarding company under the agreed conditions.
2. The Supplier shall pack and ship the goods packaged on EURO palettes, which are charged separately. The Supplier has the right to additionally charge for any change in packaging and labelling and for other, additional requirements by the Buyer regarding shipping and/or packaging of goods, such as packaging of goods tailored to the Buyer's requirements, etc.

3. If the shipping is organised by the Buyer, the buyer must communicate the day of loading at least one day before the planned day of loading, at least by 10 am.
4. The Buyer must oversee the insurance of goods from the location of origin onwards and the recovery of goods at the destination.
5. If the Buyer should require so in writing, the Supplier must insure the goods in the amount of the purchase value of goods on the Buyer's expenses.
6. If the client is late to recover the shipment, the Supplier has the right to charge warehousing costs for the entire duration of the delay. In such cases, the buyer must cover the costs of storage, i.e. warehousing for each day of the delay. Storage, i.e., warehousing pricing is set in the Supplier's Price List.

VI. Reservation of property rights

1. All shipments shall remain the property of the Supplier until all the Supplier's receivables on the Buyer are fully settled. Reservation of property rights over the supplied goods (reserved property of goods) acts as the Supplier's security until all receivables are fully paid. If the payments are made via other instruments of payment, the property is only transferred onto the buyer upon full payment of receivables.
2. Further processing of goods supplied by the Supplier may only be performed under the condition of cessation of reservation of property right (based on full payment of receivables overdue). If the Buyer should continue processing the reserved goods, the Supplier shall become the co-owner of thus produced goods, namely to the relative value of net sales price of thus produced goods, serving as reserved property goods for insurance of receivables. Supplier shall inform the sub-buyer on this fact. If the sub-buyer acts in good faith and has acquired property rights on the reserved goods in line with the rules in Article 64 of the Property Code, the Supplier shall initiate a procedure against the Buyer for violation of contractual obligation.
3. Further sale of reserved property goods by the Buyer is only allowed as part of regular business practice and under the condition that the party reaches an agreement with the Supplier regarding the reserved property goods, as foreseen in Paragraphs 1 and 3 of this Article. The Buyer does not have any other rights regarding the reserved property goods, particularly in regards to the use of goods as a pledge or as another form of insurance.

4. With this Article, the Buyer resigns from any claims to the Supplier from the title of reserved property goods, which could be the result of further sales of goods and all justified receivables, including the accompanying rights towards his clients. Upon Supplier's demand, the Buyer must immediately inform the Supplier and provide all necessary documents for the insurance of Supplier's rights towards the buyer's sub-buyer(s).
5. If the Buyer should sell the reserved property goods after they were further processed in combination with or as addition to other goods which are not property of the Supplier, as described in Paragraphs 2 and/or 3 of this Article, the Buyer shall resign from all claims in the amount of the value of the invoice of the Supplier's reserved property goods.
6. The Buyer shall immediately inform the Supplier on any confiscation or seizure of reserved property goods by a third person. All associated costs arising from such intervention shall be borne by the Buyer, unless the costs had been caused by a third person.
7. If the Supplier shall act in line with above clauses and require the return of reserved property goods, the Supplier has the right to direct the sale of these goods (free of charge) or the sale of the goods at an auction. The value of returned reserved property goods is sold directly, i.e., at an auction, for the sale price. In such cases, any claims for damages shall be excluded, particularly compensation for damages and lost profits.

VII. Warranty for material defects

1. A drawing with Buyer's written confirmation defines the quality and design of the product or its implementation in case of agreed and confirmed sample product forwarded to the Buyer by the Supplier. Any references to technical standards shall only serve as a help in defining product quality and must not be interpreted as the definition of product integrity. Even without a specific written agreement, the usual tolerance of standards in industry applies among clients, valued according to AQL rules. If no written agreement exists, the production is carried out using standard mid-quality materials in the industry and in accordance with the agreement or without agreement, according to generally accepted production procedures. Minor deviations in colour, shape and other minimal deviations do not represent a valid defect. The subject also applies to variations of the final serial product.
2. The Supplier may only vouch for functionality and adequacy of supplied goods upon Buyer's explicit prior confirmation, under the condition that

functionality and adequacy have been specifically, clearly and fully defined in writing and confirmed by the buyer.

3. Clear defects in quality and quantity must be reprimanded immediately after being discovered, two working days following the unloading of the product at the destination at the latest. Hidden defects must be reprimanded immediately upon discovery, but 6 months following the unloading at the destination at the latest, unless agreed otherwise. The timely and correct notification (of reprimanding) defects, i.e., complaint, should contain proof of the grounds for responsibility and the amount of damage and add any relevant evidence thereof. Buyer shall allow the possibility of actively solving the complaint with a person authorised by the supplier.
4. In case of detection of defects which are the responsibility of the Supplier, following the Supplier's own judgement, the Supplier is entitled: to either compensate the damage, or replace the faulty goods with flawless products. In this case, the Buyer has the right to lower the purchase price or cancel the contract, if the Supplier fails to fulfil his obligation to replace the goods in reasonable time or fails to correct the defects even following multiple replacements. Further claims, particularly reimbursement of arising costs or partial, i.e., full compensation (property and non-property damages, loss of profits) due to defects, are stated in VIII. Limitations of warranty liability in accordance with no. Claimed goods must be returned to the Supplier upon his request.
5. Unauthorised re-use or inappropriate handling of goods may result in loss of any rights to claim compensation for faulty parts. Following a prior written agreement with the Supplier, and under the condition that the Supplier fails to remedy shortcomings in reasonable time, the Buyer has the right to repair defected goods, all in order to avoid disproportionate damage or and consequentially demand compensation of relevant costs.
6. General wear and tear as a consequence of normal use does not give the right to the enforcement of warranty claims.
7. The right to repayment of damages only involves the justified claim which reflects just damages to the buyer, and by no means involves unjustified enrichment of buyer on the grounds of the damage case.

VIII. General Limitations i.e., Exclusions of Liability

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1. The Supplier is solely responsible for damage cases in which the Supplier, Supplier's top employees and subcontractors have intentionally or by severe negligence caused death, an injury of an organ or a threat to health.
2. Product's legal warranty does not affect the fault of the Supplier, its top employees or subcontractors, as well as any responsibility in relation to legal fulfilment of warranty for the integrity of the product.
3. Responsibility in cases from the first Paragraph of this Article is limited to predictable direct and just damage. Contractual obligations are understood in a way to cover fundamental, basic liabilities arising from contractual relations relevant for the correct implementation of the contract and, substantially impact the relationship of trust among contracting parties, particularly regarding the offer and the important reporting obligations.
4. This does not mean that the requirement for evidence does not shift the Buyer into a worse position.
5. The supplier's responsibility for damage as a consequence of faults in raw materials that the Supplier manufactured the products from, is excluded.
6. The Supplier's responsibility for damage result of the abandonment of due conduct by the Buyer is excluded. Buyer's due conduct predominantly includes exact and complete written definition of product specification required for the intended use and quality and quantity inspection of products upon delivery.
7. Each participant in business cooperation with the Supplier shall, in line with the principles of conscientiousness and honesty, entirely, truthfully and with shortest possible delay inform on any data and circumstances which were known to him, i.e., should have been known to him as a participant in the production process of the final product.
8. The Supplier shall be responsible for adequacy according to the technical drawing, which the buyer had priorly approved in writing with sample products.
9. If the supplier's products are built in, i.e., used as a semi-product in a semi-product of other manufacturers, the supplier is not responsible for functional adequacy of its product (sealing, torque, rotation, etc.)
10. The Supplier is not responsible for mechanical defects of products as a result of loads in the production process of other suppliers SIBO G. is not familiar and cannot be familiar with. The Supplier is also not responsible for other damage on products which are the consequence of handling of other producers.
11. If the Buyer has in advance made a written confirmation of the purchase of products which for objective reasons could not be sampled, i.e., tested, it fully takes on the responsibility for defects and uselessness

of the products. Same applies for the appearance of potential mishaps which may have occurred in the production process.

12. The Supplier and Buyer shall determine the beginning and conclusion of a development project in writing.
13. None of the participants in the development project have the right to demand any compensation of any (full or partial) compensation for damage (normal damage, non-property damage, loss of profits), which is a consequence of faults, shortcomings, i.e., losses in use, tests, i.e., product sampling, subject of development in this project.
14. Products tested, i.e., sampled in the development project are to be used by the Buyer for serial purposes on Buyer's own responsibility.
15. Supplier shall guarantee the adequacy of the product when used appropriately.
16. Supplier shall guarantee the usability of products for a period of 3 years from the date of production under the condition that products are stored in adequate spaces: dry space without direct exposure to direct sunlight and above freezing temperatures.
17. Sampling procedures for inspection are defined according to the International Standard ISO 2859-1. If not specially agreed with the customer following AQL values apply: for critical defect 0,1; for major defect 1,0; for minor defect 4,0.
According to AQL Table (General Inspection Level II) and according to Lot size the sample size of incoming inspection is defined.

Table of common defects:

	DEFECT CATEGORY			
	Zero	Critical	Major	Minor
AQL	0	0,1	1	4
DEFECT DESCRIPTION				
– Mixed products	x			
– Wrong material	x			
– Short mouldings		x (or)	x (or)	
– Flash >0,3mm			x (or)	x (or)
– Color variation			x (or)	x (or)
– Distortion (damaged)		x (or)	x (or)	
– Thread damage		x (or)	x (or)	
– Rest of external inlet >0,5mm			x	
– Rest of internal inlet >1,5mm			x	

18. Disclaimer »CLAIM«

The Buyer's warranty rights stipulate that the buyer shall view the merchandise immediately upon reception and immediately after the inspection, review inform the supplier in writing on any obvious fault(s) or immediately after identification of any hidden faults by clearly describing the fault in question.

2. If a mistake attributed to the Supplier shall be identified, the Supplier shall by his exclusive choice be entitled to either correct the fault or provide additional delivery.
3. Supplier shall not be responsible for the adequacy of filling materials and foam combination on the sponge applicator.
4. Any statements, technical data and recommendations by Supplier and his affiliates (the Supplier hereafter) are based on tests which the Supplier deems reliable, but which do not represent any warranty.
5. All Supplier's products are sold in understanding that the buyer has independently determined the adequacy of said goods for his purposes. If not otherwise determined, Supplier shall guarantee the adequacy of his merchandise (as to materials and manufacture) for a period of three years from production date.

6. The Buyer's sole and exclusive legal instrument for faults in the said three year period is his exclusive right to demand replacement of faulty goods. It is the Supplier's exclusive right that he may decide to issue a credit note or provide reimbursement in the maximum amount, which shall not exceed the purchase price of the faulty goods, according to circumstances of the individual case.
7. In no case shall the Supplier be responsible for damages in the amount exceeding the purchase price of faulty goods. None of the Supplier's employees or representatives shall be authorised to give any warranty, which is opposite to what is stated above. No waiver, changes or revisions, or changes of the above stated conditions shall be valid, unless made in writing and signed by the Supplier's director.
8. This warranty, as explicitly stated above, excludes any other warranties, explicit or implicit ones, including, particularly regarding marketability and adequacy for any use and/or breaches.
9. The Supplier specifically rejects exclusion of any other warranties. In any case shall the Supplier be accountable to the Buyer or any other contracting party for indirect, consequential, coincidental, exceptional or punitive damages.

IX. Tool specifications

1. The Buyer and the Supplier agree on the specification of tools, which is used as the basis for the Supplier to draw a binding quotation on. The proposed price includes a single charge for the manufacture of samples and testing and processing procedure, while it does not include costs arising due to the changes the Buyer may demand after the quotation had already been accepted. Sampling demanded and performed by the supplier is carried out on the Supplier's expenses. The Supplier has the right to agree on partial payment upon delivery of FOT samples with the Buyer. To avoid ambiguity, FOT (First of Tool) samples are first physical samples of the product manufactured with the tools in accordance with industry standards and represent the evidence that the tool has been made and that the optimisation of the tool's functioning and/or product correction follows the production of FOT samples.
2. The Supplier shall withhold the property of all the tools for the Buyer or the third person as agreed in writing, unless agreed otherwise in writing. Tools shall only be used for the Buyer's orders, unless agreed otherwise

in writing, until the Buyer has fulfilled his payment, recovery and other agreed obligations. The Supplier shall only service tools free of charge if the agreed production quantity, i.e., a period of functioning requires the service in question and has thus been agreed on in writing. The Supplier's obligations for warehousing of tools shall cease two years after the delivery of last quantities agreed on in writing, i.e., after the expiry of the agreed period. Following the expiry, the Supplier shall request from the Buyer to transport the tools on his expense; in the opposite case, the Supplier shall have the tools removed on the buyer's expense.

3. If the tools have not been fully paid for after the expiry date agreed in writing, the Supplier has the right to demand the remaining unpaid sum.
4. Unless otherwise agreed, the property of tools is transposed on the Buyer after the sale price has been fully paid. The Supplier shall label the tools as the property of the Buyer and insure this property upon the Buyer's written request and on the Buyer's expenses.
5. With the exception of examples stated in this Article, the costs of warehousing, service and maintenance of the tools which the buyer hands over into direct property of the Supplier, are to be charged to the Buyer. The Supplier's obligation shall cease when the Buyer recovers, i.e., removes the tools in the agreed, i.e., appropriate period upon fulfilment of the contract and an adequate written request by the Supplier. The Supplier has the right to withhold all tools until the Client's fulfilment of all contractual obligations.

X. Documents

1. The Supplier shall keep the exclusive property and copyrights of drafts, documents, sketches, drawings, and other documents. If the samples are provided by the Buyer, the Supplier shall gain shared copyright in the scope in which the Supplier designed the sample or concept in question.
2. If the Buyer does not submit an order, the Buyer must immediately return all documents, including all copies thereof, to the Supplier. Any digital copies are to be permanently deleted.
3. In such a case, the Supplier shall be entirely exempt from any potential claims by third parties, who might have handed over the potential model, i.e., given the idea.
4. Any draft, drawing or model, etc. made by the Supplier shall remain the property of the Supplier, even if their production was charged to the buyer.

XI. Supply of materials

1. If it is agreed that the Buyer is to supply the production materials, these materials shall be delivered on the Buyer's expense and risk, on time and in good condition, as well as with a minimum 5% quantity discount.
2. If the client fails to act according to the previous paragraph, the client shall suffer all damages, including additional costs, arising from the interruption in production, except for the event of force majeure.

XII. Rights to commercial protection and legal restrictions

1. The Buyer shall guarantee that all deliveries based on drawings, samples and parts provided by the Buyer do not violate the business rights of third persons in the country it is being produced for. The Supplier has the right to warn the Buyer about the legislation known to the Supplier, but it is not the Supplier's duty to do so. The Buyer takes on any potential claims from third parties from this Article and exclusively and entirely pays the damages for the occurred damage. The Supplier has the right to discontinue all the works – without studying the legal situation – until the Buyer explains the legal situation after the juridical ban has been issued by a third person for the protection of third person's business rights. If continuing the contract should become unsustainable for the Supplier, the Supplier may resign from the Agreement.
2. Upon Buyer's request any drawings and samples which had been handed over to be made available to the Supplier but did not lead to the signing of a contract, shall be returned without the shortest delay; if there shall be no such request, the Supplier is entitled to destroy all drawings and samples, namely in three months following the filing of the quotation. The same obligation shall apply to the Buyer. The party which has the right to dispose of informs the other party on the intention before initiating the disposal.
3. The Supplier shall keep any property rights, copyrights rights to commercial protection, particularly the right to use and exploit models, forms, objects, models and drawings. Upon request, the Buyer shall,

without hesitation, return all the records, documents, forms, samples and models, including all the copies thereof.

XIII. Nutrition or pharmaceutical practices and recycling materials

1. Each client is responsible for checking the adequacy of materials in use for their products/purpose. The Supplier is not responsible for any further inspection of adequacy and excludes any liability thereof.

XIV. Validity

1. These General conditions of sale are published on the Supplier's official website on December 05th 2018, and become valid on 01 January 2019.
2. These General conditions of sale are in compliance with the Law of the Republic of Slovenia and exclude the use, i.e., the validity of any legal rule, which would cause the use of any other law other than the Law of the Republic of Slovenia.
Parties shall resolve any disputes in relation to these General conditions of sale or on the grounds of these General conditions of sale in mutual agreement. If this shall not be possible, the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia is to provide intervention as an independent and sovereign arbitration, which organises and oversees support to clients in the solution of disputes with arbitration, mediation, agency and other alternative methods of dispute solutions. The arbitration shall take place in Ljubljana, Slovenia, with English being the language used in the procedure.
3. Regardless of the second Paragraph of this Article, if requiring legal protection, any party is entitled to require legal protection before the competent court in Kranj, Slovenia, without using the above arbitration. The competent court in Kranj is exclusive and cannot be subject to agreement.

Boštjan Šifrar, CEO