

## GENERAL SALES CONDITIONS

Validity: from 01.04.2022 until cancelation

### I. Validity of the General Sales Conditions

General Sales Conditions (hereinafter referred to as GSC) apply to the conditions of sale concluded between the company MDM d.o.o., MDM METAL d.o.o., MDM Edelstahl GmbH, MDM METAL d.o.o, or any other Company or Branch in the MDM Group (hereinafter referred to as "the supplier") and the Buyer (or Customer).

General Sales Conditions are an integral part of all transactions between the parties, unless the parties have agreed otherwise in writing and in advance. If the parties have expressly agreed otherwise, the General Sales Conditions shall apply to all of which the customer and the supplier have not agreed specifically. The parties in writing shall exchange all statements and notices in the framework of a single transaction. Each party is obliged to inform the other party of any changes of address and other relevant information.

The buyer may take note of the General Sales Conditions at any time on the supplier's website: [www.mdm.si](http://www.mdm.si) or directly in the retail unit. The GSC is binding for the Buyer even if they were not submitted to the Buyer in written form with the offer. Any Buyers General Sales Conditions are only binding for the Supplier if they are accepted by the Supplier in the written form.

### II. Scope and Validity of an Offer

An offer shall contain: subject, quantity and price, payment terms, delivery time and manner of delivery of goods. The validity period of an offer is 1 working day from the date of issue of the offer, unless agreed otherwise. The offer is considered to be accepted when the supplier receives the customer's written confirmation of the offer or a sent purchase order before the expiry of that period. By confirming the offer or sending the purchase order, the customer agrees with the General Sales Conditions.

### III. Scope and Validity of an Order

An order shall contain:

- the exact address of the recipient and the payer of the goods,
- declaration from the customer on the purpose of use of the goods,
- payment method,
- indication of the required certificates and other technical data (drawings, dxf, sketches with exact dimensions ...) needed by the supplier for a proper and smooth implementation.

If there is any of the information missing, it is considered that the parties have agreed standard features of the seller's goods in this part. If, after confirming the order, it turns out that the buyer provided the wrong technical data for the preparation of the goods or performance of the service, the supplier is not responsible for the deficiencies in the executed order, which are the result of incomplete technical documentation submitted by the buyer.

The contract is valid when confirmed by the supplier to the customer in writing, unless it follows from the practice between the parties that the confirmation of an order is not common. The supplier's obligation under a contract shall arise when the supplier confirms the order and has all the necessary information regarding the order and provided that the customer has settled all previous invoices issued by the supplier and all other overdue financial obligations owed to the supplier.

Prices from the offer are only valid if the customer confirms all the positions from the order. In case conformation from the customer only includes some of the positions from the order, the supplier reserves the right to change the prices.

The customer cannot amend or revoke his order. Only written changes and cancellations of orders shall be considered valid.

### IV. Supply of Goods

Indicative delivery time shall be stated on the order confirmation and shall commence on the date when the supplier has confirmed the order or when the supplier has received the advance payment on his bank account. The delivery is carried out when the customer takes over the goods in his warehouse or at another agreed place. The supplier reserves the right to make partial deliveries.

In cases of force majeure, disruptions in the flow of transport routes or other extraordinary events, the supplier reserves the right to

extend the delivery time for the duration of the exceptional occurrence.

Seller uses different transportation partners in order to execute the delivery and reserves the right to choose the one most appropriate given the specifics of each delivery. Seller shall not be liable for damage to goods or delays caused by partners MDM uses for executing transports.

In case that the customer collects the goods himself at the premises of MDM (EWX parity), the customer is obliged to do so no later than within 3 working days after receiving a notice that the goods are ready for shipment, otherwise, the customer is obliged to pay the storage costs of 0.5% of the value of goods in EUR for each day of delay. All the costs are defined Net. After the expiry of this three-day period for the collection of goods, the customer shall bear any risk of loss or damage to the goods, whereas the supplier thereafter obtains the right to withdraw from the sales contract by a unilateral declaration sent to the customer's address or to deliver the goods to the buyer and for this to issue an invoice for transport and manipulation costs according to the valid MDM pricelist or the actual costs incurred.

In case that buyer is collecting the goods by himself, he is obliged to do so with vehicle that is appropriate given the characteristics of the goods. If such vehicle is not secured, seller has the right to refuse loading of the goods and provide the transport to the buyer at buyer's costs. Such costs shall include the manipulation and transport costs as defined with price list or according to actual costs. Any seller's responsibility for loading or transport shall be excluded.

#### **V. Handing Over the Goods and Their Examination in Terms of Quantity and Quality**

The customer is obliged to carry out an examination of goods in terms of quantity and quality immediately after the receipt of goods at the delivery address. The parties agree that the goods are considered delivered at the date of the direct receipt of the goods. Upon receipt of the goods confirmed by the customer in writing by signing the accompanying document, the risk of loss or damage to the goods passes to the customer.

The quality of goods is considered adequate if it corresponds to the standard properties of the seller's goods. The quantity of goods can deviate by up to 10% of the agreed. The quantity of goods must be the same as on the weighing sheet.

Return of goods after receipt is not possible, except under the conditions of Warranty for Defects. However, the return is exceptionally allowed if the parties agree in writing about the possibility of return. In this case the supplier charges the cost of handling the return to the customer and any additional transportation costs. All costs are defined Net. The cost of manipulating the goods at the return is for metal sheets 60 EUR, for bars, profiles or pipes 40 EUR and for fittings 20 EUR. If the actual costs of the return are higher than the amounts from the previous sentence then the customer shall be charged with actual costs.

#### **VI. Prices and Payment Terms**

For individual sales transaction, the prices indicated in the offer shall apply. The price of goods does not include costs of delivery, cutting, certificates, special packaging, pallets and value added tax; however, the mentioned items are shown in the offer separately. The costs of delivery, cutting, certificates, special packaging, and pallets will be charged according to the MDM's current price list and are identified in the offer specifically.

For the period from the date of confirming the contract to the agreed date of delivery of goods, the supplier reserves the right to change the prices in proportion to the increase in purchase prices of incoming goods.

For individual sales transactions valued under 50,00 EUR there will be additional administrative cost of 10,00 EUR.

Subject of the order can be following services: plasma cutting, water jet cutting, laser cutting, CNC milling, CNC turning, CNC bending, cutting tubes with the circular saw, schelling saw, welding, (hereinafter jointly referred to as services). All service MDM is offering can be seen on MDM's website. If the order includes services, the minimum amount that can be ordered is 300 EUR worth of services. Order below the amount shall not be accepted by MDM.

If there is a difference between the payment based on the offer and the final invoice, due to the nature of the goods, the parties agree to write off the overpayment or underpayment up to - / + EUR 5.00. If the prepayment exceeds the final invoice for more than EUR 5.00, the parties agree that the amount of the overpayment will be returned to the customer. In case the advance payment is concerning the final invoice more than EUR 5.00 lower, the buyer is obliged to pay the underpaid amount without delay.

In case of unforeseen additional works or in case of repetition of the service or parts of services resulting from the characteristics of the object of the service, an annex to the offer shall be made, which determines the costs of unforeseen additional works or repetition of services. The buyer is aware of this and has to confirm additional works with the signature.

The supplier shall issue an invoice which becomes due for payment within the agreed payment period and is considered to be settled when the supplier receives financial means in his bank account. The customer may refuse the invoice by a written justification within 8 working days after receiving the invoice. After this period, it is no longer possible to refuse the invoice.

For late payment the supplier reserves the right to charge default statutory interest from the date of delay to the payment, and in case of recovery all costs incurred in connection with the judicial or/and extra-judicial recovery of the debtor (these are above all the costs of reminders, calls, executor, external collectors, courts etc.). In case of the written reminder to the buyer for delay in payment, the seller is entitled to charge the cost of a written reminder fee of 40 EUR. In case of delay in payment longer than 30 days the supplier shall be entitled to change the customer's agreed payment deadline and suspend all deliveries of goods until the customer settles all his outstanding liabilities.

The customer shall settle his obligations to the supplier regardless of the payment of his own customers.

The supplier has the right to settle the received payments with the buyer's older obligations that have already been due. Where costs and interest are incurred in addition to the principal, they are calculated by first paying the costs, then the interest and finally the principal.

The supplier shall be entitled to offset any counter-claims against the claims of the customer to the supplier, provided that the counterparty claims are undisputed and overdue.

## **VII. Warranty for Defects**

The supplier guarantees for the supplied goods to be free of defects and in compliance with the specification in the order and the order confirmation. In case of a deviation from the agreed quantity or quality, the supplier is obliged to replace or repair the claimed goods. The goods and services supplied must be carefully inspected immediately after delivery to the buyer or a third party determined by the buyer.

The buyer is obliged to claim the obvious defects of the goods immediately at their receipt, otherwise the buyer loses the right arising from warranty. All notifications received by the seller later than 8 days after the delivery date shall not be considered. The buyer is obliged to notify the supplier about the identified hidden defects immediately upon discovery. The supplier is not responsible for the defects which appear 6 months after the delivery, unless a longer period has been specified in the contract. The buyer should provide a more detailed description of the defect in the written notification and invite the supplier to examine the goods.

In case of a justified complaint, the customer has the right to request the repair of goods, the replacement delivery of goods, price reduction or refund of the amount paid. The customer shall return the claimed goods to the supplier in state and quantity as taken over upon their delivery. The costs of any damage caused by the customer's improper storage, processing or use of the claimed goods shall be borne by the customer. The buyer's right to withdraw from the contract is excluded if the buyer cannot return the goods received. The right to withdraw from the contract is also excluded if the supplier has supplied custom-made goods. The supplier is not responsible for any damage due to loss of production, profit or business interest. In any case, the supplier shall not be liable for more than the amount of the claimed goods. For any material defects on the round steel products and other profiles of Asian origin the supplier shall not be liable for more than the amount of the material's sales value.

In case of a complaint, the customer is obliged to pay the supplier the undisputed part of the purchase price within the payment period as agreed and stated on the invoice.

The supplier shall not be held liable for defect or lack of conformity of the goods, if this is a result of an incorrect order of the customer (the buyer did not specify the specific purpose when ordering, provided incomplete technical documentation). The Supplier also does not guarantee for the damage which result of improper, careless use, processing, storage and control of the goods delivered to the buyer. The parties agree that the damage caused by the inability to use the material or its purpose, such as production, delivery to new customer, etc. is not the supplier's responsibility.

### **VIII. Liability**

Buyer's claims for compensation rather than eliminating defects of supplied goods are excluded. The supplier shall under no circumstances be liable for any of the following cases: (1) third party claims against the buyer, (2) damage or destruction of goods resulting from improper use, (3) special, incidental or indirect damage or economic consequences, including lost profit.

### **IX. Retention of Title**

The goods supplied remain the property of the seller until full payment of all the buyer's obligations to the seller (including default interest, etc.). Until the buyer's obligations towards the seller have been fully settled, the buyer has the right to use the products for resale only if the appropriate insurance is provided to the seller (e.g. a bank guarantee) and if he provides the seller with the information of the new buyer and informs him of the location of any installation. The buyer shall not transfer as collateral or take other measures which could jeopardize the seller's right to property in the goods subject to the reservation of title.

In the case of resale, the purchaser of the goods assigns any claims originating from the resale to the supplier in advance until the final payment of obligations.

As long as the Retention of Title is valid, the Buyer is obliged to handle the goods with expert care and must not in any way change or manipulate the packaging of the goods. In the case of processing, treatment, fusion or mixing of goods, the supplier shall remain the owner of the goods on the due/relevant share of the new thing, until the full payment.

### **X. Business Secret**

The parties are obliged to protect all information which they become aware of due to or in connection with the implementation of operations (in written, oral or other form, either directly or indirectly) as a business secret.

The supplier is allowed to process and save buyers information in the extend needed to implement the Contract.

### **XI. Final Provisions**

The Supplier is always allowed to correct the obvious typing errors on the offer or contract, that are the consequence of human or computer error.

The supplier reserves the right to change conditions without previous notice. Any amendment or addition to these General Sales Conditions shall be valid only in writing. In case one or more provisions of these General Sales Conditions shall become invalid or unenforceable, this shall not affect the validity of the remaining provisions.

Any disputes shall be considered in accordance with Slovenian law, excluding its "Choice of law and forum rules" without reference to any other substantive law or the rules of international private law of Republic of Slovenia. The parties shall try to solve them amicably; otherwise the settlement of the dispute lies within the competency of the Court of Ljubljana, Slovenia.