General Purchasing Terms and Conditions of DBSS d.o.o.

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1. General provisions

These General Terms and Conditions of DBSS d.o.o., Ulica svežih idej 14 D, 3320 Velenje, registration number 1358162, VAT ID SI39157415, apply to all contractual relationships between the ordering party and its suppliers, subcontractors or sellers (hereinafter: the supplier) for the purchase of materials, products, semi-finished products or equipment, or for the procurement of services (hereinafter: goods or services), unless the ordering party and the supplier (hereinafter also: the contracting parties) agree otherwise in a particular case. In case of doubt, only agreements concluded in writing shall be regarded as special agreements between the contracting parties.

These General Terms and Conditions apply provided that the ordering party has referred to them in the purchasing contract, purchase order or other documents on the basis of which the legal transaction was concluded (hereinafter: the transaction), thereby giving the supplier an opportunity to familiarise itself with them, and provided that they are also published on the ordering party's website or supplied to the supplier at or before the conclusion of the transaction.

The ordering party reserves the right to specify special terms in an individual transaction, which shall take precedence over these General Terms and Conditions for that transaction. This also applies in the event of a conflict between the provisions of an individual transaction and these General Terms and Conditions.

These General Terms and Conditions take precedence over, and exclude, any general or special terms of the supplier. The supplier's general and special terms shall bind the ordering party only if expressly agreed in writing.

2. Conclusion and amendment of the transaction

The supplier must deliver the goods or perform the services in accordance with the transaction.

The transaction between the ordering party and the supplier is deemed concluded when the contracting parties agree on its essential elements or when the ordering party receives the supplier's written statement accepting its order.

All amendments to the transaction must be in writing. Oral agreements departing from these General Terms and Conditions are not valid unless also confirmed in writing.

3. Purchase order

The ordering party must define each order clearly and unambiguously, including all necessary information on quality, quantity, price, the delivery or service performance deadline, the schedule, labelling and any special terms of the transaction.

The ordering party must provide the supplier with appropriate technical documentation in good time where necessary for the performance of the ordered services or the delivery of particular goods.

The supplier must notify the ordering party in writing of any rejection or partial rejection of an order, stating its reasons, no later than three (3) working days after receiving the order.

4. Delivery of goods or performance of services

The supplier must deliver the goods or perform the services in accordance with the transaction and its schedule (the ordering party's plan setting out deadlines for individual tasks or deliveries and the necessary intermediate quality inspections), or the delivery or performance deadline stipulated in the transaction. The ordering party reserves the right to amend the schedule and must inform a supplier of goods immediately, or a subcontractor providing services no later than five (5) working days before the subcontractor's work begins.

The supplier undertakes to inform the ordering party in writing and in good time of any circumstances that may affect or are affecting the proper and timely fulfilment of its obligations under the transaction.

Before delivering goods or performing services, the supplier must verify that the goods comply with the technical documentation and the order. The supplier may not make any changes to the delivery of goods or performance of services without the ordering party's written consent.

If the delivery deadline is exceeded or a delay occurs, the ordering party may withdraw from the contract in whole or in part and/or claim compensation for actual and consequential damage incurred.

In the event of supplier delay, the ordering party is also entitled to charge a contractual penalty of 0.5% of the total order value for each commenced calendar day of delay in delivery, up to a maximum of 10% of the total order value.

The ordering party may inspect order fulfilment at any time, and the supplier must allow it to do so. Where the supplier is late with deliveries intended for consolidated dispatch with other orders to reduce transport costs, the supplier shall bear the additional transport costs arising from separate deliveries.

5. Quality

The required value of the indicator "cost of nonconformities / value of deliveries" is less than 1%. Depending on the results achieved, we will inform the supplier as necessary and require improvement measures.

A supplier manufacturing semi-finished products or products for the ordering party must allow the ordering party to carry out intermediate and final manufacturing quality inspections at any time.

Where necessary to meet contractual deadlines, achieve the required quality level and control costs, the ordering party may, when concluding the transaction, require the supplier to submit a quality assurance procedure before work begins. This procedure must define all procedures for activities affecting the quality of the work performed, as well as intermediate and final inspections.

6. Packaging

Packaging must be environmentally sound and comply with standards and applicable legislation. Otherwise, the ordering party reserves the right to return the consignment or goods at the supplier's expense or to remove or completely destroy the packaging at the supplier's expense. Any change to the agreed packaging requires the ordering party's written consent.

Packaging must be suitable for the type and method of transport so that the goods cannot be damaged or lose functional value during transport. The supplier is responsible for damage to or loss of goods caused by insufficient or unsuitable packaging.

Each packaging unit must display the relevant order information. Each consignment must include a delivery note and other documents required by the order, such as technical instructions, quality certificates and test certificates.

The supplier shall, at its own expense, remove all packaging and environmentally problematic waste resulting from the use of hazardous substances or environmentally problematic packaging. If it fails to do so, the ordering party is entitled to reimbursement of the actual costs of removal or destruction of the packaging.

The buyer must return all returnable packaging to the supplier; otherwise, the supplier may charge the buyer for it.

7. Warranties and liability

The supplier warrants the quantity, quality and effectiveness of the ordered goods or services.

At the ordering party's request and at its own expense, the supplier must submit all test and certification documentation concerning the quality of materials used in manufacturing semi-finished products or products, including material conformity certificates, documentation of the work performed, and any other documentation requested by the ordering party concerning the quality and effectiveness of the ordered goods or services.

In performing the transaction, the subcontractor undertakes to comply with the ISO 14001 environmental management system and other requirements specified in the ordering party's system instructions supplied to it. Where further induction or training of the supplier is required, it shall be arranged by prior agreement. The supplier must comply with these provisions and ensure that its employees are trained accordingly.

Failure by the supplier to meet the requirements of clause 7.3 shall reduce its rating as the ordering party's contractual partner and may constitute grounds for terminating the transaction. The supplier must reimburse the ordering party for all costs and damage resulting from such termination.

Following receipt of a written request from the ordering party, including a complaint report, the supplier undertakes to resolve all claims relating to delivered goods or services, including warranty claims. All claims shall be handled in accordance with applicable legislation and all applicable statutory deadlines. The supplier undertakes to keep the ordering party informed in writing and in good time of all relevant information concerning the resolution of such claims. If the supplier fails to act, or in an emergency, the ordering party reserves the right to remedy the defects itself or through a third party. The supplier shall bear all related costs.

Where a complaint is justified, the ordering party is entitled to reimbursement of all costs and damage arising from resolving the claim. This paragraph also applies, as appropriate, where action by a competent authority obliges the ordering party to compensate damage, pay a financial penalty and the associated fee, or otherwise comply with obligations imposed by that authority.

The supplier is liable for damage suffered by its employees, the ordering party and/or third parties arising from its own work, the work of its subcontractors or its obligations under the transaction.

The supplier must ensure that the work undertaken is performed safely in accordance with the Slovenian Occupational Health and Safety Act.

The goods supplied must comply with all applicable safety regulations in the EU. The supplier warrants such compliance and assumes full responsibility for it.

When delivering goods or performing services, the supplier must also provide a declaration of preferential origin of the goods if the ordering party so requires in the order or when concluding the transaction.

Each complaint procedure shall be charged to the buyer at a minimum of EUR 200.

8. Guarantee

Unless the transaction provides otherwise, the supplier is bound by statutory guarantee periods or any longer guarantee periods it offers. Where agreed in the transaction, the supplier is bound by the guarantee period that the ordering party provides to the end customer.

The supplier must, at its own expense, remedy all defects appearing during the guarantee period. If defects arise during that period, the ordering party shall draw up a defect report and submit it to the supplier. The supplier must begin remedying the defects upon the ordering party's first request and complete the remedy within a reasonable period specified by the ordering party.

9. Price and payment terms

The price is agreed for each transaction and includes all costs on DAP terms to the warehouse at the ordering party's registered office (Incoterms 2010), unless otherwise agreed for the particular transaction. Ownership of the goods passes to the ordering party immediately upon arrival at the warehouse.

Payment shall be made in accordance with the terms specified in the individual transaction.

Without the ordering party's prior written consent, the supplier may not assign, pledge, sell or otherwise dispose of any existing or future receivables against the ordering party.

10. Transfer of the transaction or rights

The supplier may transfer or assign the transaction and/or any right, including receivables and obligations under the transaction or documents concluded or issued in connection with it, to a third party only with the ordering party's prior written consent.

11. Force majeure

The supplier is entitled to an extension of delivery or performance deadlines in circumstances constituting force majeure. Force majeure means extraordinary, insurmountable and unforeseeable circumstances that could not have been anticipated, avoided or prevented, that arise after the transaction is concluded, and that are beyond the will or control of the contracting parties.

In unforeseeable circumstances arising from force majeure, the supplier must deliver the goods or perform the services to the extent objectively possible. The parties must immediately notify one another of the occurrence of force majeure and agree how the transaction will continue to be performed. If a party becomes unable to fulfil its obligations due to force majeure but fails to notify the other party, it loses the right to rely on force majeure as justification, excuse or a basis for exercising other rights that would otherwise arise from that event.

12. Withdrawal from the transaction

The supplier may withdraw from an order only with the ordering party's prior written permission. If the supplier withdraws from the contract before or during the performance of services or delivery of goods, it must pay the ordering party the price difference resulting from appointing a replacement supplier, together with all damage and loss of profit incurred.

The ordering party may withdraw from the transaction without a notice period in the following cases:

- The supplier fails to fulfil, or breaches, its obligations under the transaction and does not fulfil them or remedy the breach within an additional period following a prior reminder from the ordering party.
- The supplier becomes unable to fulfil its obligations, withdraws from the transaction, fails to begin providing services or delivering goods within the agreed period, or interrupts or suspends performance or delivery without the ordering party's prior written consent.
- The supplier fails to perform the ordered services or deliveries in accordance with the transaction, manifestly neglects its obligations and disregards the ordering party's instructions, or performs work in a manner that could cause direct or indirect damage to the ordering party.
- The contractual penalty exceeds the maximum specified in these General Terms and Conditions or the amount otherwise agreed in the transaction.
- The supplier performs its obligations incorrectly more than twice.
- Bankruptcy, liquidation, compulsory composition or a simplified company dissolution procedure is initiated against the supplier.
- In the ordering party's assessment, the supplier becomes insolvent, even if insolvency has not been established by a court decision, or other reasons give the ordering party reasonable grounds to conclude that the supplier will be unable to fulfil its obligations.
- The supplier ceases business operations.
- A court enforcement order for payment of a debt is issued against the supplier and its bank accounts are consequently blocked for more than three (3) days.
- In the ordering party's assessment, adverse developments in the supplier's economic, legal or staffing situation, or other circumstances, place or may place the ordering party in a substantially less favourable position, seriously undermine confidence in the supplier and/or its ability to fulfil its obligations, or may in any way jeopardise, hinder or prevent fulfilment of those obligations.
- There is a change of control of the supplier.
- The circumstances of the transaction change to such an extent that the original purpose for which it was concluded can no longer be achieved.
- In other cases specified in these General Terms and Conditions, in the agreement between the parties or in the transaction.

If the ordering party withdraws from the transaction, the supplier must reimburse all costs and damage incurred by the ordering party as a result of withdrawal in the cases referred to in items a), b), c), d), e), f), g), h), i) and j) of the preceding provision.

Notice of termination or withdrawal must be sent by registered post and takes effect on the date of service on the other contracting party or, if service is not possible, on the date of the first unsuccessful attempt to deliver the registered letter.

If the transaction ends for any reason, all rights and obligations acquired or arising during its validity remain in force unless the transaction or these General Terms and Conditions provide otherwise. This provision does not affect any other rights a contracting party may have under applicable regulations.

13. Protection of trade secrets and personal data

The contracting parties must protect the other party's trade secrets learned in connection with fulfilling their duties arising from the business relationship under these General Terms and Conditions and must not disclose them to unauthorised third parties.

Trade secrets include all documents and data relating to the transaction and all business relationships arising from it. In addition to information designated as confidential by either party's general internal rules, trade secrets include any information whose disclosure to unauthorised persons would clearly cause substantial damage.

The parties expressly undertake to instruct employees who, by virtue of their positions, have access to the substance of this relationship and participate in its performance about the confidentiality of all documents and data.

The supplier declares that its personal data protection arrangements comply with applicable legislation. The ordering party undertakes to protect all personal data, which will be used exclusively for purchasing goods or procuring services.

The duty to protect trade secrets and personal data continues after the parties' business relationship ends.

In the event of a breach of the obligation to protect trade secrets and personal data, the breaching party is liable for damage caused to the other party and undertakes to compensate it in full.

14. Validity of these General Terms and Conditions

These General Terms and Conditions apply for an indefinite period or until new or amended General Terms and Conditions take effect.

The ordering party reserves the right to amend these General Terms and Conditions.

If any individual provision becomes or proves to be wholly or partly invalid or unenforceable, the validity or enforceability of the remaining provisions is unaffected.

The ordering party will inform the supplier of intended amendments or new General Terms and Conditions by publishing them on its website, http://www.dbss.si, at least fourteen (14) days before their intended effective date.

If new or amended General Terms and Conditions are announced or published, the supplier may terminate an existing transaction by submitting written notice before their intended effective date, subject to a notice period of ninety (90) days.

15. Final provisions

The ordering party and the supplier are bound only by the obligations set out in these General Terms and Conditions or agreed between them in writing, and by the mandatory provisions of the Slovenian Obligations Code and other applicable laws and regulations.

Each contracting party must immediately notify the other in writing of any change to its registered office or other relevant details.

The law of the Republic of Slovenia applies to the interpretation and assessment of all provisions of these General Terms and Conditions and to relationships arising from all transactions based on them. Application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

The parties shall endeavour to resolve disputes arising from their transaction amicably. If unsuccessful, disputes shall be resolved by the court having subject-matter jurisdiction in Velenje.

These General Terms and Conditions may be drawn up in several languages. In the event of ambiguity or inconsistency, the Slovenian version shall always prevail.

These General Terms and Conditions are published on the company's website and apply from 1 September 2022.

Velenje, 31 August 2022

DBSS d.o.o.

Director: Beno Sovič