



ARMAT d. o. o. in
ARMAT PROJEKT d. o. o.
Krmelj 37A,
8296 Krmelj, Slovenia

GENERAL SALES CONDITIONS

I. Validity

The general sales conditions are a constituent part of the sales operations if the Customer did not expressly decline their use with a written statement. Every alteration or deviation from the general sales conditions must be agreed in writing. If in doubt, only agreements in a written form are considered for any other agreement. These general conditions regulate all obligatory relations between the company Armat, d.o.o., Birna vas 7a, Šentjanž (hereinafter referred to as: the "Vendor or Armat") and the customers of the goods and products of the Vendor. These sales conditions shall prevail over the purchase conditions of the customer unless the customer and Vendor expressly agree otherwise.

II. Offers and order

2.1 Offers without an appropriate written order from the customer are non-binding for the Vendor.

2.2 The Vendor guarantees the conditions under this contract or *pro forma* invoice only within the framework of the offer or the validity of the *pro forma* invoice.

2.3 The Vendor may introduce new goods or services into its programme at any time or it can exclude certain goods or services. However, the Vendor is obliged to execute steel construction, roofing and façade works (hereinafter referred to as: "work") if the order has already been confirmed.

2.4 An order is considered complete if it includes all the data required for the execution of the work especially (but not exclusively) quantity, quality, type, plan, specific properties and place and time of the execution of the work. Should any of the data be missing, it is considered that the parties agreed in this part on the standard properties required for the execution of the work.

2.5 The work is performed by the Vendor on the basis of a written order in which it refers to the offer number or *pro forma* invoice of the Vendor and the "General sales conditions of Armat d.o.o." and written confirmations of the receipt of the order – Order confirmations. A telephone order is valid in the event that the Vendor shall send a written order confirmation – Order confirmation.

III. Prices and payment terms and conditions

3.1 The Vendor considers the prices from the currently applicable price lists in its offers or *pro forma* invoices. All prices apply FCA warehouse of the vendor if the offer does not state otherwise. The latest version of INCOTERMS clauses is used in offers, order confirmations, invoices and in determining transition risks.

3.2 Work for which the Vendor confirms the order is carried out according to the price as agreed at the time of the order. The Vendor is entitled to change the price in the event of any kind of alteration in quantities, plans, or specific properties of the completed work.

3.3 All payments including taxes, duties, fees are made by the customer unless otherwise agreed in the Order confirmation.

3.4 The normal payment deadline is 30 days from the day of the invoice issue. The customer is obliged to submit adequate payment security, confirmed by the Vendor, within eight days after the receipt of the Order confirmation or signing the contract.

3.5 In case of different payment conditions written in the Order confirmation or in the concluded contract between the customer and the Vendor, the conditions defined in the Order confirmation or the contract shall apply.

3.6 The payment is considered executed when the money is in the bank account of the vendor.

3.7 The vendor is entitled to charge legal default interests and all costs incurred in relation to the payment recovery upon late payments.

3.8 The final balance sheet record is made after the receipt and delivery of the executed work within the framework of individual work operations.

IV. The takeover of goods and handover of works

4.1 In case of the takeover at the headquarters of the Vendor, the customer must take over the goods in the sense of quantity and quality before loading on the transportation vehicle. A record must be made about transport damage and it must be signed by the transporter and the receiver of the goods. The damaged goods must be photographed. The customer or the receiver of the goods must consider the Vendor's instructions when unloading.

4.2 In the event of the late takeover of the goods, the risk of accidental damage or destruction of the goods shall come on the day when the customer comes late.

4.3 The goods which are returned to the Vendor must not have any other damage than that which was claimed and must be returned to the Vendor in the original packaging and within the agreed deadline.

4.4 After all the contract work has been executed, Armat shall give a statement with its entry in the construction diary that all construction works are executed and it informs the customer about it with a special written notification.

V. Execution of work

The approximate time frame for the execution of the work is stated on the order confirmation or contract. Armat reserves the right to extend the deadline for the execution of the work in the event of force majeure, production standstills, machine breakages and other exceptional circumstances for the time which is equal to the duration of the extraordinary event. Armat expressly reserves the right to partially fulfill the order and to hold back any future supplies in the case of late payment.

VI. Retention of title

6.1 The goods shall remain the property of the Armat company until the full payment of obligations. In the case of processing, completion, integration or mixing, Armat shall remain the owner of the appropriate co-ownership share of the new object until the final payment. In the case of further sales, the customer shall assign the goods of all claims arising from the further sale to Armat until the final payment.

6.2 In the case that the customer shall act in contradiction with the Order confirmation or the concluded contract, especially upon a late payment, the Vendor is entitled to confiscate the goods. By doing so, it is not considered that the Vendor has withdrawn from the contract unless expressly declared in writing.

VII. Guarantee for defects

The customer is obliged to point out obvious defects of the goods immediately after the takeover and any hidden defects at the latest within eight days after they were discovered or the customer shall otherwise lose all rights under the item of guarantee. The Vendor shall not provide a guarantee for the defects of the goods if they were used for purposes which the Vendor was not familiar with at the conclusion of the contract. The Vendor shall not provide a guarantee for hidden or obvious defects of the goods within 12 months from the day of the delivery.

In the event of a justifiable complaint, the customer is entitled to claim a lower price, the elimination of the defect or the delivery of substitute goods.

VIII. Liability

8.1 Armat shall guarantee that the completed work and the supplied goods are without defects and in compliance with the specification as upon ordering and/or order confirmation. In the case of deviation from the agreed quantity or quality, it shall undertake to compensate or repair the claimed goods. Armat shall not be liable for any damage due to the loss of production, profit or business interest.

8.2 Armat shall not be liable for any kind of damage resulting from the customer being late in fulfilling its contractual obligations, especially due to incorrect or inaccurate data, specifications, projects or any other kind of information provided by the customer, and is entitled to claim compensation for any costs, loss or damage.

IX. The ceding of claims and notifications

9.1 The customer undertakes not to cede any claim towards the Vendor to third parties without its previous written confirmation.

9.2 The parties also agree that notifications received via adequate telecommunication means (fax, e-mail) are considered as written.

X. Guarantee



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10.1 The Vendor declares that all materials used are first-rate. The customer must use the products with due diligence and in compliance with the Vendor's instructions.

10.2 The guarantee shall not apply to products damaged during transportation due to unprofessional installation or use under conditions which are not usual according to the data stated in the enquiry, as well as in the case of disregarding the Vendor's instructions.

10.3 The guarantee for assembly works and installed materials is valid for two years.

10.4 The Vendor reserves the right to choose whether the damaged goods shall be replaced with new ones or to provide for the elimination of the defect on the original goods or to offer a compensation.

10.5 An objection of the customer regarding the guarantee and warranty shall not apply with the interventions of the customer, repairs or attempts to repair and also in the case if an unauthorized third party does that. Spare parts become the ownership of the Vendor. The Vendor guarantees the repairs which it performs.

10.6 If the Vendor is not prepared for the substitutional fulfilment or is not capable of doing so or if its repairs performed for the third time are proven ineffective, the customer is entitled to withdraw from the contract or to claim a lower purchase price than agreed.

10.7 Elements or parts of elements which are subject to rapid wear and tear or damage and products which were not maintained in compliance with the Vendor's applicable instructions are excluded from the guarantee and warranty.

XI. Disputes

11.1 These general conditions shall be used for regulating the relationships which are not regulated by this contract. In the event that a special contract is concluded with the customer, of which the provisions are not in compliance with these conditions, provisions of the special contract shall be used for regulating every individual relationship.

XIII. Jurisdiction

All disputes shall be judged in compliance with the Slovenian material law. That the District Court of Novo mesto has the jurisdiction for solving any possible disputes.