

**GENERAL TERMS AND CONDITIONS FOR THE PURCHASE
OF PRODUCTS AND/OR SERVICES****1. DEFINITIONS**

1.1. In these General Terms and Conditions (or General Terms for short), the terms listed herein, unless the context indicates otherwise, shall have the following meanings, singular or plural:

Customer: DANIELI SYSTEC d.o.o. from Labin, Vinež 601, OIB: 88285726558

Supplier: a natural/legal person who, based on the Purchase Order/Contract, delivers Products and/or performs Services for the needs of the Customer.

Contracting Party/ies or Party/ies: individually and/or collectively Customer and/or Supplier

Purchase order/Order: the document including the request of supply regarding goods and/or Services sent by the Customer to the Supplier.

Contract: the agreement between the Customer and the Supplier, regarding the performance of the Scope of Work by the Supplier for the Customer.

Products: the goods to be delivered by Supplier to Customer under a Purchase Order/Contract.

Services: the Services to be performed by Supplier to Customer under a Purchase Order/Contract

Scope of Work: collectively, the Products and Services to be delivered/performed by Supplier under a Purchase Order/Contract.

General Terms and Conditions are an integral part of the Purchase order/Contract and apply to all matters not regulated by the Contract, unless their application is expressly excluded.

In cases of mutual disagreement with the provisions of these General Terms and Conditions, the Contract and the terms and conditions specified in the Purchase Order, the terms and conditions contained in the Purchase Order are superior to the provisions of the Contract and the provisions of the Contract are superior to the provisions of the General Terms and Conditions. The General Terms and Conditions take precedence over all possible further documents that are an integral part of the Contract.

Working day - every day except Saturday, Sunday and days that are officially non-working days in the Republic of Croatia.

Confidential information - all information in any form disclosed or made available by one Party (the "Disclosing Party") to the other Party (the "Recipient") howsoever in connection with the Contract and/or the Purchase Order, to the exclusion of information being in the public domain at the moment of disclosure or which falls subsequently in the public domain through no breach of contractual obligations; information already known to the party receiving it; information received lawfully by the Receiving Party from a third party not being bound by confidentiality- burden of proof as to the existence of the said circumstances to be borne by the Party affirming it.

Data protection laws - any law, statute, declaration, regulation, directive, legislative act, order or rule relating to the protection of individuals with regard to the processing of personal data to which one

party is subject, including EU REGULATION 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), Corrigendum to EU Regulation 2016/679 Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC.

**2. CONFIRMATION, REVOCATION, SUSPENSION OF THE
PURCHASE ORDER**

2.1. The Customer issues the Purchase Order in accordance with the Customer's requirements, for Products to be delivered and/or for Services to be performed, including price, time schedule, place of Product delivery and/or provision of Services, and other special conditions related to Product delivery and/or performance of Services.

2.2. The Supplier shall either deliver the Purchase Order acceptance to the Customer within 3 working days from receipt of the Purchase Order, being it understood that Supplier beginning to perform its obligations under the Purchase Order shall be construed to be a tacit and valid acceptance of the Purchase Order.

2.3. The Customer reserves the right to:

- revoke the Purchase Order without the right to any compensation to the Supplier, provided that the revocation is made before the Customer receives the confirmation of the Purchase Order;

- require the Supplier to suspend the execution of the Purchase Order at any time, without the Supplier's right to lost profits but only to reimbursement of actually incurred and documented costs;

- cancel a part of the Purchase Order and to demand from the Supplier only partial performance or termination the Purchase Order in full, regardless of the possible fault of the Supplier and without any costs for the Customer. In that case, the Supplier has the right to demand payment only for Products or Services that have been proven to have been performed by the date of partial withdrawal or cancellation of the Purchase Order, less all possible deductions and savings arising from or relating to partial withdrawal or cancellation of the Purchase Order

- amend, by means of written change orders, the contents of the Scope of Work, however within the general categories of the Products and Services originally stipulated, in which event Supplier shall abide by the written change order so issued, without prejudice to Supplier being entitled to a reasonable adjustment of Purchase Order price and to a reasonable adjustment of the Purchase Order time schedule to perform the same.

2.4. Without prejudice to change orders as per Article 2.3., Amendments to the Purchase Order/Contract shall have legal effect only if they are agreed in writing and duly signed by authorized representatives of both parties. Any verbal agreements or any verbal statements made by the representatives of the Contracting Parties shall have no legal effect or be binding on either Contracting Party.

2.5. A change in the data of the Contracting Parties made in the court register, which refers to the change of the company, registered office, business address, founder, commercial bank during the conclusion and execution of the Purchase Order/Contract, as well as their contact persons indicated in the Purchase Order/Contract, will not be considered as an amendment of the Purchase Order/Contract. Contracting Party to which the above change applies will be obliged to



notify the other Contracting Party in writing within 8 days from the date of the change of the above information.

3. PRICE

3.1. The price of Products and/or Services represents the value of Products and/or Services paid by the Customer to the Supplier and is stated in the Purchase Order. The price may be expressed either in total or in the form of unit prices without stating the total price of Products and/or Services.

3.2. The price of Products and/or Services includes all dependent costs, fees, levies, or all other expenses that may occur during the implementation of the Purchase Order, except VAT, which is shown separately on the invoice and calculated in accordance with applicable law. If the subject of the Purchase Order are Products and/or Services that are exempt from VAT, the invoice should state that VAT has not been charged, stating the relevant legal basis.

3.3. The price of Products and/or Services is fixed/unchanged during the term of the Purchase Order.

4. INVOICING/PAYMENT

4.1. Payment of the contracted price is made on the basis of the issued original invoice.

4.2. Provided that the invoice is correct, the deadline for meeting the Customer's obligation to pay the invoice is 60 days and starts from the day of receipt of the invoice.

4.3. The invoice shall be delivered by post or electronically to the address of the Customer, whereby it must be compiled and issued in accordance with accounting, tax and other mandatory regulations, as well as international accounting standards.

4.4. As an attachment to the invoice, the Supplier is obliged to submit a signed delivery note or a mutually signed Record of handover. The number of the Purchase Order to which the invoice refers must be indicated on the invoice.

4.5. If the invoice is not validly issued, the Customer will return the original invoice to the Supplier for correction, whereby the Supplier is obliged to deliver the correct invoice within 3 days, in which case the deadline for meeting the Customer's obligation to pay the invoice begins to run from the day of the receipt of the correctly issued invoice.

4.6. In the event that the maturity of the financial obligation falls on a Saturday, Sunday or any non-working day or holiday in the Republic of Croatia/the Supplier's country, the payment of the financial obligation will be made on the first following working day in the Republic of Croatia/the Supplier's country.

4.7. Each Contracting Party shall bear its own costs of bank fees for transactions related to the execution of payments for delivered Products and/or performed Services.

5. DEADLINE AND PLACE OF DELIVERY

5.1. The Supplier shall deliver the Product and/or Service within the time limit, at the location and according to the parity defined in the Purchase Order.

Unless agreed otherwise in the Purchase Order/Contract, the Goods shall be delivered in accordance with INCOTERMS 2020. FCA, to the Delivery location.

Documentation to be delivered on DAP designated place Incoterms 2020 basis.

In the event that the Purchase Order does not indicate a designated place, then the place shall be the Customer's registered offices.

The Services shall be provided at the location indicated in the Purchase Order.

5.2. The day that will be considered the day of the delivery of the Products and/or the performing of the Services will be the date of receipt at the location specified by the Customer in the Purchase Order. If the delivery includes Services, the day that will be considered delivery will be the date of handover, i.e. the date of the mutually signed handover record.

5.3. The Products will be delivered in standard packaging and declared in accordance with the applicable regulations for that type of product. Packaging costs are included in the price. In all circumstances, the packaging shall ensure the protection of the Product against damage or deterioration under normal conditions of transport.

5.4. Partial delivery, as well as delivery smaller or larger than the contracted one, is allowed only if the Customer has previously given explicit consent in writing.

5.5. Each delivery should be accompanied by a delivery note with, among other things, the ID number of the Products from the Purchase Order.

5.6. When delivering Products and/or Performing Services, the Supplier must meet all legal requirements related to export, customs and foreign trade and obtain the necessary export permits, unless under the relevant foreign trade regulation the Customer or a third party, and not the Supplier, is responsible for obtaining the necessary permits. The Supplier is obliged to send all information and data necessary for the Customer to be able to comply with all applicable foreign trade regulations governing exports and imports and re-export of Products and/or Services, in writing, as soon as possible, and in any case, before the delivery date.

6. CONTRACTUAL PENALTY

6.1. If the Supplier is unable to deliver the Product and/or perform the Service within the agreed period, the Supplier is obliged to immediately, without delay, notify the Customer in writing of the delay, state the cause of the delay and assess the new deadline for Product delivery and/or for the execution of Service.

6.2. In case of the delay of the Supplier with delivery of Products and/or execution of Services, where delay means non-commencement of delivery of Products and/or execution of Services or non-completion of delivery of Products and/or non-execution of Services in accordance with deadlines defined by the Purchase Order, the Supplier is obliged to pay the Customer a contractual penalty for each day of delay in the amount of two and a half permille (2,5 ‰) for the part of the goods that was not delivered within the deadline, and up to a maximum of ten percent (10%) of the value of the ordered/contracted goods. This is without prejudice to indemnification of further damages, to the extent proven by the Customer. In the event that the delay is such that the maximum limit of 10% is exhausted, Customer shall be entitled to termination of the Purchase Order/Contract.

6.3. Notwithstanding the right to enforce the contractual penalty, the Customer is authorized to cancel the Purchase Order due to the delay in delivery after the expiration of a reasonable additional period for



fulfilment of obligations of the Supplier specified in written notice to the Customer, in the manner provided in Article 16 of these General Terms and Conditions.

6.4. In relation to the realized amount of the contractual penalty, after the successful handover, the Customer is authorized to issue an invoice to the Supplier for the amount of the contractual penalty that the Supplier is obliged to pay within the period specified in the invoice.

7. PARTICIPATION OF SUBCONTRACTORS

7.1. If the subject of the Purchase Orders are Services, the Supplier has the right to partially assign the execution of the Services only to the subcontractor specified in his proposal to Customer for the Services, to the extent accepted by Customer.

7.2. If the Supplier has not specified a subcontractor in his offer, and during the provision of Services there is a need for his engagement, or if the Supplier decides to hire another/new subcontractor instead of the previous or besides the previous subcontractor, before his engagement the Supplier is obliged to obtain written consent from the Customer.

7.3. The consent given to the Supplier for the appointment of a subcontractor does not affect the legal relations and mutual rights and obligations between the Contracting Parties, nor does it release the Supplier from the responsibility for the execution of the Purchase Order.

7.4. The Supplier is responsible for the selection of, and for the work performed by, the subcontractor.

8. DEFICIENCIES AND RESPONSIBILITY

8.1. If the Product delivered in accordance with the Purchase Order contains: (a) defects in material or manufacture; or (b) the Product has not been delivered in accordance with the ordered quantity and quality; or (c) the Product has been delivered with visible damage; or (d) other deviations from the Purchase Order are observed, the Customer, on top of its rights and remedies at law, is authorized to refuse the takeover without correction, request correction of defects within the deadline, accept the Product with price correction or return it to the Supplier with full refund. The Supplier shall, after notification sent by the Customer, timely and at his own expense replace or correct a Product that has been rejected or that needs to be corrected. If, at the request of the Customer, the Supplier fails to replace or repair the defective Product in a timely manner in accordance with the delivery plan, the Customer is authorized to choose to: (i) replace or correct such Product and charge the Supplier; (ii) cancel the Purchase Order without prior notice, return the rejected Product to the Supplier at the Supplier's expense, whereby the Supplier is obliged to return the amount paid by the Customer for the returned Product or (iii) request a price reduction.

8.2. The Supplier is obliged to continuously document the work on the execution of Services that are in progress, and regularly submit a report on the same to the contact person of the Customer. At the request of the Customer, the Supplier shall make any collected data, working documents or other data related to the Services available. Once the Services have been performed, the Supplier shall provide the Customer with an overview of the Services, including a report on the completion of the Services. The Customer shall approve or reject in writing, in whole or in part, the performed Services within 5 working days from the date of receipt of the report on the completion of Services, provided that this does not affect the Supplier's rights and remedies at law and the Supplier's obligation to correct immediately all deficiencies notified by the Customer has notified him, otherwise the Customer has

the right to request the execution of work from a third party, at the expense of the Supplier. In the event of imminent danger, e.g. to avoid its own injury, or if the Supplier fails to correct the defects within the required time, the Customer has the right to procure Products and/or Services from third parties without defects and without prior notice, without questioning his warranty claims to the Supplier, or to repair or give someone to repair defective Products at the expense of the Supplier.

8.3. The Supplier is obliged to indemnify and hold the Customer harmless from liability for third parties' claims arising from breach of its contractual obligations or from infringement of a patent, copyright, trademark or registered design, and to guarantee the Customer unlimited use of delivered Products and/or Services rendered.

8.4. Without prejudice to other obligations, the Supplier shall indemnify and release from the Customer's liability all claims based on Product liability, which third parties have against the Customer as a result of defects in the Products supplied by the Supplier. The Products supplied by the Supplier must have the necessary safety features and meet the applicable safety standards. The Supplier is obliged to comply with the applicable EU product safety directives and any provisions based on them.

8.5. When delivering Products that include equipment to be assembled by the Customer or a third party, the Supplier shall provide the Customer with all necessary documentation, including data sheets, installation instructions, instructions for processing, storage, management and maintenance, lists of spare and non-consumable parts, etc. The delivered documentation/developed systems requirements and instructions for use should be in Croatian and - if requested by the Customer - in English, Italian and/or other languages.

8.6. The Customer reserves the right to request proof of the Supplier's quality control system and the Supplier's documentation on the performed quality checks and to carry out a supervisory inspection at the Supplier's location at any time. The Supplier shall reimburse the Customer for the costs of the supervisory inspection, if deficiencies in the control system are found during the inspection.

8.7. The Customer reserves the right to report defects of any kind on the Product and/or Services within 12 months from the date of commissioning, and no later than within 24 months from the delivery of the Product and/or completion of the Service.

9. MATERIAL, DOCUMENTATION, DRAWINGS, TECHNICAL SOLUTIONS, SOFTWARE DEVELOPMENT

9.1. The Products ordered by the Customer are the property of the Customer and the Supplier is obliged to store, mark and keep it with the care of a good manager free of charge. In the event that the performance of the Scope of Work of a Purchase Order requires Supplier to develop or produce for the Customer documentation, such as plans, drawings, models and/or software systems, such documentation, whether patentable or not, shall become the intellectual property of the Customer even in the event of termination of the Purchase Order, and shall be handed over to the Customer.

The Supplier grants the Customer the, irrevocable, transferable and sublicensable licence right of use of other intellectual property rights used by the Supplier in the performance of the Purchase Order, to the extent that they have not been specifically produced or developed by the Supplier for the Customer; such license shall be unlimited in terms of content, time and without claiming additional compensation.



The Supplier grants to Customer, to the extent not already included in the rights set forth in the present Article 10.1, the appropriate permission for the use of all the works arising from the Purchase Order. The Supplier shall provide the Customer with all documentation, technical solutions and developed software free of charge when necessary.

9.2. All tools, forms, samples, models, profiles, drawings, standard specification sheets, printing templates, materials and software provided by the Customer, as well as those submitted to the Customer by the Supplier are the Customer's intellectual property and without the prior written consent of the Customer they will not be available to any third party or used for any purpose other than those agreed in the Purchase Order and they shall be returned to Customer (without retention of any copy) upon completion of the Purchase Order.

The Supplier expressly declares that it has all the necessary authorizations, certificates and all other permits required for the execution of the Purchase Order and that, at the request of the Customer, he will submit these documents to the Customer. If the execution of the Purchase Order requires special approvals of state administrative bodies, permits or takeover procedures, the Supplier shall obtain them in due time without special compensation.

10. INFORMATION, MATERIAL DECLARATION, RoHS, PACKAGING, DANGEROUS GOODS, SAFETY AND ENVIRONMENTAL PROTECTION

10.1. The Supplier is obliged to make all necessary and useful information about the Products and/or Services that need to be delivered or executed available to the Customer, and especially, information regarding the instructions for proper storage. Furthermore, the Supplier is obliged to additionally warn the Customer about the possibility of hazardous waste from the Product he delivers, and to pay special attention to the type and possible disposal options.

10.2. The Supplier warrants that the Products delivered under the Purchase Order comply with RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) and thus comply with the EC ROHS Directive on the Prohibition of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (Directive 2011/65/EU) at the time of delivery.

10.3. If the delivered Products do not comply with RoHS standards, the Supplier is obliged to compensate the Customer for any damage resulting from such delivery without prejudice to possible warranty claims of the Customer. If the Supplier delivers legally permitted Products which, however, are subject to restrictions on substances and/or information obligations on substances (e.g. REACH - registration, evaluation, approval and restriction of chemicals), the Supplier shall declare such substances in the format specified by the Supplier, no later than the time of the first delivery of the Product. The above applies only to the laws applicable at the seat of the Supplier or the Customer, or at a place designated by the Customer as the place of delivery.

10.4. The Supplier assumes responsibility for the health and safety of his employees in the workplace, compliance with laws and regulation, as well as internal regulations of the Customer (or of any third party at whose premises the Supplier shall carry out its obligations under the Purchase Order) on environmental protection, occupational and work safety and fire protection, and undertakes to indemnify and hold Customer harmless for all adverse consequences deriving to the Customer from non-compliance by Supplier with the provisions of this Article. . The Supplier is responsible for omissions in the organization

of work and violations of regulations, and for the consequences that arise due to the performance of contracted work. The costs of implementing measures of safety at work, fire protection and environmental protection are included in the agreed price of the Service. The Supplier is obliged to take all preventive measures in order to prevent environmental pollution and all other negative impacts on the environment. The generated waste must be selected, collected separately, stored and sent for final processing to an authorized processor, and keep records in accordance with legal acts.

11. RISK OF ACCIDENTAL DESTRUCTION OR DAMAGE

11.1. Risk and consequences of accidental failure or damage to Products, equipment and materials that the Supplier must deliver to the Customer, as well as to equipment and materials that are delivered or provided by the Customer for the purpose of performing the Service, and over the performed Services or their part when Services are performed in stages, until the moment of successful delivery of Products, equipment and materials, or handover of Services, shall be borne by the Supplier in accordance with the applicable Incoterm.

12. WARRANTIES

12.1. The Supplier, on top of warranties on the Products and on the Services provided for by applicable law, declares and guarantees that:

- the Products will be delivered, i.e., the Services will be performed within the deadline, type, price, quantity and quality, and in accordance with the terms of the Purchase Order/Contract and in a good and workmanlike manner, with the highest degree of professional diligence and according to the current state of the art;
- it has all the rights and powers to accept and perform obligations under the Purchase Order/Contract;
- all decisions, approvals or consents required by the regulations or acts of the Supplier for the conclusion and/or execution of the Purchase Order/Contract, exist, are definitive and fully valid;
- there are no other rights and/or encumbrances and/or claims of third parties on the delivered Products that exclude, limit, reduce or in any other way prevent the Customer from fully acquiring all rights that belong to him on the basis of the delivered Products;
- the Products are suitable for the purpose as specified in the Purchase Order/Contract, or for the purpose for which the Customer has explicitly stated that he requires, and of satisfactory quality;
- the Products are new, unused, of high quality, designed according to state of the art, free from defects in design, material, manufacture and performance and will not contain or introduce into any equipment or system computer viruses of any kind and/or other computer programs that destroy, disrupt or do damage;
- Products and/or Services, as well as all of the Supplier's intellectual property or intellectual property of third parties made available to the Customer under the Purchase Order/Contract shall not infringe any patent, copyright, trademark, trade secret or any proprietary right of any third party;
- deliveries of Products and/or performance of Services comply with all applicable laws, legal requirements and regulations;
- he will obtain all necessary permits, consents, licenses and authorizations necessary for meeting obligations towards the Customer all in accordance with the Purchase Order/Contract;



- he has not initiated court, administrative, arbitration or other proceedings against the Customer, nor there is a threat of the possibility of initiating them with the outcome of which could adversely affect the ability of the Supplier to properly perform the obligations assumed by the Purchase Order/Contract;

- the Supplier not engage in, or attempt to commit, offering, giving or receiving of any item of value to/of public officials or to/of personnel of the Customer, and shall do nothing that may lead the personnel of the Customer to violate the provisions of the code of ethics of the Customer; in the event of any personnel of Customer soliciting Supplier to do so, Supplier shall promptly inform thereof the senior management of the Customer (the present bullet is hereinafter referred to as "Ethical Clause");

- the Contract/Purchase Order and accompanying documents shall be validly signed/confirmed by the legal representatives of the Supplier or persons authorized by the Supplier to representation, specifically authorized persons for actions taken against the Customer, and represent a legal, binding and valid obligation;

- in the event of knowledge of any fact that in any way may lead to a situation significantly different from that guaranteed by these General Terms and Conditions, without delay notify the Customer of the occurrence of such a circumstance. The change of such changed circumstances does not release the Supplier from the given guarantees.

12.2. All representations and warranties will be complete, accurate, true and current, and will be adhered to as long as there is any actual or potential obligation of the Supplier to the Customer under the Contract/Purchase Order/, as if repeated in relation to the then existing circumstances.

12.3. Unless otherwise agreed, the warranty provided under a Purchase order/Contract is 24 months from the date of delivery of the Product or performance of the Service.

13. CONFIDENTIALITY

13.1. Except to the extent set forth in this Article of the General Terms and Conditions, and without prejudice to the right of Customer to exercise and exploit, to the fullest extent allowed by law, its intellectual property rights and the licenses granted to him, each Contracting Party shall:

- treat the Confidential Information of the other Contracting Party as confidential and protect the confidential data of the other Contracting Party as its own confidential data;

- will use the Confidential Information of the other Contracting Party exclusively for the specific purposes or purposes for which it has been communicated

- will not publish or in any other way entrust the Confidential Information of the other Contracting Party without prior written consent;

- will not disclose Confidential Information of the other party or in the presence of any person other than the person who must know this in connection with the Purchase Order;

- advise any person to whom the Confidential Information of the other Contracting Party should be disclosed about their obligations regarding confidential information prior to such communication and ensure that they respect such obligation;

- take all reasonably necessary measures to ensure the Confidential Information of the other Party against theft, loss or unauthorized disclosure.

13.2. The obligation to keep Confidential Information referred to in paragraph 1 of this Article shall not prevent an individual Contracting Party:

- to disclose Confidential Information from time to time to its professional consultants, auditors, legal advisers, provided that before disclosing Confidential Information they undertake to protect the Confidentiality of such information at a level not lower than that provided for in these General Terms and Conditions;

- to disclose Confidential Information to its affiliates to the extent strictly necessary for such affiliated Party to deliver Products and/or provide Services, provided that that Party is primarily responsible for any breach of the Confidential Information obligation by its affiliate.

13.3. Each Contracting Party may disclose Confidential Information that would otherwise be subject to the provision of paragraph 1 of this item, in the following cases:

- such disclosure is required by applicable law or an order of a competent court or by a binding order or instruction of a tax or fiscal authority or other regulator; or

- Confidential Information is legally in the possession of the receiving party, with no obligation limiting disclosure at the time of receipt by the disclosing party; or

- on the day before publication, Confidential Information becomes part of the public domain, without any violation of the present Article.

13.4. The Supplier shall keep confidential, in accordance with the present Article 13., the contents of the documentation and data specifically developed or produced for Customer under a Contract/Purchase Order, which shall become the intellectual property of Customer.

13.5 Nothing in the present Article 13. shall limit or prevent Customer's right to disclose information to third parties, to the extent that such information is its property or that such disclosure is required in order to exercise the rights licensed by Supplier to Customer under the Purchase Order.

13.6. The Supplier undertakes not to use the Customer's company or brand in any marketing, promotion or announcement without the prior written consent of the Customer.

13.7. The provisions of the present Article 13. shall survive for a period of 20 years the expiry, completion, cessation of the effects, or termination of the Purchase Order for any reason.

14. PROTECTION OF PERSONAL DATA

14.1. The Customer and the Supplier are obliged to comply with all applicable regulations on data protection in the processing of personal data obtained in the business relationship and not to process personal data other than those necessary for the execution and/or administration of the Purchase Order/Contract.

14.2. Supplier's data (court register data, address, telephone numbers, as well as other information necessary for correspondence with modern communication tools, locations, contact persons, ordered Product and quantities for delivery or Services), in whose possession the Customer comes in connection with such business transactions, will be processed



automatically only for the execution of the Purchase Order/Contract, and especially for the purposes of administration and invoicing. For technical reasons, such data may need to be stored on the servers of companies that are affiliated companies of the Customer.

14.3. Each Contracting Party shall take all reasonable steps to ensure the reliability of any employee, or any contracted subcontractor who may have access to personal data in a business relationship, ensuring in any case that access is strictly limited to those individuals who need to access relevant personal data, which are necessary for the execution of the Purchase Order/Contract.

15. CANCELLATION OF PURCHASE ORDER

15.1. Each Contracting Party may, if one Contracting Party fails to meet any of the obligations undertaken by the Purchase Order and/or violates the provisions of these General Terms and Conditions, in the manner provided for in Article 16 of the General Terms and Conditions, send a written warning to the other Contracting Party explaining the violations in detail, and allow a period of not less than 8 days in which the stated violations need to be corrected; in the event that the written warning does not indicate the time period for the correction of the violations, such time period shall be 8 days. In case the violations are not eliminated, after the expiration of the deadline, the Purchase Order will be considered cancelled, and the Contracting Party responsible for the cancellation will be liable for damages and for holding harmless the other Contracting Party, if this is provided in the present General Terms. As regards delay in payments by the Customer to Supplier, the statutory time terms for termination by Supplier shall apply. The Customer reserves the right to terminate the Purchase Order immediately in the event of violation of the Ethical Clause by the Supplier or in the event that the Supplier commits a breach of its obligations which, by its nature, cannot be remedied.

15.2. The Customer may cancel the Purchase Order with immediate effect by sending the Supplier a written statement of cancellation in the manner provided for in Article 16 of the General Terms, after which the Supplier will terminate all deliveries and/or execution of the Purchase Order. The Customer shall pay the Supplier a fair and reasonable compensation for Products and Services whose production or performance is in progress at the time of cessation of work, but such compensation shall not include a loss based on lost profits or any consequential loss.

15.3. On top of the Customer's rights and remedies at law, in any of the following cases, especially in the case of a breach of the obligations under the Purchase Order/Contract and/or these General Terms and Conditions shall be deemed to have occurred:

- violation of the Ethical Clause;
- if the Supplier fails to meet, is late in meeting, or does not comply with any obligation to the Customer under the Purchase Order/Contract and/or any obligation from the General Terms and Conditions, even after the subsequent deadline, does not correct the consequences of such action;
- the Supplier becomes illiquid and/or insolvent or a pre-bankruptcy settlement procedure, bankruptcy procedure or liquidation procedure is initiated against him or the Supplier comes under special administration in accordance with the relevant regulation, or
- the Supplier by his act or omission damages the reputation of the Customer;

- the Supplier violates the obligation of confidentiality of data from Article 13 of these General Terms and Conditions;

- the Supplier or a person authorized by the Supplier materially violates the legal or internal regulations of the Customer related to the protection of health, safety and the environment.

15.4. Termination of the Contract/Purchase Order, regardless of the legal basis for termination, does not affect the rights and remedies of the Contracting Parties that arose before the termination.

15.5. The terms and conditions of the Contract/Purchase Order, which due to their nature must be implemented after its cancellation or expiration or relate to events that may occur after the cancellation or expiration of the Purchase Order, will apply after cancellation or expiration.

15.6. The confidentiality obligations shall survive termination or expiration of the Contract.

16. NOTICES

16.1. Unless otherwise provided in the provisions of these General Terms and Conditions, all notices and/or requests and/or consents or other communications that the parties will provide to each other in connection with the performance of the Purchase Order/Contract, will be delivered in writing, in person or sent via post with proof of delivery; via courier with proof of delivery or by email.

16.2. In the case of sending a notice and/or request and/or consent or other communication by e-mail, they must be sent to the e-mail address to be specified in the Purchase Order/Contract.

16.3. The same notice and/or request and/or consent or other communication may also be provided by a combination of the means described above, in which case, for the purpose of proving its transmission, it is sufficient that it has been successfully sent in only one of the above ways, unless otherwise regulated by the General Terms and Conditions or the Purchase Order/Contract.

16.4. Change of the Purchase Order contract details (e-mails included) may be effective with a 10-day advance notice, using the means indicated in Article.16.1. and this shall not be considered an amendment to the Contract/Purchase order.

17. FORCE MAJEURE

17.1. Force majeure is defined as extraordinary circumstances beyond the control of either party, which neither party could reasonably have foreseen or prevented at the time of concluding the Contract/accepting the Purchase Order. These include, but are not limited to: Government restrictions, war, riots, blockades, sabotage, embargoes, strikes, fires, floods, epidemics, and/or any other matter beyond the reasonable control of the party affected. In the event of an event that is interpreted as Force Majeure, the Contracting Party that is significantly prevented or hindered from meeting its obligations undertaken by concluding the Purchase Order, is obliged to immediately inform the other Contracting Party of this event orally, and then in writing within 5 days, and state an estimate of the extent and duration of the inability to meet obligations, and take all reasonable measures to correct the consequences of Force Majeure and meet its obligations, even if with delay. If due to the occurrence of Force Majeure the Supplier is permanently prevented from meeting its obligations, the Customer has the right to unilaterally terminate the Purchase Order with immediate effect, immediately upon receipt of the notification of the occurrence of Force Majeure.

**18. ASSIGNMENT OF THE CLAIM/TRANSFER OF RIGHTS
AND OBLIGATIONS**

18.1. No right or obligation under the Purchase Order/Contract, in whole or in part, may be assigned or transferred to third parties without the prior written consent of the Customer.

18.2. The Customer is authorized to transfer the rights and obligations from the Contract/Purchase Order to the related companies of the Customer. An affiliate within the meaning of these General Terms and Conditions is a company that directly or indirectly controls the Customer, or is directly or indirectly under the joint control of the Customer, as a result of which such affiliate is not considered a third party within the meaning of these General Terms and Conditions.

19. APPLICABLE LAW AND JURISDICTION

19.1. The General Terms and Conditions, the Purchase Order/Contract, as well as all disputes arising from it, will be settled and interpreted in accordance with the laws of the Republic of Croatia, excluding any conflict rules that would refer to the law of another state. At the same time, the Contracting Parties exclude the application of the provisions of the United Nations Convention on the International Sale of Goods (Vienna, 1980).

19.2. The Contracting Parties shall try to resolve by mutual agreement any disagreements or disputes arising out of or in connection with the Purchase Order/Contract through negotiations. If no agreement is reached within 30 (thirty) days, either party may, initiate court proceedings in the competent courts in jurisdiction at Customer's place of registration.

19.3. If Customer and Supplier are registered in different countries, any dispute arising in connection with the Contract which cannot be settled amicably shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance therewith. Place of arbitration shall be Customer's place of registration. The language of the proceedings and of the award shall be English.

**20. ACCEPTANCE OF THE GENERAL TERMS AND
CONDITIONS, AMENDMENTS**

20.1. By signing or accepting the Purchase Order/Contract, the Supplier confirms that he is familiar with and agrees with the content of the General Terms and Conditions, that they are clear and understandable, and that he fully accepts the rights and obligations arising from them.

20.2. The Customer reserves the right to amend the General Terms and Conditions in accordance with laws and regulations, and business policy.

20.3. In the event of an amendment to the General Terms and Conditions, the amended General Terms and Conditions shall apply to the Purchase Orders to be issued after the amendment enters into force.

20.4. In the event of a change in the General Terms and Conditions resulting from a change in compulsory regulations, the amended General Terms and Conditions shall also apply to existing operations.

20.5. The Customer will try in good faith, on an individual basis, by e-mail, to inform the Contractors in a timely manner about the publication of changes and/or amendments to the General Terms and Conditions.

20.6. The Supplier shall be deemed to have accepted the amendments to the General Terms and Conditions if he does not notify the Customer that he does not accept them before the proposed date of their entry into force.

21. FINAL PROVISIONS

21.1. If at any time any or more of the provisions or any part of the General Terms and/or the Purchase Order for any reason becomes invalid, unenforceable, or void in any respect, that fact shall have no effect on the other provisions of the General Terms and Conditions and/or Contracts/Purchase Orders. Such a provision shall be replaced by a new, valid and enforceable provision by a mutual agreement which will, to the greatest extent possible, achieve the objective sought to be achieved by a provision which has been found to be invalid, unenforceable or null and void.

21.2. The postponement or absence of actions related to the exercise of any right or legal remedy of the Customer shall not be considered as its waiver of that or any other right or legal remedy.

21.3. These General Terms and Conditions have been drafted in Croatian and English. The Croatian and English versions of the General Terms and Conditions shall be construed with the same legal effect, however in the event of a conflict between the Croatian and English versions, the content and meaning of the provisions of the General Terms and Conditions in the Croatian language shall prevail.

21.4. In case of conflict among the documents forming part of the Purchase Order, the provisions of the main text of the Purchase Order shall prevail over the provisions of the provisions of the General Conditions of Supply, and the General Conditions of Supply shall prevail over any further documents enclosed with the Purchase Order, including the contents of the proposal by the Supplier or any set of terms and conditions of contract of the Supplier. In any event, any conditions enclosed with the offers or with the confirmation of the Supplier are not binding if not otherwise stated in the Purchase Order.

21.5. In no event shall either Party be liable to the other for any indirect or consequential damages or for any loss of profit, loss of production or loss of business opportunity howsoever arising out of or in connection with the Purchase Order/Contract.

Labin, 01.03.2020.