

GENERAL CONDITIONS OF PURCHASE

1. Validation

General conditions of purchase (hereinafter the "Conditions") apply to the supply of quality (half) products (hereinafter referred to as "goods") concluded between KLIMA Celje d.d. (hereinafter referred to as "costumer" or "contracting authority") and suppliers. The Conditions shall mutatis mutandis apply to service contracts.

The terms are an integral part of all transactions between the parties, unless the parties agreed otherwise in writing and in advance. If the parties for each transaction explicitly agreed otherwise, for such business conditions are applied in respect of all of which are not specifically discussed.

The costumer reserves the right to determine the specific purchase conditions that apply to the GENERAL PROCUREMENT CONDITIONS. The conditions are published on the website of the company www.klima-celje.si.

2. Order

The customer receives bids and bills free of charge.

Orders and changes are issued by the client in writing. Only written orders sent to the supplier by post, fax, e-mail are valid. All possible oral agreements must be endorsed by the contracting authority in writing, otherwise they shall not apply.

The place of delivery is defined in the order of the contracting authority. If the place of delivery is not specified, the place of delivery shall be deemed to be the warehouse of the subscriber according to the DDP Incoterms 2010 parity.

The supplier is obliged to send the confirmation of the order within five (5) working days of receipt of the written order. If the supplier fails to confirm the order within the specified deadline, the contracting authority may terminate the contract within the next five (5) working days, otherwise the contract is accepted, although the supplier did not confirm the order.

The supplier undertakes to notify the contracting authority without delay in writing of any deviation that could affect the delivery times, quantities and quality of deliveries. In this case, the supplier must obtain written instructions from the contracting authority on the follow-up procedure.

A cancellation of a contract by the contracting authority is deemed timely if it is sent to the supplier before the contracting authority receives the confirmation of the contract by the supplier or if it is sent to the supplier within five (5) working days after the issuance of the written order.

The contracting authority has the right to request changes in the conditions of the contract (drawings, construction changes, ...), date, place of delivery, mode of transport and quantity of purchasing products in the case of understandable reasons.

The contracting authority has the right at all times to control the execution of orders, and the supplier must enable this.

Ownership right on purchasing products is transferred to the contracting authority from the date of delivery to the place of delivery.

3. Supply

The supplier is obliged to supply the goods in accordance with the order received or contract. Deviations from the provisions of the contract are not allowed without the prior written consent of the contracting authority.

The contracting authority may refuse a supply that is not supplied in accordance with the terms of the contract at the supplier's expense.

The timely delivery shall be considered when the goods arrived in good time, within the deadline to the agreed place specified in the order of the contracting authority.

Goods are taken over at the warehouse of the client. Exceptionally, the takeover of goods is carried out at another location, which the contracting authority informs the supplier in advance.

All consignments must be accompanied by a delivery note containing a detailed description of the contents of the shipment and the full number of the contracting authority's order. The supplier is obliged to provide in writing all information related to the rules on export control, customs or internal trade.

4. The suitability of goods

The supplier is obliged to ensure that the goods supplied comply with the regulations and the applicable standards, that they are correctly marked and that they have agreed properties and quality. The buyer is obliged to reimburse the costs and penalties that he suffered due to non-compliance with these requirements. Unsuitable goods can be returned by the contracting authority or require removal of defects at the expense of the supplier. The supplier must take over and deal with the complaints of end customers concerning the goods of the supplier.

5. Packing

The supplier must carefully pack, mark and dispatch the goods in accordance with the rules of the profession, or, at the request of the buyer, produce and present the packaging and labeling proposal that the contracting authority has previously approved. Responsibility for damage to goods supplied due to defective or incorrect packaging shall be borne entirely by the supplier. In the event that the price of the goods does not contain packaging, the supplier must specify it separately on the delivery note and the invoice. In the case of returnable packaging, the customer returns it to the supplier at the expense of the supplier.

6. Non-delivery of goods

In the event that the supplier improperly extends the delivery period, the contractual penalty is paid to the buyer in the amount of 1 % of the contract price for each day of the deadline, but not more than 10 % of the contract value. If the contracting authority fails to pay damages higher than the contractual penalty due to an undue delay of the deadline under this contract, the contracting authority shall also charge the supplier the difference between the damage incurred and the contractual penalty charge. If the supplier fails to comply with the contractual deadlines and does not start or resume the supply after receiving a written invitation, the contracting authority shall have the right:

- request fulfillment of the contract and compensation,
- withdraw from the contract and submit the delivery to another supplier; any differences in the price of the supply

increased by overheads of 8 % must be charged to the former supplier and it must be required to reimburse costs and damages and charge a contractual penalty and compensation for each day of the deadline, insofar as the new supplier could not carry out the delivery within the time limit specified in this contract.

In addition, the contracting authority will charge the supplier for any costs incurred as a result of congestion or problems arising from insufficient documentation. The penalty supplier is not obliged to charge if he was not able to deliver the goods for reasons of force majeure and, if so, inform the contracting authority.

7. Payment terms

The supplier issues an invoice within 8 days after the goods are taken over. The payment deadline must not be shorter than **xx** days, unless otherwise agreed, after payment of an estimate. Only the items that have been confirmed in the bid can be listed in the account. Once the order has been confirmed, the supplier can not in any way change the price as stated on the offer. If the account does not comply with the order or a confirmed offer, the customer may refuse the account in within 8 days of receipt.

Payment of an account does not mean that the delivery or service was made in accordance with the contract. If the goods or services have a defect, it is entitled to withhold the payment of the proportional amount of the invoice until the termination of such agreement or the final agreement with the supplier.

The client has the right to return the standard goods within 8 days of receipt without mentioning reasons. Under standard goods are considered goods that are not designed specifically for the customer (on request). In the event of a refund, the contracting authority shall bear only the transport costs, and all other costs shall be borne by the supplier.

8. Guarantee

The acceptance and verification of the quality of the goods shall be made within eight (8) working days after the arrival of the goods. In case of detection or the deviation of quality from pre-agreed criteria, the shipment is advertised partially or fully. On the established errors, the contracting authority shall draw up a complaint record which shall be sent to the supplier no later than eight (8) working days from the detection of errors.

The contracting authority has the right to notify the supplier of hidden errors within a period of 8 days from the finding or within 12 months from the date of delivery of the goods.

The contracting authority has the right to reject the goods and determine how to correct errors. The costs of remedying defects or rejection of goods are borne entirely by the supplier. The Supplier shall provide at least a 24 month warranty for its goods. Any longer warranty period is determined by the contracting authority and the supplier by written agreement.

The warranty period begins to run with the risk transfer to the customer. In the event of the elimination of the defects resulting from the advertisement of the goods to the supplier, the warranty period begins to run again after the fault has been eliminated by the supplier.

The supplier is obliged to eliminate the identified defect immediately after acquaintance with the record by the contracting authority, and in particular in case of emergency (the possibility of stopping production, delays in the delivery of the client to third parties, ...). The Contracting Authority reserves the right to remedy the identified non-qualities by itself or with the assistance of a third party in case of inactivity of the supplier or in case of an emergency. The related costs are borne entirely by the supplier.

9. Goods given to the supplier

Materials and other items that the contracting authority submits to the supplier in order to fulfill the contract by the supplier remain the property of the contracting authority. The supplier must operate them according to the principle of a good master. The costs of use and the risk of destruction are borne by the supplier throughout its use or until the moment the material or objects are delivered to the client. This supplier may only use these materials for the purpose of fulfilling the order of the contracting authority.

10. Protecting confidentiality and documentation

The supplier undertakes to protect all contracting authority's documentation (business and technical) with which he was informed about the order.

The tools, samples, plans, and other things and information that the contracting authority provides to the supplier, without the prior written consent of the contracting authority, may not be handed over to third parties or used for other purposes that are not in accordance with the order.

At the request of the contracting authority, the supplier will promptly return all the original documentation that was sent to him to complete the order and destroyed all copies of the said documentation.

Technological procedures, solutions and other knowledge related to the subject of the contract are the intellectual property of the contracting authority, so the supplier may not mediate or supply them to third parties without the prior written consent of the contracting authority.

11. Spare parts

The supplier is obliged to provide the customer with spare parts for at least seven years after the last serial delivery.

12. Any other business

In order to resolve any dispute, the Slovenian court shall have exclusive jurisdiction, which is territorially competent according to the seat of the contracting authority. The law of the Republic of Slovenia shall apply, without the provisions of private international law. In the case of international sales of goods, the application of the Vienna Convention on the International Sale of Goods is excluded in its entirety.