

The company **ANTON BLAJ, proizvodnja, trgovina in storitve d.o.o.**, Griže 9, 3302 Griže, hereby adopts and publishes, pursuant to Article 120 of the Code of Obligations of the Republic of Slovenia (Official Gazette of the RS no. 83/2001), the following

GENERAL TERMS AND CONDITIONS FOR SUPPLIERS OF GOODS AND SERVICES

1. Area of Application

- 1.1. The General Terms and Conditions for Suppliers (hereinafter referred to as: the General Terms and Conditions or the Terms and Conditions) shall apply to all legal relations entered into between the Client acting in the capacity of a customer or client and the Supplier acting in the capacity of a seller or a contractor, where the Supplier shall undertake to supply an item or render a service to the Client other than the participation of the Supplier as the Client's subcontractor in the production process of the latter, to which the General Terms and Conditions for Suppliers dated 01.12.2014 shall apply exclusively.
- 1.2. The General Terms and Conditions shall apply and be binding on the Suppliers with regard to all orders made by the Client after the date the Supplier was familiarised herewith. By accepting the General Terms and Conditions, the Supplier expressly agrees that the General Terms and Conditions shall be binding on the Supplier with regard to any and all future orders from the Client, notwithstanding their type and subject and not necessitating the General Terms and Conditions being confirmed upon each order. By accepting the General Terms and Conditions, the Supplier expressly agrees to any supplements and revisions of the General Terms and Conditions as published on the website www.blaj-fasteners.com.

2. Definition of Terms and Interpretation of the General Terms and Conditions

- 2.1. The terms used herein shall have the following definition:
 - 2.1.1 **Business Day** shall mean any day except for Saturdays, Sundays and public holidays in the country of the Supplier's registered office.
 - 2.1.2 **Client** shall mean **ANTON BLAJ, proizvodnja, trgovina in storitve d.o.o.**, Griže 9, 3302 Griže, Slovenia, Company ID No. 6498485000.

- 2.1.3 **Master Agreement** shall mean any agreement made between the Client and the Supplier in order to provide for a general arrangement of their relations concerning the entry into individual Contracts.
- 2.1.4 In case the General Terms and Conditions require a Party to act in **writing**, it shall mean a signed copy submitted by mail, fax, as scanned attachment by e-mail or by using some other method enabling reliable communications unless the General Terms and Conditions contain stricter specifications of form for a particular case. If the form in writing is specified herein, the form in writing shall be a condition for the act to apply (*forma ad valorem*) and the Parties expressly agree that its use shall not be merely to prove an act.
- 2.1.5 **Supplier** shall mean any person who is a contractual partner of the Client in contractual relations to which the General Terms and Conditions apply, as specified in greater detail in Section 1 hereof.
- 2.1.6 **Contract** shall mean any contract made between the Client and the Supplier having the subject matter falling under the scope hereof, as specified in greater detail in Section 1 hereof.
- 2.1.7 **Parties** shall mean the Client and the Supplier.
- 2.1.8 **Terms and Conditions** shall mean these General Terms and Conditions for Suppliers where the terms General Terms and Conditions, and Terms and Conditions are used as synonyms.
- 2.2. The following shall apply hereto unless the context requires otherwise or a different meaning is expressly specified:
- 2.2.1 words in singular form include plural form and vice versa; references to persons or enterprises include their legal successors or assignees;
- 2.2.2 references to ident, provision, attachment or annex shall be interpreted as references to an ident, provision, attachment or annex of the Contract;
- 2.2.3 references to any contract, regulation, rule or standard shall be deemed references to the contract, regulation, rule or standard as may be amended from time to time, where – having no need for an amendment hereto – the contract, regulation or standard in their latest applicable version shall apply as reference or as such, and the applicable and binding Terms and Conditions shall be those adopted and amended as published on the website www.blaj-fasteners.com;
- 2.2.4 titles and tables of contents have been included for ease of reference only and shall have no bearing on the interpretation of the Contract or hereof;

- 2.2.5 references to "regulations" shall include references to the laws and regulations applicable at the time and to the relevant constitution, law, legislation, decree, norm, rule and regulation;
- 2.2.6 the words "including" and "in particular" shall be construed solely as a means of illustration or highlight and may be construed neither as a restriction on the general application of any of the preceding words nor causing such a restriction.
- 2.3. The Parties shall agree on a hierarchy of application of agreements concerning Contracts and the Terms and Conditions, namely the following shall apply to all Contracts made between the Supplier and the Client:
 - 2.3.1 provisions of the Contract;
 - 2.3.2 provisions of any Master Agreement made with the Supplier unless specified otherwise in the Contract;
 - 2.3.3 provisions of these General Terms and Conditions unless specified otherwise in the Master Agreement or the Contract;
 - 2.3.4 laws, regulations, general guidelines and professional standards in force at the time of entry into Contract to execute specific orders, in their latest applicable version, unless specified otherwise in the General Terms and Conditions, the Master Agreement or the Contract.
- 2.4. It shall be deemed that all elements under Article 2.3 hereof are a constituent part of each Contract.
- 2.5. By the acceptance hereof, the Supplier expressly agrees that no general or other terms and conditions of the Supplier shall apply to Contracts unless specified otherwise in the Contract.

3. Entry into Contracts

- 3.1. All bids of the Supplier and orders of the Client shall be deemed accepted by the other Party by a confirmation in writing. The Client may cancel an order, regardless of the form used to make it, at any time and by using any means, until the acceptance thereof.
- 3.2. A Contract shall be made when a Party submits an order or bid in writing, as the case may be, to the other Party and the latter confirms it in writing. Silence of a Party shall not constitute order confirmation.
- 3.3. The Client shall have no liability whatsoever towards the Supplier with regard to the cost incurred in the bid preparation or in relation to the placement or confirmation of an order.

4. Subject Matter of the Contract

- 4.1. The subject matter of the Contract shall be the services and performance of the Supplier covered by the area of application hereof, as specified above in Section 1 hereof.
- 4.2. All performance by the Supplier shall comply with the contractually agreed scope and shall in particular comply with the essential elements specified in the Contract, and shall be suitable without restriction for the purpose underlying the Contract or, if none specified, the customary use of the subject matter of the Contract.
- 4.3. The scope of performance shall include, whether it is expressly and specifically stated in the contractual documents or not, compliance with all mandatory technical and other regulations and standards applying to the services to be rendered, in particular:
 - 4.3.1 regulating safety at work, notably all measures for protection at work laid down by law, inspection authorities, professional associations and other institutions issuing guidelines and rules applying to the services;
 - 4.3.2 environmental protection regulations;
 - 4.3.3 concerning the obligation of handing over implementing documents (documentation) in accordance with the technical specification or a separate agreement, in the scope agreed.

5. Supplier's Obligations

- 5.1. The Supplier shall perform the work or delivery in a quality manner, in accordance with the agreement, in accordance with professional rules and within the contractually set deadline. The Supplier may leave performance to a third party subject to approval by the Client. The Supplier's warranties concerning the performance under the order and in relation to any defective performance are specified in greater detail in ident 11 hereof.
- 5.2. The Supplier shall supply the merchandise to the Client within the agreed deadline or in the agreed period, meaning no delivery before or after the agreed deadline. The Supplier shall be liable for any additional costs or loss incurred by a delivery before the agreed deadline. In the case of default, the Supplier shall pay a contractual fine of 0.5% of the amount of the order for each day of delay, however, not exceeding 25% of the amount of the order. The Supplier shall also be liable for damages for loss in excess of the agreed amount of the fine for default.
- 5.3. The Supplier shall inform the Client in due time and with sufficient detail if and when the performance under the Contract requires a change in the scope of services or if

the ordered scope of services is unsuitable for the purpose pursued by the Client and known to the Supplier.

- 5.4. The Supplier shall inform the Client in writing on any defects in the material submitted by the Client, which have been noticed or which should have been noticed, or be liable for damages.
- 5.5. The Supplier shall review the requirements of the Client specified in the order and notify the Client immediately in writing of any deficiencies in the order and other circumstances concerning the order, which are known or should have been known to them, that could be important for the quality of performance under the order or the timely delivery under the order or be liable for damages.
- 5.6. If the Client heeds the warning of the Supplier and corrects the order or submits other material, items 5.1.-5.5. and other applicable provisions hereof shall be again applied to the corrected or changed order.
- 5.7. If, after having received warnings under items 5.3.-5.5., the Client insists that the Supplier make the object from the material with defects of which the former has been informed by the latter, the Supplier shall comply with the Client's request unless it is obvious that the material is unsuitable for the work ordered or if the production from the required material or production under the existing order could damage Supplier's reputation; in such a case, the Supplier may cancel the Contract.

6. Contract Price

- 6.1. The contract price shall be fixed and agreed for the entire performance for the Client by the Supplier under the Contract.
- 6.2. The Supplier shall carry out for the contract price all acts necessary to perform under the contract and shall be entitled to no additional payment for any extra work or work arising from a changed order unless such payments are expressly agreed in advance.
- 6.3. No price change shall be valid unless it is made in writing.
- 6.4. The transport costs incurred by the Client in the delivery of goods or services shall be borne by the Supplier unless agreed otherwise by the Parties.

7. Payment

- 7.1. The Client shall settle invoices within 90 days after the receipt thereof unless agreed otherwise by the Parties.
- 7.2. The payment of an invoice shall constitute neither an acknowledgement by the Client of the delivery of the merchandise or a perfect rendering of the service nor a waiver

of any claims against the Supplier. Payment shall not mean recognising the correctness of the invoice and/or the compliance of services with the Contract.

8. Title of Ownership of the Merchandise in Contractual Relations

- 8.1. In case the Supplier renders services on the merchandise of the Client, the Supplier shall be at no time the owner of the merchandise being the subject matter of the Contract; the title of ownership of the material and the product shall be held by the Client at all times.
- 8.2. All items owned by the Client shall be designated by the Supplier as such and kept separate from the property of the Supplier and third parties.
- 8.3. If the Supplier in their performance under the Contract using a product or material of the Client connects or attaches an item thereto, the item shall become full ownership of the Client with no additional payment due by the Client to the Supplier unless expressly agreed otherwise; in any case, the Supplier shall be liable to the Client for any loss incurred by the Client in relation to such connection or attachment.

9. Risk of Accidental Destruction

- 9.1. The risk and cost of destruction or deterioration of condition of the merchandise or subject matter of the Contract during transport to or from the Client or a third party shall be borne by the Supplier.

10. Handing Over the Merchandise to the Client

- 10.1. The service rendered or the merchandise supplied shall be handed over by the Supplier to the Client or a third party designated by the Client, where – unless agreed otherwise – the Supplier shall bear all costs incurred up to the hand over of the merchandise and installation costs, if any.
- 10.2. The Parties expressly agree that the Client or a third party taking over the subject matter of the Contract on behalf of the Client shall have no obligation to immediately inspect the merchandise or service.
- 10.3. If the merchandise or service is to be used or benefited from by the Client, the inspection shall be performed by the Client when the merchandise is used or when benefits start flowing from the service.
- 10.4. If the merchandise or service is to be used by an end customer of the Client, the inspection shall be performed by the end customer when the merchandise or service is used in the conduct of their business.

11. Supplier's Warranty

- 11.1. The Supplier shall be held liable for the quality of service rendered or merchandise delivered, and for compliance of services and merchandise delivered with the applicable laws, regulations, standards and guidelines. The Supplier shall bear sole responsibility for the execution of all processes used in the rendering of services or the delivery of merchandise.
- 11.2. If the Client has the right and opportunity to examine the merchandise or services in order to notify the Supplier of defects, the Client shall have two weeks from the taking over of the merchandise or service and the inspection pursuant to Article 10.3 to conduct the inspection and submit a notice. The same deadline of two weeks for the inspection shall be granted to a person under ident 10.4. The deadlines apply only to the notification of evident defects. Hidden defects may be notified by the Client or the end customer, the latter directly or via the Client, within one year after an event under ident 10.3 or 10.4.
- 11.3. If it becomes clear in the period set above hereunder after the inspection of the merchandise or service by the end customer or the Client, if the latter is taking over the merchandise, that the merchandise delivered or the service rendered in accordance with the order has a defect or falls short of contractual requirements in some other way, inclusive of any and all applicable drawings and specifications, notwithstanding whether the defect or the falling short concerns the Supplier themselves or their direct or indirect subcontractors, the Client may – in addition to the rights due under the law and/or the Contract and the claims made for compensation of all loss and the pertaining costs – choose the following, at their discretion and sole consideration and at the Supplier's expense:
 - 11.3.1 call upon the Supplier to eliminate the defect without delay by rendering the service once more and/or correcting the unsuitable merchandise or replacing it by a suitable one;
 - 11.3.2 take the necessary action to eliminate all defects and/or ensure that the merchandise and/or services comply with all contractual requirements where the accounted costs and expenses, including but not limited to, costs of material, labour, process and any additional machine processing and other work necessary shall be borne by the Supplier;
 - 11.3.3 withhold payment either partially or in full; and/or
 - 11.3.4 cancel the order without the Client having to incur any claim from the selling Supplier.

- 11.4. The Supplier shall perform all inspections required by the Client for repairs and replacements in order to establish compliance with the Contract. The cost of such inspections shall be borne by the Supplier.
- 11.5. In the case of delivery of merchandise, the subject matter of the Contract shall be loaded by the Supplier on a means of transport in a way rendering sufficient protection against damage.
- 11.6. The Supplier shall comply with the Client's regulations concerning delivering and submitting and the requirements concerning packaging material. Packaging shall be limited to the extent needed to protect the merchandise and may be composed exclusively of materials that are environmentally friendly and recyclable.
- 11.7. The Supplier shall make available all information and documents needed for the performance under the Contract and the fulfilment of the purpose thereof. Documents shall be in Slovenian or English.

12. Perfect Working Order Warranty

- 12.1. The Supplier guarantees that the merchandise delivered and the services rendered in accordance with the Contract, regardless of whether the delivery and the services are provided by the Supplier or their direct or indirect subcontractors or suppliers, shall be free of encumbrances, including any claims under the property law.
- 12.2. The Supplier shall provide at their expense for cancellation of any established lien or other encumbrance within thirty (30) days from the establishment (subject to the condition that such lien is not linked to a default of the Client on payment of undisputed amounts or a Client's act or omission thereof).
- 12.3. The Supplier guarantees that the merchandise delivered and services rendered shall be new and of standard quality, using no used, processed or reconstructed material unless the Client has given express consent in writing thereto, have no defect in terms of appearance, processing and quality of material, and be suitable for the intended purpose. The delivery and services shall be made in compliance with all specifications, samples, drawings, drafts, descriptions and other requirements approved and submitted by the Client. The Supplier shall guarantee the perfect working order of the merchandise delivered or services rendered. Any act of the Supplier aimed at excluding or restricting the warranty shall have no legal effect.
- 12.4. The warranty period shall begin by the complete delivery or service rendering. The warranty in all other cases shall be twenty-four (24) months from the delivery of the merchandise or the rendering of the service or the period generally granted by the Supplier, topped by any delays, including those linked to the merchandise and the

service falling short of requirements. The warranty is granted to the Client, their legal successors, assignees and users of the merchandise and/or service ordered.

12.5. If the merchandise and/or service is found deficient or otherwise falls short of the terms and conditions of the warranty, the Client may – in addition to the rights pertaining under the law or agreements made – claim damages for the entire loss and costs incurred, at their discretion and sole consideration, with the cost borne by the Supplier:

12.5.1 call upon the Supplier to examine, remove, reinstall, take away and repair and replace/deliver new merchandise and/or render again the service, so that the requirements specified herein are met;

12.5.2 take the necessary action to eliminate all defects and/or ensure that the merchandise and the service comply in all respects to the requirements specified herein or other agreements made, where the Supplier shall bear all costs incurred with that regard by the Client and other expenses (including, but not limited to, the cost of material, labour and process, cost of any additional machine processing necessary or other work needed) and other appropriate payments;

12.5.3 partly or completely rejects and returns the merchandise or the service.

12.6. The repaired and replaced merchandise (or parts thereof) or repeated service shall fall under the same warranty as specified above hereunder, where the warranty period shall expire once the original warranty period lapses or twenty-four (24) months following the repair or replacement, whichever comes later.

13. Quality Assurance

13.1. The Client may send to the Supplier a person to monitor and supervise production and oversee the performance under the Contract at any time. The Supplier shall be responsible for the person's health and safety at work.

14. Supplier's Liability

14.1. If circumstances arise at the Supplier representing an obstacle or hindrance to the rendering of services or possibly leading to or resulting in such obstacle or hindrance or if the Supplier believes that such circumstances have arisen in particular if it is found that the deadlines and dates to render services will not be met and complied with due to *forcer majeure* or circumstances beyond their control, the Client shall be immediately informed thereof in writing. If no such notice is given and the duty is omitted, no reference can be made to the circumstances thereafter unless they were obvious to the Client. The Supplier may make no reference to such circumstances in accordance hereunder if they were familiar or should have been familiar with them at

the time of acceptance of the order or if they have arisen after the acceptance of the order but should have been foreseen by the Supplier.

- 14.2. The consequences of a delay shall be assessed in accordance with the law. If the Client cancels the Contract, the Supplier shall immediately return all items of the subject matter of the Contract, notwithstanding any legal obligation they might have. If the Client is entitled to cancel, the cancellation may entail only a portion of the Contract in default if the delay is limited to a portion of the service that can be treated separately.
- 14.3. The Supplier undertakes and guarantees that their services and merchandise delivered and their utilisation by the Client or Client's customers do not infringe any third-party rights. Notwithstanding the above hereunder, if a third-party right is infringed owing to equipment or services of the Supplier, the latter shall indemnify and secure the Client against all claims made by third parties and in relation to the loss, cost and other adverse consequences incurred related thereto. In particular, this includes any loss incurred by the Client on account of changes necessary in buildings, machinery, equipment or software and as a result of delays in operation.
- 14.4. The Supplier shall be held liable for any damage caused or loss incurred as a direct or indirect result of their performance or deliveries of merchandise, in accordance with the general rules of law on damages, with no restriction whatsoever.

15. Contract Cancellation

- 15.1. The Client may – in addition to the rights granted by law, *inter alia* to cancel the Contract in the case of defective performance or failure to perform by the other Party – exercise the right to cancel the Contract at any time unless agreed otherwise between the Parties by the Master Agreement or the Contract, where the Supplier shall receive payment for all services rendered or merchandise delivered until the notice of cancellation is received. The Client shall have no liability whatsoever with regard to Supplier's lost profit. However, the Client shall reimburse the Supplier for costs and expenses incurred by the Supplier on the basis of confidence in the existence of the Contract in relation to deliveries and services that will not be performed owing to the cancellation where the Supplier will be unable to utilise in any other way the benefits obtained by the costs, provided the cancellation was made through no fault of the Supplier.

16. Prohibition of Transfer of Rights

- 16.1. Each Party under the Contract shall perform in accordance therewith by themselves and may not transfer performance to a third party unless expressly agreed otherwise by the Parties on a case-by-case basis.

- 16.2. The Supplier may not assign their claims against the Client to a third party.
- 16.3. A Party shall immediately notify the other Party in writing on any change in contact or registration information.
- 16.4. The Supplier shall be liable for the conduct of their suppliers and subcontractors as if it were their own.

17. Protection of Intellectual Property Rights

- 17.1. The Client shall hold all intellectual property rights pertaining to their products and the performance under the Contract. Contracts shall entail no transfer or licensing of intellectual property rights between the Parties.
- 17.2. All intellectual property rights, including copyright on all copyrighted work related to the Contract execution, shall be fully held by the Client, exclusively and with no temporal or spatial restriction, and including the right to processing and free further transfers.
- 17.3. The Supplier guarantees to the Client that the former holds all intellectual property rights needed to render services under the Contract.

18. Protection of Business Secret

- 18.1. Each Contract, attachment thereto and all other documents exchanged between the Parties on the basis thereof or in other business relations and communications between them shall be deemed a business secret of the Parties and may not be disclosed to a third party without the consent of the other Party, except:
 - 18.1.1 based on a legal order of a competent body binding on the Party;
 - 18.1.2 if the information had become public without a violation of the Contract.
- 18.2. The Supplier is informed that the Client's business secrets disclosed in the course of Contract execution represent a key competitive advantage of the Client and their disclosure to third parties could jeopardise the Client as a going concern. The Supplier is therefore aware that any disclosure of business secrets to a third party could result in significant loss to the Client that could threaten their existence and the Client as a going concern. Once a Contract has been executed and co-operation with the Client realised, the Supplier shall destroy all data and documents related to the case of co-operation with the exception of those that must be kept under the law, which shall be destroyed as soon as the law permits it.
- 18.3. The obligation to protect business secrets shall remain in force after the expiry hereof or a Contract.

18.4. Each Party shall impose on their employees and other persons performing under contracts made with the Party the duty to protect business secrets at least to the extent specified above hereunder and ensure that the duty is performed and complied with. The Supplier shall be liable for any disclosure of business secrets by such persons as if the business secret was disclosed by themselves.

19. Notices

19.1. Any notice in accordance herewith shall be made in writing. If a notice is sent by e-mail, it shall be deemed valid only if sent to the e-mail address confirmed beforehand by the other Party as an address for receiving messages.

19.2. If sending by registered mail is specified herein, each notice or document made, submitted or served by one Party to the other in accordance herewith shall be served to the other Party at the address provided in the title of the Contract or in the registry unless a notice on the change of address of the other Party was provided to the Party.

19.3. Assumption of receipt: Each notice shall be deemed received, unless specified otherwise in the Contract, if

19.3.1 it is a notice in writing served by a courier – on the Business Day of the serving or the following Business Day if it is served after the usual business hours of the recipient; and

19.3.2 it is sent by mail within Slovenia – on the third Business Day after correct sending by registered mail and postage paid on the date specified in the certificate of sending.

19.3.3 a Party rejects attempted serving with no substantiated reason, the notice shall be deemed served on the day following the rejected attempted serving.

19.4. All notices in accordance herewith shall be made in Slovenian or, in case the Supplier is registered outside Slovenia, in the Contract language. Each Party may give notices in English.

20. Amendments to the Terms and Conditions

20.1. The Client may amend or supplement the Terms and Conditions at their discretion. The amended Terms and Conditions shall apply to all orders made by the Client after the publication of the amendments hereto. The Supplier shall check upon each bid the currently applicable version of the Terms and Conditions published on the website www.blaj-fasteners.com.

21. General Provisions

21.1. A delay in exercising or non-exercising of any right by a Party shall not be deemed a waiver of any provision hereof or any right and shall have no effect whatsoever on

the validity hereof or the Contract. A waiver of a violation hereof or the Contract by a Party shall not represent a waiver of any previous or subsequent violations.

- 21.2. Any provision hereof or the Contract becoming void, invalid or unenforceable shall have no effect on the validity or enforceability of any other provision hereof or the Contract.
- 21.3. The acceptance hereof shall exclude the application of any and all previous agreements made by the Parties and the General Terms and Conditions and any Master Agreement made with the Supplier shall supersede all previous agreements with the Supplier.

22. Governing Law and Dispute Resolution

- 22.1. All matters not regulated herein or the Contract and the interpretation hereof and the Contract shall be governed by the laws of the Republic of Slovenia (selected law) notwithstanding the rules of international private law of the Republic of Slovenia and the European Union rules concerning the conflict of laws. The application of the Vienna Convention on the sale of goods is hereby excluded.
- 22.2. Any dispute arising herefrom or related hereto may be brought before a court in the Republic of Slovenia having jurisdiction in Ljubljana (agreement on jurisdiction).
- 22.3. The Terms and Conditions are published in equally valid versions, in Slovenian, English and German.

Griže, 1 December 2014

Anton Blaj d.o.o.

Published on:

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