

The company **ANTON BLAJ, proizvodnja, trgovina in storitve d.o.o.**, Griže 9, 3302 Griže, hereby adopts and publishes, pursuant to Article 120 of the Code of Obligations of the Republic of Slovenia (Official Gazette of the RS no. 83/2001), the following

GENERAL TERMS AND CONDITIONS FOR CONTRACTORS

1. Area of Application

- 1.1. The General Terms and Conditions for Contractors (hereinafter referred to as: the General Terms and Conditions or the Terms and Conditions) shall apply to all contractual relationships entered into between the Client acting in the capacity of a client and the Contractor acting in the capacity of a contractor where the Contractor undertakes to produce, finish or process an object for the Client or perform a physical or mental work for them, including all related services necessary to perform under the contract or agreed in relation thereto.
- 1.2. The General Terms and Conditions shall apply *mutatis mutandis* to all other cases not expressly mentioned in the previous paragraph hereunder if the Parties agree on their application or if the Client informs the other Party on their application.
- 1.3. The General Terms and Conditions shall apply and be binding on the Contractor with regard to all orders made by the Client after the date the Contractor was familiarised herewith. By accepting the General Terms and Conditions, the Contractor expressly agrees that the General Terms and Conditions shall be binding on the Contractor with regard to any and all future orders from the Client, notwithstanding their type and subject and not necessitating the General Terms and Conditions being confirmed upon each order. By accepting the General Terms and Conditions, the Contractor expressly agrees to any supplements and revisions of the General Terms and Conditions as published on the website www.blaj-fasteners.com.

2. Definition of Terms and Interpretation of the General Terms and Conditions

- 2.1. The terms used herein shall have the following definition:
 - 2.1.1 **Business Day** shall mean any day except for Saturdays, Sundays and public holidays in the country of the Client's registered office.
 - 2.1.2 **Client** shall mean **ANTON BLAJ, proizvodnja, trgovina in storitve d.o.o.**, Griže 9, 3302 Griže, Slovenia, Company ID No. 6498485000.

- 2.1.3 **Master Agreement** shall mean any agreement made between the Client and the Contractor in order to provide for a general arrangement of their relations concerning the entry into individual Contracts.
- 2.1.4 In case the General Terms and Conditions require a Party to act in **writing**, it shall mean a signed copy submitted by mail, fax, as scanned attachment by e-mail or by using some other method enabling reliable communications unless the General Terms and Conditions contain stricter specifications of form for a particular case. If the form in writing is specified herein, the form in writing shall be a condition for the act to apply (*forma ad valorem*) and the Parties expressly agree that its use shall not be merely to prove an act.
- 2.1.5 **Contractor** shall mean any person who is a contractual partner of the Client in contractual relations to which the General Terms and Conditions apply, as specified in greater detail in Section 1 hereof.
- 2.1.6 **Contract** shall mean any contract made between the Client and the Contractor having the subject matter falling under the scope hereof, as specified in greater detail in Section 1 hereof.
- 2.1.7 **Parties** shall mean the Client and the Contractor.
- 2.1.8 **Terms and Conditions** shall mean these General Terms and Conditions for Contractors where the terms General Terms and Conditions, and Terms and Conditions are used as synonyms.
- 2.2. The following shall apply hereto unless the context requires otherwise or a different meaning is expressly specified:
- 2.2.1 words in singular form include plural form and vice versa; references to persons or enterprises include their legal successors or assignees;
- 2.2.2 references to an indent, provision, attachment or annex shall be interpreted as references to an indent, provision, attachment or annex of the Contract;
- 2.2.3 references to any contract, regulation, rule or standard shall be deemed references to the contract, regulation, rule or standard as may be amended from time to time, where – having no need for an amendment hereto – the contract, regulation and standard in their latest applicable version shall apply as reference or as such, and the applicable and binding Terms and Conditions shall be those adopted and amended as published on the website www.blaj-fasteners.com;
- 2.2.4 titles and tables of contents have been included for ease of reference only and shall have no bearing on the interpretation of the Contract or hereof;

- 2.2.5 references to "regulations" shall include references to the laws and regulations applicable at the time and to the relevant constitution, law, legislation, decree, norm, rule and regulation;
- 2.2.6 the words "including" and "in particular" shall be construed solely as a means of illustration or highlight and may be construed neither as a restriction on the general application of any of the preceding words nor causing such a restriction.
- 2.3. The Parties shall agree on a hierarchy of application of agreements concerning Contracts and the Terms and Conditions, namely the following shall apply to all Contracts made between the Contractor and the Client:
 - 2.3.1 provisions of the Contract;
 - 2.3.2 provisions of any Master Agreement made with the Contractor unless specified otherwise in the Contract;
 - 2.3.3 provisions of these General Terms and Conditions unless specified otherwise in the Master Agreement or the Contract;
 - 2.3.4 laws, regulations, general guidelines and professional standards in force at the time of entry into Contract to render services, in their latest applicable version, unless specified otherwise in the General Terms and Conditions, the Master Agreement or the Contract.
- 2.4. It shall be deemed that all elements under Article 2.3 hereof are a constituent part of each Contract.
- 2.5. By the acceptance hereof, the Contractor expressly agrees that no general or other terms and conditions of the Contractor shall apply to Contracts unless specified otherwise in the Contract.

3. Entry into Contracts

- 3.1. All bids of the Contractor and orders of the Client shall be deemed accepted by the other Party by a confirmation in writing. The Client may cancel an order, regardless of the form used to make it, at any time and by using any means, until the acceptance thereof.
- 3.2. A Contract shall be made when a Party submits an order or bid in writing, as the case may be, to the other Party and the latter confirms it in writing. Silence of a Party shall not constitute order confirmation.
- 3.3. The Client shall have no liability whatsoever towards the Contractor with regard to the cost incurred in the bid preparation or in relation to the placement or confirmation of an order.

4. Subject Matter of the Contract

- 4.1. The subject matter of the Contract shall be the services and performance of the Contractor covered by the area of application hereof, as specified above in Section 1 hereof.
- 4.2. All services rendered by the Contractor shall comply with the contractually agreed scope of services and shall in particular comply with the essential elements specified in the Contract, and shall be suitable without restriction for the purpose underlying the Contract or, if none specified, the customary use of the subject matter of the Contract.
- 4.3. The scope of services shall include, whether it is expressly and specifically stated in the contractual documents or not, compliance with all mandatory technical and other regulations and standards applying to the services to be rendered, in particular:
 - 4.3.1 regulating safety at work, notably all measures for protection at work laid down by law, inspection authorities, professional associations and other institutions issuing guidelines and rules applying to the services;
 - 4.3.2 environmental protection regulations;
 - 4.3.3 concerning the obligation of handing over implementing documents (documentation) in accordance with the technical specification or a separate agreement, in the scope agreed.

5. Contractor's Obligations

- 5.1. The Contractor shall perform the work in a quality manner, in line with the agreement and according to professional rules. The work shall be performed within the contractually set deadline. The Contractor may use subcontractors subject to approval by the Client. The Contractor's warranties concerning the performance under the order and in relation to any defective performance are specified in greater detail in ident 11 hereof.
- 5.2. The Contractor shall supply the merchandise to the Client within the agreed deadline or in the agreed period, meaning no delivery before or after the agreed deadline. The Contractor shall be liable for any additional costs or loss incurred by a delivery before the agreed deadline. In the case of default, the Contractor shall pay a contractual fine of 0.5% of the amount of the order for each day of delay, however, not exceeding 25% of the amount of the order. The Contractor shall also be liable for damages for loss in excess of the agreed amount of the contractual fine for default.
- 5.3. The Contractor shall inform the Client in due time and with sufficient detail if and when the performance under the Contract requires a change in the scope of services

or if the ordered scope of services is unsuitable for the purpose pursued by the Client and known to the Contractor.

- 5.4. The Contractor shall inform the Client in writing on any defects in the material submitted by the Client, which have been noticed or which should have been noticed, or be liable for damages.
- 5.5. The Contractor shall review the requirements of the Client specified in the order and notify the Client immediately in writing of any deficiencies in the order and other circumstances concerning the order, which are known or should have been known to them, that could be important for the quality of performance under the order or the timely delivery under the order or be liable for damages.
- 5.6. If the Client heeds the warning of the Contractor and corrects the order or submits other material, items 5.1.-5.5. and other applicable provisions hereof shall be again applied to the corrected or changed order.
- 5.7. If, after having received warnings under items 5.3.-5.5., the Client insists that the Contractor makes the object from the material with defects of which the former has been informed by the latter, the Contractor shall comply with the Client's request unless it is obvious that the material is unsuitable for the work ordered or if the production from the required material or production under the existing order could damage Contractor's reputation; in such a case, the Contractor may cancel the Contract.

6. Contract Price

- 6.1. The contract price shall be fixed and agreed for the entire performance for the Client by the Contractor under the Contract.
- 6.2. The Contractor shall carry out for the contract price all acts necessary to perform under the contract and shall be entitled to no additional payment for any extra work or work arising from a changed order unless such payments are expressly agreed in advance.
- 6.3. No price change shall be valid unless it is made in writing.
- 6.4. The transport costs incurred in the delivery of the merchandise shall be borne by the Contractor unless agreed otherwise by the Parties.

7. Payment

- 7.1. The Client shall settle invoices within 90 days after the receipt thereof unless agreed otherwise by the Parties.

- 7.2. The payment of an invoice shall constitute neither an acknowledgement by the Client of a perfect rendering of the service nor a waiver of any claims against the Contractor. Payment shall not mean recognising the correctness of the invoice and/or the compliance of services with the Contract.

8. Title of Ownership of the Merchandise

- 8.1. The Contractor shall be at no time the owner of the merchandise being the subject matter of the Contract; the title of ownership of the material and the product shall be held by the Client at all times. The Client shall be the owner of all plans and tools, including those paid to the Contractor by the Client and kept at the former.
- 8.2. All items owned by the Client shall be designated by the Contractor as such and kept separate from the property of the Contractor and third parties.
- 8.3. If the Contractor in their performance under the Contract using a product or material of the Client connects or attaches an item thereto, the item shall become full ownership of the Client with no additional payment due by the Client to the Contractor unless expressly agreed otherwise; in any case, the Contractor shall be liable to the Client for any loss incurred by the Client in relation to such connection or attachment.
- 8.4. The risk and cost of destruction or deterioration of condition of the merchandise or subject matter of the Contract during transport between the Contractor and the Client and vice versa or to a third party shall be borne by the Client. The Contractor shall bear the risk and cost of destruction or deterioration of condition of the merchandise/subject matter of the Contract from the moment of the taking over of the merchandise to the hand over to the transport carrier.

9. Handing Over the Merchandise to the Contractor

- 9.1. The subject matter of the Contract shall be handed over to the Contractor in accordance with the specifications. The Contractor shall inspect the primary material/connecting elements as a part of the visual input control, in particular examine for any damage due to transport and other visible defects. The Client shall be immediately notified of any defects found by the Contractor.
- 9.2. Any deviation in the quantity of delivered items from the accompanying documents shall be notified by the Contractor forthwith.
- 9.3. If no complaint on the quantity of merchandise is received by the Client within three Business Days after the delivery of the merchandise to the Contractor, it shall be deemed that the Contractor has received the quantity specified in the delivery note.

9.4. The removal of packaging in accordance with the regulations shall be a task of the Contractor undertaken at their expense.

10. Handing Over the Merchandise to the Client

10.1. After the rendering of the service, the Contractor shall hand over the merchandise to the Client or a third party designated by the Client.

10.2. The Parties expressly agree that the Client or a third party taking over the subject matter of the Contract on behalf of the Client after the service is rendered shall have no obligation to immediately inspect the merchandise.

10.3. If the merchandise is to be used by the Client, the inspection shall be performed by the Client when the merchandise is used in their production process.

10.4. If the merchandise is to be used by an end customer of the Client, the inspection shall be performed by the end customer when the merchandise is used in their production process or other conduct of their business.

11. Warranty of the Contractor

11.1. The Contractor shall guarantee the quality of service rendered, and its compliance with the applicable laws, regulations, standards and guidelines. The Contractor shall bear sole responsibility for the execution of all processes used in the rendering of services.

11.2. If the Client has the right and opportunity to examine the merchandise or services in order to notify the Contractor of defects, the Client shall have two weeks from the taking over of the merchandise and the inspection pursuant to Article 10.3 to conduct the inspection and submit a notice. The same deadline of two weeks for the inspection shall be granted to a person under ident 10.4. The deadlines apply only to the notification of evident defects. Hidden defects may be notified by the Client or the end customer, the latter directly or via the Client, within one year after an event under ident 10.3 or 10.4.

11.3. If it becomes clear in the period set above hereunder after the inspection of the merchandise by the end customer or the Client, if the latter is taking over the merchandise, that the merchandise delivered or the service rendered in accordance with the order has a defect or falls short of contractual requirements in some other way, inclusive of any and all applicable drawings and specifications, notwithstanding whether the defect or the falling short concerns the Contractor themselves or their direct or indirect subcontractors, the Client may – in addition to the rights due under the law and/or the Contract and the claims made for compensation of all loss and the pertaining costs – choose the following, at their discretion and sole consideration and at the Contractor's expense:

- 11.3.1 call upon the Contractor to eliminate the defect without delay by rendering the service once more and/or correcting the unsuitable merchandise or replacing it by a suitable one;
- 11.3.2 take the necessary action to eliminate all defects and/or ensure that the merchandise and/or services comply with all contractual requirements where the accounted costs and expenses, including but not limited to, costs of material, labour, process and any additional machine processing and other work necessary shall be borne by the Contractor;
- 11.3.3 withhold payment either partially or in full; and/or
- 11.3.4 cancel the order without the Client having to incur any claim from the Contractor.
- 11.4. The Contractor shall perform all inspections required by the Client for repairs and replacements in order to establish compliance with the Contract. The cost of such inspections shall be borne by the Contractor.
- 11.5. The subject matter of the Contract shall be loaded by the Contractor on a means of transport in a way rendering sufficient protection against damage.
- 11.6. The Contractor shall comply with the Client's regulations concerning delivering and submitting and the requirements concerning packaging material. Packaging shall be limited to the extent needed to protect the merchandise and may be composed exclusively of materials that are environmentally friendly and recyclable.
- 11.7. The Contractor shall make available all information and documents needed for the performance under the Contract and the fulfilment of the purpose thereof. Documents shall be in Slovenian or English.
- 11.8. The Contractor shall return to the Client all old iron and waste material linked to the Contractor's production process unless agreed otherwise by the Parties. If such waste material is kept by the Contractor, it shall be handled in accordance with the applicable environmental and other regulations in force in the territory of their activity, and the Contractor expressly declares to the Client for such a case that they have obtained all the necessary permits to handle waste material.

12. Perfect Working Order Warranty

- 12.1. The Contractor guarantees that the merchandise delivered and the services rendered in accordance with the Contract, regardless of whether the delivery and the services are provided by the Contractor or their direct or indirect subcontractors or suppliers, shall be free of encumbrances, including any claims under the property law.

- 12.2. The Contractor shall provide at their expense for cancellation of any established lien or other encumbrance within thirty (30) days from the establishment (subject to the condition that such lien is not linked to a default of the Client on payment of undisputed amounts or a Client's act or omission thereof).
- 12.3. The Contractor guarantees that the merchandise delivered and services rendered shall be new and of standard quality, using no used, processed or reconstructed material unless the Client has given express consent in writing thereto, have no defect in terms of appearance, processing and material, and be suitable for the intended purpose. The delivery and services shall be made in compliance with all specifications, samples, drawings, drafts, descriptions and other requirements approved and submitted by the Client. The Contractor shall guarantee the perfect working order of the merchandise delivered or services rendered. Any act of the Contractor aimed at excluding or restricting the warranty shall have no legal effect.
- 12.4. The warranty period shall begin by the complete delivery or service rendering. The warranty in all other cases shall be twenty-four (24) months from the delivery of the merchandise or the rendering of the service or the period generally granted by the Contractor, topped by any delays, including those linked to the merchandise and the service falling short of requirements. The warranty is granted to the Client, their legal successors, assignees and users of the merchandise and/or service ordered.
- 12.5. If the merchandise and/or service is found deficient or otherwise falls short of the terms and conditions of the warranty, the Client may – in addition to the rights pertaining under the law or agreements made – claim damages for the entire loss and costs incurred, at their discretion and sole consideration, with the cost borne by the Contractor
 - 12.5.1 call upon the Contractor to examine, remove, reinstall, take away and repair and replace/deliver new merchandise and/or render again the service, so that the requirements specified herein are met;
 - 12.5.2 take the necessary action to eliminate all defects and/or ensure that the merchandise and the service comply in all respects to the requirements specified herein or other agreements made, where the Contractor shall bear all costs incurred with that regard by the Client and other expenses (including, but not limited to, the cost of material, labour and process, cost of any additional machine processing necessary or other work needed) and other appropriate payments;
 - 12.5.3 partly or completely rejects and returns the merchandise and the service.
- 12.6. The repaired and replaced merchandise (or parts thereof) or repeated service shall fall under the same warranty as specified above hereunder, where the warranty

period shall expire once the original warranty period lapses or twenty-four (24) months following the repair or replacement, whichever comes later.

13. Quality Assurance

- 13.1. The Client may send to the Contractor a person to monitor and supervise production at any time. The person shall be granted free access to material and production premises and equipment, during business hours and outside them. The Contractor shall be responsible for the person's health and safety at work.
- 13.2. The Contractor has been informed and agrees that the Client as a supplier has the obligation to give the customers the possibility to oversee their production processes, both those at the Client and at their subcontractors, which includes the Contractor. The Contractor shall, if engaged in relation to the work performed for certain customers, submit a statement to those customers, within three Business Days following a request made by the Client in writing, declaring that they shall conduct business in line with the customer's fair business policy and permit inspections and examinations at their locations to the customer or a third party designated by the customer. The Client shall inform the Contractor of the extent to which the latter must permit inspections by customers or third parties and the Contractor shall agree to such inspections by confirming the order under these Terms and Conditions.

14. Contractor's Liability

- 14.1. If circumstances arise at the Contractor representing an obstacle or hindrance to the rendering of services or possibly leading to or resulting in such obstacle or hindrance or if the Contractor believes that such circumstances have arisen in particular if it is found that the deadlines and dates to render services will not be met and complied with due to *forcer majeure* or circumstances beyond their control, the Client shall be immediately informed thereof in writing. If no such notice is given and the duty is omitted, no reference can be made to the circumstances thereafter unless they were obvious to the Client. The Contractor may make no reference to such circumstances in accordance hereunder if they were familiar or should have been familiar with them at the time of acceptance of the order or if they have arisen after the acceptance of the order but should have been foreseen by the Contractor.
- 14.2. The consequences of a delay shall be assessed in accordance with the law. If the Client cancels the Contract, the Contractor shall immediately return all items of the subject matter of the Contract, notwithstanding any legal obligation they might have. If the Client is entitled to cancel, the cancellation may entail only a portion of the Contract in default if the delay is limited to a portion of the service that can be treated separately.

- 14.3. The Contractor undertakes and guarantees that their services and merchandise delivered and their utilisation by the Client or Client's customers do not infringe any third-party rights. Notwithstanding the above hereunder, if a third-party right is infringed owing to equipment or services of the Contractor, the latter shall indemnify and secure the Client against all claims made by third parties and in relation to the loss, costs and other adverse consequences incurred related thereto. In particular, this includes any loss incurred by the Client on account of changes necessary in buildings, machinery, equipment or software and as a result of delays in operation.
- 14.4. If the Client receives a claim for damages or other claim related to the merchandise with regard to which the Contractor had performed work under the Contract, the following shall be agreed between the Parties:
- 14.4.1 in the case of an undisputed cause of damage arising from the activity of the Contractor in accordance with the Contract, on which the Contractor and the Client agree in writing within 15 days after having received a claim from the Client, the Contractor shall immediately reimburse any loss incurred by the Client or third parties;
- 14.4.2 in the case of a disputed cause of damage, the Parties shall attempt in good faith to determine the cause of damage where the Client may order any and all necessary studies, tests and inspections reasonably required or useful to determine the cause of the damage, where the cost incurred shall be borne by the Party responsible for the damage, notwithstanding whether a test has made a direct contribution to the discovery of the cause of the damage or not.
- 14.4.3 Article 14.4 hereof shall have no effect on the provisions of Section 16 hereof.

15. Contract Cancellation

- 15.1. The Client may – in addition to the rights granted by law, *inter alia* to cancel the Contract in the case of defective performance or failure to perform by the other Party – exercise the right to cancel the Contract at any time unless agreed otherwise between the Parties by the Master Agreement or the Contract, where the Contractor shall receive payment for all services rendered until the notice of cancellation is received. The Client shall have no liability whatsoever with regard to Contractor's lost profit. However, the Client shall reimburse the Contractor for costs and expenses incurred by the Contractor on the basis of confidence in the existence of the Contract in relation to deliveries and services that will not be performed owing to the cancellation where the Contractor will be unable to utilise in any other way the benefits obtained by the costs, provided the cancellation was made through no fault of the Contractor.

- 15.2. If the Contractor no longer conducts its regular business activities or is unable to meet obligations due or enters, by own or third-party initiative, into insolvency proceedings or liquidation or bankruptcy administration or claims are assigned to creditors or if a justified payment delay (or the aggregate of several justified payment delays) exceeds 60 days, the Client may immediately cancel the Contract, resulting in no liability for any loss or costs incurred. The Parties may agree in such a case on the measures to mitigate loss.

16. Insurance

- 16.1. The Contractor shall take mandatory indemnity insurance and liability insurance for products and services, excluding recourse claims against the Client, with a minimum insurance sum of €2.1 million and maintain it throughout the Contract term so that it will have remained in place for at least three years after the Contract expires unless agreed otherwise by the Contract but in any case, the deadline hereunder notwithstanding, the entire time it takes to resolve claims under Article 14.4 hereof. The policy shall be presented to prove the existence of insurance, upon a request made by the Client.
- 16.2. The Contractor shall insure against all risks the merchandise owned by the Client for the duration of the former bearing the risk of destruction or loss.

17. Prohibition of Transfer of Rights

- 17.1. Each Party under the Contract shall perform in accordance therewith by themselves and may not transfer performance to a third party unless expressly agreed otherwise by the Parties on a case-by-case basis.
- 17.2. The Contractor may not assign their claims against the Client to a third party.
- 17.3. A Party shall immediately notify the other Party in writing on any change in contact or registration information.
- 17.4. The Contractor shall be liable for the conduct of their suppliers and subcontractors as if it were their own.

18. Protection of Intellectual Property Rights

- 18.1. The Client shall hold all intellectual property rights pertaining to the products being the subject matter of the Contract. The Contract shall not result in any automatic transfer or licensing of intellectual property rights between the Parties unless expressly agreed between the Parties in writing or laid down herein to protect the exclusive rights of the Client.

- 18.2. All intellectual property rights, including copyright and similar rights on all copyrighted work related to the Contract execution, shall be fully held by the Client, exclusively and with no temporal or spatial restriction, and including the right to processing and free further transfers.
- 18.3. The Contractor guarantees to the Client that the former holds all intellectual property rights needed to render services under the Contract.
- 18.4. All rights pertaining to any human intellectual creation, which includes ideas, innovations, creations, strategies, plans, signs and data produced during or because of the rendering of services by the Contractor in accordance with the Contract, including any patent and copyright, right to data protection, right to data banks, brand and other rights pertaining to intangible assets shall be held exclusively by the Client.
- 18.5. As regards the rights under Articles 18.1.-18.4., the Contractor shall be entitled to no registration or other protection of intellectual property rights; if such a registration is made, the Contractor shall immediately transfer all proprietary rights to the Client, free of charge. If the Contractor – contrary to the provision hereunder – registers or protects in another way intellectual property rights and fails to transfer proprietary rights to the Client, it shall be deemed solely on the basis hereof that the Client holds an exclusive, unlimited in scope and having no spatial and temporal restriction, licence to use the rights free of charge, in relation to the Contractor and any third party.
- 18.6. Any intellectual creation made in the performance under the Contract that cannot be registered or protected in another way shall be (a) if it can be protected under the copyright law, valued as work performed by order of the Client; or (b) as regards the work of the Contractor, the Client shall be granted the status of the "original owner", pursuant to the copyright law applying in the location of the creation; or (c) the Contractor shall grant to the Client an exclusive, transferable, worldwide licence to such (intellectual) property, if under the governing law the Client cannot obtain title of ownership, copyright or other equivalent rights to such intellectual property. If under the law such intellectual property is not fully and automatically the ownership of the Client from the moment of creation, the Contractor will undertake to transfer to the Client the worldwide rights and claims on the intellectual property or it shall be deemed that the rights have been transferred to the Client by the Contractor's acceptance hereof.
- 18.7. The Contractor agrees to the submitting and preparation of all documents necessary to register or transfer intellectual property rights under Articles 18.5. and 18.6. hereof. If the Contractor without having first obtained a written consent and authorisation from the Client devises plans for merchandise or produces merchandise

having essential similarities with the Client's merchandise with the aim of selling it to miscellaneous third parties or if the merchandise can substitute the Client's merchandise or be used for its repair, the Contractor shall have the obligation to prove undoubtedly and convincingly that neither they nor their employees receiving the order and their assistants have used the merchandise owned by the Client, either partly or in full, directly or indirectly, to design or produce the Contractor's merchandise. If the Contractor fails to prove the above, they shall pay to the Client a contractual fine of five times the value of orders the Client made to the Contractor where the provision on the contractual fine shall not exclude the Contractor's liability for any loss arising therefrom and shall not be deemed on agreement on a lump sum compensation.

- 18.8. Provisions 18.1.-18.7. hereof shall apply *mutatis mutandis* to the cases of all other intangible performances and effects and benefits received or becoming known or being utilised by the Contractor in the course of performance under the Contract, in particular to the know-how, goodwill, reputation and recognition of the Client and any other intangible assets of the Client.

19. Protection of Business Secret

- 19.1. Each Contract, attachment thereto and all other documents exchanged between the Parties on the basis thereof or in other business relations and communications between them shall be deemed a business secret of the Parties and may not be disclosed to a third party without the consent of the other Party, except:

19.1.1 based on a legal order of a competent body binding on the Party;

19.1.2 if the information had become public without a violation of the Contract.

- 19.2. The Contractor is informed that the Client's business secrets disclosed in the course of Contract execution represent a key competitive advantage of the Client and their disclosure to third parties could jeopardise the Client as a going concern. The Contractor is therefore aware that any disclosure of business secrets to a third party could result in significant loss to the Client that could threaten their existence and the Client as a going concern. Once a Contract has been executed and co-operation with the Client realised, the Contractor shall destroy all data and documents related to the case of co-operation with the exception of those that must be kept under the law, which shall be destroyed as soon as the law permits it.

- 19.3. The obligation to protect business secrets shall remain in force after the expiry hereof or a Contract.

- 19.4. Each Party shall impose on their employees and other persons performing under contracts made with the Party the duty to protect business secrets at least to the

extent specified above hereunder and ensure that the duty is performed and complied with. The Contractor shall be liable for any disclosure of business secrets by such persons as if the business secret was disclosed by themselves.

20. Notices

- 20.1. Any notice in accordance herewith shall be made in writing. If a notice is sent by e-mail, it shall be deemed valid only if sent to the e-mail address confirmed beforehand by the other Party as an address for receiving messages.
- 20.2. If sending by registered mail is specified herein, each notice or document made, submitted or served by one Party to the other in accordance herewith shall be served to the other Party at the address provided in the title of the Contract or in the registry unless a notice on the change of address of the other Party was provided to the Party.
- 20.3. Assumption of receipt: Each notice shall be deemed received, unless specified otherwise in the Contract, if
 - 20.3.1 it is a notice in writing served by a courier – on the Business Day of the serving or the following Business Day if it is served after the usual business hours of the recipient; and
 - 20.3.2 it is sent by mail within Slovenia – on the third Business Day after correct sending by registered mail and postage paid on the date specified in the certificate of sending.
 - 20.3.3 a Party rejects attempted serving with no substantiated reason, the notice shall be deemed served on the day following the rejected attempted serving.
- 20.4. All notices in accordance herewith shall be made in Slovenian or, in case the Contractor is registered outside Slovenia, in the Contract language. Each Party may give notices in English.

21. Amendments to the Terms and Conditions

- 21.1. The Client may amend or supplement the Terms and Conditions at their discretion. The amended Terms and Conditions shall apply to all orders made by the Client after the publication of the amendments hereto. The Contractor shall check upon each bid the currently applicable version of the Terms and Conditions published on the website www.blaj-fasteners.com.

22. General Provisions

- 22.1. A delay in exercising or non-exercising of any right by a Party shall not be deemed a waiver of any provision hereof or any right and shall have no effect whatsoever on the validity hereof or the Contract. A waiver of a violation hereof or the Contract by a Party shall not represent a waiver of any previous or subsequent violations.

- 22.2. Any provision hereof or the Contract becoming void, invalid or unenforceable shall have no effect on the validity or enforceability of any other provision hereof or the Contract.
- 22.3. The acceptance hereof shall exclude the application of any and all previous agreements made by the Parties and the General Terms and Conditions and any Master Agreement made with the Contractor shall supersede all previous agreements with the Contractor.

23. Governing Law and Dispute Resolution

- 23.1. All matters not regulated herein or the Contract and the interpretation hereof and the Contract shall be governed by the laws of the Republic of Slovenia (selected law) notwithstanding the rules of international private law of the Republic of Slovenia and the European Union rules concerning the conflict of laws. The application of the Vienna Convention on the sale of goods is hereby excluded.
- 23.2. Any dispute arising herefrom or related hereto may be brought before a court in the Republic of Slovenia having jurisdiction in Ljubljana (agreement on jurisdiction).
- 23.3. The Terms and Conditions are published in equally valid versions, in Slovenian, English and German.

Griže, 1 December 2014

Anton Blaj d.o.o.

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