

# General Terms and Conditions of Sale, Delivery and Installation

VIAL Automation d.o.o. – hereinafter referred to as the **SUPPLIER**.

The contracting party or legal entity - the payer – hereinafter referred to as the **CLIENT**.

## 1. General provisions

- 1.1. These general terms and conditions of sale, delivery and installation are binding if they are declared valid in the offer or in the confirmation of the order. Different terms and conditions of the contracting authority shall be valid only if the supplier expressly accepts them in writing.
- 1.2. Any agreements and appropriate declarations of contracting parties shall be valid only if concluded in writing.

## 2. Offer and contract conclusion

- 2.1. The contract shall only be concluded when the supplier shall confirm the acceptance of the order in writing after receiving the order.
- 2.2. Offers not containing a deadline for acceptance shall not be binding. The supplier shall be bound to the offer without a deadline for acceptance only when the acceptance statement of the contracting authority is accepted explicitly and in writing.
- 2.3. Offers containing a deadline for acceptance shall not be considered accepted if the contracting authority does not accept the offer within a specified period of time and in writing.
- 2.4. A silent acceptance statement is not possible.

## 3. Delivery and scope of delivery

- 3.1. Order confirmation is decisive for the scope and execution of supply and services. Material costs and services not included therein shall be subject to additional charge.
- 3.2. The supplier shall change the order confirmation without prior notice if such a change leads to an improvement and does not lead to an increase in the price.
- 3.3. The contracting authority shall bear the cost of preparing a delivery order in the amount of 20% of the price of the entire order during the time of written confirmation of order acceptance and the final completion of the supplier's obligations.

## 4. Plans and other technical documentation, etc.

- 4.1. Plans, brochures, catalogues, drawings, models, and other technical documentation as well as quotes, including in electronic form, are not binding unless otherwise agreed. Information in technical documentation (such as plans, catalogues, brochures, drawings or models) shall only be binding if explicitly stated in the order confirmation.
- 4.2. Each contracting party reserves the right to technical documentation (such as plans, brochures, catalogues, drawings or models) and similar information of material and non-material kind – also in electronic form, which is made available to other contracting party. The accepting contracting party shall respect these rights, and without the prior written consent of the other party shall not allow access to the whole or part of the documentation to third parties, and shall not use it for any other purpose except for which the document has been received.
- 4.3. If the scope of delivery also includes software, the supplier shall not recognise the exclusive right of the contracting authority to use the delivered software, including documentation relating to the products delivered by the supplier. It is used on the specifically specified supplied item. Use of software in more than one system is prohibited.

- 4.4. The contracting authority undertakes that the supplier's data – especially the record of copyright – will not be removed or modified without explicit prior approval.
- 4.5. All other software and documentation rights, including copies, shall be kept by the supplier or the software supplier. Sublicensing is not permitted.

## **5. Regulations in the country of destination**

Upon ordering at the latest, the supplier shall be informed by the contracting authority about the regulations and norms related to the delivery and services, operations and compliance with the requirements in the field of OSH (Occupational Safety and Health System).

## **6. Prices**

- 6.1. Supplier's prices are, if not otherwise agreed, net ex-works prices in EUR, without packaging, transport insurance, different transport and customs taxes, assembly, installation and start of operation.
- 6.2. If the costs based on the calculation increase after the contract is concluded, and if this increase was caused by the contracting authority, the supplier has the right to correct the prices stated in the order confirmation by the time of final fulfilment of their obligations.
- 6.3. The price change is permitted provided that more than four months have elapsed between the conclusion of the contract and the agreed supply date. If salary, material costs or market prices increase at the supplier up to the execution of delivery, the price can increase in proportion to the increase in costs.

## **7. Payment terms**

- 7.1. The deadline for payment for the client in Slovenia is 30 days net from the date of issue of the invoice. In the case of delivery to other countries, if there are no other written arrangements, a pre-payment or an irrevocable letter of credit shall be made at a certified bank that is paid out on call (Nova KBM d.d.). All fees and charges shall be borne by the party.
- 7.2. For orders in the amount of more than EUR 20,000, payments should be made in accordance with the specific arrangements as follows:
  - a) Delivery business
    - 30% upon order
    - 70% 30 days after delivery
  - b) Investment deal with acquisition
    - 30% 7 days from the date of approval of the construction
    - 60% 7 days from the date of pre-acquisition in VIAL Automation d.o.o.
    - 10% 7 days from the date of receipt at the client but not later than 30 days from the date of delivery

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- 7.3. If there is no other arrangement concluded in writing, the contracting authority shall settle the amounts at the supplier's registered office without deduction of various discounts, costs, taxes and fees.
- 7.4. In the case of default, the supplier reserves the right to immediately terminate the delivery and installation and shall be entitled to default interest in the amount of 8% per year.
- 7.5. The supplier reserves the right to increase costs for any reminders.

- 7.6. In the event of unrecognised complaints or non-final counterclaims, the contracting authority may not delay payment claims.
- 7.7. The minimum value of the invoice is EUR 50,00.
- 7.8. In the case of suspension of payments or the declaration of insolvency of the contracting authority, the receivables shall occur immediately.

## **8. Retention of title**

- 8.1. The supplier reserves the right to supply up to a settlement of the entire amount of payment. The contracting authority undertakes to take all the necessary measures to protect the ownership of the supplier.
- 8.2. The supplier shall be entitled to enter the retention of title in the appropriate register upon cooperation with the contracting authority.

## **9. Delivery time**

- 9.1. Delivery time starts with the acceptance of the order and after complete clarification of all the details for implementation and, where appropriate, following the receipt of the agreed advance payment.
- 9.2. Delivery time shall be extended accordingly:
  - a) If the supplier does not receive the information it requires to complete the order in a timely manner, or if the information is subsequently amended by the contracting authority;
  - b) If the deadline for payment has not been complied with, if the letters of credit were open too late, or the supplier did not receive the necessary licences for import in time;
  - c) If there is any obstacle that the supplier cannot prevent, despite the due diligence and without their own guilt, regardless of being incurred at the supplier, the contracting authority or third party. Examples of such obstacles are cases of force majeure, e.g. epidemics, mobilisation, war, rebellion, major operational disturbances (e.g. due to strikes), accidents, disputes at work, delayed or wrong delivery of the necessary raw materials, semi-finished products or products, ejection of important tools, official measures or omissions, natural disasters. Delivery time shall be extended in such cases even if such obstacles arise during the delivery delay.

## **10. Transfer of hazards**

- 10.1. When the goods are dispatched, the risk of destruction, loss or damage of the goods shall be transferred to the contracting authority if not agreed otherwise.
- 10.2. If the dispatch is delayed due to the circumstances not caused by the supplier, the risk shall be transferred to the contracting authority at the time of dispatch of the supplier.

## **11. Delays in deliveries**

- 11.1. The rights of delivery delay may only be enforced after an appropriate extension of the deadline. The deadline should not be extended for more than two weeks.
- 11.2. In the event of a disruption of operating or other unforeseen events described in Article 9.2, the delivery period shall be duly extended and the supplier shall not be liable for any damage that may arise. This also applies if the event occurs during the delivery delay.
- 11.3. Damage due to the delivery delay may only be claimed in the event of intent or gross negligence of the supplier or their assistants. Indirect damage (e.g. loss of income, loss of production etc.) cannot be compensated.
- 11.4. Upon delivery delay for which the supplier has been reliably responsible and after the expiry of the extended deadline, the contracting authority shall have the right to request a reduction in the purchase price. The reduction shall be a maximum of ½% for each week of delay, but not more than 5% of the price of the part of the shipment delivered too late.

11.5. As far as it is not contrary to the binding law, the contracting authority shall have no other rights and claims than those expressly referred to in Articles 11.1 to 11.4 due to the delay in delivery or provision of service.

## **12. Delivery, transport and insurance**

12.1. The supplier shall carefully pack the products.

12.2. Specific requests relating to delivery and insurance must be communicated to the supplier in a timely manner. Transport is carried out at the expense and the risk of the contracting authority. In the case of transport complaints, the contracting authority shall immediately hand over the document to the last carrier upon receipt of the consignment or cargo.

12.3. The contracting authority shall be obliged to protect himself against any damage. Even if the insurance is to be concluded by the supplier, the insurance indemnity shall be settled by the contracting authority.

## **13. Check and acceptance of the delivered goods**

13.1. The contracting authority must check the delivered goods within the appropriate deadline (no later than three business days) after receipt and immediately inform the supplier in writing of the deficiencies. If he/she fails to do so, the supply and service shall be considered to be confirmed.

13.2. Upon the final fulfilment of the contractual obligations of the supplier and upon successful completion of the takeover tests, the goods shall be deemed to have been taken over by the contracting authority. This is when the warranty period starts. The contracting authority shall issue a certificate (takeover report) if stipulated in the offer, in which the date of completion of works and the date of the takeover tests are recorded.

13.3. If the contracting authority for a reason attributable to them or to others prevents the execution of the takeover tests, the takeover shall be considered as effected and the warranty period shall begin with a written notification sent to the contracting authority by the supplier.

13.4. If the takeover test is not possible due to the circumstances arising at the contracting authority, the execution of the test shall be delayed. The delay shall not exceed the time limit set by the parties. If this time limit is not fixed, a period of 1 month shall be valid.

## **14. Warranty and liability**

14.1. The supplier shall ensure that the products delivered do not have factory or material errors.

14.2. Guaranteed features are only those which are exclusively marked in the order confirmation or in the instructions for use, and those common for the intended purpose. The latter shall remain valid until the expiry of the warranty period.

14.3. If the products have defects, the supplier undertakes to either improve the deficiencies or replace the products. The warranty period shall begin from the delivery or notification of dispatch and shall last, unless agreed otherwise, 12 months or not more than 2000 operational hours, depending on what occurs first. Wear parts are not included in the warranty.

14.4. If the supplier does not eliminate the deficiency within the meaning of Article 14.3 in the set time limit with a replacement delivery or repair of the deficiency, the contracting authority may, after three attempts for improvement, request a reduction in the purchase price or withdraw from the Agreement.

14.5. The warranty shall cease to apply earlier if the contracting authority or third parties perform non-professional changes or repairs or if the contracting authority does not immediately take all appropriate measures to mitigate the damage and shall not allow the supplier to correct any deficiencies, but eliminates them on their own. Also, the warranty shall cease to apply if the original parts are not used.

14.6. Ultrasound technology:

- In the case of ultrasound devices, the warranty for the entire “TELSONIC ultrasound system” shall be withdrawn if the original TELSONIC replacement or wear parts are not used, or if any modification or change in the construction is not supported by a written authorisation by VIAL Automation d.o.o.
- The warranty does not include the entire oscillating system (converter, booster, sonotrode) and nests made by the parties.
- In case of a change in the construction after approved and executed tests by the party, VIAL Automation d.o.o. reserves the right to charge all additional costs.
- In the event that the party fails to comply with the design proposal of VIAL Automation d.o.o., the quality of the process shall not be held accountable.

14.7. The warranty and the supplier's guarantee do not include damage that has not been proven as a result of bad material, wrong construction, deficient performance or other reasons for which the supplier is responsible. The supplier shall not guarantee, in particular, the damage caused by non-professional use, negligence or insufficient maintenance on behalf of the contracting authority.

14.8. In view of the shortcomings in material, construction or execution, and in the absence of the guaranteed features, the contracting authority shall not have any other rights and claims as those referred to in Articles 14.3 and 14.4. In particular, they have no right to compensation due to the loss of production, loss of income, etc.

14.9. In case of devices for borrowing or testing, the contracting authority guarantees for any damage to the device, unless this has been caused by errors in the construction, building or material.

14.10. As far as it is not contrary to binding law, all cases of breaches of the contract and their legal consequences and all the requirements of the contracting authority, irrespective of the legal grounds, are finally regulated in these conditions. In particular, requests for compensation that are not explicitly defined, price reduction, termination of or withdrawal from the contract are excluded. Guarantee in indirect damage cases is excluded, insofar as this is not contrary to the binding provisions.

14.11. The contracting authority shall not have the right to claim compensation due to the breach of the contract or for damage that has not occurred on the delivered object, insofar as the supplier or their assistants are not guilty of intent or gross negligence.

14.12. Where legally admissible, the supplier shall not guarantee the damage caused by the violation of industrial property rights (such as patents, useful models or plans).

14.13. If the supplier guarantees compensation, the assessment of the amount of compensation shall, fairly and lawfully in the interest of the contractor, take into account their economic situation, nature, scope and duration of the business relationship and, where appropriate, the value of the contract.

## 15. Withholding of export licence

If the supplier has to deliver abroad, offers and confirmations of orders shall only be executed on the suspensive condition that any necessary authorisations for the execution are issued by the competent authorities.

## 16. Installation and start of operation

If the installation and/or placing in service does not contain the latter, the following additional conditions shall apply:

- 16.1. Unless otherwise agreed, services and working hours shall be charged in accordance with the applicable provisions for the installation of the supplier. Material consumption shall be charged additionally, as well as travel expenses for the return travel of the staff, accommodation costs in a reasonable accommodation, transport costs, customs duties, and transport insurance for luggage and tools, costs for the acquisition of identification documents, passports and other cash expenses, e.g. telephone costs.
- 16.2. The contracting authority shall certify the time of work, travel and wait as well as work services on proofs of installation provided to them by installation staff. If the contracting authority refuses to certify the above-mentioned or the certification cannot be obtained for any other reason, the proof of installation filled out by the supplier shall be taken into account for charging purposes. Additional works (e.g. masonry, carving, plastering, carpentry, electricity connection, earthworks and painting works) are not included in the offer, unless specifically mentioned by quantity and price. Works not included in the order are charged additionally according to the supplier price list. The same shall apply to additional costs incurred if the service has been suspended for reasons other than those for which the supplier is responsible.
- 16.3. The contracting authority is obliged to provide assistance for the performance of the service at their own expense. Particularly, they must:
- a) Facilitate participation of appropriate auxiliary staff (masons, carpenters, locksmiths and other professional staff, auxiliary workers) in numbers and for the time necessary for the installation;
  - b) Perform all earthworks, construction and gravel works, and works on the frame on time, including the acquisition of necessary construction materials, installation of electrical and water supply connections and de-pressurised drains; additionally, they must perform sanitary, electrical, installation, masonry and carpentry works;
  - c) Arrange appropriate routes for the supply of assembly parts and for lift trucks;
  - d) Prior to the start of the assembly work, enable the use of all data on the location of hidden electrical and gas pipelines, water supply and similar appliances, as well as all the necessary statistic data – without request.
  - e) Provide heating, lighting, energy and water, including the necessary connections.

## **17. Rights of the supplier**

The Supplier shall partially or completely withdraw from the contract if the economic situation of the contracting authority deteriorates significantly.

## **18. Exclusion of set-off**

Neither the supplier nor the contracting authority shall have the right to a set-off for the purposes of claims and/or services.

## **19. Intellectual property**

If not otherwise agreed, all copyrights and intellectual property rights on the delivered goods and procedures relating to it shall be the property of the supplier.

## **20. Invalidity of general terms and conditions**

If the individual provisions of these conditions are fully or partially null and/or invalid, the validity and/or the effectiveness of the other provisions or parts thereof shall remain unchanged.

## 21. Applicable law

These general conditions and any matters or disputes and any non-contractual obligations between the parties originating in these general terms or relating to them (including issues related to the existence, breach, validity, nullity or termination) shall be judged and interpreted in accordance with the laws of the Republic of Slovenia without taking into account its conflict of rules.

This contract is the subject of purely Slovenian legislation (even if the registered office of the contracting authority is located abroad). The use of international and multinational purchase contracts and laws, specifically the United Nations Convention on Contracts for the International Sale of Goods, is not possible.

## 22. Settlement of disputes

Any disputes and claims arising from these general terms or connected with these general terms or contracts or documents concluded or executed based on these general terms, including all issues relating to their existence, infringement, validity, nullity or their termination, shall be resolved and decided before the competent court in Celje.

