

GENERAL TERMS AND CONDITIONS OF PURCHASE AKRAPOVIČ d.d.

1. DEFINITIONS

Unless explicitly determined otherwise, capitalised terms used in these General Terms and Conditions of Purchase have the following meaning:

Client	- Akrapovič d.d., Malo Hudo 8A, 1295 Ivančna Gorica, Slovenia.
Goods	- Equipment, material, products and services ordered by the Client as per these General Terms and Conditions of Purchase.
General Terms and Conditions	- The applicable general terms and conditions of purchase of the Client.
Order	- A written offer of the Client submitted to the Supplier to deliver Goods, which includes all essential elements, in particular the specification of quantity, prices and delivery terms and conditions and other information for performing an individual Order, whereby these General Terms and Conditions apply for the entire relationship based on the Order.
Supplier	- Any company, person or other entity who by accepting the Order concludes a contract of sale with the Client related to the Goods.
Purchase order	- A written document of the Client including all essential elements of the Order.
Call-off	- A written request of the Client sent to the Supplier for delivery and handing over the ordered Goods by defining the quantity of Goods, time, place and method of handing over, unless these are evident from the Open order.
Contracting parties	- The Client and the Supplier.
Open order	- Order of Goods with regular consumption and related to the predetermined period, wherein the Goods, place of delivery and other purchase conditions and anticipated total quantities are indicated only for information purposes. Exact quantities and delivery dates shall be determined upon individual Call-offs, while the price is set by the Open order and cannot be changed unilaterally.
Order confirmation	- A written confirmation by the Supplier issued within a deadline determined in the Order indicating that the Supplier accepts the Order, or other appropriate actions of the Supplier that show the Supplier's acceptance of the Order. Commencement of execution of an Order shall always be deemed confirmation of an Order, regardless of the Supplier's written confirmation.
Confidential information	- All data submitted by the Client to the Supplier relating to mutual cooperation or the Order, such as drawings, documents, designs, models, templates, samples and technical and commercial conditions about which the Client informs the Supplier in any manner and relate to the Order, or which the Supplier makes according to the Order or for its execution.
Tools	- All tools, samples, models, templates, criteria, etc. submitted to the Supplier by the Client or made by the Supplier according to the Client's instructions.

2. GENERAL PROVISIONS

- 2.1. These General Terms and Conditions apply to all deliveries of the Goods made by the Supplier to the Client, namely from the submission of the Order to the Supplier on, provided that the Order is confirmed by the Supplier.
- 2.2. By confirming the Order, the Supplier confirms that it fully agrees with the General Terms and Conditions and thus asserts that the General Terms and Conditions shall apply to its relationship with the Client in terms of sale and delivery of Goods.
- 2.3. All relationships between the Contracting parties related to an individual Order are subject to these General Terms and Conditions exclusively.
- 2.4. In the event of any discrepancies between the Order and these General Terms and Conditions or if the Contracting parties conclude a separate written contract which regulates individual issues differently from these General Terms and Conditions, special provisions of the Order or such separate contract shall apply to such individual work or relationship between the Contracting parties. In the remaining part, including issues which are not regulated differently by such separate agreement, these General Terms and Conditions shall apply.
- 2.5. Any unilateral statements of the Supplier or the Supplier's referring to its own or other general terms and conditions shall be void and shall have no legal effect on the relationship between the Contracting parties. These General Terms and Conditions shall prevail over any other provisions and conditions, standards and other Supplier's rules and provisions included in commercial usage, business or standard practice.

- 2.6. The Contracting parties may agree on changes to these General Terms and Conditions for an individual transaction or relationship only by means of a written agreement signed by legal representatives of both Contracting parties.
- 2.7. The Order and Order confirmation together with these General Terms and Conditions shall constitute a contract of sale between the Client and the Supplier related to the Goods and shall be deemed an entire agreement related to conditions, guarantees and other provisions concluded or agreed between the Contracting parties.
- 2.8. The Supplier undertakes to pass the standards set forth in these General Terms and Conditions along the supply chain by requiring the commitment to the same standards from all Supplier's sub-suppliers.
- 2.9. Based on an advance notice to the Supplier, the Client or a third entity authorized by the Client (including the Client's customers) shall have the right to inspect the Supplier's premises and business as to determine their compliance with the Supplier's obligations per these General Terms and Conditions or individual Orders. The Supplier shall enable the Client access to all premises, data and information as necessary for the said purpose. The Client shall keep all such information confidential and shall not use them for any purpose other than the inspection of the Supplier's compliance with these General Terms and Conditions or individual Orders, the said applying also to any third party authorized by the Client. For these purposes, the Supplier shall keep all documents and information in accordance with statutory requirements and requirements of the Client, whichever of the said imposes a longer archiving period.

3. ORDER AND ORDER CONFIRMATION

- 3.1. The Client orders the Goods with the Supplier by submitting a written Order by post, e-mail, fax or in any other customary form of written communication used in commercial transactions.
- 3.2. If the Contracting parties do not prove otherwise, it shall be deemed that the Supplier received the Order:
 - If it is received by mail, within three business days after it has been sent;
 - In submitting the Order by e-mail, on the next business day after the Client received any automatic or other confirmation of the Supplier as the recipient;
 - In submitting the confirmation by fax or in a similar way, on the next business day after it has been sent.
- 3.3. Orders shall be deemed single orders, unless the Client explicitly indicates that an individual Order is an Open order.
- 3.4. Prices in the Order or the Order confirmation include all costs, taxes and duties as per the Order and taking into account the agreed parity as per Incoterms® 2010 and shall be fixed by placing the Order. The Contracting parties shall strive to reduce prices and costs during their mutual cooperation.
- 3.5. The Contracting parties shall ensure transparency of all statements and calculations related to the Order.
- 3.6. The Supplier shall accept an Order with the Order confirmation. Order confirmation with a proposal to change the Order shall have no legal effect and shall not be deemed an Order confirmation.
- 3.7. By confirming an Order, the Supplier states that the Goods have no defects, including hidden defects and that the Goods have all the characteristics requested in the Order or characteristics required to use the Goods for the agreed purpose.
- 3.8. For the acceptance of an individual Call-offs in relation to Open orders, the provisions of these General Terms and Conditions applicable to Order confirmation shall apply mutatis mutandis.

4. SAFETY STOCK

- 4.1. In the case of an Open order, the Supplier must keep a safety stock at its own expense and the safety stock must be always available to the Client. The Contracting parties shall agree on the required quantity of the safety stock with a separate agreement, unless the respective quantity is determined in the Order and confirmed in the Order confirmation. The Client shall be entitled to occasionally verify the existence and state of the safety stock.

5. CHANGING AN ORDER

- 5.1. The Client may change or cancel an Order or individual Call-off without any consequences, until it receives an Order confirmation from the Supplier.
- 5.2. At any time and without any consequences, the Client can cancel an Order or individual Call-off with a written notification sent to the Supplier, if the Supplier fails to comply with or fulfil the requirements of these General Terms and Conditions or the Order, in particular in case of delay, shortcomings, defects in performance or inadequate quality of Goods. In these cases, the Client shall be entitled to demand from the Supplier to reimburse the damage and costs, whereby the Contracting parties agree that the costs shall be determined at a flat rate of 10% of the Order value or at a higher amount if the Client proves the incurrance of higher costs.
- 5.3. After the Supplier confirms an Order or accepts the Call-off, the Client may at any time until the delivery of Goods is completed change the place of delivery, delivery date or the quantity of Goods by submitting a written statement to the Supplier. Unless

the Supplier notifies the Client within two business days from the receipt of such changed conditions that the delivery of Goods under the changed conditions is not feasible it is deemed that the Supplier agrees with the change.

- 5.4. If the Supplier cannot execute the delivery under changed conditions, the Contracting parties undertake to discuss the options to find a solution favorable to both Contracting parties.
- 5.5. The Client may request changes with respect to the ordered or delivered Goods from the Supplier, such as changes of specifications, construction or manufacturing of the Goods. In such case, the Contracting parties shall specifically agree on the related costs and delivery dates.

6. PACKAGING

- 6.1. If the Client has no specific requests, the Goods must be delivered to the Client in proper packaging according to the professional rules in order to prevent damage, scattering or any other external impacts on the Goods.
- 6.2. At the request of the Client, the Goods must be delivered in the packaging and packed in the manner determined by the Client. In the case of special requirements that are not customary and are not included in the Order, the Client shall bear the costs of special packaging. The Supplier must notify the Client of any potential unsuitability of the special packaging or special requirements of the Client regarding the packaging.
- 6.3. The Supplier shall be fully responsible for correct and suitable packaging. In the case of damage or deficiencies of the Goods arising from unsuitable, unprofessional, inadequate or incorrect packaging, the Supplier must reimburse to the Client all costs and damage incurred in relation thereto.
- 6.4. At its own discretion, the Client may request from the Supplier to reimburse all damage and costs referred to in the previous paragraph in the amount of costs and damage actually incurred or at a flat rate. In the case the claim is based on a flat rate payment, the Contracting parties agree that such flat rate is set in the amount of 5% of the Order value or value of an individual Call-off.

7. DELIVERY AND ACCEPTANCE OF GOODS

- 7.1. The Supplier must deliver the Goods to the Client according to the terms and conditions of the respective Order.
- 7.2. With respect to the delivery of Goods, the Supplier must submit to the Client all documentation and statements requested by the Client or required pursuant to the applicable legislation.
- 7.3. If the Order does not stipulate otherwise, the delivery is executed according to the Incoterms® 2010 rules indicated in an individual Order.
- 7.4. Delivery dates determined by the Client in the Order are mandatory for the Supplier and represent an essential element of the Order or a contract of sale respectively. The Order is deemed executed in due time if the Supplier delivers the Goods within the delivery period to the destination specified in the Order.
- 7.5. The delivery is deemed executed when the Goods are in possession of the Client and the Client confirms the quantity inspection and taking over of the Goods to the Supplier. A written delivery note does not prove the quality or quantity acceptance of the Goods.
- 7.6. As a general rule, the Client shall conduct a quantity inspection of the Goods within three days from the delivery of Goods to the location determined in the Order. Exceptionally, the Client may also carry out a quantity inspection and acceptance of goods at a later date. If the Client forwards the Goods without moving them or forwards the Goods directly from the Supplier to third service providers or suppliers, the inspection shall be postponed until the Goods are delivered to the respective place of destination, while the deadline to notify the Supplier begins at the moment of the Client's receipt of such notification from third service providers or suppliers.
- 7.7. If the delivery does not meet the quantity requirements, the Client
 - may at its own choice and at the costs of the Supplier return to the Supplier the surplus of the delivered Goods which exceeds the ordered quantity, or notify the Supplier without any consequences for the Client that any of the subsequent orders that were already placed shall be reduced by the excessive quantity of the delivered Goods, regardless of whether the Supplier has already confirmed such order. In no case shall the Client be obliged to notify the Supplier about the surplus of the Goods delivered;
 - may at the Supplier's expense return the entire delivery to the Supplier and request the delivery to be made according to the Order or withdraw from the Order;
 - may request from the Supplier to deliver the outstanding quantities of the Goods to be delivered and determine the delivery date, whereby the costs of subsequent delivery shall be covered by the Supplier, and the delivery, except for the delivery date, is carried out under the same or more favourable conditions for the Client than those defined in the Order. If the Client does not determine the date for the delivery of the remaining quantity, it shall be deemed that the Client set the delivery date for the delivery off the remaining quantity for the next business day following the Supplier's receipt of

the Client's notification;

- may notify the Supplier about the deficient quantities of the delivered Goods and proportionally reduce the amount of payment to the Supplier or demand a credit note from the Supplier.
- notifies the Supplier about the deficient quantity of delivered Goods and orders the respective deficient quantity (or places the whole Order if the entire delivery is rejected) with another supplier, whereby the Supplier shall cover the difference in cost if the price of such delivery is higher than the initial one.

8. QUALITY OF GOODS

- 8.1. The Supplier shall provide that the Goods are compliant with all requirements of legislation and rules related to the sale and delivery of a certain type of Goods. The Supplier shall prove the compliance of Goods with valid documentation which in particular comprises the confirmation of initial samples, calculations of process capacity according to individual characteristics, delivery of goods within the scope of permitted deviations, and records on the quality of goods delivered.
- 8.2. Through the Order or through a subsequent agreement of the Contracting parties, the delivery may be executed "according to the certificate", i.e. the Supplier's assurance of the quality of Goods and compliance of Goods with the predetermined requirements.
- 8.3. As a general rule, the Client shall carry out a quality inspection and taking over of goods at its own location, within three business days from the delivery of Goods to the location indicated in the Order, unless otherwise explicitly agreed with respect to an individual Order. The Delivery and transfer of title and/or a property right to the Client shall not be deemed a quality acceptance of goods.
- 8.4. The delivered Goods must comply with the Order and be of a suitable quality according to the Client's requirements or the foreseen manner and scope of use, including the compliance with specifications, designs, drawings and other Client's requirements, or if these are not determined, according to a type sample or prototype.
- 8.5. At the request of the Client, the Supplier shall submit for confirmation before the Order or delivery a sample of Goods which complies with the planned or on-going production, together with a control report and test results required by regulations or by the Client. If the sample is unsuitable, the Client may withdraw from the Order without any consequences. After the Client confirms the sample, the Supplier must not interfere with technical or other characteristics of the Goods. In the event of production transfer, use of new tools, material, procedure or any other changes, the Supplier must notify the Client in advance, whereby none of the foregoing changes is allowed after the Client's confirmation of the sample or an Order in case the supply is not carried out based on a sample. If the Supplier submits a notification of any of the foregoing changes, the Client may withdraw from the Order without any consequences, or demand a new procedure for confirming the initial sample for all further Orders or before any new Order.
- 8.6. At its own discretion, the Client may at any time perform a sample control, random tests, systematic inspections of quantity, accompanying reports, state of packaging and labelling.
- 8.7. The Supplier hereby confirms that it has established a suitable quality system and that upon the Order confirmation and until its execution it shall fulfil all requirements of the Client regarding the quality of Suppliers as well as the statutory requirements and requirements of professional and/or occupational associations, including the ISO-standard requirements applicable to the Supplier or required by the Client. The Supplier hereby confirms that it takes into account the ISO 9001 standards or comparable standards in its business operation.
- 8.8. The Supplier must keep all records related to the quality of Goods for the entire period determined by the Client in the Order or during the entire lifespan of the Goods, whichever is longer, and in no case for less than five years from the delivery of Goods or in terms of safety characteristics for no less than ten years after the delivery of Goods.
- 8.9. The Client may at any time perform an audit of the Supplier's production process or system, and the Supplier must provide its uninterrupted execution, whereby generally, the date of such audit shall be agreed between the Contracting parties. The Client is entitled to occasionally carry out an audit unannounced. The Supplier must at least once a year perform its own assessment of the system or process and at least once in every 6 months carry out the evaluation of any product representing the Goods. Apart from the Client, an audit may be performed also by the Client's client or any other person authorized by the Client or its client.

The Supplier undertakes to provide its sub-suppliers and sub-contractors providing the Goods, their parts or individual services with all relevant requirements of the Client related to the quality of Goods and ensure their compliance therewith.

9. DEFECTIVE GOODS

- 9.1. The Supplier represents and warrants that the Goods have no obvious or hidden factual or legal defects. The Supplier shall be liable for any factual or legal defects of the Goods and shall reimburse to the Client all damage and costs, regardless of whether

- the Supplier or its subcontractors or suppliers are responsible for the defects. The Supplier shall bear all costs and damage caused to the Client, Client's clients, customers and other contracting parties due to any kind of defect of the Goods.
- 9.2. If the Supplier becomes aware of any defect of the Goods after confirmation of an Order, the Supplier must inform the Client thereof and take necessary actions to eliminate the defect in the Goods and prevent or limit the consequences of such defect. Regardless of the measures taken, the Supplier shall be liable to the Client for all damage and costs caused by such defects.
- 9.3. The Client may claim any inadequacies or defects of the Goods against the Supplier within one year from the quality acceptance of the Goods. If any inadequacy of the quality of the Goods is established, the Client shall notify the Supplier thereof within 8 days after the inadequacy has been determined. The Supplier must immediately take actions with a view to provide adequate quality of the Goods and deliver to the Client suitable Goods or remove existing defect no later than within 24 hours or immediately in case of urgent Orders. .
- 9.4. If the Supplier fails to completely eliminate quality defect of the Goods within the deadline referred to in the previous paragraph, the Client may individually or in any combination of the measures provided below:
- partially or completely reject the inconsistent Order;
 - partially or completely cancel individual or all future Orders without any consequences;
 - alone or through third-party contractors ensure that the defects are eliminated at the expense of the Supplier;
 - set an additional deadline for the Supplier to eliminate defects, after the expiration of which the provisions of this paragraph shall apply, whereby the delivery within the additional deadline shall be carried out at same or more favourable prices and under conditions as compared to those determined for the initial delivery;
 - reduce the purchase price for the Goods proportionally to the established defect.
- 9.5. The Client shall be entitled to request from the Supplier to reimburse actual costs for eliminating the Product defect due to established quality defect of the Goods or at a flat rate. The flat rate shall be set at 10% of the Order value or value of an individual Call-off in the case of an Open order. For sorting, processing or other necessary services of the Client or its subcontractors related to the elimination of defects and their consequences, an hourly rate in the amount of EUR 30.00 per hour for every started hour shall be charged in addition to the above specified flat rate. The amount does not include VAT.
- 9.6. In addition to the amount referred to in the previous paragraph, the Client shall be entitled to charge the Supplier a single flat rate of EUR 100.00 for each established quality inconsistency due to processing of unsuitable delivery and an individual complaint. The amount does not include VAT.
- 9.7. The Supplier must provide prompt and efficient measures to eliminate causes and to prevent reoccurrence of defects according to the 8D method. The Supplier must return a completed form to the Client within 3 days after receiving the Client's notification, and then inform the Client according to the defined schedule until the procedure is completed.
- 9.8. The provisions of these General Terms and Conditions shall not affect any guarantees which the Supplier issues in relation to the Goods insofar as such guarantees ensure more favourable conditions for the Client, its client or for any subsequent or end buyer or user.
- 9.9. The Supplier shall be fully responsible and obliged to reimburse to the Client all costs and damage incurred due to the deviations of the quality of the Goods delivered.

10. LIABILITY FOR DAMAGES, REIMBURSEMENT OF DAMAGE AND COSTS

- 10.1. Notwithstanding other provisions of these General Terms and Conditions which comprise special agreements in relation to this provision, the Supplier shall be fully responsible and obliged to reimburse to the Client all costs and damage incurred as a consequence of the Supplier's non-compliance with these General Terms and Conditions, regardless of whether the costs or damage was incurred to the Client or its direct or indirect customers or end users.
- 10.2. The costs which the Supplier must reimburse to the Client also include but are not limited to the costs of establishing the quality of Goods, eliminating unsuitable products, delay in production, repair of equipment damaged by unsuitable Goods, costs of substitute Goods, recall of Goods or products in which the Goods are installed or used, etc., as well as the costs of court proceedings and representation, contractual penalties, compensations and indirect damage, including damage incurred due to loss of business and/or customer.
- 10.3. In cases where the Client is entitled to provide the delivery of Goods and other services by itself or through third contractors or suppliers at the expense of the Supplier, the Supplier must reimburse to the Client the costs in the amount actually incurred.

11. ERRORS IN PERFORMANCE, FORCE MAJEURE

- 11.1. The Supplier shall immediately notify the Client of all circumstances that could affect the suitability of the delivery of Goods.
- 11.2. The notification referred to in the previous paragraph does affect the rights of the Client arising from the unsuitability of delivery.
- 11.3. In the case of delay, obvious incapacity to perform the delivery or other violation of these General Terms and Conditions, the

Client shall have an option to request the fulfilment of the contract or to withdraw from the Order or part of the Order or an individual Call-off and ensure the delivery of the Goods with other supplier at the expense of the Supplier.

- 11.4. In any case of unsuitable delivery, the Supplier must reimburse all costs and damage incurred by the Client.
- 11.5. If the failure to fulfil the contract or the unsuitable fulfilment of the contract of any of the Contracting parties is caused by force majeure, the respective Contracting party must immediately inform the other Contracting party thereof. The Contracting party affected by force majeure must fulfil its obligations to the utmost extent while taking into account existing circumstances, and the Contracting parties shall agree on the manner and scope of further deliveries.
- 11.6. Force majeure referred to in the previous paragraph includes unforeseeable events that affect the ability to fulfil obligations of an individual Contracting party and occur independently from the respective Contracting party and which the Contracting party could not prevent by using reasonable measures. Force majeure comprises e.g. meteorological disasters, natural and other disasters, wars, rebellions. A strike of the Contracting party's employees, incapacity to carry out activities due to decisions adopted by governmental authorities, issued due to actions taken by the Contracting party and similar circumstances shall not be considered force majeure.

12. TRACEABILITY OF GOODS

- 12.1. The Supplier must label individual packaging units of Goods with minimum the following information: title and (SAP) product code, status of changes, number of items, net/gross weight, date of production, batch number. If the Client specifically requests or it is this necessary due to requirements of PPAP documentation, regulations, technical acceptance conditions, nature of the goods or professional practice, the Supplier must label the Goods with additional labels.
- 12.2. The Supplier must provide constant traceability of the delivered Goods.
- 12.3. The Supplier shall provide that the Goods originate from countries of pan-European diagonal cumulation. If the Supplier cannot provide the Goods of such origin, the Supplier must notify the origin of the Goods to the Client about and obtain from the Client an approval to deliver the Goods with different origin in advance. The Supplier must keep the Client informed of all changes in the origin of the Goods.
- 12.4. At the Client's request, the Supplier shall immediately issue a proof of preferential origin of Goods or other credible proofs required by the Client. The Supplier must prove the data on the origin of the Goods at the Client's request.
- 12.5. The Supplier shall be liable for any damage caused to the Client due to misstatements regarding the origin of the Goods or incorrect or late submission of proofs on the origin of the Goods.

13. PAYMENTS

- 13.1. The Client shall pay the Goods based on the Supplier's invoice shall be issued according to the Order or a separate agreement and in compliance with the applicable tax and other legislation. In addition to legally required elements or elements required by the Order, each invoice of the Supplier must also include: order number, (SAP) code of the goods code, status of changes, delivery note number and place of delivery.
- 13.2. If the invoice is issued contrary to the previous paragraph the Client is entitled to reject the invoice and withhold the payment until the proper invoice is issued without being in delay with payment.
- 13.3. As a general rule, the Supplier issues an invoice upon delivering the Goods. However, the Supplier shall never be entitled to issue an invoice before the delivery of Goods, unless the Contracting parties explicitly agree so in writing in advance.
- 13.4. If the Order does not stipulate otherwise, the due date for payment is 60 days counted from the first day in a calendar month following the month when the Goods were delivered according to the Order and the Client received a correct invoice issued according to paragraph 13.1. above
- 13.5. The provisions of this article shall not affect any special provisions of these General Terms and Conditions, e.g. the right of the Client to reduce or not carry out a payment due to defective Goods or errors in delivery.
- 13.6. The Supplier may assign its claim or appoint third parties to collect the claim only on the basis of a prior written consent of the Client. The Client must not reject the Supplier's request to issue such consent without due cause.

14. SUSTAINABILITY

- 14.1. Supplier undertakes to implement sustainability strategies in all aspects of its business operations, at least to the extent set forth by these General Terms and Conditions. The Supplier's implementation of sustainability shall include environmental sustainability based on preserving the environment, social sustainability in terms of socially responsible and ethical behavior, as well as economic sustainability in terms of business success and contributing to economic development.

15. ENVIRONMENTAL PROTECTION AND ENVIRONMENTAL POLICY

- 15.1. The Supplier explicitly confirms that it is familiar with the requirements of the Regulation (EC) No 1907/2006 "REACH"¹ and further confirms that all requirements from the respective Regulation as well as other rules related thereto are fulfilled in terms of the Goods.
- 15.2. Activities of the Supplier related to environmental protection management must be compliant with all relevant legislation as well as with the requirements and policy of the Client, aiming towards sustainable management of resources and waste reduction. The Supplier shall ensure that procedures are in place with respect to reducing air pollution, as well as caring for quality, consumption and management of water, improvement of energy efficiency of its processes, reuse and recycling, reduction of greenhouse gasses (GHG) / decarbonization and control over noise emissions, with the purpose of preserving the environment and biodiversity by responsible, controlled and rational use of chemicals and materials; controlled and rational water consumption; limitation of gas emissions; reduction of greenhouse gasses (GHG) / decarbonization and control over noise emissions; waste reduction; general contribution to rational use of energy and energy efficiency, including renewable energy policies, as well as air quality, all of the aforementioned taking into account the land, forest and water rights, animal welfare, soil quality and land use, without recourse to unlawful forced eviction or deforestation.
- 15.3. The Supplier hereby confirms that it manages a system for monitoring environmental legislation and implementing appropriate measures to fulfil its requirements and further confirms to have in place the procedures and suitable equipment for carrying out such procedures in regard to the environmental protection (as stipulated in the ISO 14001 standard or in the Regulation EC "EMAS"²).

16. OBSERVANCE OF RIGHTS AND SOCIAL RESPONSIBILITY

- 16.1. The Supplier undertakes to be socially responsible in all its activities. The Supplier shall observe all rights of its employees or other persons taking part in the Supplier's work processes in accordance with applicable legislation.
- 16.2. The Supplier shall observe the rights of all persons involved in the Supplier's work processes and ensure that the following principles are taken into consideration in organization and conducting of its activities:
- personal dignity and fundamental human rights;
 - fair treatment and transparency;
 - healthy, safe, non-discriminatory and decent work environment, promoting respect for diversity, equality and inclusion, as well as compliance with applicable laws and regulations, observing the principles of:
 - o equality, non-discrimination and equal opportunities;
 - o prohibition of direct or indirect discrimination based on any personal circumstances, in particular nationality, race, ethnical origin, national or social background, gender, color, health condition, physical disability, religion or belief, age, sexual orientation, family status, economic situation or trade union membership;
 - o ensuring ethical recruiting processes and fair procedures related to recruitment, termination of employment, sanctions and complaints;
 - o maintaining proper working conditions and compliance with rules on health and safety at work;
 - o observing and ensuring statutory work-time limitations and rules on breaks and rest;
 - o protection of women's rights;
 - o protection of national and other minorities' rights;
 - o prohibition of child labor;
 - o prohibition of forced labor;
 - o ensuring proper compensation for work, taking into account the prescribed and agreed payments and bonuses;
 - o respecting the freedom of association, trade-union involvement and collective bargaining;
 - o disclosure of information to employees on the company's financial and general situation and current affairs that relate to the company and employees;
 - o provision of education and training for employees;
 - reporting and addressing activities that may be allegedly unlawful, unfair, unethical or inappropriate in any other way, without any negative consequences for the person reporting them;

¹ Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No. 793/93 and Commission Regulation (EC) No. 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC

² REGULATION (EC) No 1221/2009 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 November 2009 on the voluntary participation by organisations in a Community Eco-Management and Audit Scheme (EMAS), repealing Regulation (EC) No. 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC

- no corruption, money laundering, bribery or extortion on any level or in any relationship whatsoever in conducting of its business activities, and establishing appropriate systems, analyses and control, as well as establishing the duty of disclosure of potential conflict of interests between the Supplier and its employees;
 - observance of antitrust rules and prohibitions.
- 16.3. Supplier shall keep accurate records of all business dealings in accordance with applicable accounting laws and regulations. The information recorded must be accurate, timely and complete in a manner consistent with the Supplier's financial responsibility.
- 16.4. Supplier must ensure that all its sub-contractors act in accordance with the provisions set forth in this article.

17. ECONOMIC SANCTIONS; IMPORT AND EXPORT CONTROLS

- 17.1. The Supplier shall observe all economic sanctions, import and export controls and other similar limitations and regulations. The Supplier must notify the Client in advance of any relevant trade control, sanction law or regulation that may affect the products, services or information provided. If required by the Client, the Supplier will provide export classification information for all products, services or information provided under these General Terms and Conditions. The Supplier undertakes to fulfill any customs, export or trade-related obligations, marking of origin, labelling and local content origin requirements. The Supplier shall be solely responsible for obtaining and providing any applicable licenses or authorizations required for the export of goods, services or information provided to the Client under these General Terms and Conditions, and shall in any case provide the Client with any information required by the Client in relation thereto. In case any goods, services or information are sourced by the Supplier from any country of concern, the Supplier shall immediately notify the Client accordingly. The Supplier further confirms that it is not subject to restrictions under any European Union or United States list of restrictions, as well as that it is not directly or indirectly owned or controlled by any individual or entity listed as such.

18. SAFETY STATEMENT FOR AUTHORISED ECONOMIC OPERATORS

- 18.1. The Client shall have a status of an authorised economic operator "AEO³".
- 18.2. With respect to the goods produced, stored, shipped or transported based on the order of the Client, the goods delivered to the Client or the goods accepted by the Client for delivery, the Supplier hereby confirms that:
- they are produced, stored, prepared and loaded in safe business premises for loading and shipping;
 - they are protected against unauthorised interference during production, storage, preparation, loading and transport;
 - reliable staff are employed to carry out production, storage, preparation, loading and transport of the respective goods;
 - business partners operating on behalf of the Supplier are informed that they themselves must provide safety of the supply chain as defined above.
- 18.3. The Supplier shall ensure the safety of its personnel and property internally, by private or public security forces and/ or technical security systems on all locations under the control of the Supplier at all times. The Supplier must provide proper insurance of the Goods and all Tools. In the event of damage, destruction or theft, the Supplier must reimburse to the Client all related costs and damage, including indirect damage.
- 18.4. In case of engaging private or public security forces, the Supplier guarantees that their activities shall be carried out lawfully, without any breach of any individual's rights or dignity, torture or interference with the individuals' right of association. The Supplier shall provide all necessary instructions and control over the activities of such private or public security forces.

19. BUSINESS SECRET, INDUSTRIAL PROPERTY, DATA SECURITY

- 19.1. The Supplier is obliged to treat all Client's information with due care and observe all statutory or agreed obligations related to data protection, including personal data protection. The Client hereby explicitly states that all Confidential information represent a business secret, and the Supplier undertakes to respect and protect this information as business secret and prevent any kind of disclosure, except to its employees to the extent necessary for the execution of an Order and under condition that such employees are obliged to maintain at least the same level of confidentiality as the Supplier in relation to the Client. The Supplier is obliged to prevent any disclosure of Confidential information to third parties or access of third parties to Confidential information. The provisions of these General Terms and Conditions shall not affect the validity or scope of separate statements on the protection of confidentiality of information which have been or will be made by the Supplier in its relation to the Client.
- 19.2. Copying of Confidential information is permitted only if the Supplier obtains a prior written consent of the Client or if expressly

³ General Directorate Taxation and Customs Union TAXUD/B2/047/2011-REV6

stated in the Order.

- 19.3. For each violation of provisions referring to confidentiality, the Supplier shall pay to the Client a contractual penalty in the net amount of EUR 20,000.00, regardless of the actual amount of damage incurred. If the actual damage exceeds the amount of contractual penalty, the Client is entitled to request the total amount of damage.
- 19.4. Unless the Contracting parties explicitly agree otherwise, all Tools are owned by the Client and with respect to the Tools, the Client keeps or obtains all intellectual property rights to which it is entitled based on law, executed procedures or Client's relations to third parties. In providing products or services based on these General Terms and Conditions, the Supplier explicitly undertakes not to use materials, parts or tools that are counterfeit or breaching third persons' rights.
- 19.5. With respect to Goods and any tools, models, samples, etc. provided by the Supplier, the Supplier shall undertake to protect the Client against any kind of claims of third parties due to or in relation to violations of their intellectual property rights. To that end, the Supplier shall undertake at the request of the Client to enter in any litigation procedure in addition to or instead of the Client and reimburse to the Client all damage and costs incurred due to claims of third parties.
- 19.6. Notwithstanding the provisions of the previous paragraphs, the Supplier must provide maintenance and overhaul of all Tools and keep regular record of maintenance and repairs.
- 19.7. Without a prior written approval of the Client, the Supplier must not use Tools for any other purpose except for executing the Order and must not use Tools at any other location, machine or with its other suppliers, and must not change or destroy Tools.
- 19.8. The Client has the right to carry out an assessment regarding the protection of business secrets at the Supplier's premises upon prior notice. The assessment can be carried out by the Client or an auditor authorized by him.
- 19.9. The Supplier may not keep the Client's business Secret outside their premises without the prior approval of the Client.
- 19.10. The Supplier's business activities and their information systems must comply with the requirements of applicable laws and professional standards in information security. The Supplier shall ensure safety, backup and restoration of all data without any costs for the Client.
- 19.11. The Supplier shall keep and protect all data as to prevent any unauthorized use of data, which for example includes the destruction, loss, disclosure, alteration, transmission and access to data. In this respect, the Supplier shall ensure that all their information systems utilize state-of-the-art technical and organizational measures to provide a sufficient level of protection against all known dangers.
- 19.12. All Supplier's information systems must at all times be properly maintained and protected against viruses, worms, malware, Trojan horses, spyware, bots and other software and similar, by or because of which data could be damaged, deleted, destroyed, copied, locked, disabled or used for ransom.
- 19.13. At the request of the Client, the Supplier shall enable the Client an inspection of functioning of the system and implemented measures related to the information systems of the Supplier, or will provide the Client with all data necessary for the inspection and evaluation of their functioning.
- 19.14. In case the Supplier becomes aware of any threat to their information systems, the Supplier shall notify the Client thereof immediately and undertake the activities in coordination with the Client to limit the effects of such incident and ensure the safety of data to the greatest possible extent.

20. OFFSET

- 20.1. The Contracting parties hereby agree that their mutual monetary claims based on these General Terms and Conditions are offset upon their maturity, unless explicitly prohibited by law with respect to an individual claim.
- 20.2. The provisions of these General Terms and Conditions related to the offset shall be deemed a statement on offset, and therefore no additional statements of the Contracting parties are required for the offset.

21. SETTLEMENT OF DISPUTES

- 21.1. The Contracting parties shall try to resolve all mutual disputes amicably. If this is not possible, the Contracting parties shall refer the dispute to the competent court in Ljubljana.
- 21.2. These General Terms and Conditions and each individual contract of sale concluded between the Contracting parties based on these General Terms and Conditions is subject to the law of the Republic of Slovenia.

Malo Hudo, 19.01.2024