

General Terms and Conditions

NOTICE: Sale of any Products or Services is expressly conditioned on Buyer's assent to these Terms and Conditions of Sale of Products and Services. Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions of Sale of Products and Services and Seller expressly objects to any additional or different terms proposed by Buyer, unless signed by Seller's legal representative. Any order to sell goods or to perform work shall constitute Buyer's assent to these Terms and Conditions of Sale of Products and Services. Unless otherwise specified in the quotation, Seller's quotation shall expire 8 days from its date and may be modified or withdrawn by Seller before receipt of Buyer's conforming acceptance.

1. Definitions

"Buyer" means the business entity to which Seller is providing Products or Services under the Contract.

"Contract" means either the contract agreement signed by both parties or the purchase order signed by Buyer and accepted by Seller in writing, for the sale of Products or Services, together with these Terms and Conditions.

"Contract Price" means the agreed price stated in the Contract for the sale of Products and Services, including adjustments (if any) in accordance with the Contract.

"Insolvent/Bankrupt" means that a party is insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for it or any of its assets, or files or has filed against it a proceeding under any bankruptcy, insolvency dissolution or liquidation laws.

"Products" means the equipment, parts, materials, supplies, software, and other goods Seller has agreed to supply to Buyer under the Contract.

"Seller" means Ipros d.o.o., even if the subject of the Contract is sale of services.

"Services" means the services Seller has agreed to perform for Buyer under the Contract.

"TCSPS" means these "Terms and Conditions for Sale of Products and Services".

"Additional Works" are all services and production overtime that was not included in the Contract due to circumstances on the Buyer's side.

2. Payment

2.1. Buyer shall pay Seller for the Products and Services by paying all invoiced amounts in euro, without set-off for any payment from Seller not due under this Contract, within eight(8) days from the invoice date. For each calendar month, or fraction thereof, that payment is late, Buyer shall pay a late payment charge computed at the rate of 1% per month on the overdue balance, or the maximum rate permitted by law, whichever is less.

2.2. As and if requested by Seller, Buyer shall at its expense establish and keep in force payment security in the form of an irrevocable, unconditional, sight letter of credit or bank guarantee allowing for pro-rata payments as Products are shipped and Services are performed, plus payment of cancellation and termination charges, and all other amounts due from Buyer under the Contract ("Payment Security").

2.3. Seller is not required to commence or continue its performance unless and until any required Payment Security is received, operative and in effect and all applicable Payments have been received. For each day of delay in receiving Payments or acceptable Payment Security, Seller shall be entitled to a matching extension of the schedule. If at any time Seller reasonably determines that Buyer's financial condition or payment history does not justify continuation of Seller's performance, Seller

shall be entitled to require full or partial payment in advance.

2.4. Notwithstanding the agreed contract price for Services or Products, the Buyer is obliged to pay any fees for Additional Works in accordance with contractual prices if defined or in accordance with the Sellers price list. Any request by the buyer that extends the order defined in the Contract shall be considered an order for Additional Works, unless expressly defined otherwise. The Seller may stop the services or the production process with the consequent deadline extension, if the Buyer is contesting the order for Additional Works or unwilling to provide the requested payment security.

3. Taxes and Duties

Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Contract ("Seller Taxes"). Buyer shall be responsible for all other taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Contract or the performance of or payment for work under the Contract other than Seller Taxes ("Buyer Taxes"). The Contract Price does not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Contract Price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes.

4. Deliveries; Title Transfer; Risk of Loss; Storage

4.1. For shipments that do not involve export, Seller shall deliver Products to Buyer EXW Seller's facility or warehouse (Incoterms 2010). Buyer shall pay all delivery costs and charges or pay Seller's standard shipping charges plus up to twenty-five (25%) percent handling fee. Partial deliveries are permitted. Seller may deliver Products in advance of the delivery schedule. Delivery times are approximate and are dependent upon prompt receipt by Seller of all information necessary to proceed with the work without interruption. If Products delivered do not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Buyer shall so notify Seller immediately after receipt.

4.2. For shipments that do not involve export, title to Products shall pass to Buyer upon delivery in accordance with Section 4.1. For all other shipments, title to Products shall pass to Buyer immediately after Products have been cleared for export.

4.3. If any Products to be delivered under this Contract or if any Buyer equipment repaired at Seller's facilities cannot be shipped to or received by Buyer when ready due to any cause attributable to Buyer or its other contractors, Seller may ship the Products and equipment to a storage facility, including storage at the place of manufacture or repair, or to an agreed freight forwarder. If Seller places Products or equipment into storage, the following apply: (i) title and risk of loss immediately pass to Buyer, if they have not already passed, and delivery shall be deemed to have occurred; (ii) any amounts otherwise payable to Seller upon delivery or shipment shall be due; (iii) all expenses and charges incurred by Seller related to the storage shall be payable by Buyer upon submission of Seller's invoices; and (iv) when conditions permit and upon payment of all amounts due, Seller shall make Products and repaired equipment available to Buyer for delivery.

4.4. If repair Services are to be performed on Buyer's equipment at Seller's facility, Buyer shall be responsible for, and shall retain risk of loss of, such equipment at all times, except that Seller shall be responsible for damage to the equipment while at Seller's facility to the extent such damage is caused by Seller's gross negligence.

5. Warranty

5.1. Seller warrants that Products shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications.

5.2. The warranty for Products shall expire one (1) year from first use or eighteen (18) months from delivery, whichever occurs first. The warranty for Services shall expire one (1) year after performance of the Service.

5.3. If Products or Services do not meet the above warranties, Buyer shall promptly notify Seller in writing prior to expiration of the warranty period. Seller shall (i) at its option, repair or replace defective Products and (ii) reperform defective Services. If despite Seller's reasonable efforts, a non-conforming Product cannot be repaired or replaced or non-conforming Services cannot be reperformed, Seller shall refund or credit monies paid by Buyer for such non-conforming Products and Services. Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period. Buyer shall notify about and invite the Seller's to any tests it plans to conduct to determine whether a nonconformance exists and allow the Seller to redo the tests by himself or by a nominated expert.

5.4. The warranties and remedies are conditioned upon (a) proper storage, installation, use, operation, and maintenance of Products in accordance with the Seller's instructions, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Products or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void. Seller is not responsible for normal wear and tear.

5.5. This Article provides the exclusive remedies for all claims based on failure of or defect in Products or Services, regardless of when the failure or defect arises, and whether a claim, however described, is based on contract, warranty, indemnity, tort/extra-contractual liability (including negligence), strict liability or otherwise. The warranties provided in this Article 5 are exclusive and are in lieu of all other warranties, conditions and guarantees whether written, oral, implied or statutory. NO IMPLIED OR STATUTORY WARRANTY, OR WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLIES.

6. Confidentiality

6.1. Seller and Buyer (as to information disclosed, the "Disclosing Party") may each provide the other party (as to information received, the "Receiving Party") with Confidential Information in connection with this Contract.

"Confidential Information" means (a) information that is designated in writing as "confidential" or "proprietary" by Disclosing Party at the time of written disclosure, and (b) information that is considered confidential by standard business practice. In addition, prices for Products and Services shall be considered Seller's Confidential Information.

6.2. Receiving Party agrees: (i) to use the Confidential Information only in connection with the Contract and use of Products and Services, (ii) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (iii) not to disclose the Confidential Information to a competitor of Disclosing Party. Notwithstanding these restrictions, (a) Seller may disclose Confidential Information to its affiliates and subcontractors in connection with performance of the Contract, (b) a Receiving Party may disclose Confidential Information to its auditors, (c) Buyer may disclose Confidential Information to lenders as necessary for Buyer to secure or retain financing needed to perform its obligations under the Contract, and (d) a Receiving Party may disclose Confidential Information to any other third party with the prior written permission of Disclosing Party. Receiving Party shall upon request return to Disclosing Party or destroy all copies of Confidential Information except to the extent that a specific provision of the Contract entitles Receiving Party to retain an item of Confidential Information. Seller may also retain one archive copy of Buyer's Confidential Information.

6.3. The obligations under this Article 6 shall not apply to any portion of the Confidential Information that: (i) is or becomes generally available to the public other than as a result of disclosure by Receiving Party, its representatives or its affiliates; (ii) is or becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party when the source is not, to the best of Receiving Party's knowledge, subject to a confidentiality obligation to Disclosing Party; (iii) is independently developed by Receiving Party, its representatives or affiliates, without reference to the Confidential Information; (iv) is required to be disclosed by law or valid legal process provided that the Receiving Party intending to make disclosure in response to such requirements or process shall promptly notify the Disclosing Party in advance of such disclosure and reasonably cooperate in attempts to maintain the confidentiality of the Confidential Information.

6.4. Each Disclosing Party warrants that it has the right to disclose the information that it discloses. Neither Buyer nor Seller shall make any public announcement about the Contract without prior written approval of the other party. As to any individual item of Confidential Information, the restrictions under this Article 6 shall expire five (5) years after the date of disclosure.

7. Indemnity

Each of Buyer and Seller (as an "Indemnifying Party") shall indemnify the other party (as an "Indemnified Party") from and against claims brought by a third party, on account of personal injury or damage to the third party's tangible property, to the extent caused by the negligence of the Indemnifying Party in connection with this Contract. In the event the injury or damage is caused by joint or concurrent negligence of Buyer and Seller, the loss or expense shall be borne by each party in proportion to its degree of negligence. For purposes of Seller's indemnity obligation, no part of the Products or Site is considered third party property.

8. Excusable Events – Force majeure

Seller shall not be liable or considered in breach of its obligations under this Contract to the extent that Seller's performance is delayed or prevented, directly or indirectly, by any cause beyond its reasonable control, or by armed conflict, acts or threats of terrorism, epidemics, strikes or other labour disturbances, or acts or omissions of any governmental authority or of the Buyer or Buyer's contractors or suppliers. For the avoidance of doubt, any delays due to Seller's contractors are considered an excusable event, if the Seller shows reasonable efforts to avoid the delay. If an excusable event occurs, the schedule for Seller's performance shall be extended by the amount of time lost by reason of the event plus such additional time as may be needed to overcome the effect

of the event. If acts or omissions of the Buyer or its contractors or suppliers cause the delay, Seller shall also be entitled to an equitable price adjustment.

9. Termination and Changes

9.1. Buyer may terminate the Contract (or the portion affected) for cause if Seller (i) becomes Insolvent/Bankrupt, or (ii) commits a material breach of the Contract which does not otherwise have a specified contractual remedy or the Seller does not want to remedy it, provided that: (a) Buyer shall first provide Seller with detailed written notice of the breach and of Buyer's intention to terminate the Contract, and (b) Seller shall have failed, within 30 days after receipt of the notice, to commence and diligently pursue cure of the breach. 9.2. If Buyer terminates the Contract pursuant to Section 11.1, (i) Seller shall reimburse Buyer the pro-rata part of the supplied goods or services, and (ii) Buyer shall pay to Seller any received and unpaid goods or services.

9.3. Seller may terminate the Contract for cause if Buyer (i) becomes Insolvent/Bankrupt, or (ii) materially breaches the Contract, including, but not limited to, failure or delay in Buyer providing Payment Security, making any payment when due, or fulfilling any payment conditions.

9.4. If the Contract (or any portion thereof) is terminated by Buyer for any reason other than Seller's default, Buyer shall pay Seller the full contractual price.

9.5. Either Buyer or Seller may terminate the Contract in case of force majeure that lasts more than 30 days.

9.6. Each party may at any time propose changes in the schedule or scope of Products or Services. Seller is not obligated to proceed with any change until both parties agree upon such change in writing.

9.7. The scope, Contract Price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change. Unless otherwise agreed by the parties, pricing for additional work arising from such changes shall be at Seller's time and material rates.

10. Compliance with Laws, Codes and Standards

Seller shall comply with industry standards applicable to the manufacture of Products and its performance of Services. Buyer shall comply with laws and standards applicable to the application, operation, use and disposal of the Products and Services.

11. Limitations of Liability

11.1. The total liability of Seller for all claims of any kind arising from or related to the formation, performance or breach of this Contract, or any Products or Services, shall not exceed the (i) Contract Price.

11.2. Seller shall not be liable for loss of profit or revenues, loss of use of equipment or systems, interruption of business, cost of replacement power, cost of capital, downtime costs, increased operating costs, any special, consequential, incidental, indirect, or punitive damages, or claims of Buyer's customers for any of the foregoing types of damages.

11.3. In case of design, development and engineering services the Seller only warrants for the diligent and reasonable performance of the services without explicit warranty for the successful final outcome, unless it is explicitly warranted in writing.

11.4. All Seller liability shall end upon expiration of the applicable warranty period, provided that Buyer may continue to enforce a claim for which it has given notice prior to that date by commencing an action or arbitration, as applicable under this Contract, before expiration of any statute of limitations or other legal time limitation but in no event later than one year after expiration of such warranty period.

12. General Clauses

12.1. Seller may assign or novate its rights and obligations under the Contract, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Contract to any party without Buyer's consent. Buyer agrees to execute any documents that may be necessary to complete Seller's assignment or novation. Seller may subcontract portions of the work. The delegation or assignment by Buyer of any or all of its rights or obligations under the Contract without Seller's prior written consent (which consent shall not be unreasonably withheld) shall be void.

12.2. If any Contract provision is found to be void or unenforceable, the remainder of the Contract shall not be affected. The parties will endeavour to replace any such void or unenforceable provision with a new provision that achieves substantially the same practical and economic effect and is valid and enforceable.

12.3. The following Articles shall survive termination or cancellation of the Contract: 6., 10., 11. & 12.1.

12.4. The Contract represents the entire agreement between the parties. No oral or written representation or warranty not contained in this Contract shall be binding on either party. Buyer's and Seller's rights, remedies and obligations arising from or related to Products and Services sold under this Contract are limited to the rights, remedies and obligations stated in this Contract. No modification, amendment, rescission or waiver shall be binding on either party unless agreed in writing.

12.5. Except as provided in Article 15 (Limitations of Liability), this Contract is only for the benefit of the parties, and no third party shall have a right to enforce any provision of this Contract.

12.6. This Contract may be signed in multiple counterparts that together shall constitute one agreement.

13. Governing Law and Dispute Resolution

13.1. If the Contract includes the sale of Products and the Buyer is outside the Seller's country, the United Nations Convention on Contracts for the International Sale of Goods shall apply.

13.2. Any dispute, controversy or claim arising out of or in connection with this contract, including the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia with the application of the Rules for Expedited Arbitral Proceedings.

13.3. The Arbitral Tribunal shall be composed of a sole arbitrator. The seat of the arbitration shall be Ljubljana. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of Republic of Slovenia.

Legal Notes

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