



GENERAL CONDITIONS OF PURCHASE  
of ELPA d.o.o.

**1 General provisions**

**1.1.** The underlying General Conditions of Purchase represent a legal basis for conducting legal businesses between suppliers and company ELPA d.o.o. as the customer (hereinafter referred to as "ELPA") for the purchase of equipment, material, products and services (hereinafter referred to as "goods") and relate to all types of orders and contracts in connection with the order of goods.

**1.2.** These General Conditions of Purchase shall apply to all future business operations between ELPA and the supplier through the acceptance of an order or signing of a contract. In the event that the supplier shall neither confirm the order in writing within 5 days from the issuance of an order nor reject it in writing, it shall be deemed that the order has been approved and accepted by the supplier of goods.

**1.3.** ELPA reserves the right to define or adopt special conditions for each individual order and/or contract which in such case shall override these General Conditions of Purchase.

**2 Conclusion and Amendment of the Contract**

**2.1.** Orders, contracts and recalls as well as their amendments or additions shall be done in writing. Orders and recalls may also be submitted through fax or e-mail.

**2.2.** Certain goods whose consumption is regular, may be subject of an open order which shall indicate the goods, point of delivery, price, quality and other purchase conditions (packaging, transportation, etc.) as well as include a merely informative assessment of the total volume for a particular period. The dates of actual supplies and volumes shall thereupon be defined in recalls.

**3 Supplies of goods, delivery periods, quality and environmental protection**

**3.1.** The supplier shall supply the goods or services in accordance with a contract or order of ELPA. Supplies which deviate from the order shall be previously approved by ELPA in writing.

**3.2.** To ensure the timeliness of supplies, the arrival or delivery to the agreed location is paramount; unless otherwise agreed, the supplier shall supply the goods in accordance with the applicable Incoterms "Deliver At Place – DAP", where the address of ELPA is deemed as the point of delivery. The supplier shall ensure all resources they require to carry out the supply to the agreed location and shall bear all the costs that incur in respect thereof.

**3.3.** In the event of the supplier's delay, the statutory provisions shall apply. Should the supplier expect or be informed of any circumstances which influence the timeliness of the supply and/or the deviation from the agreed quality of goods, or should the supplier expect or be informed of any circumstances which could compromise the duly implementation, they shall immediately and in writing inform ELPA thereof. Despite the acceptance of the delayed supply, ELPA shall retain all rights it has in the case of supplier's delay. ELPA shall have the right to decline partial deliveries unless otherwise agreed.

**3.4.** All supplies shall have a duly completed delivery note enclosed.

**3.5.** Unless the supplier proves otherwise, the data on the quantity, weight and dimensions shall be deemed the data which ELPA determines upon the acceptance inspection.

**3.6.** The supplier shall be liable for the quality of the supplied goods and for setting up a system for quality assurance and management in accordance with the ISO 9001 standard.

**3.7.** The supplier shall ensure that the supplied goods comply with all applicable EU regulations from the field of health and environmental protection.

**3.8.** The supplier shall be liable for supplying goods in accordance with the ISO 14001 standard and shall be liable for elimination of environmental damage associated with the delivery of goods.

**4 Invoicing for payment**

**4.1.** Invoices shall be sent to the address indicated in the order or recall. Each invoice shall include: date and order number, date and delivery note number, date and invoice number, supplier's tax identification number and the full address of the buyer. The VAT on the invoice shall be specified separately.

**4.2.** ELPA shall receive invoices not later than 5 days from the day of the supply of goods.

**4.3.** The supplier shall not be entitled to assign or transfer the recovery of their claims against ELPA to third parties without a prior written consent of ELPA.

**5 Prices and risk transfer**

**5.1.** Unless otherwise agreed, the price shall include all costs and taxes. The risk of destruction shall be transferred to ELPA when the goods are accepted by its authorised representative at the agreed location.

**5.2.** No subsequent change of prices due to the increase of supplier's costs shall be acceptable.

**6 Payment terms**

**6.1.** Unless otherwise agreed, ELPA shall pay an invoice in the manner of its own choice, namely within 7 days with a 5% discount or within 15 days with a 4.5% discount or within 30 days with a 4% discount or within 45 days with a 3.5% discount or within 60 days with a 2.5% discount or within 75 days with a 1.5% discount or within 90 net days.

**6.2.** In case that the supplier should request to receive an advance payment and in case that ELPA agrees with the advance payment, ELPA shall pay a preliminary invoice with at least 6% discount, whereby the supplier shall grant ELPA a payment protection insurance. Advance payment shall be made on the basis of a preliminary invoice and on the supplier's notification that the goods are ready for shipping.

**6.3.** The payment period shall begin upon receipt of a duly issued invoice but not before the first day after the duly completed supply of goods.

**6.4.** The payment of an invoice does not suggest that the supply of goods was conducted in accordance with the contract or the order. In the event that the goods are defective, ELPA shall be entitled to withhold the payment of the proportional amount of the invoice until the defects are eliminated or until the final agreement with the supplier.

**7 Warranty**

**7.1.** The supplier shall be liable for all obvious and latent defects related to their supplies, including those whose preparation the supplier fully or partially entrusted to a third party.

**7.2.** Quantity and quality acceptance of goods shall be conducted in a manner that is usual for a normal business operation. During this period, the supplier shall explicitly waive the right to claim compensations in respect of late criticism of defaults. ELPA shall notify the supplier of obvious and latent defects on goods within 8 days after their discovery.

**7.3.** The supplier shall grant a warranty period of 24 months unless a longer deadline is determined by law. The warranty period shall start when the risk is transferred to ELPA.

**7.4.** Unless otherwise defined under Item 7, the statutory provisions shall apply with regard to factual and legal defects. ELPA shall have the right to define the manner how the supplier shall eliminate defects on goods.

**7.5.** In the event that after the notification of a defect and especially in urgent cases (in particular when the discontinuation of production or larger damage is to be prevented) the supplier fails to immediately start implementing activities for the elimination of deficiencies, ELPA shall be entitled to rectify the discovered deficiencies on its own or with the assistance of third parties, whereby all the costs incurred in respect thereof shall be borne by the supplier.

**7.6.** All costs and damages incurred in connection with defects of the supplied goods shall be borne by the supplier. In the event that due to a defect on the supplier's goods ELPA's buyers should reject ELPA's products which incorporate supplier's defective goods, or in the event that for the same reason the prices of ELPA's products should be decreased, ELPA shall be compelled to conduct an inspection at its buyer location and to replace the product which incorporates defective goods, or in the event that ELPA should be affected in any other manner, ELPA shall be entitled to claim from the supplier a refund for all damages incurred in respect thereof, whereby no deadlines for the criticism of defaults shall be taken into account. In such cases, ELPA shall issue a complaints record and calculate the costs in accordance with the ELPA's pricelist and in accordance with the assessed direct or indirect damages incurred, which shall be assessed by ELPA's management.

**8 Responsibility and insurance**

**8.1.** In the event that any costs are incurred to ELPA (including law suit costs and costs of a possible recall of ELPA's products from the market), these shall be reimbursed by the supplier if they arise as a consequence of defects on the supplier's delivered goods.

**8.2.** The supplier shall take out an adequate insurance to cover their liability for the concerned purpose. Upon ELPA's request, the supplier shall provide a relevant document proving that they comply with this requirement.

## **9 Goods handed over to the supplier**

**9.1.** Materials, parts, packaging and other objects which ELPA hands over to the supplier with a view that the supplier shall fulfil the order, the items shall remain in ELPA's ownership and the supplier shall keep those items exclusively for ELPA. The supplier may use the items handed over solely for the purpose of fulfilling the ELPA's order. In the event that the supplier shall act contrary to previously described, they shall be liable to payment of compensation for the damage caused intentionally.

## **10 Documentation and confidentiality**

**10.1.** Tools, samples, forms, models, prototypes, profiles, plans, rules relating to control, norms, printed templates, scales and other items as well as information which ELPA hands over to the supplier or which ELPA orders from the supplier, shall, without prior written consent of ELPA, not be handed over to third parties or used for any other purposes which are not in conformity with ELPA's contract or order. In case the supplier acts contrary to the previously described, they shall be liable to payment of compensation for the damage caused intentionally. The supplier shall keep an up-to-date register of items handed over and shall maintain the tools.

**10.2.** The supplier shall keep all business and technical documentation they got acquainted with through ELPA as a business secret (including the knowledge they obtain from such documentation). The obligation of professional secrecy shall apply throughout the duration of business cooperation between the supplier and ELPA as well as after its termination until the moment when such information becomes public knowledge, but at least for the period of 10 years after the termination of the cooperation. ELPA shall remain the exclusive owner of the submitted documentation and information. The supplier shall not submit the received documentation and information to third parties without a prior written consent.

In the event that the supplier shall act contrary to previously described, they shall be liable to payment of compensation for the damage caused intentionally. Upon ELPA's request, the supplier shall immediately return all received documentation (including all copies). ELPA shall reserve all rights to/arising from the submitted documentation and information (including the industrial property rights).

**10.3.** The supplier shall not supply any products they constructed on the basis of ELPA's documentation (plans, samples, etc.) or with the usage of tools made available to them by ELPA and owned by ELPA to third parties and/or use them for the account of a third party. Otherwise, ELPA shall deem such action as an act of unfair competition in connection to which it shall have the right to claim compensation from the supplier.

## **11 Spare parts**

**11.1.** The supplier shall be obliged to inform ELPA of any intended discontinuation of regular production of a certain product type they supply to ELPA at least 2 years before the intended discontinuation of production. At the same time, the supplier shall be obliged to supply the product to ELPA upon ELPA's written request at least 5 years after the initially intended discontinuation of regular production.

**11.2.** The supplier undertakes to supply spare parts at reasonable prices for additional 10 years after the discontinuation of regular mass production.

## **12 Miscellaneous**

**12.1.** In the event that one or more provisions hereof shall become invalid, this shall not effect the validity of other provisions.

**12.2.** Possible disputes shall be solved by the court in Slovenia which has territorial jurisdiction over the area where the registered office of ELPA is situated. The national law of the Republic of Slovenia, without provisions of the private international law, shall apply. In the event of international sale of goods, the application of the Vienna Convention on the International Sale of Goods shall be fully precluded.

**12.3.** These General Conditions of Purchase of ELPA d.o.o. shall be published at the website [www.elpa.si](http://www.elpa.si) and shall remain in force until their cancelation or amendment.