

General Terms and Conditions of Purchase

RLS Merilna tehnika d. o. o.

1. Definitions

1.1 'Buyer' means RLS merilna tehnika d.o.o.

1.2 'Supplier' means person, legal entity or company providing goods or services pursuant to an Order.

1.3 'Goods' means goods and services to be delivered or provided pursuant to, or in connection with an Order.

1.4 'Order or Purchase Order' means a paper or electronic document, issued by the Buyer to the Supplier, and to which these Terms and Conditions apply.

1.5 'Contract' means a written agreement between the Buyer and the Supplier, including any other documents issued by the Buyer to form a part thereof, such as Order, these General Terms and Conditions of Purchase (hereinafter referred to as "Terms"), and any other documents (or their integral parts) specified on the Order, and including any other terms and conditions agreed upon pursuant to Article 2 of these Terms.

1.6 'Purchase price' means the price per one unit of Goods delivered pursuant to the Contract.

1.7 'Intellectual Property Rights' means throughout the world the following:

A – patents, trademarks, registered designs and all applications for registration thereof,

B – copyrights and design rights,

C – any moral right,

D – any know-how,

E – any trade names or business names,

F – counterfeit lawsuit rights,

or any right, whether subsisting now or in the future, which is similar or analogous to any of the above rights in any part of the world.

1.8 The reference to the neuter also includes the feminine and the masculine and the reference to the singular also includes plural and vice versa.

1.9 Provision titles do not affect the interpretation of these Terms and Conditions.

2. Terms and Conditions

RLS General Terms and Conditions of Purchase apply to all business relations with the Supplier in the respect of the provision of Goods pursuant to an Order or Contract, and annul, override and exclude any other terms and conditions of sale or any other document stipulated, incorporated or referred to by the Supplier in any quotation, Purchase order confirmation or invoice, or in any negotiations or any course of transacting with the Buyer, except if the Buyer agrees to the latter in writing upon signing the Contract.

The Buyer reserves the right to specify special terms and conditions in writing in an individual Order or Contract, and in this case these special terms and conditions shall take precedence over these Terms. No modification to these Terms or any other provision of the Contract shall be effective in any other form other than an express written agreement between the parties. Buyer's signature on any Supplier's document shall not constitute an amendment to these Terms.

3. Order

Any Contract or Purchase Order, Order confirmation or Quotation between the Buyer and the Supplier shall be concluded in writing, as shall be any amendments thereto.

Any Buyer's Purchase Order shall contain the Supplier's business name, the number of the Contract under which it is issued, product ID and exact product specification, date, Purchase Order number, quantity, price, delivery time, any special conditions and required additional documentation, and the delivery address.

Following receipt of the Purchase Order, the Supplier shall confirm the Order within three (3) working days, or it will be considered that the Supplier intends to fulfil the Order. Deviations from the Terms of the Order are only allowed based on Buyer's prior written agreement.

4. Quality and Compliance

All Goods manufactured or supplied shall be of the highest quality and best material and workmanship, substantially free from defects, and in all respects compliant with the specifications and drawings referred to in the Purchase Order, and the samples or models (if any) supplied by the Buyer. All services shall be provided with all reasonable skill and care. The Goods with a limited shelf life must be fresh on delivery, which means that one quarter of the shelf life has not yet passed on delivery, unless otherwise specified in the Contract.

The Buyer reserves the right to an on-site audit at the Supplier's premises, where the Buyer may assess or audit the Supplier's Quality Systems in order to verify the Supplier's capability of compliance or actual compliance with its documented quality system or, depending on the actual use, with the requirements of the latest international standard related to quality assurance, as issued by the International Organization for Standardization (ISO).

The Buyer may request for the Supplier to submit a quality plan and/ or initial sample review reports.

The Supplier shall ensure compliance of the supplied Goods with any applicable safety and quality regulation of the European Union or any country or other regulatory authority which applies to the delivered Goods.

The Supplier shall provide a certificate of origin for the Goods delivered to prove that the Goods are not coming from a black or grey market and do not origin from areas subject to United Nations trade restrictions due to human rights violations. In addition, the Supplier shall at least twice a year (January, July) submit a certificate of content and sourcing of 3TG materials (tantalum, tin and tungsten, gold) in the Goods that were delivered to the Buyer during the previous half-year period. Unless otherwise specified in the Contract, such certificate shall be issued using a currently valid international template, available at www.conflictreesourcing.org/conflict-minerals-reporting-template/.

The Supplier shall enclose with any delivery of mechanical components certificates for the materials and specified treatments used, and, unless otherwise specified in the Purchase Order or other documentation, a measuring protocol including 100% of the measurements of all dimensions marked on the Buyer's technical drawing for one piece, and measurements of all encircled dimensions marked on the technical Drawing for five (5) marked pieces. For deliveries of printed circuit boards, the Buyer shall enclose a laboratory test report in accordance with the specified IPC-A-600 standard. Unless specified otherwise, class 2 shall be required.

Unless otherwise specified in the Contract, the Supplier shall submit all supporting documents electronically to nabava@rls.si, and indicate in the Subject line the Buyer's Purchase Order number.

5. Delivery, Delay and Force Majeure

5.1 The date of delivery of the Goods shall be specified in the Purchase Order or in the Buyer's subsequent amendments or modifications thereto. On-time delivery is an essential requirement of Contract or Order (Art. 104 of Obligations Code). The Supplier shall provide such schedule of production and deliveries as the Buyer may reasonably request, and immediately inform the Buyer if such schedules are late or are likely to be delayed.

Delivery shall only be deemed to have occurred when Goods have been delivered together with all required documents and in good and correct packaging to the address stated in the Purchase Order, as applicable.

5.2 Without prejudice to the provision of the point 5.1, the Buyer may, at its sole discretion, declare to uphold the Contract under conditions specified in a statement (reasonable extension of delivery time, penalty payment etc.).

5.3 If the delivery has not been completed even by the extended deadline according to the provision of the point 5.2, the Buyer may terminate or withdraw from the Contract or Purchase Order, in whole or in part, and refuse to accept any subsequent deliveries of Goods, without prejudice to any other rights or remedies (e.g. contractual penalties, damages).

5.4 In the event of delay, the Supplier is obliged to provide, at its own expense, the fastest possible transport in order to ensure the quickest possible delivery of Goods.

The Supplier shall deliver together with the Goods at no additional cost to the Buyer all necessary certificates, other documents, instructions for use, warranty certificates etc., in written or electronic form, or the delivery shall not be deemed to have occurred (point 5.1).

Early deliveries are not allowed. Partial deliveries shall only occur upon a prior written agreement from the Buyer. If the Goods are delivered to the Buyer in larger quantities than ordered, the Buyer is not obliged to accept and pay for the surplus quantity delivered. The Buyer can dispose of the surplus of the delivered goods at Supplier's expense.

In the event of delay, Supplier's obvious inability to deliver, or any other violation of these Terms, Purchase Order or Contract, the Buyer may, at its sole discretion, insist on the termination of the Contract or demand the execution of the Purchase Order. Further on, the Buyer is entitled to withdraw from the Contract or Purchase Order in whole or in part if the Supplier fails to fulfil its obligations even by the extended deadline and to purchase elsewhere at the expense of the Supplier. In the event of delay, the Buyer is entitled to demand payment of contractual penalties and compensation for damages incurred.

In the occurrence of any circumstance that could result in a delay or influence the delivery of quantity of Goods ordered, the Supplier shall immediately inform the Buyer and specify the predicted duration of delay. Such notice does not preclude the consequences of delay.

Force majeure, labour disorders, excluding strikes occurring directly with the Supplier, or other unforeseeable events that could not be prevented, are beyond the reasonable control of the parties, and do not occur as a result of an error of either party, preclude the Supplier of liability for the consequences of delay for the duration of such circumstances. The Supplier shall give the Buyer written notice immediately or at the latest within three working days since occurrence or cessation of such circumstances and, at the request of the Buyer, immediately provide appropriate evidence of such circumstances.

6. Delivery to Incorrect Address

The delivery shall be executed to the address defined by the Buyer in the Purchase Order. Delivery shall only be deemed to have occurred when the Goods have been delivered to such address. The Contract is considered terminated if the Supplier fails to deliver the Goods to such location within the delivery period specified in the Contract. The Buyer reserves the right to uphold the Contract under conditions specified in the form of a statement. The Supplier shall bear any additional expenses incurred in delivering the Goods to the correct address.

7. Title and Risk of Loss

Title and risk of loss for the Goods remain with the Supplier until they are delivered pursuant to provisions under point 5 of these Terms.

8. Price and Payment Terms

The price is determined in the Buyer's Purchase Order or other written agreement and shall not be altered.

If the Supplier wishes to request a price increase, this shall be set out in a written notice together with satisfactory documentary evidence justifying the increase, including a detailed cost breakdown. No price increases shall apply without the Buyer's written consent.

The price is inclusive of all delivery costs (such as, but not limited to packaging, packing, carriage, customs clearance, costs and insurance etc.). The Buyer will reject any shipments if the accompanying documentation indicates that delivery costs shall be charged to the final consignee.

All prices are in Euro and include any applicable sales tax, unless otherwise agreed in the Contract or Purchase Order. The statutory Value Added Tax shall be added, if applicable.

Unless otherwise agreed in the Contract or upon Buyer's written approval, the Supplier shall not invoice the Buyer until after the Buyer has accepted the Goods. The Supplier shall send the invoice together with a signed delivery note to the Buyer's address, or by e-mail to the Buyer's representative as specified in the Purchase Order.

The Supplier shall not withhold supplies for any reason without the Buyer's written agreement.

If either party fails to make a payment under the Contract on or before the due date, the party entitled to payment may charge interest at the rate of 1 per cent per annum above the three-month Euribor base rate, as published by the European Banking Federation, on the outstanding amount from the due date until the date of payment (both before and after any court judgment). Such interest shall accrue on a daily basis and the parties agree that it is in substitution for any statutory interest and compensation arising out of late payment that may be applicable to the Contract.

Without prejudice to any other right or remedy, the Buyer may set off any amount owing from the Supplier to the Buyer against any amount payable by the Buyer to the Supplier, whether under the Contract or any other legal ground between the parties.

Without the Buyer's written consent, the Supplier may not assign its claims or refer them for collection to third parties.

9. Acceptance

If Goods delivered by the Supplier do not conform in every respect to the Contract (whether because of quality or quantity of Goods measured being different to that required by the Contract, or because they are not of satisfactory quality, or because they are unfit for the intended purpose), the Buyer shall have the right to reject such Goods within the time period specified under point 21 of these Terms and to purchase replacement Goods anywhere, but without prejudice to any other right the Buyer may have against the Supplier. Payment shall not prejudice the Buyer's right of rejection of faulty Goods. Rejected Goods must be credited immediately in full, and repaired/reworked or replacement Goods may only be invoiced upon faultless redelivery. Before exercising its right to purchase elsewhere, the Buyer shall give the Supplier a reasonable opportunity to repair, rework or replace rejected Goods with Goods which conform to the Contract. The Supplier is liable for any additional costs of purchase elsewhere and shall also be obliged to pay any difference between the purchase price specified in the Contract or the Purchase Order and the price of purchase elsewhere.

The Supplier shall ensure that all advice or delivery notes clearly state:

- the Supplier's business name
- the telephone number of Supplier's representative
- product ID and exact product specification
- Purchase Order number
- price
- name of the Buyer's representative in UPPER CASE
- date and place of signature

The Buyer shall not be liable for any additional costs arising from the Supplier's delay in delivery or failure to meet the specifications in the Purchase Order.

10. Variations

The Supplier shall not modify any Goods unless requested to do so by the Buyer in writing. From time to time during the duration of the Contract, the Buyer shall have the right to provide a written advance notice to Supplier requesting to add to, to omit from or to otherwise change the Goods, delivery dates or destinations of the Goods. The Supplier shall carry out such modifications bound by the same terms and conditions, as applicable, as though these modifications were defined in the Contract.

If the Supplier receives a written variation order from the Buyer that requires a modification of the Contract price, the Supplier shall promptly notify the Buyer in writing, stating the price modification using the same price levels as contained in the Supplier's tender or quotation (as the case may be).

Where, in the opinion of the Supplier, any such variation order is likely to prevent the Supplier from fulfilling any of its obligations under the Contract, the Supplier shall immediately notify the Buyer in writing, and the Buyer shall promptly decide whether to proceed with the variation order or not. The buyer shall issue instructions in writing and modify the said obligations as reasonably necessary. No modification shall have effect until the Buyer issues such written instructions.

11. Indemnity

The Supplier shall indemnify the Buyer against any costs (including legal costs on a full indemnity basis), charges, damages, penalties, interest and claims arising from:

11.1 defective design, workmanship, quality or materials;

11.2 any actual or alleged infringement of Intellectual Property Rights from the use or supply of any Goods (except where such infringement directly results from the Supplier having followed a design or instruction provided to the Supplier by the Buyer, or due to use of the Goods in a manner or for a purpose prohibited by the Supplier, or results from the use of the Goods in association or combination with any other article or material not supplied by the Supplier (unless the Supplier is aware of such use));

11.3 any claim made against the Buyer in respect of any liability, loss, damage, cost or expense by the Buyer's employees, agents or customers or any third party, to the extent that this was caused by or arises from the supply of the Goods; and

11.4 delay of delivery.

The Supplier shall, in addition to liability for damages to the Buyer, reimburse all costs to the Buyer's customers, resulting or arising from the defects in the Goods supplied.

12. Ownership of Intellectual Property Rights

Any Intellectual Property Rights created by the Supplier specifically for the purposes of the Contract shall be transferred and belong to the Buyer, and the Supplier shall do all such things and execute all such documents as may be reasonably required by the Buyer to ensure that all such Intellectual Property Rights are effectively assigned to the Buyer.

The Supplier guarantees that the availability, provision and use of the Goods shall not infringe any Intellectual Property Rights of third parties.

13. Inspection

The Buyer's representatives shall have the right to access and inspect all Goods at the Supplier's premises and the premises of its approved sub-contractors at any reasonable time, and to reject

Goods that do not comply with the Contract. Any such inspection, checking, approval or acceptance given on behalf of the Buyer shall not relieve the Supplier or its sub-contractors from any obligation under the Contract.

14. Confidentiality, Data Security, Data Protection

All property rights in any specifications, instructions, plans, drawings, patterns, models, designs or other material furnished to or made available to the Supplier by the Buyer in connection with the Contract shall remain vested solely with the Buyer. The Supplier shall regard all information acquired therefrom or otherwise related to Contract to be Confidential Information, keep it confidential, and shall not disclose the Confidential Information to any third party, use, copy or otherwise reproduce it for any purpose, except where necessary for proper execution of the Contract.

Persons involved in the ordering and manufacture of the Goods ordered by the Buyer shall comply with the confidentiality obligations set out in these Terms or the Contract for a period of five (5) years from the expiry or termination of the Contract or Purchase Order, unless a longer period is specified therein.

The Supplier may only copy or otherwise reproduce the received documents based on Buyer's written agreement. The title of the copies is transferred to the Buyer the moment they have been made. The Supplier agrees to properly and at its own expense retain all documents, including any copies thereof, which were made available to it, in order to preserve them in an impeccable condition and adequately protect them. Furthermore, the Supplier agrees to, at Buyer's request, immediately return or destroy such documents. The Supplier shall not have the right to keep such documents on any ground.

The Supplier can only make the collaboration with the Buyer public upon a written agreement of the Buyer.

Pursuant to the Personal Data Protection Act, the Supplier agrees to only use or otherwise process personal data in accordance with the legislation in force.

15. Responsibility for the information

The Supplier is responsible for any errors or omissions in any plan, calculation, detail of the packaging or other detail provided by Supplier, irrespective of whether or not the Buyer approved such information, provided that such errors or omissions do not result from Buyer's inaccurate written information.

16. Assignment and Subcontracting

The Supplier shall not assign or subcontract any of its rights or obligations under the Contract, nor shall it assign or charge the benefit of any debt owed by the Buyer to the Supplier without the Buyer's written consent. The Supplier shall be responsible for all work done and the Goods supplied by its subcontractors.

17. Copies of Subcontracts

Upon request, copies of subcontracts and/or Purchase Orders to subcontractors shall be provided to the Buyer.

18. Deterioration

The Supplier shall protect all Goods supplied from deterioration or contamination during transportation or storage. The Supplier shall consult with the Buyer on the most appropriate storage conditions for the Goods supplied.

19. Buyer's Free-issue Material

When the Buyer furnishes the material to the Supplier free of charge

for purposes of the Contract, the title to any such material shall remain with the Buyer. Any risk regarding such material is borne by the Supplier. The Supplier shall store any such material safely and separate from materials belonging to the Supplier or other parties. The Supplier shall maintain all such material in good condition, excluding normal wear in the case of samples and the like.

Any such material shall only be used for the purposes of the Contract. Any excess material is disposed of at the Buyer's discretion. Excessive use of such material due to poor performance or negligence of the Supplier shall be covered by the Supplier, without prejudice to any other right of the Buyer. At Buyer's request, the Supplier shall deliver such material, regardless of whether the material was processed or not. Upon completion or termination of the Contract, the Supplier shall immediately return to the Buyer all unused material.

20. Product Support Obligation

The Supplier shall notify the Buyer of its intention to terminate regular production of a certain type of goods it is supplying to the Buyer, at the latest 6 months before the planned termination of production.

The Supplier shall provide the Buyer with spare parts for the Goods supplied for at least 10 years after the delivery of the Goods. Should the Supplier intend to terminate the production of spare parts for the Goods supplied, it shall notify the Buyer immediately or at the latest 6 months before the termination of production.

21. Warranty

The Supplier guarantees faultlessness of the Goods. The Supplier shall, within 10 days of receipt of a written notice from the Buyer, remedy (whether by repair or replacement, at Buyer's discretion) any faulty Goods. All Goods shall be supplied with a repair/rework or replacement warranty for 12 months from putting into service or 18 months from delivery (as applicable), whichever is shorter, including, but without limitation, warranty for any defects which occur due to Supplier's incorrect instructions for use, incorrect use of data, inadequate or faulty materials or workmanship, any other breach of the Supplier's obligations, express or implied, or any failure to conform to the Contract. Repaired/reworked and replacement Goods shall also be subject to the warranty stated above for a period of 18 months from the date of delivery, reinstallation or passing of tests, whichever is relevant after repair/rework or replacement. Such warranty is given without prejudice to any other Buyer's previous or subsequent right or remedy.

Notwithstanding the provisions on warranty for defects, the Supplier guarantees to the Buyer (Contract Guarantee) the agreed amount of Goods of satisfactory quality and with agreed characteristics, and guarantees that the Goods will function in accordance with their purpose for at least 24 months from the delivery. The Supplier undertakes to remedy any defect in the Goods that was identified and reported during the warranty period of 24 months, within 10 days after receiving notification of defect, or to replace the Goods with new ones within the same period.

If, in the event of a claim arising from the liability for defects or from the Contract Guarantee, the Supplier does not repair or replace the Goods within 10 days or within the period specified in the Contract, the Buyer may exercise any of its rights from point 5 of these Terms (to request order fulfilment, terminate the Contract or Purchase Order in whole or in part, or purchase elsewhere at the expense of the Supplier) without prejudice to any other right (such as contractual penalty) or remedy.

22. Insurance

The Supplier shall effect and maintain a policy or policies of professional and product indemnity insurance and, at Buyer's

request, provide the Buyer with proof of such coverage. Such insurance shall be maintained for the duration of the Contract and for a minimum of 5 (five) years following the expiration or earlier termination of the Contract.

23. Termination

The Buyer may at any time terminate the Contract by written notice, in whole or in part and without compensation to the Supplier if any of the following events occur:

(a) the Supplier commits a breach of any of the terms of the Contract;

(b) the Supplier or any of the Supplier's members becomes insolvent or fulfils the criteria for the assumption of insolvency as governed by the law regulating the insolvency proceedings, or receives a decision on the appointment of an administrator or on the institution of receivership or bankruptcy, or in any way enters or intends to enter an agreement with the creditors;

(c) the Supplier adopts a decision about liquidation, or the court of law receives a proposal for appointment of an administrator to the Supplier or for its liquidation, or a bankruptcy receiver or an administrator is appointed, or circumstances occur based on which the court of law or creditor may appoint a bankruptcy receiver or administrator, or based on which the court of law can adopt a decision on liquidation or appointment of an administrator;

(d) the Supplier ceases or threatens to cease to carry on its business; or

(e) transfer or more than 50% of the voting rights in the Supplier; and the Supplier is obligated to immediately notify the Buyer of such transfer.

A termination of the Contract by the Buyer under this clause shall not prejudice or affect any Buyer's right of action or remedy which shall have accrued or shall accrue after termination. Any provisions which are expressly or impliedly intended to be enforceable after the termination, shall continue to be enforceable.

If case of termination for the above stated reasons, the Buyer shall have a right to the delivery of the Goods that the Supplier has manufactured up to the day of termination by the Buyer.

In the event of withdrawal from a Contract or cancellation of an Order, undelivered Goods that were already paid for shall be credited to the Buyer.

24. Anti-corruption Clause

The Buyer and the Supplier undertake to strictly respect a zero-tolerance level of corruption in their relations.

Any breach of this clause in the process of conclusion or execution of the Contract or Purchase Order will be considered a material breach of the Contract and, without prejudice to its other rights and remedies in respect of such breach, the Buyer shall be entitled to immediately abrogate or terminate the Contract as a result of such breach.

For any proven violation of the anti-corruption clause, the Supplier will pay the Buyer a contractual penalty of 20% of the value of the entire transaction, whereby the Buyer retains the right of claiming more when the indemnity exceeds the value of the contractual penalty.

The provision from the preceding paragraph shall also apply in the event of other violations of Rules, Purchase Order or Contract, as expressly specified therein.

25. General Terms and Severability

25.1 These Terms and Conditions override and exclude any other terms stipulated, incorporated or referred to by the Supplier, whether in any quotation, confirmation of Purchase Order, delivery note or invoice, or in any negotiations or any course of dealing established between the Supplier and the Buyer. Such Terms and Conditions shall not form a part of the Contract.

25.2 If any term or provision in the Contract or these Terms is held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form a part of the Contract or these Terms, but the enforceability of the remainder of the Contract or these Terms shall not be affected.

25.3 Buyer's failure to insist upon strict performance of any provision of the Contract shall not be deemed to be a waiver thereof or of any right or remedy for breach of a like or different nature.

25.4 Buyer's failure to exercise any right or remedy arising from the Contract shall not be deemed as a waiver thereof, or of any subsequent right or remedy.

25.5 The Supplier has been informed and agrees that the data obtained while executing the Contract or Purchase Order will be processed in the Buyer's IT system.

25.6 In addition to these Terms, the Supplier acknowledges the RLS Quality Manual for the Suppliers and RLS Suppliers Code of Conduct. Non-compliance with the Manual or the Code constitutes a material breach of the Contract.

26. Governing Law and Venue

The Contract shall be governed by and interpreted in accordance with Slovenian law and the parties submit to exclusive jurisdiction of Slovenian courts based on the address of the Buyer's head office, for all purposes in relation with the Contract.

We acknowledge that we share common values and agree to respect and comply with the requirements of RLS Supplier Code of Conduct and will invoke the values expressed therein.

Company Name

Address

Name and Title of Signatory

Date

Signature
