

GENERAL PURCHASE TERMS	Date:	09.01.2023
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1. Validity

- 1.1. General applicable terms apply to all orders issued by Hiproject d.o.o. to its material and service suppliers. The terms and conditions also apply mutatis mutandis to service orders.
- 1.2. Unless the parties have agreed otherwise in writing, terms are an integral part of the transactions between the parties. Any deviation from the terms requires the written consent of the buyer.

2. Order and order confirmation

- 2.1 Costumer orders are valid only in writing.
- 2.2 After receiving the order, the supplier is obliged to review the order and confirm it in writing within no later than 3 working days Any confirmation changes means that the issued order is no longer valid and so it is considered as a new offer from the supplier, which becomes valid only if the buyer confirms it in writing.
- 2.3 The order is considered to be confirmed if the supplier does not reject the order in writing within three working days upon receipt. The supplier must explain any rejection of the order in writing to the costumer.
- 2.4 Solely based on costumer orders, the supplier confirms the orders; order confirmations for the material properties must be in accordance with the offer, contract and/or agreement.
- 2.5 Acceptance of the order also means acceptance of the costumer purchasing terms and conditions and excludes any other instruction or agreement that has not been confirmed in writing by the costumer.
- 2.6 The deal is concluded and becomes binding for both parties.
- 2.7 The customer reserves the right to specify special conditions in an individual order or contract which, in the case of acceptance of this order, apply before the general purchase terms.
- 2.8 Without the costumer's prior written consent, deviations from the order terms are not permitted.
- 2.9 The costumer may request design changes and changes of the delivery items from the supplier within the scope of the circumstances and to the extent that this is permissible (proportionate to the possibilities). In this case, the parties shall contractually regulate the consequences (influences), especially in terms of additional or reduced costs, as well as delivery dates.
- 2.10 The buyer can cancel the order from the supplier as long as the supplier has not yet started producing the order material or as long as the supplier has not yet ordered material for the buyer from his own supplier. The cancellation of the order must be reported to the supplier in writing. In this case, the buyer bears no costs. If the order is cancelled after receiving the supplier's confirmation of the order, the supplier is obliged to make efforts to reduce the costs incurred as a result of the cancellation.

3 Prices

- 3.1 The prices stated on the order are binding and any deviations are not possible.
- 3.2 Price changes are only possible with mutual written consent.
- 3.3 The supplier is fully aware of the place of delivery, obligations, time period and deadlines of its operation, therefore he cannot demand any payment of costs, compensation or refunds that would exceed the price specified in the order.

4 Delivery and delivery time

- 4.1 Delivery time on the order is binding. The supplier must deliver the goods, services or equipment in accordance with the received order or the concluded contract.
- 4.2 The supplier must receive written approval from the buyer for any deviation from the contractual delivery time.
- 4.3 If the costumer has been asked several times (at least 2 times) to submit documentation and the supplier still haven't received necessary information and the necessary technical documentation for delivery, the deadline for delivery is extended by the time from the supplier's request to the moment when the costumer provides the supplier with the necessary information.
- 4.4 All shipments must have a delivery note attached which must contain a precise description of the shipment content, the number and date of the order.
- 4.5 At the expense of the supplier, the costumer can refuse goods, services or equipment that are not delivered or not performed in accordance with the terms of the order.
- 4.6 If the agreed delivery dates are not respected, the costumer can cancel the order or claim compensation for non-fulfilment.
- 4.7 Goods or equipment are considered to have arrived on time if they are delivered to the agreed location specified in the order or recall. In the case of services, the service is considered to have been delivered on time if the customer receives it within the time limit specified in the order.
- 4.8 The supplier obligates himself to immediately inform the customer of any possible obstacle that could cause a delay or that could affect the required quantity of the ordered deliveries. The consequence of delay is not excluded, with the sent message.
- 4.9 It is considered that the place of delivery is the costumer warehouse according to DAP parity (delivered) of Slovenske Konjice in accordance with the provisions of Incoterms 2010, if the place of delivery is not specified in the order.
- 4.10 The supplier is obliged to provide all information on export control regulations, customs or internal trade in writing.
- 4.11 When the costumer agrees in writing to accept the delivery in parts and if the supplier fails to deliver any part of the delivery, the costumer can (at its option), treat the entire contract as unfulfilled.
- 4.12 The costumer is not obliged to pay for the excess quantity delivered if the goods are delivered to the costumer in larger quantities than ordered. If the supplier does not take care of surplus issue the buyer can dispose of the surplus of delivered goods at the supplier's expense.

5 Order cancellation

- 5.1 The costumer can cancel the order (withdraw from the order) by written notice and request reimbursement of the resulting damage for any non-fulfilment of the contract conditions, in particular for repeated delays in deliveries or repeated defects in the quality of products.

6 Packaging and packing

- 6.1 The supplier is obliged to pack the goods in a way that ensures safe transport, handling/manipulation and storage.
- 6.2 The supplier is liable for compensation for any damages caused to the customer due to ecologically questionable supplied goods or inappropriate packaging.
- 6.3 The supplier is obliged to take back all packaging related to the delivered goods (e.g. transport and sales packaging) free of charge.

7 Material acceptance

- 7.1 The goods must always be accompanied by a delivery note as well as a mandatory certificate or a declaration of conformity for all agreed materials attached to the order. If other documentation or samples are required, this is indicated on the order.
- 7.2 The supplier must label each delivered quantity by individual units, cartons with a label or packing list, which must contain:
Name and address of the supplier
Customer's name
Quantity
Name of goods
Date of manufacture
Batch (or other form of ensuring traceability)
- 7.3 The supplier assumes full responsibility for costs incurred as a result of deviations from quality, namely for costs incurred by the client, the client's customer or the end user.
- 7.4 The acceptance of the goods is completed when the customer signs the acceptance document, on which the date of acceptance, stamp and signature of the acceptor is indicated.
- 7.5 The acceptance signature is not understood as final acceptance. Inadequate or defective deliveries are returned by the customer to the supplier which cover all the costs incurred. The customer reserves the right to request compensation for these defective deliveries, which will be invoiced under the same conditions.
- 7.6 In the case of reclamations - after receiving the reclamation report from the customer, the supplier is obliged to eliminate reported defect within 24 hours and to remedy it free of charge immediately or within the shortest possible time specified in the order or reclamation complaint.
- 7.7 If the supplier does not eliminate the error within the set deadline and does not pay for the damage caused, the customer has the right, to withhold the payment of invoices for the services provided or offset the obligation to the supplier with the obligation to pay the damage.

8 Invoices

- 8.1 Invoicing is done based on individual order. Invoices must comply with the requirements of the Companies Act and the Value Added Tax Act of the Republic of Slovenia, and in addition, each invoice is accompanied by delivery notes signed by the person responsible for customer which received the goods/services.
- 8.2 The invoice must be issued/sent no later than the last day of the month in which the goods/services were delivered. Otherwise, the date of the liability and thus the payment deadline will be moved for the corresponding number of missed days. For this time, the supplier does not have the right to demand late payment interest. If the payment is due on a Saturday or a public holiday, the payment will be done on the first day following. For this time, the supplier has no right to charge late payment interest.
- 8.3 The customer pays the invoice within the agreed payment deadline. The payment deadline begins after receipt of a properly issued invoice, but no earlier than the first day after the goods have been properly delivered or the service has been performed.
- 8.4 Invoice payment does not mean confirmation that the delivery or service was performed in accordance with the contract. If the goods or services have defects, the customer is entitled to withhold invoice payment that was issued for the payment of the goods or services with defects, until defects are eliminated or a final agreement has been reached with the supplier.
- 8.5 The invoice for the delivered goods, services or equipment must be sent by regular mail to the address: Hiproject d.o.o., Mestni trg 7b, 3210 Slovenske Konjice, Slovenia or by email.
- 8.6 The invoice must include a declaration of origin in the case of deliveries from a country that is not a member of the EU.
- 8.7 Payment is made within 120 days unless it is otherwise agreed in the order.
- 8.8 Without the prior written consent of the customer, the supplier is not entitled to assign its claims against the customer or leave them for recovery by third parties.
- 8.9 In the case of reclamations, the customer is entitled to withhold payment or part of the payment, proportional to the share of the value of the reclamation until the correct fulfilment of reclamation.

9 Quality

- 9.1 The supplier is responsible for the quality of the supplied goods and the establishment of a quality assurance system.
- 9.2 The supplier is obliged to deliver the ordered goods in accordance with the order and with all documentation attached and in accordance with international, national and internal technical standards.
- 9.3 Blago mora imeti običajne lastnosti in lastnosti za katere sta se stranki posebej dogovorili. Če je dobavitelju znano, za kakšen namen bo kupec ali kupec naročnika uporabljal blago, mora blago imeti tudi lastnosti za znano uporabo.
- 9.4 The supplier is obliged to enable the customer to check the quality of the process of producing goods or providing services before delivery, namely:
 - when the goods are delivered for the first time;
 - when the service was performed in accordance with the customer's specification;
 - in the event of a reclamation due to inadequate quality, etc.
- 9.5 No changes can be made to the contractual goods and services without the customer's prior written consent.
- 9.6 The supplier demonstrates the conformity of the goods, services or equipment with the valid documentation signed by the buyer and the supplier.
- 9.7 The supplier commits to enable the customer request about checking the operation of the quality management system and environmental management system. Before the start of regular delivery and upon customer request, the supplier is obliged to deliver samples of the contract goods to the customer for confirmation. The customer is obliged to inspect the samples and inform the supplier about the inspection results.

- 9.8 The customer can check compliance of goods, services or equipment by the supplier at the supplier premises.
- 9.9 The supplier is obliged to upgrade its business system to establish and maintain the quality level of the ordered goods which are in accordance with the customer's quality requirements. The supplier will achieve this with the implementation of effective quality management systems.

10 Penalties and responsibilities

- 10.1 The customer is entitled to charge a contractual penalty in the amount of 1% of the total value of the order for each calendar day that the delivery is delayed, but no more than 50% of the total value of the order or recall, in the event of a delay in the delivery of goods, services or equipment,
- 10.2 In the event of supplier's negligence, as a result of which the customer suffers greater economic damage, the customer reserves the right to charge compensation that exceeds the value of the penalty from the previous paragraph.
- 10.3 The terms of payment specified in the order do not change in case of early delivery of goods, services or equipment,

11 Warranty

- 11.1 The supplier guarantees the quality of the supplied goods as described in the product description, in drawings and in quality specification. The suppliers also guarantee compliance with generally accepted quality standards.
- 11.2 The supplier is responsible for all defects in all of his deliveries, including those whose production he may have entrusted in whole or in part to a third party.
- 11.3 The customer reserves the right to refuse acceptance of clearly defective or damaged goods and equipment or to refuse acceptance of inadequately rendered services.
- 11.4 The supplier fully bears the cost of correcting errors or rejecting goods, equipment or services.
- 11.5 The supplier commits himself to cover compensation even in the event that this compensation is claimed from the customer by a third party due to the supplier's mistakes. The customer reserves the right to withdraw from the order or to cancel the order and to request reimbursement of damages in accordance with the contractual obligations regulations as well as general rules on liability for damages.
- 11.6 The return of rejected goods or equipment is done at the expense of the supplier.
- 11.7 The customer can notify the supplier of obvious defects no later than ten (15) working days from their discovery or notify of hidden defects within 24 months from the day the goods or equipment were delivered, or within 12 months from the day the services were rendered.
- 11.8 The supplier is obliged to eliminate the identified errors immediately after being informed about it by the customer, but no later than within three days.
- 11.9 The customer reserves the right to eliminate identified deficiencies by himself or with the help of a third party in case of inactivity of the supplier or in other emergency cases. The supplier bears all related costs.
- 11.10 The customer can request compensation for proven damages and all related costs.
- 11.11 The supplier provides a minimum of 24-month warranty for its goods, counted from the date when Hiproject d.o.o. hands over his product (in which he uses the supplied goods) to his client.
- 11.12 The start date of the warranty period is considered to be the day when Hiproject d.o.o. and its client sign the handover note
- 11.13 During the warranty period, the supplier is obliged, at his own expense, to ensure immediate defects corrections, to repair and remove all defects that would arise due to poor workmanship, quality, use of poor materials, inadequate technological solutions, equipment or other defects or errors.
- 11.14 During the warranty period, the supplier must respond to the defect notification within 24 hours for critical errors. A critical error is an error that prevents the continuous operation of the customer's production process. Weekends and holidays are not included in the deadline from this provision. The supplier responds to the notification by having an authorized person to take a look at the defect.
- 11.15 During the warranty period, the supplier commits to correct the defect also on the already installed goods at the customers' client. At the same time, he covers all his costs related to the correction of the error, which also includes the delivery and possible necessary customs clearance of spare parts.
- 11.16 When customer has additional costs due to defective delivery of the goods (transportation costs, travel costs, labour costs, material costs, costs of possible return of the goods, customs clearance, elimination of defects at the place of installation of equipment ...), the supplier will bear these costs.
- 11.17 The supplier is liable for any possible damage caused to the customer due to the delivery of defective goods.

12 Quantity and quality reclamations

- 12.1 The customer commits to reject (reclamation) the received quantity immediately after receiving it, but no later than within 15 working days after receipt, also and inadequate quality immediately upon discovery, but no later than within 6 months after receipt, or no later than the expiration date of the goods.
- 12.2 For each received reclamation, the supplier must, in addition of providing compensation for any damages also issue an analysis of the cause of the error and corrective measures taken, usually within 30 days after the date of the reclamation.
- 12.3 By submitting a reclamation, the customer has the right to:
- request the supplier to eliminate the defect or to deliver the goods without defect,
 - request a reduction in the purchase price,
 - withdraw from the contract.

In each of these cases, the customer has the right to request compensation for the resulting damage (ordinary damage, lost profit, other additional costs).

- 12.4 The supplier starts solving the reclamation immediately or within three days at the latest. Depending on the nature of the defect, the supplier determines the expected final deadline for resolving the reclamation, which must not be longer than 15 days from the receipt of the customer's reclamation note.

- 12.5 The supplier is responsible for hidden factual defects that become apparent within 24 months after the goods were delivered to the customer.
- 12.6 The contracting parties expressly agree that ordinary damage, in addition to everything else, also includes damage from possible additional and special costs of the customer, such as: transport costs, travel costs, labour costs, material costs, entry control costs that exceed the normal scope, the costs of a possible return of the goods, customs clearance, correction of errors at the place of installation of the goods, etc.
- 12.7 The customer reserves the right to withhold payment to the supplier until final resolution of reclamation.
- 12.8 In agreement with the supplier, the customer can return the goods at the supplier's expense, in case of any identified non-conformities.
- 12.9 If defective goods have already been installed at the customer's client and it is not possible to return them to the supplier, the supplier is obliged to eliminate the defects at the place of installation of the goods at his own expense if the customer requires its removal due to defects.

13 Liability and Insurance

- 13.1 The supplier is responsible for the damages caused to the customer if the damages originate from his work or the work of his subcontractors as well as damages which originate from his obligations from the contractual relationship with the customer.
- 13.2 During the entire duration of the contractual relationship, the supplier must have insurance that covers any damages related to carrying out his activities. Also, the supplier's subcontractors must be included in the insurance as co-insured persons.
- 13.3 The supplier is responsible for all damages in accordance with the law, regardless of insurance coverage.

14 Professional secrecy

- 14.1 All documentation (business and technical) that the supplier receives from the customer for the purpose of delivery or service execution must not be handed over to third parties or be used for other purposes that are not in accordance with the contract, without the written consent of the customer. Otherwise, the supplier is liable for damages to the customer.
- 14.2 Access to drawings and other documentation must not be given to unauthorized third parties.
- 14.3 The drawings and other documentation that the customer has produced in order to make it available to the supplier is entirely the property of the customer.
- 14.4 Professional secrecy is a duty that lasts the entire duration of the contractual relationship between the customer and the supplier and continues until the moment this information becomes generally known, at least for a period of 5 years after the end of the cooperation.

15 Change or termination of production by the supplier

- 15.1 The supplier commits to notify his customer of the intended to stop the production of products that are supplied to customer at least 1 year before the intended stoppage of production.

16 Court of jurisdiction

- 16.1 The customer and the supplier will try to resolve all disputes amicably and consensual.
- 16.2 If this is not possible, the court in Maribor is competent to resolve disputes, unless otherwise agreed in the contract. In this case, the use of the UN Convention on Contracts for the International Sale of Goods is specifically excluded.

17 Environmental protection

- 17.1 Selection preference is given to suppliers and contractors who have an established and certified ISO 14001 environmental management system. With this certificate they demonstrate an appropriate attitude towards the environment.
- 17.2 If the suppliers and service providers/cooperators do not have an established and certified environmental safety system, they must comply with the requirements of the relevant legislation in the field of environmental protection in the Republic of Slovenia.
- 17.3 The supplier must know the environmental policy of Hiproject d.o.o.

18 Occupational health and safety

- 18.1 The contractor commits to follow the principles of safe work and to use appropriate protective equipment at work.
- 18.2 The supplier must ensure that the delivered goods meet all applicable legal and other agreed requirements regarding occupational health and safety.

19 Other provisions

- 19.1 If any of the provisions of the general purchase terms becomes invalid, this does not affect the validity of the other provisions. The participating parties will replace the invalid provision with a valid one, which will be the best valid approximation of the original provision.
- 19.2 General purchase terms are published on the website of company Hiproject d.o.o. and are valid from 09.01.2023 onwards until cancellation or changes of the terms.

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