

GENERAL PURCHASING TERMS AND CONDITIONS OF THE COMPANY BOSIO D.O.O.

1. General provisions

1.1. These General Purchase Conditions constitute a legal basis for making legal transactions between suppliers and Bosio d.o.o. (hereafter referred to as »Buyer«) for the purchase of equipment, material, products and services (hereafter referred to as »the goods«) for the performance of its regular activity.

1.2. This General Purchasing Terms and Conditions are a constituent part of the Orders.

1.3. They become effective on the date of acknowledgment and acceptance of the order or on the date of signature of the agreement. In the event the supplier fails to acknowledge the order in writing within 8 days after issuing order or to refuse it in writing, the order shall be deemed to be acknowledged and accepted.

1.4. Buyer shall only consider the conditions of the Supplier as binding to Buyer if and insofar agreed in writing upon conclusions of the respective agreement.

1.5. The Buyer reserves a right to define special conditions for a single order or agreement (hereafter referred to as »the order«) that in case of such order supersede to the General Purchase Conditions.

1.6. The acceptance of the order also means the acceptance of Buyer's purchase conditions and excludes any other instruction or agreement that was not confirmed in writing by the Buyer.

2. Open orders

2.1. Only written Order on Buyer's sheets sent to the Supplier via e-mail, mail or fax shall be valid. This also applies to supplements and amendments to the Orders. Verbal or telephone Orders shall only be valid if confirmed by an official written confirmation in all cases.

2.2. The Order shall include the code and/or specification of the Goods, Services or Equipment; volume (quantity); price; delivery date; delivery terms and payment conditions.

2.3. Any deviation from the terms and conditions of the Order without Buyer's prior written consent shall not be allowed.

2.4. The Buyer can in the framework of circumstances, as far as this is admissible (in proportion to possibilities), require from the supplier to change the construction and execution of the object of supply. In such a case, the parties agree in a contract upon any consequences (impacts), especially regarding additional or decreased costs as well as delivery periods.

3. Confirmation of the Order

3.1. The Supplier shall approve and accept the Orders in writing within five (5) business days of receiving the written Order. If the Supplier fails to confirm the Order or Recall within the said deadline, the Order shall be considered accepted.

3.2. When the Supplier accept the Order, the deal is made and becomes binding for both parties.

3.3. A cancellation of the Order on the part of Buyer shall be deemed as made in due time if sent to the Supplier before Buyer received the confirmation of the Order by the Supplier. In case of a cancellation of the Order after receiving the confirmation of the Order by the Supplier, the Supplier shall be obliged to try and reduce the costs arising from cancellation.

4. Supply of Goods, Services and Equipment

4.1. The Supplier is obliged to supply the Goods, Services or Equipment in accordance to received Order or agreed contract.

4.2. Delivery documents must be attached to all shipment, containing a detailed description of the shipment, number and date of the Order.

4.3. Buyer reserves the right to refuse Goods, Services or Equipment that have not been delivered or provided in accordance with the terms and conditions at the cost of the Supplier.

4.4. Buyer reserves the right to cancel or claim compensation for not-fulfillment, if agreed dates of delivery are not met.

4.5. It shall be deemed that the Goods or Equipment have arrived in time if they are delivered to the location specified in the Order or Recall. In cases of Services it shall be deemed that they have been delivered in time if Buyer accepts the service within the deadline specified in the Order.

4.6. The Supplier undertakes to inform the Buyer without delay about any hindrance that may cause a delay or that may influence the necessary quantity of requested deliveries. The notice sent does not exclude the consequence of delay.

4.7. If the place of delivery is not specified in the Order, it shall be deemed Buyer's warehouse, DAP Celje, in line with the provisions of Incoterms 2020.

4.8. The Supplier shall be obliged to provide all information related to the provisions on the control of export, customs or internal trade in writing.

4.9. Where Buyer agrees in writing to accept delivery by installments and if Supplier fail to deliver any one installment shall entitle the Buyer at its option to treat the whole Contract as repudiated.

4.10. If the Goods are delivered to Buyer in excess of the quantities ordered, the Buyer shall not be bound to pay for the excess. The Buyer may dispose of such excess Goods at the Supplier's expense.

5. Cancellation of the order

5.1. For every failure to fulfil the present conditions, especially for repeated delays in deliveries and repeated quality defects of the products, the Buyer can with one single written notice cancel the order (withdraw from the order) and require the reimbursement for the damage arisen hereof.

6. Packaging

6.1. Goods shall be professionally and safely packed by the Supplier in order to avoid any damage incurred in transit transportation and/or in handling during loading, unloading and storing.

6.2. For damages due to inadequate packing the liability shall remain with the Supplier.

6.3. The Supplier is obliged to take back without charge all packaging material associated with delivered Goods (e.g. transport and sales packing).

7. Reception of the goods

7.1. Examination and reception of the Goods shall be carried out in the Buyer's plants with the respect to the agreement on reception of the Goods.

7.2. The signature is not considered to be a final reception. The Buyer shall return any inadequate or defective deliveries to the Supplier and charge cost under the same conditions.

7.3. The Supplier shall assume entire responsibility for expenses incurred as a consequence of quality deviation arisen from the Supplier's liability, and that for expenses incurred by the Buyer, by the Buyer's customer or by the end user.

7.4. In case of complaint, the Supplier undertakes to proceed within 24 hours after reception of the complaint report sent by the Buyer to elimination of the claimed defect and undertakes to eliminate such defect free of charge and without delay or in the shortest possible time as specified in the order or in the complaint.

7.5. Should the Supplier fail to to eliminate the defect within the allotted time and fail to pay the damage incurred, The Buyer shall have the right to suspend the payment of invoices related to the services provided or to offset the payment obligation due to the damage with his own paying obligation towards the Supplier.

8. Prices

8.1. Prices indicated in the Order are fixed prices if not otherwise indicated.

8.2. The price modification shall be effective only upon written agreement between the parties.

8.3. The Supplier acknowledges to be entirely acquainted with the place of supply, commitments to fulfil, timeframe and deadlines of his operations. Therefore, he is not entitled to require any payment of costs, compensation or reimbursement beyond the price defined in the order.

9. Issuing the invoices

9.1. The invoices shall comply with the requirements of the Company Law and Value Added Tax Act of the Republic of Slovenia and shall also contain the following data: order number, date of order, code of the Goods, delivery note number and with Incoterms 2020 standards.

9.2. The invoice for the delivered Goods, Services or Equipment must be sent by mail or e-mail to Buyer's address: Bosio d.o.o., Obrtniška cesta 3, 3220 Štore, Slovenia.

9.3. Deliveries from a non-ECC country must be accompanied by declaration of origin on the invoice.

9.4. The Buyer shall receive the invoices within 8 days after the day of delivery of the Goods' or of the service performed or at latest before the 5th day of the month for the preceding month. If such is not the case, the date of creation of the obligation and therefore the date of payment shall be postponed by the corresponding number of delayed days. For these delayed days, the Supplier does not have the right to require any related penalty interests. In the event the due date is a Saturday or a holiday, the payment shall be made the first following working day. For this time, the Supplier does not have the right to charge any penalty interests.

9.5. Payment will be effected in accordance with the terms indicated at the time of ordering and upon receipt of the invoice and Goods, Services or Equipment.

9.6. Payment will be made solely and exclusively to the Supplier. Payment to third parties are not acceptable.

9.7. Unless otherwise agreed, payment shall be executed in 60 days net value.

9.8. The Supplier is not entitled to assign his receivables towards the Buyer or to waive them for claim to a third person without a previous written consent of the Buyer.

9.9. When the Goods are delivered with defects, the Buyer is entitled to retain the payment or a part of it, proportionally with the value share of the value of defects until the order is correctly fulfilled.

10. Quality

10.1. The Supplier is responsible for the quality of Goods delivered and for implementation of quality control system meeting the measures.

10.2. The Supplier shall be obliged to enable Buyer to check the quality of production process or service provision process prior to delivery, namely:

- when Goods are delivered for the first time,
- when Goods have been produced upon Buyer specification
- in the case of quality claim,...

10.3. The Supplier's Goods shall be in compliance with specifications defined in the order, drawings and all other documents specifying the Goods and given at disposal to the Supplier.

10.4. No changes are allowed to be made to the contractual Goods and services without prior written approval of Buyer.

10.5. The Supplier shall prove the compliance of the Goods, Services or Equipment by means of valid documents signed by Buyer and the Supplier.

10.6. The Buyer has a right to check the quality of Goods, Services or Equipment with requirements from Buyer directly at Supplier's place.

11. Penalties

11.1. In the case of delay of delivery of Goods, Services or Equipment, Buyer shall be entitled to charge penalty accounting for 0,5% of the total value of the order for each starts calendar day of delay, but not more than 10% of the total value of the Order or Recall.

11.2. Buyer reserves the right to charge damages that exceeded the value of the penalties under Clause 11.1. in the case of Supplier's negligence resulting in major economic damage suffered by Buyer.

11.3. Early delivery of Goods, Services or Equipment shall not change the payment terms specified in the Order.

12. Warranty

12.1. The Supplier guarantees for the quality of the delivered Goods as described in the product description, drawings, the quality specification and, moreover, the generally accepted quality standards.

12.2. The Supplier shall be held responsible for all defects of all his deliveries including those the manufacture of which might have been partially or in a whole entrusted to a third person.

12.3. Buyer reserves the right to refuse acceptance of clearly faulty or damaged Goods or Equipment; or to refuse acceptance of not appropriate performed Services.

12.4. In the case of inadequate quality compared to the predetermined criteria, the complaint shall be submitted to part or the whole shipment, or determine the method of repairing the defects. The total costs of repairing the defects or rejecting the Goods, Equipment or Services in full shall be carried by the Supplier.

12.5. The Supplier shall also be charged for the compensation in case this compensation has been enforced from the Buyer by a third person as a result of the Supplier's defects. The Buyer reserves the right to waive the order and/or to cancel it and to claim the reimbursement for damage according to provisions regulating the contractual obligations and according to general rules on damage liability.

12.6. Returned shipments of rejected Goods or Equipment will be made at the Supplier's costs.

12.7. Buyer shall be entitled to inform the Supplier of any obvious defects within ten (10) business days of their identification; or in the case of hidden defects within 24 months of the day the Goods or Equipment were delivered; or within 12 months of the day the Services were provided.

12.8. The Supplier is obliged to repair the identified defects immediately after he was notified by Buyer.

12.9. Buyer reserves the right to repair the established deficiencies by itself or with the assistance of a third party in the case of the Supplier's inactivity or in urgent cases. Total related costs shall be covered by the Supplier.

12.10. Buyer is entitled to claim compensation for proven damages and all related costs.

12.11. The Supplier shall give at least 12-month warranty for its Goods and Services; and at least 24-month warranty for its Equipment. If stipulated by the applicable law, the warranty period can be longer.

13. Environmental policy

13.1. The Supplier shall ensure that the Goods delivered meet all environmental requirements in force laid by the law or otherwise agreed

13.2. The Supplier shall be acquainted with Bosio d.o.o. environmental policy.

14. Health and safety

14.1. The Supplier shall ensure that the Goods delivered meet all legal occupational safety and health requirements in force or otherwise agreed.

15. Confidentiality, Industrial property

15.1. The Supplier is obliged to treat the Order and all the procedures involved herein, including all respective documentation, equipment, working stock, etc. in strict confidence.

15.2. The Supplier and the Buyer undertake to handle and keep confidential all commercial and technical details.

15.3. Drawings and other documentation shall not be waived to any unauthorized third persons or otherwise made accessible.

15.4. Drawings and other documentation made by Buyer are in the whole Buyer's property.

15.5. Drawings and other documentation made by Buyer shall be returned to Buyer together with any copies after execution of the order.

15.6. The Supplier shall assume the responsibility and the expenses incurred in case of theft of the objects under this chapter.

16. Spare parts

16.1. The Supplier shall be obliged to provide spare parts to Buyer for at least five (5) years after business relationship between the Supplier and Buyer ceased to exist.

17. Applicable Law and Jurisdiction

17.1. The Buyer and the Supplier shall endeavor to solve all eventual disputes in amicable way and by common agreement.

17.2. Any disputes arising from the business relationship between the Supplier and Buyer which cannot be settled amicably shall be resolved by court of Celje. Hereto it is expressly rejected any application of the United Nations Convention on Contracts for the International Sale of Goods.

18. General Clause

18.1. Should any provision of these General Purchasing Terms and Conditions be or become legally invalid, this shall not affect the validity of the remainder of the General Purchasing Terms and Conditions. The parties shall replace any such invalid provision with a valid provision which most nearly conforms to their original intent.

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