



General terms and conditions of purchase for Lama Avtomatizacija Ltd

Dekani, 24 April 2013, Slovenia

1. General provisions

1.1.

The general terms and conditions of purchase (hereinafter referred to as GSP) state and determine the basis for making legal deals between LAMA AVTOMATIZACIJA Ltd (hereinafter referred to as client) and the suppliers for purchasing of goods, materials and services with the aim to complete the client's activities.

The client reserves the right to determine special conditions in a separate contract that shall enter in force in the case of the order before the general provisions.

1.2.

The supplier is obliged to confirm the contract in writing to the client within 48 hours after the receipt of the order. This means that the supplier has to issue a duly signed confirmation, or to carry out the confirmation directly at the received order by signing it, thus accepting the conditions stated on the received order, as well as the general provisions for purchasing. The confirmation of the contract is sent to the client by e-mail or fax.

2. Orders

2.1.

The client is obliged to give the orders to the supplier in written form. The client shall also notify the supplier should any changes in the order occur, with a written document.

The order must be accompanied by the following information: product name or material, product code (client's), quantity, price, delivery date, delivery terms and payment deadline for ordered goods.

Deviations from the terms of the contract are not allowed without a prior written consent of the client.

2.2.

The client may take into account the circumstances of the individual case and to the extent permitted by the supplier require changes to be made to a product from a single, well-defined order. In this case, the parties contractually regulate the consequences, in particular as regards to additional or reduced costs, as well as changes in the delivery deadlines caused by the additional changes on the product.

For any non-fulfilment of the conditions stated in the GCP or the orders, the client may write a written notice, thus cancelling the order (withdraw from the order) without any further obligations to the supplier.

3. Cancelling the order

3.1.

In the event that the supplier is late with the supplies, especially in cases where delays are repetitive and if there are repetitive deficiencies in the quality of the products noticed, after a sending a written reminder previously when the deadline for defect correction is set, the client shall cancel the contract by written notice (withdraw the orders).

A written notice of the cancellation of a contract shall also include a reservation of the right of the client to recover damages (in accordance with applicable legislation), which has been caused thereby, but may also contain a specific request for reimbursement of damages that the supplier is obliged to reimburse to the client within 15 days after receiving the notice or the debit note.

4. Delivery times and quantities

4.1.

Delivery times of the orders are mandatory and refer to goods delivered to Lama Avtomatizacija Ltd

Delivery deadlines arise from the production needs of the client and shall be strictly respected. In case of failure to comply with the delivery deadlines from the order and in case the client does not withdraw from the order, the client is entitled to charge the supplier costs incurred as a result of a production loss, and which are the result of goods not delivered on time by the supplier.

The client has the right to charge the supplier all costs incurred as a result of the non-timely delivery of goods. The calculation of costs must be specified in detail and borne by the supplier for a review.

The client may request a change in the delivery deadlines from the supplier in writing to which the supplier has to confirm in writing within 48 hours.

4.2.

In case of unforeseen problems that could affect the compliance of delivery times or the quantity of the supplies, the supplier shall immediately inform the client in writing of these difficulties and obtain further written instructions from the client on how to proceed and change the terms of the orders.

4.3.

In the event of an inability to supply or delay for which the supplier is objectively liable or other types of violation of purchase conditions, the customer reserves the right to cancel the entire order or only part of it. Due to objective and proven liability, the client may require the supplier to reimburse all of the costs incurred to it, including the additional costs incurred by the contract of the same goods with another supplier. When claiming compensation, the client will be in good faith take into account the economic circumstances of the supplier, the nature, extent and duration of the business relationship, and cooperation with the supplier, as well as the value of the goods that were the subject of the contract.

4.4.

In the event that the supplier supplies the goods before the delivery date of the order, the client reserves the right to receive the goods, but the invoice shall be paid at the scheduled dates in the order.

4.5.

In the case of force majeure, labour riots, with the exception of legal strikes that take place directly with the supplier, other measures of authority and other unpredictable unprofitable and fatal events, the client and / or the supplier are not responsible for the duration of the disruption of contractual sanctions and obligations. The client and / or the supplier have to promptly communicate the necessary information and their obligations in good faith within the limits of their possibilities, to adapt to changed circumstances in cooperation with the supplier, as well as the value of the goods that were the subject of the contract.

5. Supplies

5.1.

The ordered goods are delivered, unless otherwise specified in the client's warehouse. The risk shall pass at the takeover goods in the client's warehouse. The delivery shall be carried out with the lowest possible transport costs, unless the buyer determines otherwise upon the

order. Additional costs arising from the use of express mail services for the purpose of timely delivery fulfilment of the order go entirely to the burden of the supplier.

5.2.

The exact address shall be indicated to the client on the packaging in which the goods are delivered by the supplier. The supplier has to add a dispatch order i.e. a delivery note containing the information of the present order (date, order number, quantity, product name, product code the client's name, any product certificates and any information related to the regulations of control of exports, customs and internal trade).

6. Packaging of the goods

6.1.

The supplier shall properly pack the goods, and dispatch or deliver it to the client. The supplier is responsible for injuries due to defective or incorrect packaging.

6.2.

In the event that the goods are damaged due to unprofessional packaging delivered to the client, and so on unsuitable for future use, the supplier is obliged immediately after receiving the message from the client to replace the damaged goods with an appropriate; vice versa, the client can be charged for all indirect ones and direct costs arising from the supply of damaged goods which are identical to those referred to in point 4.1.

7. Receiving of goods

7.1.

The delivery of the goods shall always be carried out in the warehouse of the client. A signature or stamp given by the client on the receipt document as a confirmation that they received the goods, do not imply the final acceptance of the goods.

7.2.

If there are any insufficient or inadequate supplies, the client shall notify the supplier in writing. The client shall return to the supplier any inadequate or missing supply, thus the supplier is charged for all the costs resulting from these errors. The client has the right to demand compensation from the supplier for these defective supplies which will be invoiced by the supplier under the same conditions as the rest of the goods delivered.

The client shall perform regular quantity control of the delivered material, shall check the packaging of the recipient documents, and at the same time shall perform random quality controls.

7.3.

In the event that the client finds a certain qualitative defect, deviation in the supplied products from of the plan at the stage of production, he/she has every right to charge the supplier for payment of processing costs, repairs or ask the supplier to remove the error itself as soon as possible. The client shall immediately inform the supplier about qualitative errors and deviations of the delivered products.

7.4.

The supplier takes full responsibility for the costs incurred as a result of a deviation from quality and for which the supplier is responsible in the case of the client, in the case of the client's client or in the case of an end user. Costs arising as a result of problems in product quality are flat when the complaint is lodged and the actual costs which are directly derived from the work on a problem about the quality of the supplied material (repairs, blockage).

The costs for which the client is charged by the supplier, in case of production obstructions caused by qualitative or quantitative and inadequately supplied goods are the same as those referred to in point 4.1, as well as in case of qualitatively inadequate supply of goods or in any other way, the burden of the client with the costs of reworks or repairs which cost EUR 25 per hour. At the same time, the supplier is burdened for all the costs of delays in production at the time of finishing or repairing the product. Costs of the procedure for complaints are the same for all complaints EUR 70, and the supplier is obliged to pay them to the client in accordance by invoice or debit note.

8. Prices

8.1.

All prices between the customer and the supplier are agreed in advance and are fixed. No party is allowed to one-sidedly change the agreed prices. Also, all prices include the cost of packaging and are understood under the provisions of CIP Lama d.d. Dekani, according to the latest version of the Incoterms clauses.

9. Invoicing and payments

9.1.

The issued invoice for the goods delivered shall contain all the information in the order; namely the order number, the product code, the supplier's number, product name, quantity, price, date and delivery number according to which it shall be clear whether the invoiced goods were delivered to the client, and the manner of delivery of the goods.

9.2.

Payment of the invoice can be made within the agreed payment period and after the goods have been taken over by the client both quantitatively and qualitatively. The invoice issued by the supplier shall be transparent and correct, produced and sent in two copies; vice versa,

the client may refuse the supplier's invoice, and thus postpone the payment until a new duly installed invoice is issued.

9.3.

Unless otherwise specified by the client, all payments shall be made within 90 days of the end of the month when the invoice was issued.

9.4.

In case of complaints or partial reclamation, the client has the right to withhold payment for all goods until the complaints and reclamations have been dealt with.

9.5.

The supplier is not entitled to withdraw their claims against the client or to transfer them to third parties for recovery, without a prior written consent of the client which cannot be refused without a solid reason.

10. Quality and relevance

10.1.

The supplier is responsible for the quality of the products supplied and is obliged to establish an appropriate system control and assure and manage the quality. The supplier can prove the quality management system with a certified quality management system.

10.2.

Supplied products must be manufactured in accordance with the specifications, drawings and all other specified quality features available to the supplier.

10.3.

The supplier may not make any technical changes to the product without the prior consent of the client. In the event that the supplier chooses to transfer the production to the sub-supplier, he / she has to send a prior notice in writing to the client, has to inform the client about the use of the new tool or a new technological process for the production of ordered materials, as well as for a change of the supplier for materials.

11. Tools and drawings

11.1.

Tools that the client has produced and made available to the supplier for production of items for his/her usage are entirely in the client's possession, unless otherwise specified in the contract. The concern for maintenance and regular servicing are taken over by the supplier who is responsible for executing the order of the pieces.

The supplier is obliged to keep a record of the maintenance and repairing of the tools and in accordance with the requirements of the client also deliver them for review. In case the client finds that the supplier does not carry out regular maintenance and service of the tools that has been given to him/her to use, the supplier may withdraw the tool without any prior notice and also he/she shall be liable for any costs incurred on the tool due to misconduct.

11.2.

The supplier may not work for an invoice at the expense of a third party on the basis of drawings, tools or any other item of property of the client without a written consent of the client. In the event of failure to comply with the claims referred to in the preceding sentence, this shall be understood as an act of unfair competition or a breach of professional secrecy, in which case the client reserves the right to demand from the supplier a compensation for all the damage incurred.

11.3.

The supplier shall take responsibility for the costs incurred in the event of damage, destruction or theft tools referred to in point 12.1.

12. Warranty

12.1.

The supplier is responsible for all visible or hidden errors for all of its supplies, including the supplies of those products produced by a third person.

12.2.

The supplier shall immediately inform the customer of any defects in his products, or the actual mistakes he is aware of with the aim of limiting any possible harmful consequences.

12.3.

The supplier shall reimburse all costs for the replacement of the parts incorporated into finished products that would prove to be defective in their release for sale, by the price list of the client for spare parts under warranty conditions. In addition, the supplier has to reimburse all costs, damages and reimbursement of damages which payment is caused directly or indirectly by this deficiency.

13. Protection of trade secrets

13.1.

The supplier undertakes to confidentiality of information submitted by the client. He/she shall do everything in their power to prevent the dissemination of information obtained for the execution of the order. Drawings, documentation, plans, models and tools that the supplier

has received from the client or was acquainted with are and remain in the possession of the client.

13.2.

The supplier and the contractor undertake that all commercial terms and technical details which they were acquainted with within the business relationship shall be treated and protected as a trade secret during the professional collaboration and for at least 5 years after the end of it. Edition and the unjustified acquisition of a professional secret are punishable according to Article 236 of the KZ-1 (Slovenian Criminal Code).

13.3.

Drawings, designs, tools and similar objects that the client entrusts to the supplier are intellectual property, therefore they are not permitted to be released to an unauthorized third party without a prior written consent of the client, to be produced with a third party, or to otherwise enable access to them. Reproduction of such items is allowed only in the framework of business requirements and provisions of regulations governing copyright rights and industrial property rights. In case of violations, the client has the right to charge the supplier a compensation in the minimum amount of EUR 100 000. At the request of the client, the supplier shall immediately return all original documentation that was sent to them during the business cooperation and destroy each copy of the above documentation.

13.4.

The supplier may not produce a product according to a plan or the model of the client's property for a third party. The supplier is also prohibited from producing a product for any third party in any aspect similar to the client's product or a replica of it, which shall be considered a basis of the product adapted to avoid having a direct contact with the original plan or model.

14. Jurisdiction

14.1.

The client and the supplier shall endeavour to resolve any dispute by mutual consent. If the agreement does not occur, the parties agree to settle all disputes pursuant to Slovenian law at the competent court in Koper.

Dekani, 24 April 2013