

GENERAL PURCHASING CONDITIONS

Validity: These general purchasing conditions, hereinafter »conditions«, are valid for all orders issued by the company Aluminium Kety Emmi d. o. o., hereinafter »buyer«, for ordered goods. Conditions apply as appropriate for orders of services as well as tools and devices (hereinafter »tools«), where recipients of all kinds of orders are referred to hereinafter as »suppliers«.

Conditions are an integral part of all transactions between clients, provided the clients did not agree otherwise in writing and in advance.

A written consent of the buyer is required for every derogation from the conditions. Provided the buyer and supplier concluded a contract or an annex with different provisions for an individual purchase, conditions are used in everything that the contract or annex for an individual purchase does not regulate.

In order to ensure sustainable development at all levels of operation and life, the supplier undertakes to act ethically, without allowing corruption and illegal commercial practice, in conformity with the legislation in the field of personal data protection, in conformity with the valid social and employment legislation including international standards in the field of work and with the Universal Declaration of Human Rights, as well as it commits to the responsible use of resources with the intention of preserving nature and environment.

General purchasing conditions are published on the internet site of the buyer: <http://www.emmi.si>. The supplier is obliged to follow and check changes on <http://www.emmi.si>. Conditions are written in three languages. In the event of lack of clarity or inconsistency, Slovene language prevails.

Responsibilities of suppliers: The supplier is responsible for the supply of goods and services at the agreed quality and in agreement with the documentation approved by the buyer or the sample. The supplier assures that the supplied goods do not require any inspection or verification by the buyer. The supplier undertakes to regularly supply all necessary agreed documentation to prove the execution of agreed processes, procedures of quality management and work according to agreed specifications.

Before the beginning of the supply, the supplier shall submit to the buyer one or more samples of the product and the buyer shall confirm the conformity of the product with quality demands to the supplier in writing. Any change of goods, service, tool (structure, source, execution, construction, place of production) is allowed only after the prior written approval from the buyer. The procedure before the start of the production and supply in accordance with changes is the same as in the event of the entirely new goods or service.

In the event of the supply of general merchandise, the latter should be supplied in the promoted quality, shape, appearance and packaging; the supplier shall submit to the buyer the existent documentation.

Order and order confirmation: Buyer's orders are valid only in written form. The supplier is obliged to check the order and confirm it in writing not later than three working days after the receipt of the order. Every change of the confirmation means that the issued order is no longer valid and it is considered as a new offer of the supplier, which is valid only in the event of the buyer confirming it in writing. Provided the supplier does not reject the order in writing in three working days after its receipt, the order is

considered as confirmed. This applies as well to partial orders (recalls), which are stated by the buyer within the general order given in advance for a longer period. These are cases when the general order consists of more partial orders which the buyer states successively after the confirmed general order. Eventual rejection of the order must be explained to the buyer by the supplier in writing. The supplier confirms orders exclusively on the basis of the orders of the buyer; order confirmations for goods characteristics shall be in accordance with the offer, contract and/or agreement. The buyer may cancel the order with the supplier until the supplier does not start the production of goods or until the supplier does not order goods for the buyer with its supplier. The cancellation must be communicated to the supplier in writing, the buyer is not liable for any costs in this event.

Orders for tools: The supplier shall ensure the design and production of tools in accordance with the latest industrial standards and norms. The tools become the property of the buyer after the payment of it.

Tools which remain with the supplier for the production of buyer's products: The buyer orders tools with the supplier which the latter uses for the production of the ordered goods. The supplier shall ensure the design and production of tools in accordance with the latest industrial standards and norms. The tools become the property of the buyer after the payment of it. The supplier uses the tools exclusively for the production of the buyer's products, it maintains and stores the tools with due diligence. The supplier shall clearly mark Aluminium Kety Emmi d. o. o. ownership of tools in accordance with its instructions and by installing appropriate plates.

Provided the tools are used by the supplier's subcontractor, which was approved by the buyer, the supplier shall transfer the above stated requirements to this subcontractor.

The supplier shall maintain the tools and submit at least once a year an inventory list of all tools, their locations and inventory numbers. This list shall be updated regularly; updated versions shall be submitted to the buyer immediately.

The supplier is obliged to insure buyer's tools with a fire insurance policy, the copy of which shall be submitted to the buyer before the start of tool usage.

The supplier undertakes to return the tools including the entire technical documentation after the expiry or termination of the contract for production and supply of products.

Prices: The prices stated in the order are binding and derogations are not possible.

Delivery and delivery time: The delivery time set in the order is binding. For each derogation from the contractual delivery time the supplier shall receive a written approval from the buyer. Provided the supplier does not possess all the required information and required technical documentation for the delivery despite the fact that it called upon the buyer multiple times (at least twice) to submit those, the delivery date is prolonged for the time from the supplier's call until the moment the buyer submits the required information to the supplier. Provided the supplier does not call upon the buyer to provide the required information and technical documentation in due time (in 24 hours), the delivery time cannot be extended.

Provided the supplier does not fulfil its obligations within the deadline, the buyer shall charge the supplier with penalties in the height of 1 % of the order value for each calendar day of delay and all arisen costs and damages, which the buyer suffered itself or with its buyer due to this reasons, regardless of the reason for the delay. In the event of an early delivery, the buyer may turn down the receipt.

Physical goods receipt: AK Emmi carries out the goods receipt from Monday to Thursday between 7.00 and 15.00 and each Friday between 7.00 and 13.00. For each derogation from the stated days, a written approval from the buyer shall be required.

Goods receipt: Goods shall always be accompanied by a delivery note; Al profiles, Al, Fe and Stainless steel strips, Al, Fe and Stainless steel sheets and other agreed materials shall also mandatorily be accompanied by certificate 3.1, which is sent by e-mail: certifikat@emmi.si at the delivery. Provided other documentation or samples are required, this shall be stated in the order or in a separately signed Quality agreement. The supplier shall mark each supplied quantity by individual pallets, cardboards with the agreed barcode or label or with a pallet sheet which shall include:

- name and address of the supplier
- name of the buyer
- quantity
- name of goods
- date of production
- batch (another method of ensuring traceability)

The supplier is obliged to pack the goods in a way which ensures safe transport and storage. The supplier is liable for potential damages, which could arise for the buyer due to ecologically disputable supplied goods or inappropriate packaging. The goods receipt is final when the buyer signs the acceptance form which states the receipt date, stamp and the signature of the recipient.

Invoices: Issuing of invoices is carried out after individual orders. Each invoice is accompanied by delivery notes, signed by the responsible person of the buyer that received the goods/service. The invoice shall be issued/sent not later than the last day in the month in which the supply of goods/service is carried out.

In the event of a partial supply, the entire invoice may be issued after the last partial supply is carried out, but not later than at the end of the month for the current month. Provided there are more partial supplies in a month, the invoice is issued at the end of the week. Partial supplies shall not be allowed if not agreed in advance. The invoice shall include all the mandatory elements which are required by ZDDV (Value Added Tax Act) and the order number.

Supplier can, by choice, send invoices exclusively in electronic form (PDF) to one of the following addresses:

- e-racun@emmi.si
- e-invoice@emmi.si
- e-rechnung@emmi.si

Payment conditions: The buyer shall pay the invoice within the agreed payment deadline. The payment deadline starts after the receipt of the correctly issued invoice, but not sooner than the first day after the correctly carried out supply of goods or service. The buyer shall pay the invoice in the deadline agreed between the parties, counting from the day of the invoice issue. Provided the invoice is not in accordance with the order or confirmed offer, the buyer may reject the invoice.

Payment of the invoice shall not confirm that the supply or service was carried out in accordance with the contract. Provided the goods or service are faulty, the buyer is eligible to withhold the payment of the invoice which was issued for the faulty goods or services until the elimination of faults or the final agreement with the supplier.

Business insurance: The supplier is required to have insurance of product liability. In the event of supplying automotive industry, the supplier undertakes to take out insurance for the needs of recall. The supplier submits a copy of the insurance policy for the required insurance not later than in 30 days after the signing of the contract or order confirmation. The supplier shall be obliged to regularly inform the buyer on renewed proof of insurance in a way that it annually submits a copy of the insurance policy or the confirmation of the extension of the agreed insurance. In the event of the supplier failing to extend insurance, the buyer shall have the right to withdraw from the contract or order.

Quality of goods and services: The supplier is obliged to supply the ordered goods in accordance with the order and enclosed documentation and in compliance with international, national and internal technical standards. The goods shall have common characteristics as well as characteristics agreed between the parties separately. Provided the supplier is familiar with the purpose for which the buyer shall use the goods, the goods shall also have characteristics for this use.

The supplier is obliged to introduce and maintain in its business system the level of quality of the ordered goods in accordance with the quality requirements of the buyer, which shall be achieved with an efficient quality management system. The supplier undertakes to enable the buyer at its request to inspect the working of the quality management system.

If the buyer issues to the supplier a measurement protocol, the latter is supposed to follow and fulfil it. If the measurement protocol is not issued, the supplier shall on its own make a system with which it will control the goods sample-like or entirely and make appropriate measurement reports. The supplier is obliged before the start of the regular supply as well as at any time on demand to submit samples of the contractual goods to the buyer for confirmation. The buyer shall be obliged to check the samples and inform the supplier on the inspection results.

Claims of quantity and quality: The buyer undertakes to claim the received quantity immediately upon the receipt but not later than 5 working days after the receipt and the inappropriate quality immediately at the finding, but not later than 6 months after the receipt or not later than the product expiration date. For every received claim the supplier is obliged to submit, additionally to refunding eventual damages, the analysis of the root cause and corrective measures 14 days after the claim date, unless otherwise agreed.

The supplied goods shall be in accordance with the order requirements and specifications, drawings and all documents and standards defining the subject of the order. Without written confirmation by the buyer, no change or withdrawal from order requirements is allowed. At the request of the buyer, the supplier is obliged to submit all the documentation regarding the quality of the ordered goods. In the event of quality of goods not being specifically defined in the order, the supplier guarantees to supply the goods in the quality in accordance with discipline rules.

Change or termination of the supplier's production: The supplier undertakes to inform the buyer about the planned termination of the production of a certain product type supplied to the buyer at least 1 year before the planned production stop.

Compliance with legislation and regulations: The supplier ensures that the supplied goods or service meet all legal requirements and regulations which regulate the quality and safety of goods or service.

General requirements in services: The carrying out of work may commence after the prior agreement with the responsible process leader. The contractor is obliged to comply with Slovene legislation and all instructions received by the buyer. Only trained employees or subcontractors may carry out work.

Health and safety at work: The contractor undertakes to follow the principles of safety at work and use appropriate means of protection. The contractor shall appropriately protect and mark the working area. In the event of work at height, the contractor shall prevent movement of people below the work area, appropriately secure and mark the work area as well as assure safe lifting or carrying of load. After the finished work, the contractor shall remove all markings, clean the area, put in place functional safety devices and safeguards; in the event of working with electrical devices, it shall close and lock the door of the switchgear. The contractor shall undertake, based on the written agreement, to follow all the rules of health and safety at work in force in the company area.

Environmental protection:

- All waste from work projects shall be collected and disposed by the contractor in accordance with legislation in force.
- Contaminated water is not allowed to be let into drains, it shall be treated as waste.
- The contractor is obliged to use dangerous substances safely and prevent eventual accidents.

Force majeure: Each party may withdraw from fulfilling contractual provisions provided the delay is not a consequence of its own fault and it is caused by force majeure, i.e. fire, floods, typhoon, epidemic, war, prohibition or government tasks, restrictions, abrupt unexpected atmospheric phenomenon, delays due to similar natural or mandatory reasons. During the interruption of the order execution due to force majeure, the buyer is allowed to purchase goods from other sources and with these quantities lower quotas determined in the contract with the supplier provided the supplier was not capable to supply goods in a longer period. Additionally, the supplier shall submit complete information on the delay at every buyer's demand.

Confidentiality: Parties shall treat all the information arising directly from these general conditions and information collected by the supplier in connection with the order execution and in particular all organizational, business and technical information connected with the buyer, which are not publically disclosed, as confidential and are not allowed to disclose these as such to third parties. This accountability does not apply to the events of disclosing information being required in the sense of legal validity. The supplier confirms its intention to use the confidential information solely for the purposes of the order execution and appropriately safeguard the information as suitable for its confidential nature. The confidentiality responsibility remains valid also after the order execution, and as it is not annulled, may be suspended only with the written consent of the buyer.

Court of jurisdiction

The buyer and supplier shall try to settle all disputes amicably. Provided this is not possible, the court of jurisdiction is in Maribor, Slovenia, if not stated otherwise in the contract.