

1. Validity of the General Terms and Conditions

1.1. These General Terms and Conditions of Iskra, elektro in elektronska industrija, d.d. (hereinafter: the Company) are applicable exclusively and in whole and lay down the rights and obligations of the Company and the supplier when purchasing goods provided by the supplier or services performed by the supplier. The Company purchases these goods and/or services only in accordance with the said General Terms and Conditions. The general terms and conditions laid down by the supplier are not applicable to the Company, even in the absence of a definite refusal, except when the Company undoubtedly accepts or confirms the suppliers' **general terms and conditions in writing**.

1.2. Any derogation from these General Terms and Conditions is valid only by written consent of the Company. If the Company has entered into a binding contractual relationship with a supplier or concluded an annex to the contract, thus laying down new and/or different provisions to the contractual relationship, the General Terms and Conditions apply to whatever content of the contract or annex not explicitly encompassed by that contract or annex.

2. Ordering and order confirmation

2.1. Orders and partial orders (call-offs), as well as any changes to such orders are binding only if they are done in writing. If the supplier confirms an order and in addition suggests a change or amendment to this order, it shall be deemed as if the supplier refused the original order and put forth a new offer. The new offer is binding only if it is confirmed in writing by the Company.

2.2. The Company reserves the right to, upon payment of all costs incurred to the set date, withdraw from the contract/order without cause.

2.3. All written orders from the Company contain a provision outlining the General Terms and Conditions as an integral part of the business relationship. The General Terms and Conditions are binding to the supplier if the order is confirmed in writing or if the contract is in accordance with the provisions of the following paragraph and deemed as approved.

2.4. The Supplier shall confirm or reject each order within three working days of its receipt in writing. If the supplier does not reject the order in writing within three business days after its receipt, the order is deemed to **be accepted**.

2.5. The provisions of the previous Paragraph also apply to partial orders (call-offs), given by the Company under a general order, concluded in advance for a longer time period. This Paragraph therefore applies to cases where the general order consists of several partial orders given by the Company, within the approval of the general order.

3. Delivery and delivery period

3.1. The supplier shall fulfill its obligations within the delivery periods and quantities outlined in the contract/order. The so determined delivery periods and quantities are essential and fixed. If the subject of the contract/order is not delivered on time, the Company is not obliged to accept or pay the delivered goods or services. The latter also applies to partial or future deliveries. In case of delay in the delivery, the Company has the right to terminate the contract/order. In the event that the Company will exercise its right to terminate the contract/order, the supplier shall be informed of the termination in writing, thus considering the contract/order as terminated.

3.2. In the event of termination of contract/order as stated in the previous Paragraph, the Company shall be entitled to charge to the supplier all arising damages – the Company may opt for a 20% flat-rate compensation from the net amount representing the payment for the subject of the canceled contract or recover actual occurring damages.

3.3. In the event that the Company does not terminate the contract/order and that the supplier delivers the subject of the contract/order after the delivery period, the Company is entitled to charge a penalty fee amounting to 0.5% of the net contract/order price for each day of delay, but not more than 10% of the net contract/order price, whereas the Company is not obligated to notify the supplier that it reserves the right to charge the penalty fee. Furthermore, legal provisions outlining the consequences of a contracting party's delay are applicable.

3.4. In the event that the Company does not terminate the contract/order and the supplier delivers the subject of the contract/order upon expiry of the delivery period, whereas the Company is, due to occurring delays, in breach of contract provisions with its customers and therefor liable for compensation, the supplier is obligated to pay the penalty fees as stated in the previous Paragraph, as well as fees corresponding to the breach of contract provisions of the Company in relation to its customers. The amount of the so occurring penalty fee is notified by the customer of the Company to the supplier upon its request.

3.5. If the supplier expects or is aware of any circumstances which could or do affect the delivery or other circumstances that could impede the fulfillment of the contract/order, as well as any circumstances that affect the quality of the performed services, the supplier must notify the Company immediately in writing. Despite the acceptance of the delayed delivery or receipt of the notification referred to in the preceding sentence, the Company retains all rights in accordance with the provisions of the law and the provisions of these General Terms and Conditions. The Company has the right to refuse partial deliveries, unless otherwise agreed upon.

3.6. It is considered that the delivery has been made within the delivery period if and whether the delivery has been made in accordance with these General Terms and Conditions and the contract/order provisions outlining the place of delivery. In the case of services the rule of acceptance applies.

4. Invoices

4.1. Invoices must be sent to the following e-mail address: racuni@iskra.eu. Invoices must contain the date and order/contract number, date and invoice number, tax identification number of the supplier and the exact address of the supplying company. VAT shall be charged separately.

5. Price list and passing of risk

5.1. If there is no explicit or otherwise agreed upon arrangement in writing, the agreed upon prices between the Company and the supplier include all costs and taxes. The risk of accidental destruction of goods passes to the Company when they are taken into possession by the Company or its authorized representative at an agreed place.

5.2. No increase of supplier costs, including, but not limited to general costs, the costs of labor or material, have effect on the prices agreed between the supplier and the Company.

6. Payment terms

6.1. The Company pays invoices within the agreed payment period. The payment period shall commence following the receipt of the correct invoice, but not earlier than the first day after the proper delivery of goods or services.

The company shall pay the invoice within 120 days or within any other agreed time period between the parties, counted from the date of invoice. If the Company pays the invoice within 30 days from the date of receipt of the invoice, a 4% cassasconto applies; if the Company pays the invoice within 60 days from the date of receipt of the invoice, a 3% cassasconto applies; if the Company pays the invoice within 90 days from the date of receipt of the invoice, a 2% cassasconto applies.

6.2. Shall be the case that the Company is entitled to cassasconto, the supplier with its registered office in Slovenia, undertakes to issue a credit note for the amount of cassasconto (i.e. the amount of the difference to the originally agreed contract price - without cassasconto).

6.3. Invoice payment does not constitute confirmation that the delivery of goods or services had been performed in accordance with the contract/order. If the goods or services are defected, the Company is entitled to retain payment for the delivered goods or services until all defects are eliminated.

7. Acceptance and complaints

7.1. The goods and services, delivered in accordance with the contract/order, are acquired by the Company at the expense of the supplier. If not otherwise specified, the subject of the contract/order is handed over to the Company via DAP as determined in INCOTERMS 2010. The Company shall perform a quantity and quality assessment of the received goods or services. The Company shall file a complaint concerning any quality or quantity defects within 8 days of delivery. Any hidden defects shall be notified to the supplier within 8 day of their detection.

7.2. The acceptance of goods and services by the Company does not exclude the supplier's liability for improper fulfillment or non-fulfillment of the contract/order. In this respect, the supplier waives the right of objection against late notification of defects.

7.3. In the event that the Company upon acquisition of goods and services or within 8 days of delivery or later during the ordinary course of business revokes the acquisition due to obvious or hidden defects, the Company informs the supplier in writing of its actions (reclamation claim) and may: (a) withdraw from the contract/order; (b) acquire the subject of the contract/order under an appropriate price reduction; (c) require a total or partial replacement or repair of the subject of the contract/order at the expense of the supplier, so that the quality of the replaced goods is in accordance with the requirements of the contract/order; (d) in the event that the supplier does not replace or repair the subject of the contract/order at its own expense, the Company shall seek proper fulfilment of the contract/order by another supplier.

7.4. Whether point 7 does not specify otherwise, provisions regarding defects as determined by law apply. The Company has the right, in accordance with the provisions of the preceding Paragraph, to determine the means by which the supplier shall mend the defected goods or services.

7.5. If the supplier does not undertake appropriate actions to rectify the situation immediately after the defects are announced, especially in urgent cases, the Company is entitled to mend the irregularities or seek third parties, whereby in this case, all occurring costs are borne by the supplier. In the case where it is determined that the acquired goods or services suffer from legal defects, the supplier undertakes to ensure that the Company's position against third parties is as if the delivery would have no legal defects.

7.6. The Company has in cases of any claims for restitution the right to claim lump-sum compensation from the supplier for the occurring costs in the amount of € 250,00 as well as the reimbursement of any other costs caused by the claim: the cost of screening by Iskra d.o.o. of € 20/hour/person, jam-production costs of € 1000/h, the cost of testing and laboratory calibration in the amount of € 200/h, and any other costs caused by the complaint.

7.7. In addition to the restitution costs the supplier shall also be responsible for any losses occurred in connection with the defects of the goods or services. If for example customers of the Company should return the goods or services due to defects, or should the value of the products be affected due to said defects or the Company being affected in any other way because of the occurring defects, the Company shall be entitled to claim full reimbursement of consequential damages from the supplier.

8. Warranty

8.1. The supplier guarantees a 24 month warranty, except where a longer warranty period is required by law or by express agreement between the contracting parties.

8.2. The warranty period enters into force with the passing of risk of accidental destruction to the Company.

9. Quality

9.1. The delivered subject of the contract/order must be in accordance with the requirements of the contract/order and the specifications, drawings and all documentation and standards that define the subject of the contract/order. Without written confirmation from the Company, any change or deviation from the said requirements, specifications, drawings, documentation and standards is not allowed. At Company's request the supplier is obliged to provide all documentation depicting the quality of the delivered goods or services.

9.2. In the event that the contract/order does not specify quality requirements, the supplier guarantees that the delivered goods or services are in accordance with the quality rules of the profession.

10. Packaging and Transport

10.1. Shipping shall be done in accordance with normal commercial practices or in accordance with the instructions given by the Company when special transportation or packaging is required. The Company assumes no liability for damages or loss of goods during transport. The responsibility for damages or loss of goods due to improper transportation, as well as improper packaging rests entirely on the supplier.

10.2. The delivery note and any other document specified in the contract/order (technical instructions, quality certificates, etc.) must be attached to each delivery. Each delivery note must contain at least the following data: the number of order, the exact description of the goods or services, weight, volume and heading. If this is not the case, the Company is not obliged to carry out the acquisition, as long as it does not obtain the said documentation.

11. Liability and Insurance

11.1. If the Company bears costs due to actions of the supplier, including costs of litigation, arising from a default in the delivered goods or services, the supplier is to compensate the Company accordingly.

11.2. The supplier shall take appropriate actions to insure its responsibilities are in accordance with normal commercial practices. The supplier must bring forth adequate documentation outlining appropriate measures have been taken to insure its responsibilities.

12. Assets provided to the supplier

12.1. Materials, packaging and other assets that are provided by the Company to the supplier remain under ownership of the Company. Such assets may only be used by the supplier for the purpose of executing contract/order provisions arranged with the Company. In case of breach of the said provisions, the supplier is liable for the occurring damages.

13. Professional secrecy

13.1. Tools, samples, patterns, models, profiles, plans, manuals, norms, criteria and other information provided by the Company to the supplier for the purpose of executing the contract/order are not to be transmitted to third parties or used for purposes other than those specified in the contract/order without prior written consent of the Company. In case of breach of the said provisions, the supplier is liable for the occurring damages.

13.2. The supplier shall protect as a business secret all commercial and technical documentation. Confidentiality spans throughout the duration of the business relationship between the parties as well as upon its completion till all such information becomes public knowledge, but not before 5 years of completion of said business relationship between the parties. The Company remains the sole owner of the submitted documentation and information. Without prior written consent of the Company, the supplier shall not disclose information and documentation to third parties. On request of the Company the supplier is obliged to promptly return all received documentation. The Company reserves all rights to and from the documentation and information, including industrial property rights.

13.3. The supplier may not produce or dispatch products to third parties, nor use products that are produced on the basis of the said documentation or the use of tools provided by the Company.

14. Protection against claims of third parties arising from industrial property rights

14.1. The supplier undertakes to provide legal and any other protection against claims exercised or attempted to be exercised by third parties against the Company for infringement of industrial property rights (patents, model licenses, trademarks, etc.) in regards to the delivered goods or services. The supplier furthermore undertakes that in the event of any disputes which may arise due to such violations, appropriate measures shall be taken in order to secure the Company's interests and reimburse all occurring costs (costs incurred before and after judicial proceedings as well as any compensation to the Company in this respect).

15. Termination of production

15.1. The supplier undertakes to inform the Company of any estimated shutdowns of production at least 1 year prior to the planned shutdown of production.

16. Assignment of receivables

16.1. The supplier shall not, without prior written consent from the Company, assign any receivables originating from the business relationship between the Company and the supplier to third parties. The Company shall not decline consent without good reason.

17. Other provisions

17.1. If one of the provisions of these General Terms and Conditions is or proves to be invalid, such invalidity shall not affect the validity of the remaining provisions. The parties shall replace the invalid provision with a valid provision that primarily extends to the original intentions of the parties.

17.2. Any disputes between the Company and the supplier shall be settled using Slovene law and under exclusive jurisdiction of the Slovenian courts, without application of private international law. In the case of an international sale of goods, the use of the Vienna Convention on the International Sale of Goods is excluded entirety.

17.3. These General Terms and Conditions are published on the internet site of the Company: <http://www.iskra.eu/> with effect from February 1st 2016. These conditions are subject to cancellation or change.