



Technology that delivers

BRINOX[®]
process systems

GENERAL TERMS AND CONDITIONS OF SALE

1. DEFINITION OF TERMS

1.1. In these Conditions:

Conditions: means these general terms and conditions of sale;

Seller: means the legal entity that is supplying the Products or Services, namely Brinox d.o.o.;

Customer: means the party that sends an order to the Seller to provide the Product(s) and/or Services;

Parties: means both the Customer and the Seller;

Services: means the service (if any) described in the Offer and includes any deliverables provided as part of the Services;

Offer: means the offer made by the Seller based on the Customer's inquiry;

Product(s): means the product or products (including any instalment of the products or any part of them) described in the Offer;

Agreement: means the contract between the Seller and the Customer, comprising of the Offer, these Conditions and any specification or special terms for the purchase of the Products and/or the supply of Services. This includes the situations when a special written agreement is concluded as well as the situations when an agreement is concluded when the Customer accepts the Seller's Offer. The Agreement includes all subsequent annexes and supplements to the Agreement;

1.2. The headings in these Conditions are for convenience only and do not affect the interpretation of the Conditions.

1.3. Writing or written includes e-mails and faxes.

2. PRELIMINARY PROVISIONS

2.1. These Conditions shall be used to regulate relationships between the Seller and the Customer unless the parties clearly agree otherwise in writing (by excluding these Conditions or agreeing upon particular terms and conditions for each sale or implementation of services) and are an integral part of each Offer or Agreement.

2.2. The Customer's or any other different terms and conditions that deviate from these Conditions shall be applied only if they are approved by the Seller in writing. A confirmed agreement regarding deviations from an individual provision in these Conditions has zero effect on the validity of other items or provisions of these Conditions.

2.3. Should individual provisions in different agreements concluded between both Parties be in conflict with each other, the following order of validity shall be applied (unless the Parties agree otherwise):

- a) written agreement between the Seller and the Customer;
- b) Seller's Offer;
- c) the Sellers general terms and conditions (i.e., these Conditions);
- d) the Customer's general terms and conditions

3. OFFER AND ORDER

3.1. If the Seller's Offer determines a deadline for its approval, it is binding until the end of the specified deadline. If the Offer does not include a deadline for its approval, it is not binding for the Seller.

3.2. For all orders of Product(s), Services or other whose net worth is under 500 € (hereinafter referred to as: low value orders), the Customer shall pay an extra fee of 50 € for handling the order.

3.3. This fee shall not be charged to the Customer if its low value order is based on an applicable agreement regarding long-term commercial cooperation whose object is a continuous purchase of goods by the Customer or providing of services by the Seller.

3.4. Documentation, blueprints, sketches, drawings and samples included into the Seller's Offer or submitted by the Seller before or after the formulation of the Agreement or Offer are obligatory only if they are defined as binding, otherwise they are not binding for the Seller.

4. ACCEPTING THE OFFER

4.1. The Offer is considered to be accepted by the Customer when the Seller receives a written statement by the Customer accepting the Offer. By accepting the Offer, the Customer also accepts these Conditions.

4.2. The Offer is also accepted when the Customer makes a payment or undertakes any actions, which can be considered as an acceptance statement based on the Offer, and based on the practices and customs established between both Parties. Acceptance enters into effect upon performing such an act and if this act was performed within the deadline outlined in the Offer. The Offer is also accepted at the moment when the Seller confirms the Customer's order if the Offer does not specify a deadline for accepting the Offer and the Customer has made an order corresponding to the Offer.

4.3. If the Customer accepts the Offer and at the same time proposes changes or updates to the Offer, it is considered that the Customer has rejected the Offer by making a counteroffer; in this case, the new Offer is binding for the Seller only in cases and in the scope confirmed in writing by the Seller.

4.4. A reply to the Offer, which specifies the acceptance of the Offer but includes updates or changes that do not modify the Offer in a considerable amount, shall be considered an acceptance of the Offer with the specified updates or changes being valid, unless the Seller decides to object immediately. When these updates or changes refer to the price, payment, quality or quantity of the Product(s) and/or Services, manner of implementation, place and time of delivery, the scope of liability of one party in relation to the other party, guarantee, or to dispute solving, they are considered as considerable changes of the Offer.

4.5. The value of the order represents the estimated maximum. Should the Seller conclude that the value of the order exceeds the estimation, he must immediately propose an addendum to the order stating the reasons for the increase.

5. CHANGES TO THE SPECIFICATIONS

5.1. The Seller reserves the right to make changes to the specifications, replace components by equivalent parts and make technical improvements if this is required for technical reasons or compliance with statutory provisions. This shall only apply, however, if such a change does not impair the usability of the Product(s) for the agreed or contractually intended purpose and does not, or not significantly, affect the value of the Product(s) and if it is reasonably acceptable to the Customer. The change must not affect the physical and functional interchangeability and performance of the Product(s) and the new design must be of equal or higher quality than the original design.

6. CUSTOMER'S DUTY TO COOPERATE

6.1. The Customer shall provide the Seller with all the information relevant for the performance of the Agreement if and insofar this information concerns the Customer's operations and is available to the Customer and when the Customer knows or is reasonably expected to know that the Seller does not have this information.

6.2. If the Seller provides the Services at the Customer's location, the Customer shall provide the Seller with a sufficient working area free of charge and grant the Seller access to its facilities which are necessary for the performance of the agreed upon Services.

7. DEADLINES

7.1. Delivery or performance deadline shall start running upon the acceptance of the Offer (order) or upon signing the Agreement, providing the Customer has provided all the necessary documentation, permits, approvals, financial guarantees, has made a prepayment if it has been established in the Agreement or in the Offer, or both Parties have cleared all potential uncertainties regarding the agreement. The delivery or performance deadline is specified in the Agreement or Offer.

7.2. Extending the deadline(s)

7.2.1. Force majeure, unforeseeable obstacles

7.2.1.1. Neither party will be liable to the other for any failure to comply with its obligations due to the following events: acts of God, civil or military disturbances, acts of governmental authority, or industrial action (excluding industrial action of the Seller's employees) (each a "Force Majeure Event"). In the event that a party suffers a Force Majeure Event it will notify the other party of such as soon as reasonably possible (and in any event within seven (7) Days) and advise the other party of the date it expects to resume delivery of the Products or performance of the Services as the case may be. In the event that the Force Majeure Event endures for more than sixty (60) Days, the parties will meet and review in good faith, the desirability of and conditions for continuation of the Agreement and any failure to resolve the same will entitle the Customer to terminate the Agreement (in whole or in part) without further liability to the Seller. The Customer will have the right to seek a third-party source for Services, at its own expense, during the Force Majeure Event, without liability to the Seller for any Services affected by the Force Majeure Event. If the Parties cannot come to an agreement, they may terminate the Agreement in accordance with the relevant provisions of these Conditions.

7.2.1.2. The Seller shall give the Customer a prompt written notice regarding the occurrence or the existence of the aforementioned obstacles.

7.2.2. Other reasons for deadline extension

7.2.2.1. The delivery or performance deadline shall be extended should the delay be caused by:

- a) modifications to the acts, regulations or other rules that must be complied with by the Seller when implementing the Product(s) and providing Services, and that have been made after the conclusion of the Agreement and before starting the agreed upon Services. The Customer must cover all extra costs or damages incurred by the Seller due to these changes including changes to modus operandi. If the Customer and the Seller do not have the registered seat in the same country, the Customer must inform the Seller of any potential changes to any legislation applicable to the Product(s) and/or Services, even if they have yet to come into effect. The Customer is liable for any damages incurred by the Seller, should it fail to notify the Seller of any potential applicable changes to legislation;
- b) modifications to the scope, form, and to the technical implementation of the Product(s) and/or Services before it was taken on. The Customer may propose such modifications only in writing by providing a detailed description of these modifications, unless the Parties agree otherwise. Any modifications will be valid only after written confirmation of the Seller. The Seller will also inform the Customer of the new deadline. If the completion of these works is subject to delays due to disagreements between the Parties caused by the modifications, the Customer must pay each payment of the contractual price that would fall due for payment if the works were not delayed. The Seller is not obliged to carry out the aforementioned modifications requested by the Customer, if this is not feasible or should the Parties disagree how such modifications would affect the contractual price, the date of the completion of the works and any other contractual provisions;
- c) in the event that the Customer does not comply with its obligations under the Agreement;
- d) the Customer not adhering to the agreed upon due dates of the payments, should the Seller decide not to withdraw from the Agreement in accordance with these Conditions. In this event the delivery deadline shall not run from the due date of the payment to the date of the payment by the Customer. The delivery deadline shall be extended for the number of days from the due date of the payment to the date of the payment by the Customer;
- e) any actions or non-actions, when they are required, by the Customer if such actions or non-actions interfere with the Seller's ability to meet the delivery deadline. In such event, the delivery deadline shall be extended for the amount of time for which the Customer's actions or non-actions interfered with the Seller's ability to meet the delivery deadline.

7.3. Postponing the delivery and performance deadline

7.3.1. Postponing the deadline upon the Customer's request

If the delivery and performance deadline is postponed upon the Customer's request, the Customer must pay all the Seller's expenses that have arisen from storing Product(s) as well as other costs that arise due to postponing the deadline in the actual amount. This includes but is not limited to: the waiting period and time spent for additional travelling, expenses and additional work caused by the delayed works, additional expenses including the Seller's expenses caused by the delay such as failing to realize other projects, etc.

(from those expected), expenses for storing the equipment at the site of installation, additional travel expenses, food and personnel/ worker accommodation, extra financial and insurance costs and other potential documented costs of the Seller caused by the postponement of the delivery or performance deadline.

7.4. Reimbursement of costs

7.4.1. If a Force Majeure Event prevents the Customer to meet its obligations, the Customer must reimburse all costs to the Seller for storing, securing and protecting the Product(s), or costs arising from already implemented works and other potential costs referred to in the chapter "Postponing the deadline upon the Customer's request" of these Conditions.

8. PREPARATORY WORKS AND WORKING CONDITIONS

8.1. Unless the Parties agree otherwise, the Customer must provide the following before the beginning of the delivery of the Product(s) or the performance of the Services:

- a) all necessary installations and conditions for setting up the installation of the Product(s) and/or the performance of Services;
- b) a secured space for storing tools and equipment or a space for working containers at no cost to the Seller;
- c) the necessary conditions for the professional and smooth implementation of works;
- d) an authorized person taking care of management, supervision and coordination between the Customer and the Seller. Management, supervision and coordination costs related to the Services shall be covered by the Customer;
- e) an appropriate space for installing the Product(s), should there be any agreement for the Seller to install/place the Product(s) at the space of installation that was previously agreed upon;
- f) the Customer must inform the Seller about any and all relevant circumstances at the construction site, in particular about safety conditions and security, transportation regime, smoking, special working conditions of the Customer, etc.;
- g) appropriate hygiene facilities and emergency medical service, which must be readily available to the Seller's workers should there be any working accidents;
- h) the site of installation of the Product(s) or the site of performance of any Services by the Seller based on the Agreement must have the following equipment, which must be provided before the Seller starts performing the Services: lifts, lifting equipment, equipment for providing transport to the site, auxiliary tools, machinery, materials and energy (oils, lubricants, other materials, water, gas, steam, compressed air, electricity, heating, lighting, etc.), measuring and testing instruments. These must be provided free of charge to the Seller;
- i) required free storage premises with an anti-theft system and a system for preventing damages to the Product(s), tools and equipment required for installing the Product(s) and for personal needs of the personnel and workers employed by the Seller;
- j) appropriate access ways for the required transport of the Product(s) and the Seller's equipment;
- k) access to a phone and internet connection.

8.2. All of the above must be provided to the Seller by the Customer free of charge.

9. PAYMENT

9.1. Unless the Parties agree otherwise:

9.1.1. the contractual prices are expressed in net value, excluding tax in accordance with the trade clause EXW Incoterms 2010;

9.1.2. if the Parties agree upon a prepayment of the Product(s) and/or Services, the Customer (before the delivery/implementation of contractual works, i.e., within 5 days of signing a written Agreement or after accepting the Offer at the latest) must adhere to a prepayment following an issued prepayment invoice, otherwise it will be considered that the Customer has withdrawn from the Agreement upon his own fault;

9.1.3. the payment of contractual works shall be made to the Seller's bank account within 8 days of issuing the invoice according to the following dynamics and manner:

- a) if the object of the Agreement is to deliver Product(s) without the product being set up, installed or started, i.e., without additional Services:
 - 50% of the contractual value shall be subject to prepayment, in accordance with point 9.1.2. of these Conditions;
 - 50% of the contractual value shall be paid upon the delivery of the Product(s) based on a signed delivery note;
- b) if the object of the agreement is delivery and implementation of a system, line or any part of the system or line whereby the implementation includes setting up, installation and start-up (i.e., Services):
 - 50% of the contractual value shall be subject to prepayment, in accordance with point 9.1.2. of these Conditions;
 - 20% of the contractual value shall be paid upon the delivery of the Product(s) based on a signed delivery note;
 - 20% of the contractual value shall be paid upon the installation;
 - 10% of the contractual value shall be paid after a successful start of the Product(s), handing over the documentation and concluded handover of the Product(s);

9.1.4. If the Parties do not agree otherwise:

- a) one-sided set-off of claims by the Customer are not allowed;
- b) suspending payment when counterclaims are challenged is not allowed;
- c) a payment is not considered to be made until the Seller has received the agreed amount in full to its account;
- d) should there be a delay in payments, the Seller is entitled to receive legal default interests starting with maturity date of each invoice until the payment is carried out, as well as payment for any damages that are caused due to the Customer's late payments. In both cases, the Seller may suspend future performance of the Agreement until the payments are made or ultimately, the Seller has the right to withdraw from the Agreement and request reimbursement of all costs and damages caused by late payments and the withdrawing from the Agreement;
- e) The Customer may not transfer any of its claims to the Seller without the explicit written consent of the latter to a third party.

9.1.5. Should there be no other agreement between the Parties, the Seller may request a higher price for the Product(s) if the prices for elements (in the period between the time of entering into the Agreement and the implementation of the Agreement) set forth in the Agreement or the prices for starting materials have increased in such a way that the contractual price would increase by 2 % or if the income legislation of the Seller has made considerable changes to labor costs.

10. TAKEOVER

10.1. When the Seller finishes with the Services under the Agreement or when the Product(s) are ready for shipment (only if the contractual obligation included supplying the Product(s) only), it must notify the Customer in writing and call it for inspection and to take over the Product(s) and/or Services.

10.2. The **Parties** shall make the handover within 3 days of the Seller's notification and:

- a) should the Agreement include delivery, installation and start-up, the Parties must form and sign handover minutes; The Customer must carry out an inspection of the Product(s) and the Services to verify weight, length, width, and all the basic characteristics of the Product(s) according to Offer and/or Agreement, and any apparent damage to the Product(s), or defects based on quality, quantity, or any other disagreement that could be noticed through a reasonable check. Any noticed flaws must be established before the formation and signing of the handover minutes.
- b) should the Agreement include only a delivery of a certain Product(s), the Customer must sign the delivery note confirming the receipt of the Product(s) which replaces the handover minutes. In this case, the takeover is considered successful upon signing the delivery note. The Customer must carry out an inspection of the Product(s) to verify weight, length, width, and all the basic characteristics of the Product(s) according to Offer and/or Agreement, and any apparent damage to the Product(s), or defects based on quality, quantity, or any other disagreement that could be noticed through a reasonable check. Any noticed flaws must be established before the signing of the delivery note.

10.3. Should any established flaws or defects be minor, the handover shall be considered concluded upon the day of handover minutes signing by both Parties or upon signing the delivery note by the Customer. Should these flaws be of a larger nature, the handover shall not be carried out and both Parties shall determine a new deadline for the Seller to eliminate these flaws and invite the Customer to inspect and take over works in accordance with the previous points.

10.4. The takeover is complete when:

- a) both Parties sign the handover minutes (point 10.2., item a) of these Conditions) or when the Customer signs the delivery note (point 10.2, item b) of these Conditions);
- b) all detected major flaws are eliminated and the handover minutes or the delivery note is signed;
- c) in the event that both Parties agreed not to sign the handover minutes or the delivery note, due to the fact that the Customer immediately notified the Seller in writing about the considerable flaws, the takeover is complete when the Customer has received the Seller's notification in writing (per mail, e-mail or fax) regarding the elimination of defects and flaws,
- d) the Customer refuses to take over the Product(s) without a legitimate reason when the handover was offered or agreed upon in timely manner.

10.5. Unless the Parties agreed otherwise, the Customer is not entitled to use the Product(s) before the takeover.

10.6. If this Product(s) are being used before the takeover or without the Seller's written permission, the Product(s) is considered as taken over.

10.7. Unless both Parties agree otherwise, the Product(s) shall be shipped according to Ex Works Brinox Sora (EXW, Incoterms 2010).

11. RESERVATION OF TITLE

11.1. The Seller retains the ownership of the Product(s) in its entirety until a payment of the full contractual price is made. This includes any and all partial amounts already paid by the Customer.

11.2. In the event that the Customer foresees that there is a possibility that it shall be forced into bankruptcy or if it foresees that there is a possibility of an execution proceedings on its movable assets, it must provide a notary certification of its signature on the Agreement in accordance with the provisions of the applicable Code of Obligations of the Republic of Slovenia in order to provide the validity of the reservation, and must handover the original to the Seller. The Seller may require the Customer to provide the aforementioned notary certification of its signature at any time and the Customer must provide the requested notary certification of its signature within 5 working days after the request by the Seller is made.

11.3. The Customer must not pledge or hand over in safekeeping the Product(s) to serve as insurance until the contractual value is paid in full and the title is transferred to the Customer. Should it be pledged by a third party, the Customer must immediately notify the Seller.

11.4. Regardless of the above outlined provisions on reservation of title, the risk of loss, accidental destruction of or damage to the Product(s) is transferred to the Customer from the moment the object is delivered.

12. LIABILITY

12.1. The Seller will in no event be liable for any indirect, special, incidental, exemplary, or consequential damages, including but not limited to any loss of use or under-utilization of labor or facilities, interruption of business, loss of revenue or anticipated profits, lost data, cost of replacement power, cost of capital, and cost of procurement of substitute products, regardless of the form of action, whether in contract, tort or otherwise or claims of Customer's customers for any of the foregoing types of damages, even if Seller has been advised of the possibility of damages.

12.2. Except for death or bodily injury resulting from Seller's negligence or willful misconduct, the Seller's total liability for all claims arising out of, or relating to, the Product(s) will be limited to general money damages in an amount not to exceed 50 % of the total purchase price for the Product(s) giving rise to the claim.

12.3. Upon the Customer's request and Seller's written permission, the Customer has the right to insure the Product(s) against theft, fractures, damages during transport, against fire and damages caused by water and other insurable risks.

12.4. Damages or loss caused by actions of the parties

12.4.1. Any losses or damages on the Product(s) that occur after the transfer of title to the Customer and the subsequent damages shall be covered by the Customer, excluding any losses or damages caused by the Seller's negligence or willful conduct.

12.4.2. Any loss or damages on the Product(s) before the transfer of title shall be covered by the Seller unless the damage was caused by the Customer and/or his (sub)contractors/sellers/suppliers or by another person that is under the Customer's direct responsibility in relation to the Agreement.

12.4.3. If there is a delay in the shipment caused by the Customer, the liability and danger of random destruction and damages shall be transferred to the Customer on the day of readiness for shipment.

13. DEFECTS AND WARRANTY

13.1. Warranty period

13.1.1. The Seller warrants that the Product(s) it manufactures pursuant to specifications provided in the Offer and/or Agreement will be free from defects in Seller's supplied material and workmanship under normal use and conditions for a period of 12 months from the final takeover of the Product(s).

13.2. General

13.2.1. During the warranty period the Seller must remedy all defects on the Product(s) caused by the defects in construction, material or quality of the performed Services that occur when properly using the Product(s) and in normal working conditions or contractually agreed upon working conditions.

13.2.2. The warranty does not extend to consumable parts. Each element is subject to warranty of subcontractors.

13.2.3. Defective parts that have been replaced shall be owned by the Seller.

13.2.4. The warranty does not extend to the following circumstances:

- a) improper or unsuitable handling by the Customer and its personnel or persons under its responsibility;
- b) improper installation and start-up by the Customer or third party;
- c) normal wear and tear, corrosion or erosion, destruction or defects;
- d) unsuitable materials, tools and equipment used by the Customer or its employees when handling the Product(s);
- e) faulty construction works, unsuitable chemical, electro-chemical and electrical influences that cannot be ascribed directly to the Seller;
- f) any modifications or repairs of defects done by the Customer or any third party or alternations made to the Product(s) without written consent given by the Seller;
- g) defects occurring due to the material or construction expected or demanded by the Customer;
- h) willful conduct or handling representing negligence by the Customer or any third party under the responsibility of the Customer.

13.2.5. Unless otherwise agreed in writing by the Customer and the Seller, the Seller makes no warranty or representation that the Product(s) will conform to any federal, state or local laws, regulations, codes or standards.

13.3. Defect notification

13.3.1. Upon delivery, the Customer must carry out an inspection of the Product(s) to verify weight, length, width, and all the basic characteristics of the Product(s) according to the Offer and/or Agreement, and any apparent damage to the Product(s), or defects based on quality, quantity, or any other disagreement that could be noticed through a reasonable check. The Customer will notify the Seller of apparent defects in writing without undue delay, but in any case, within three days after delivery. Non-apparent defects will be notified in writing without undue delay after such defects have been detected, but in any case, within three days after the detection of the defects. After the detection of any defects on the Product(s), the Customer is not allowed to continue with the works on or with the Product(s). If the Customer fails to do so, the Seller shall not be liable for eliminating the defect.

13.3.2. The Seller will not accept any claims in respect of any defect, deficiency and failure of the Product(s) to meet the specific terms of the Offer and/or Agreement after the date in which a reasonable inspection should have revealed any defect, deficiency and failure but for which such inspection was not made.

13.3.3. A written notification regarding the defect must include a description of the defect as well as any other relevant facts with respect to the ascertained defect or other facts important for its elimination.

13.3.4. If the Customer has notified the Seller of any defects in accordance with the provisions referred to in this chapter and the Seller after inspection of the Product(s) does not detect any damages or faults under the liability of the Seller, the Seller has the right to receive a refund of costs arising due to such notification.

13.4. Repair costs of repairing and eliminating defects during warranty period

13.4.1. During the warranty period the Seller must eliminate the defect or substitute the defective parts as soon as possible and free of charge.

13.4.2. Unless otherwise agreed by the Parties, the repairs shall be carried out at the location of the installed Product(s) unless the Seller determines that it is more appropriate to send the defective or inadequate part of the Product(s) for repair or replacement.

13.4.3. At the discretion of the Seller, the Seller will either repair the defective Product(s) or deliver new Product(s) without defects, taking into account the defect. The Customer will support the Seller in finding and remedying the defects and will grant the Seller the time and opportunity for repair or replacement deliveries as the Seller considers necessary. Additionally, the Customer must grant access to any documentation which could give more details about the defect. If the Customer does not support the Seller or does not provide him with the necessary documentation or access to the Product(s), the Seller will be released from any liability for consequences resulting from such failure. The Seller may refuse rectification to the extent that such rectification is only possible at disproportional cost.

13.4.4. When special skills are required to replace or repair the defective part, the Seller must disassemble and reassemble the Product(s). If such special skills are not necessary, the Seller adheres to his obligation of repairing the defect when the Customer has received the repaired or replacement part.

13.4.5. The Customer must organize the process of disassembling and reassembling the equipment when these works are beyond the works required for eliminating the defect or damage.

13.4.6. Unless otherwise agreed by the Parties, the Seller covers the cost and risks of the required transport of the Product(s) and its components (to the Seller and back) and is related to repairing the defect. The Customer must take account of the Seller's instructions regarding the transport. If the parts are not located at the installation site, the Customer must cover all additional Seller's costs arisen when repairing the object.

13.5. Consequences of failing to eliminate damages or defects within the warranty period

13.5.1. If the Seller fails to adhere to its obligation of eliminating damages and defects during the warranty period within a reasonable time and without a legitimate reason despite being correctly notified about the faults and damages by the Customer specified by these Conditions, the Customer may:

- a) independently or by engaging a third party to take part during works of eliminating defects and damages at the cost of the Seller;
- b) demand a reduction of the contractual price proportionally to the reduced amount of works but no more than 10 % of the contractual price in any case.

13.5.2. Potential damages within the warranty period do not modify the agreed upon payment terms and deadlines.

14. CONFIDENTIALITY

14.1. Each Party undertakes that it will not at any time disclose to any person any confidential information concerning this Agreement, Offer, Product(s), business, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs.

14.2. No Party will use any other party's confidential information for any purpose other than to perform its obligations under the agreement between both Parties.

14.3. Should there be any breach of confidentiality as outlined above, the Party in breach must pay 0.5 % of the contractual value to the other Party for each breach.

15. PROPRIETARY INFORMATION

15.1. All drawings, data, inventories, procedures, offers and other technical information and/or any other materials which are subject to copyright right protection or subject to any other intellectual property rights, if any, supplied by Seller shall remain the property of the Seller and shall be held in confidence by the Customer. The Customer shall not reproduce, use or disclose such information to others without Seller's written consent.

16. TERMINATION

16.1. Termination by the Customer

16.1.1. The Customer has the right to withdraw from the Agreement in the following cases:

- a) if the Seller is unable to adhere to his obligations;
- b) if the Seller carries out only one part of the order without a legitimate reason whereby the Customer has no interest in such implementation;
- c) if the implementation of the Product(s) is postponed due to a Force Majeure Event as outlined in the relevant chapter of these Conditions.

16.1.2. In all the cases outlined above, the Customer must first notify the Seller of its non-performance in writing. The Customer may terminate the Agreement if the Seller fails to remedy its non-performance within 30 days after receiving the written notification.

16.1.3. Should the Customer decide to withdraw from the Agreement, it must adhere to all payments for all implemented works to the Seller, pay liquidated damages of 10 % of the contractual value as well as pay for all the damages caused to the Seller.

16.2. Termination by the Seller

16.2.1. The Seller may withdraw from the Agreement in the following cases:

- a) if the Customer fails to adhere to the assumed contractual obligations;
- b) if the Customer fails to make payments of the contractual works within the deadlines or manner specified by the Agreement;
- c) if the Customer becomes insolvent and has entered into a procedure of compulsory dissolution, bankruptcy, winding up or any other such proceeding, or when insolvency is likely to occur;
- d) if the Customer has concealed or withheld the facts relevant for the implementation of the Product(s) whereby the Seller would not have agreed to implement the Product(s) or perform the Services, had it been familiar with the aforementioned facts;
- e) in other cases determined by these Condition or by mutual agreement or other cases specified by the Seller's offer;
- f) due to a Force Majeure Event.

16.3. Order cancellation

16.3.1. Should the Customer cancel the order; it must refund all the expenses incurred by the Seller that have arisen due to the cancelled order before the set cancellation date or the expenses that are certain to arise.

16.3.2. The Customer is liable for all the damages incurred by the Seller and caused by the Customer by negotiating without the intent of entering into an agreement, or by negotiating in order to enter into agreement and then failing to follow through with that intent without a legitimate reason.

16.3.3. The amount of damage that the Customer is obliged to reimburse the Seller in accordance with the previous paragraph, is determined in a lump sum corresponding to 10% of the value of the transaction for which the Customer negotiated. Notwithstanding the above, the Seller has the right to claim damages in the actual amount if it exceeds the amount from the previous sentence.

17. QUALITY AND ENVIRONMENTAL POLICY

17.1. The Seller has acquired and holds the ISO 9001:2015 standard (quality management system), Certificate No. 12 100/104/117 35525 TMS, ISO standard 14001:2015 (environmental management system), Certificate No. 12 100/104/117 35525 TMS, and ISO standard 45001:2018 (occupational health and safety management system), Certificate No. 12 100/104/117 35525 TMS, which serve as the basis for implementing quality policy, environmental policy and health and safety at work policy. The Seller has acquired and holds the ISO 27001:2017 standard (information security management system), Certificate No. 12 310 35525 TMS, as well.

17.2. By signing the agreement or accepting the Offer the Customer undertakes that, when receiving the Product(s) at the head office of the Seller or when it is located at the head office of its company or branches, offices and other forms of business operations, it shall respect and take into consideration the Seller's quality policy, the applicable legislation of the Republic of Slovenia and the Seller's instructions in the field of quality policy and dealing with the environment which includes waste disposal, handling with hazardous chemicals or substances and handling in case there is a state of emergency upon Seller's notice.

17.3. Should the Customer fail to adhere to the aforementioned actions by causing any damage, it shall be liable for all damages to the Seller including all potential punitive damages, fines or other financial measures given by the authorized inspectors and other authorities.

18. OTHER PROVISIONS

18.1. Law and Disputes: The Parties agree that they shall consensually resolve any potential disputes arising out and in connection with the Agreement. The courts of Slovenia will have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Agreement (including any non-contractual disputes or claims). The Agreement (and any part thereof) and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by the laws of Slovenia. The United Nations Convention on Contracts for the International Sale of Goods, dated April 11, 1980 shall be excluded.

18.2. Severability: If any provision, or part of a provision, of these Conditions and/or the Agreement between the Parties is found by any court or authority of competent jurisdiction to be illegal, invalid or unenforceable in whole or in part that provision or part-provision will be deemed not to form part of the contractual relationship, and the legality, validity or enforceability of the remainder of the provisions of contractual relationship will not be affected, unless otherwise required by operation of applicable law. The Parties will use all reasonable endeavors to agree within a reasonable time upon any lawful and reasonable variations to the contractual relationship which may be necessary in order to achieve, to the greatest extent possible, the same commercial effect as would have been achieved by the provision, or part-provision, in question.

18.3. Amendments: No alterations or amendments to the Agreement will be effective unless contained in a written document signed by the authorized representatives of each of the parties.

18.4. Validity of these Conditions: These Conditions are valid from 1st of January 2022 until revoked or until the adoption of new general sales terms and conditions of Brinox d.o.o. business operation. These Conditions also apply to Daughter Companies: 000 Brinoks RUS and Brinox Deutschland GmbH.