

QM	General Conditions of Delivery and Payment, and Terms of Assembly	GCDP	
			

GENERAL CONDITIONS OF DELIVERY AND PAYMENT, AND TERMS OF ASSEMBLY ('GCDP')

1. Validity / Scope of the contract / Scope of delivery

- (1) The GCDP indicated here regulate mutual rights and duties between the company MTD BIO, d. o. o., SLO-2310 Slovenska Bistrica (hereinafter referred to as: MTD BIO) and a customer requesting goods or services.
- (2) These GCDP shall be exclusively applied to all, also future contractual relations, to all services, advisory services, proposals and other side services, including work contracts / contracts for work and services and irrespective of the form of order transfer (by telephone, telex, e-mail, in writing) by the customer, as well as the consent of delivery by MTD BIO. Furthermore, they shall form an integral part of the order, unless otherwise specifically agreed in writing.
- (3) Conditions or provision amending a contract are especially objected. Their validity requires written consent of MTD BIO. The customer accepts the GCDP of MTD BIO no later than at the receipt of goods or services. This also applies to orders on the basis of an offer submitted by MTD BIO. Offers by MTD BIO are to be understood as non-binding. Oral commitments and assurances by MTD BIO staff shall only become mandatory with written confirmation of MTD BIO. Furthermore, validity of contracts to have been concluded with MTD BIO requires the written form. Oral commitments cannot abolish the requirement for the written form.
- (4) Facts and technical data, such as size, weight, pictures, descriptions, calculations, sketches, printing templates, profiles, brochures, price lists, other printed materials, files, software etc. are to be forwarded only approximately, yet as precise as possible. These shall not be mandatory if not specifically indicated as mandatory. Faults by mistake may be corrected by MTD BIO, although MTD BIO must not be held liable for damage because of these faults. We reserve the right to amend these, unless these do not impact the functioning and the possibility of using MTD BIO products, and do not justify complaints or withdrawal.
- (5) The 'customer' within the meaning of GCDP is also the 'purchaser' in purchase contracts. If regular trade usances are agreed as the type of delivery, the Incoterms clauses of the International Chamber of Commerce from Paris in the edition, valid on the day of

conclusion of the contract, are used for the needs of interpretation.

2. Prices

- (1) Only prices, confirmed in writing by MTD BIO, shall be valid and are to be interpreted as factory or storage net prices, including the valid turnover tax and associated costs / fees / charges for transport / taxes or costs concerning transport, but also costs for letters of credits and/or other documents, necessary to fulfil the contract, as well as packaging costs. The packaging must be returned to MTD BIO or the factory without fare costs, with the exception of single-use packaging. A deduction from the discount requires written consent. MTD BIO reserves the right to raise the agreed prices, if between the order confirmation date and the completion of order date this became necessary due to important general changes in prices, which are outside MTD BIO's control, or due to change of suppliers (for example, anti-dumping duties, currency exchange rates fluctuation, currency regulations, increase of material / production costs). The determined number of pieces, meters, weight according to MTD BIO criteria or a different calculation method customary in the industry is relevant for the price calculation.
- (2) The price shall be determined in EURO and is to be paid to MTD BIO in this currency, unless otherwise agreed with MTD BIO. In other respects, the contracts remain valid.

3. Conditions of payment / Letters of credit

- (1) Invoices issued by MTD BIO should be due immediately, not later than on the 15th day of the month following the month in which the delivery was made. Payments made with cheques and by bills of exchange shall be accepted – requiring a prior agreement – with exclusion of the MTD BIO guarantee for timeliness and correctness of submission or protest. Deferment of payment shall not relate to this, including general acceptance of bills of exchange. In the case of late payment, MTD reserves the right to charge interests at 8 % per annum above the European Central Bank base rate without separate notice until the amount is definitively paid in its entirety. The customer shall be entitled to prove that no damage occurred or that this is only limited due to default in payment.

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- (2) Furthermore, claims by MTD BIO become due immediately, irrespective of the arrival date, credited bills of exchange and agreed payment deadlines, if the customer is due for payment, does not pay the bill of exchange upon maturity or if other circumstances arise, which suggest that eligible claims by MTD BIO are threatened by decreased solvency of the customer. In such case, MTD BIO shall be entitled to demand guarantees for outstanding deliveries / services on the basis of the business relationship, whereas advance payment is allowed only in the case when the customer cannot provide sufficient guarantee. Legal provisions on outstanding payments remain in force.

4. Offsetting

The right to set-off may be exercised only by the customer, when his counter-claims were found to be indisputable or legally binding.

5. Completion of delivery / Delivery times and dates / Force majeure and other obstacles

- (1) The MTD BIO's obligation to deliver shall be subject to timely delivery of MTD BIO on its own, unless MTD BIO causes delays in delivery or delivery, which is not in conformity with the contract. Only slight negligence shall be exempt from such duty as MTD BIO is always entitled to partial deliveries.
- (2) Delivery times shall be subject to prior consent in writing, otherwise information about delivery times and dates are to be understood as approximately only. These shall begin to run from the date, when MTD BIO confirms the order, and shall be deemed fulfilled, when the shipment is ready for delivery, if the goods could not be dispatched in time and through no fault of MTD BIO. The customer must clarify all contractual details beforehand and fulfill all obligations in time, for example acquire all necessary official certification, open letters of credit, provide guarantees and/or make prepayments. If the customer demands specific alteration after dispatch of shipment, whereas all necessary costs shall be borne by the customer, for example incurred additional costs or personal work expenses. If the implementation of changes required by the customer demands additional authorizations, MTD BIO shall implement changes only after receiving required permits in the written form.
- (3) Situations due to force majeure shall give MTD BIO the right to postpone the delivery for the duration of such obstacle and sufficient start-up time. This shall also apply, if such circumstances arise during existing delays.

Force majeure include measures in the field of currency, trade policies and other measures, strikes, lockouts, work process disturbances through no fault of MTD BIO (for example fire, faults on machines, scarcity of raw materials or energy), obstructed transport routes, importing/clearance delays, wars and war operations, as well as any other circumstances which significantly impede or hinder delivery through no fault of MTD BIO. It shall be irrelevant whether such circumstances arise at MTD BIO, a supplier or any sub-supplier. If events listed above shall indicate that one of the parties will not be able to fulfill the contract, especially if the performance of contract in important parts will be delayed for more than 6 months, such a party reserves the right to request the termination of contract. Compensations for damages because of delivery delays cannot be made.

- (4) MTD BIO shall not be in arrear as long as the customer is in arrears. Goods indicated as ready for delivery must be terminated immediately, otherwise MTD BIO is entitled to send or store them by own choice – if not possible otherwise also outdoors – following a warning on the account and risk of the customer, and, furthermore, count as delivered. Cancellations must be settled within 180 days after confirmation of order. MTD reserves the right to follow the procedure under Point 9 of GCDP after this deadline. In addition, instead of this option, MTD BIO may after the deadline of 14 days also withdraw from the contract and seek compensation instead of payment.

6. Scope of assembly

- (1) Assembly, undertaken by MTD BIO, shall not exceed the scope of assembly agreed in writing. If during the assembly the customer requires additional services, these must be presented by the customer in writing and approved by MTD in writing. If not explicitly agreed otherwise in writing, MTD is obliged to make the delivered items and final products, according to technical rules, fully operational.
- (2) In principle, activities by MTD BIO do not include masonry, chiseling, concreting, scaffolding works, crane work as well as subsequent work to be performed by the building trade or the customer, especially design of electrical installations, assembly and commissioning of machinery and devices, which do not fall within the scope of MTD BIO's assembly agreed in writing.

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7. Acceptance

- (1) The customer must accept the assembly immediately after receiving notice about completion of works and that the delivered item is commissioned for use. Both parties shall draw up an acceptance record and sign it.
- (2) If the assembly does not conform to the contract, MTD BIO shall be obliged to eliminate the deficiencies at its own expenses. This shall not apply, if the deficiencies are insignificant to the customer's interests or are based on a circumstance, which needs to be settled by the customer. If an insignificant deficiency exists, the customer may not waive the acceptance, if MTD BIO explicitly recognizes its commitment to eliminate the deficiency.
- (3) If the acceptance is not accomplished despite the assumptions set out in Point 7 (1), the acceptance within six months after notification about completion of assembly shall be recognized by both parties as accomplished.
- (4) The acceptance shall be deemed accomplished, if the customer makes use of the delivered item. Furthermore, the acceptance shall also be deemed accomplished, if the customer carries-out or orders subsequent assembly or construction activities on the erected facility by himself or through third parties following the notice about completion of assembly
- (5) MTD BIO explicitly states that the customer's acceptance shall not automatically allow start of operation and use. The delivered item may be used only when the customer satisfies all regulations under laws/decrees by the authorities, especially regulations for accident prevention.

8. Reservation of ownership

- (1) Until fulfillment of all claims by MTD BIO, irrespective of the legal basis, including balance of claims, MTD BIO reserves the right to reservation of ownership over the delivered goods (goods with reservation). This shall also apply for future/conditional claims. If payments are made to specifically indicated claims, MTD BIO shall not accept directions on claims. Reservations may only be lifted when all claims open on the day of payment and from the expanded reservation of ownership are settled.
- (2) Goods with reservation shall remain MTD BIO's property at all process stages, even if processed into a new thing. Treated and processed goods should be deemed as

goods with reservation within the meaning of Point 8 (1). During the processing, connecting and mixing of goods with reservation by the customer, MTD BIO shall be entitled to a proportional share in ownership of the new item in relation to the accounting value of the goods with reservation to the accounting value of the remaining goods used. If the ownership of MTD BIO ceases with connection or mixing, the customer shall already transfer these ownership rights to MTD BIO, which belong to him concerning the new good or items within the framework of the accounting value of the goods with reservation. Furthermore, the customer shall store this item for MTD BIO free of charge. Co-ownership rights of MTD BIO should be regarded as goods with reservation within the meaning of Point 8 (1).

- (3) The customer may be given the right to dispose of goods with reservation through regular business activity on regular commercial basis and only if not late in payment, provided that the claims from such further sale are conveyed to MTD BIO in accordance with Point 8 (4–7). For any other form of disposal over the goods with reservation the customer shall require a written consent by MTD BIO, but only if he is not late with payments to MTD BIO. Furthermore, MTD BIO may in case of payment delays by the customer prohibit further sale and processing of the delivered goods and demand its return or transfer of indirect ownership over the delivered goods on the account of the customer and withdraw the authorization for recovery in accordance with Point 8 (5) of GCDP. In this context, the customer shall be liable for restitution. In the case of temporary recollection of goods, withdrawal from the contract shall remain valid only when MTD BIO explicitly declares so in writing or if mandatory legislative provisions provide that.
- (4) Claims from further sale of goods with reservation shall already be transferred to MTD BIO, whereas MTD BIO accepts this. To this same extent these serve as a guarantee for MTD BIO's requests against the customer. If the subject of delivery is stolen together with other goods not purchased by MTD BIO, MTD BIO shall receive the claim from further sale in relation to the accounting value of the goods with reservation to the accounting value of the remaining goods used. If goods on which MTD BIO holds co-ownership rights in accordance with Point 8 (2) are stolen, MTD BIO shall receive a share corresponding to MTD BIO's co-ownership share. If the customer uses the goods with reservation in order to fulfill a work contract or contract for work and services, he shall in advance transfer the claim from a work contract or

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- contract for work and services in the proportion corresponding to the value of goods delivered by MTD BIO.
- (5) The customer shall be authorized for recovery of claims from further sale. This authorization shall cease in case of revocation by MTD BIO, whereas not later than in case of payment delay by the customer, non-collection of bill of exchange or process initiation request due to lack of liquidity. MTD will make use of its right of revocation only in the event if it becomes aware of circumstances, which indicate significant deterioration of the customer's financial situation, impacting his financial solvency. At the request of MTD BIO, the customer must immediately inform its clients about waiving recovery to MTD BIO. If such obligation is not fulfilled, MTD BIO shall inform third debtors about the extended reservation of ownership and recover such claims on its own. In such cases, the customer must immediately submit necessary grounds (copies of invoices etc.) to MTD BIO and inform MTD BIO about the amount of existing claims. Waiving of recovery from further sale shall not be admissible, unless these are waived in the process of actual factoring, reported to MTD BIO and where the proceeds of factoring exceeds the value of the corresponding claim. Once the proceeds of factoring have been credited, the claim by MTD BIO shall expire. For the purpose of implementation of a simple, expanded and extended reservation of ownership, the customer already authorizes MTD to access his production premises or other storage premises in order to consult all grounds, which could help with the identification of the material delivered by MTD BIO for labelling and indexing of suitable material and for recollection of the delivered goods. Furthermore, MTD reserves the right to take back the goods with reservation. Recollection of the goods shall not be considered as withdrawal from contract and shall be carried-out at the risk and account to the customer.
- (6) MTD BIO may sell the recollected goods with reservation freely. If a credit is about to be issued for the recollected goods, this must not exceed the resale price. If transport costs incurred, covered by MTD BIO, the credit should be reduced for the transport costs actually incurred. Furthermore, MTD BIO shall be entitled to deduct a fee for the processing of the order at the rate of 15 % from the value of contract, unless MTD BIO can prove that the costs were actually higher.
- (7) Pledging or transfer of ownership over the goods with reservation or assignment of claims shall not be admissible. In the case of pledging or other hindrances by a third party,
- the customer must immediately inform MTD BIO and state, who is the lienholder. The customer shall bear all costs resulting from removal of measure or return transport of the goods with reservation, if not replaced by a third party.
- (8) If the accounting value of the existing guarantees exceeds the security for claims together with additional claims (interests, costs etc.) by more than 20 %, the customer may on his own choice request exemption of MTD BIO from guarantees.
- (9) The customer is obliged to carefully store the goods with reservation on behalf of MTD BIO and his account, maintain and repair them at his own expenses and insure them to the extent of a diligent tradesman, for example in the case of fire, theft and flooding within a normal extent. The customer transfers his requests for compensation, to which he is entitled for damages of the above type from insurance companies and other institutions for compensation of damage, in advance to MTD BIO, whereas MTD BIO accepts this.
- (10) All claims and reservation of ownership rights in all special forms, specified in these conditions, remain valid until waiver of possible obligations, concluded by MTD BIO in the interest of the customer.
- (11) If the law of the country, into which the goods with reservation were brought in accordance with the contract, does not allow reservation of ownership, but does allow similar property rights, MTD BIO may refer to these rights. Furthermore, the customer is obliged to take any necessary measures at his own expenses in order to activate and maintain such rights concerning the subject of delivery.
- 9. Shipping / Transfer of risk (possible packaging, continuous shipments)**
- (1) MTD BIO shall define the transport route and means of transport as well as the freight forwarding company and carrier. Eventual payments for transport shall be regarded as proposals chargeable to the customer. Insurances for damages shall be concluded only if explicitly requested by the customer in writing.
- (2) When handing over the goods for delivery to the freight forwarding company or any other company, appointed to carry-out the transport, at the moment, when the goods leave the factory or storage, the risk, including confiscation, accidental sinking and FOB and CIF commercial transactions, shall be transferred to the customer. MTD BIO

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shall arrange insurance only upon request and at the expenses of the customer. Any damages to the goods during transport must be immediately indicated on the delivery note, when shipping by rail or postal service competent authorities must establish the actual condition of the goods, which may subsequently be used to seek compensation for damages.

- (3) If through no fault of MTD BIO a transport cannot be made along transport routes or to the designated place within the envisaged time, MTD BIO reserves the right to deliver the goods using different transport routes or to a different place following a new agreement. Additional costs arising shall be covered by the customer.

10. Complaints / Guarantee / Warranty

(1) With the exclusion of further requests, MTD BIO warrants for the realization of explicitly assumed guarantees, as well as flawless construction, production and material during transfer of risk. Therefore, MTD BIO shall repair or re-supply parts of its delivery, which are inoperative due to deficiencies or severely reduced in applicability, free of charge. The replaced parts shall remain property of MTD BIO. MTD shall only cover direct costs for repair or replacement to the extent in which the complaint proves to be substantiated, costs for spare parts including transport and appropriate disassembly and installation costs. Furthermore, if established cheaper in a particular case, MTD BIO shall also bear the costs of fitters and temporary workers. In other cases, the customer shall cover the costs. MTD BIO shall issue a guarantee for repair works and installed or replaced parts within the same limits as the original subject of delivery. Furthermore and with the exclusion of further requests, MTD BIO shall issue a guarantee for assembly works. Therefore, MTD BIO shall once again carry-out assembly works, which are necessary to eliminate assembly deficiencies, performed by MTD BIO.

(2) The guarantee obligation for assembly works shall begin with the acceptance of assembly works, whereas in other cases with the day of delivery, and end after one year, with the exception of construction works on buildings.

(3) For completion of repair works, the customer must

- (3.1) ensure the necessary time and possibilities;
- (3.2) perform works at own expenses, which exceed the original scope of works in accordance with the order. Additional costs for

work outside of regular working hours, for example overtime, work on public holidays, night work and work in night shifts, shall be covered by the customer.

- (4) The guarantee shall not apply to normal wear and parts, which due to their material composition or type of use wear out faster. Furthermore, it shall not apply to damages due to inappropriate storage, handling of the item or its use, deficient assembly or commissioning – if not caused by MTD BIO – overstrain, improper operation means, faulty construction works or foundation, inappropriate building land, chemical, electromechanical or electrical influences. The same holds true for other influences, which emerged after transfer of risk, although through no fault of MTD BIO.

- (5)
 (5.1) The customer is obliged to inspect the goods supplied by MTD BIO immediately after delivery. A complaint in writing must be promptly made about visible deficiencies – including absence of assured characteristics – whereas no later than within a period of fourteen days. If the customer fails to make a complaint about the goods in agreed form and period of time, the goods shall be deemed approved. Timeliness of a complaint shall be subject to time of delivery of it to MTD BIO. Any complaints are excluded upon expiration of one year after the delivery of goods or acceptance.

(5.2) MTD BIO must be given the opportunity to identify deficiencies to which the complaint relates. This especially holds true for the disassembly of parts under complaint and the time before possible commissioning works. In cases of emergency, when safety of operation is threatened or for prevention of disproportionately high damage, MTD BIO is obliged to inspect the claimed deficiencies.

(5.3) If the customer fails to respect the obligations from Point 5 (2) or without MTD BIO's consent implements changes on the goods under complaint, he shall lose the right to any requests under guarantee.

(6) In case of unsuccessful repair, the customer shall be entitled to the right to proceed in accordance with legal provisions.

11. Compensation

- (1) Customer's requests for compensation of damage or compensations of unnecessary expenses, the purpose of which would be achieved without violating the customer's obligations, may be approved only on the basis of intentional actions and evident

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violation of contractual provisions by MTD BIO's management, its managers and other staff. MTD may warrant for simple violations only if the simple violation refers to a gross violation, i.e. an important violation of contractual obligations by MTD BIO. Compensation to be paid is limited to damages, which typically arise during such commercial activities, whereas arise from a gross violation of obligations.

- (2) The customer's right to request compensation for violation of obligations shall remain valid in the case of simple violations, especially:
 - if assumption of the purchase risk or guarantee has been agreed;
 - if MTD BIO's warranty insurance or insurance of warranty for products covers the damage arising from violation of obligation;
 - if significant material damage or damage to property occurs outside the insured area.
- (3) If there is a shortage in owed products, requests for compensation of damage shall come under the general warranty agreement, whereas the warranty independent from guilt shall be exempt.
- (4) Only when the request for compensation of damages is filed unambiguously and in writing, the obligation shall expire.
- (5) Provisions of Point 11 (1–4) do not affect the customer's right to request compensation on the ground of violations against life, body and health, if the damage arose contrary to the obligations and on the part of the user.
- (6) Warranty for compensation of damage exceeding Point 11 (1–5), irrespective of the legal nature of the filed request, shall be excluded.

12. Technical consultancy / Use

Technical consultancy is provided by MTD BIO, irrespective of the form, to the best knowledge and shall be considered exclusively as optional guidance, also in connection with eventual secured rights by third parties. Furthermore, the consumer should not be released from own testing of products, which were delivered by the seller to ascertain their conformity for planned processes and purposes.

13. Copyrights / Drawings and other templates

MTD BIO reserves ownership rights and copyrights over offers, calculations, drawings, concepts, forms, samples, models, profiles, printing templates and other templates, directly received by the customer from MTD BIO or through third

parties. Furthermore, this also holds true for templates publicly hang out at construction sites and places of assembly. Without the expressed written approval of MTD BIO, these shall not be distributed to third parties or reproduced or used for purposes other than what was agreed. If requested, these must be returned. The customer does not have the right to retain them.

14. Place of fulfillment / Jurisdiction / Applicable legislation

- (1) Place of fulfillment for all payment obligations shall be the registered office of MTD BIO.
- (2) Any dispute resulting from or in connection with these GCDP shall be brought before the competent court in Ptuj.
- (3) For all direct or indirect legal relationships resulting from this contractual relationship between MTD BIO and the supplier, and in cases, when this conditions or the contract refer to provisions in force, the Slovenian law shall apply, especially provisions of the Code of Obligations.

15. Final Provision

If separate provisions of these GCDP are partially or wholly invalid or void, the validity of the remaining provisions or other parts of such provisions shall not be affected. The parties shall replace unenforceable legal arrangements by an enforceable provision that will meet the purpose of the invalid or unenforceable provision as closely to the initial economic purpose as possible.

The customer undertakes to protect all data and other information as business secrets, irrespective of the form, in which these are expressed and refer to the performance of the order or the operation of MTD BIO. In the event of non-compliance with the obligation to protect business secrets of MTD BIO, the customer shall be made liable for compensation, whereby he undertakes to pay a lump-sum compensation of 50,000 EUR to MTD BIO for every determined violation.

In case of discrepancy between the Slovenian and English version of the text, the Slovenian version shall be considered.