

GENERAL TERMS AND CONDITIONS OF SALES (9/2016)

1. GENERAL

- 1.1. The following general terms and conditions apply to the legal relations between DONIT TESNIT, d.o.o. (hereafter referred to as: Seller, Company or DONIT) and its business partners or customers purchasing its products and/or services (hereafter referred to as: Customer).
- 1.2. These Terms and conditions of sales, Terms of use and Privacy policy represent the entire Agreement between Seller and Customer, unless otherwise agreed.
- 1.3. The legal relations between Seller and Customer are established by Seller's written confirmation of Customer's purchase order or by signing a contract between Seller and Customer or business partner, unless other provisions according to the accepted quotation, confirmed purchase order or signed contract apply.
- 1.4. Unless any other provisions are contained in Seller's quotation, these Terms and conditions apply for all confirmed Customer's purchase orders, Seller's quotations and contracts with business partners.
- 1.5. The sales terms from the Customer's order or the Customer's counteroffer are not binding for Seller if Seller has not accepted them in writing or if they are not the result of negotiations.
- 1.6. The valid catalogue of DONIT's product range and the valid technical documentation of DONIT are an integral part of these Terms and conditions.
- 1.7. DONIT can only sell Products to legally organised and incorporated legal entities complying with the local law of the country of delivery. B2B (business-to-business) means a transaction in which the supplier and you are legal entities.

2. SUBJECT OF THE ACCEPTED QUOTATION, CONFIRMED ORDER OR SIGNED CONTRACT

- 2.1 By placing an order with DONIT, Customer confirms that it is:
 - Legally capable of entering into binding contracts,
 - If in the EU, able to provide its VAT number, when applicable.
- 2.2 Subject of accepted quotation, order confirmed by the Customer or signed contract are products from DONIT's sales program (hereinafter referred as: The Products). Their specifications are defined in the technical documentation of DONIT.
- 2.3 Until Seller confirms Customer's order in writing (e-mail, registered mail, fast track courier), sales contract is not concluded and Customer's order will not be processed.
- 2.4 All correspondence, notifications and other exchanges of information shall be sent via registered mail or fast track courier to the business address of DONIT (CESTA KOMANDANTA STANETA 38, SI-1215 MEDVODE) or via electronic mail to your contact person at DONIT or info[at]donit.eu

3. ORDERING

- 3.1 Basic Order Terms and information provided to DONIT: All orders must include the following information: (i) which and how many Products you would like (exact description or reference to

DONIT product code or reference to DONIT quotation number), (ii) price and (iii) delivery instructions.

- 3.2 Where the manufacture of the gasket/s is required urgently within 5 days, the price may be subject to an additional upmark.

DONIT INDUSTRIAL METAL GASKET SALES POLICY (GASKETS)

- 3.3 Minimum order value is 25.00 EUR.

DONIT GASKET SHEET MATERIAL POLICY (GASKET SHEETS)

- 3.4 Minimum order value is 1000.00EUR.
- 3.5 When an order is placed for a non-standard gasket sheet, a minimum order quantity of between 20 and 30 sheets will apply, depending on the thickness (Approximately 200 KGs of raw material).
- 3.6 When an order is placed for a gasket sheet produced in accordance to customer's specifications, a minimum order quantity of 300 sheets of 1500x1500mm format will apply, regardless of thickness.
- 3.7 Standard sheets and technical information is defined on www.donit.eu

4. SHIPPING & DELIVERY

- 4.1 DONIT offers different types of packaging standards. Standard packaging is free of charge, while above-standard packagings are charged with regard to the pricelist provided upon request.
- 4.2 Unless otherwise expressly agreed, shipment shall always be carried out at Customer risk. The risk shall pass to Customer as soon as the goods have been handed over to the person executing the shipment.
- 4.3 If a shipment is delayed for reasons to be attributed to Customer, the risk of accidental deterioration, loss and destruction shall pass to Customer on notification of our readiness to ship. Required storage costs before or after passing of risk shall be borne by Customer. This shall not affect any other claims.
- 4.4 If Customer defaults in accepting goods, DONIT shall be entitled to claim refund of any expenditure and cost associated therewith and the risk of accidental deterioration, loss and destruction shall pass to Customer.
- 4.5 For all orders, shipments may be subject to import fees and taxes that are due on arrival. It is impossible for DONIT to determine these charges as they vary from country to country and state to state. If you need any detailed information about these charges, please contact your local customs office.
- 4.6 Unless otherwise expressly agreed, DONIT shall deliver ex works Medvode or Trebnje (INCOTERMS 2010).
- 4.7 Unless otherwise expressly agreed, the delivery time is typically 4 weeks for standard sheets & gaskets and 8 weeks for non-standard sheets. Exact delivery time will be defined in order confirmation.
- 4.8 Delivery periods shall only be binding if expressly agreed in writing. Delivery periods shall begin on the date of DONIT's written confirmation of the order, however in no case prior to settlement of all details relating to an order. Delivery periods shall be deemed to be met upon timely

notification of readiness to ship if the goods cannot be dispatched in time through no fault of DONIT.

- 4.9 With respect to delivery periods and dates, which are not expressly defined as fixed in the order confirmation, you may -two weeks after expiry of such a delivery period or date- set us an adequate grace period for delivery. DONIT may only be deemed to be in default after expiry of such a grace period.
- 4.10 DONIT may perform partial deliveries and render partial services if such action would not unreasonably affect you.
- 4.11 DONIT reserves the right, but is not obligated, to limit the sales of DONIT products or Services to any person, geographic region or jurisdiction. DONIT may exercise this right on a case-by-case basis. DONIT reserves the right to limit the quantities of any products or services that DONIT offers. All descriptions of products or product pricing are subject to change at any time without notice, at the sole discretion of DONIT. DONIT reserves the right to discontinue any product at any time.
- 4.12 DONIT can cancel or indefinitely suspend an accepted order and refuse additional orders if: (i) the customer is not proceeding in accordance with these Terms & conditions, (ii) you stop doing business or enter into any bankruptcy, insolvency, receivership or like proceeding that lasts more than 30 days or assign your assets for the benefit of creditors or (iii) if third-party financing in connection with your Product purchase(s) is not fast enough for DONIT or (iv) if there are overdue receivables.
- 4.13 After Order Confirmation from DONIT, the order cannot be cancelled without DONIT's written approval.

5. PRICING

- 5.1 The prices quoted in our order confirmation shall solely apply. Additional services will be invoiced separately. All prices are quoted as net prices and do not include value added tax, which is to be paid additionally. Validity of quotations is 30 days, unless otherwise stated.
- 5.2 All prices are in EURO.
- 5.3 Unless otherwise expressly agreed, prices are quoted ex works Medvode or Trebnje (INCOTERMS 2010).
- 5.4 Customer shall bear all additional freight costs, packing costs in excess of standard packing, public fees (including withholding taxes), duties and other applicable costs such as certificates and testing.

6. PAYMENT

- 6.1 With respect to items sold by DONIT, an order is valid and binding only after DONIT confirms it in writing. DONIT is not responsible for any pricing, typographical or other errors in communications. DONIT may process payment and ship parts of an order separately.
- 6.2 Prepayment is usually demanded for first 3 orders. Payment terms for following orders shall be in full within 30 days from the date of the invoice unless otherwise agreed in a written form. Payment shall be considered to have been made on the day the payable sum is received. Bills of

exchange and cheques shall not be deemed payment until after they have been honoured and will be accepted without any obligation to make timely presentation and timely protest.

- 6.3 All payments shall be in EURO. Payment in other currencies is subject to exchange rate on the date of payment.
- 6.4 The term of payment is an essential part of the sales contract.
- 6.5 Immediately upon default of payment, DONIT is entitled to demand default interest according to the statutory default Penalty Interest Rate in Slovenia (<https://www.bsi.si/en/>).
- 6.6 Any of our receivables shall be immediately payable in the event of a default in payment, a notice given in protest against a bill of exchange or suspension of Customer's payments, independent of the term of the bills of exchange that may have already been accepted. In any of these aforementioned cases, DONIT shall also be able to perform the remaining deliveries only against advance payment or provision of security, and, if no such advance payment is made or security provided within a two-week time period, to cancel the contract without fixing another extension term. This shall not affect any further claims.
- 6.7 Stated prices for Products do not include applicable sales taxes (except VAT, when applicable), export or import charges, transportation or insurance charges, customs and duty fees, personal property taxes or similar charges – all of which are your responsibility to pay. Customer has to pay all taxes and governmental fees DONIT is required to collect or pay upon sale or delivery of Products unless you provide DONIT with direct payment authority or an exemption certificate valid in the jurisdiction the Products will be delivered.

7. RETENTION OF TITLE

- 7.1 Delivered goods shall fully remain property of DONIT (goods sold subject to retention of title) until all receivables, on whatever legal grounds, have been fully paid up.
- 7.2 In case of processing, combining or mixing of goods subject to retention of title with your goods, DONIT shall be entitled to co-ownership of the new property in as much as the invoiced value of goods sold with retention of title relates to the value of the other involved goods. Where DONIT's co-ownership becomes null and void due to processing, combining or mixing with other goods, Customer immediately assigns to DONIT those of its rights of ownership in the new property or compound matter that correspond to the amount of the value of goods subject to retention of DONIT's title. Customer shall also be responsible for holding such rights in safe custody on behalf of DONIT and at its own expense. Any rights to co-ownership created as a result of such processing, combining or mixing shall be subject to the previous section of these Terms and conditions.
- 7.3 Customer may resell, process, combine or mix with other property, or otherwise integrate goods under retention of title in normal business operations, as long as you are not defaulting. Customer shall be prohibited from taking any other disposition regarding goods for which DONIT retains title. DONIT shall be promptly notified about any hypothecation or other seizure of goods under retention of title through a third party. All intervention costs will be charged to you if and to the extent that they cannot be collected from such third party. If you grant your buyer additional time for payment of the sales price, Customer shall reserve title in goods resold with retention of DONIT's title under the same terms that DONIT has applied when delivering such goods with retention of title. Customer shall be prohibited from any other kind of resale.

- 7.4 Customer immediately assigns to DONIT any receivables resulting from a resale of goods initially sold with retention of DONIT's title. These will be used to substitute the goods under retention of title as collateral of the equivalent amount. Customer shall only be entitled and authorised to resell such goods if its receivables therefrom accrue to DONIT.
- 7.5 If Customer resells goods under retention of DONIT's title together with goods from other suppliers at a certain total price, Customer shall assign to DONIT its receivables from such resale in the same amount as stated in DONIT's invoice for goods initially sold with retention of title.
- 7.6 Until DONIT gives notice of revocation, Customer shall be authorised to collect receivables assigned to DONIT. DONIT shall be entitled to such revocation if you fail to meet your payment obligations under the business relationship with us in due course. If the preconditions for exercising a revocation right are fulfilled, Customer shall promptly notify DONIT of any assigned receivables with respective debtors, furnish all data required for collection of such receivables, hand over all related documentation and advise the debtors of such assignment. DONIT reserves the right to personally advise the debtors of such assignment.
- 7.7 If the value of the collateral deposited in DONIT's benefit exceeds the amount of secured claims by a total of more than fifty (50) per cent, Customer shall be entitled to demand that DONIT release securities of its own choice.
- 7.8 If DONIT claims retention of title, this shall only be understood as a rescinding of the contract if expressly stated so by DONIT in writing. Customer right to possess goods under retention of title shall be null and void if it fails to meet its contractual obligations.

8. EXPORT CONTROL

- 8.1 DONIT Products thereof supplied by DONIT under these Terms are subject to export controls under the laws and regulations of the Republic of Slovenia ("Slovenia") and any other applicable countries' laws and regulations. You shall comply with such laws and regulations governing export, re-export, import, transfer and use of DONIT Products and will obtain all required Slovenian and other local authorizations, permits, or licenses. DONIT and you each agree to provide the other information, support documents, and assistance as may reasonably be required by the other in connection with securing authorizations or licenses. You shall not export DONIT Product without proper and appropriate governmental approvals, necessary for such export or re-export and for the avoidance of doubt it shall be your responsibility to obtain such approvals. You certify that you are not a person with whom DONIT is prohibited from transacting business under applicable law. You represent that you are not located in any country or on any list where the provision of Products to you would violate applicable law. You also agree not to use or enable use of them for any purposes prohibited by applicable law or export or re-export any DONIT Product with knowledge that it will be used in the design, development, or use of chemical, biological, nuclear or ballistic weapons or for any other criminal or illegal activity. Laws and regulations change frequently. It is your responsibility to know the law pertaining to export/import procedures in the country of destination of Products. You shall defend, indemnify, and hold DONIT harmless against any liability (including attorneys' fees) arising out of your failure to comply with the terms of this Clause.
- 8.2 You also represent and warrant that your officers, employees and agents shall comply with the anti-corruption laws of your resident country and Laws of Republic of Slovenia, so you will not (1)

authorize the giving of, offer, or give anything of value to a government official, a political party or party official, a political candidate, or an official of a public international organization for the purpose of obtaining, retaining, or directing business to any person by (i) influencing any act or decision by the recipient or (ii) inducing the recipient to do or omit to do any action in violation of the recipient's lawful duty or (iii) securing any improper advantage, or (2) authorize the giving of, offer, or give anything of value to any other person with knowledge or firm belief that all or a portion of the payment or gift will be offered, given, or promised, directly or indirectly to a government official, a political party or party official, a political candidate, or an official of a public international organization for the purpose of obtaining, retaining, or directing business.

9. INTELLECTUAL PROPERTY

- 9.1 All intellectual property rights arising out of or in connection with the Products shall be the exclusive property of DONIT. Any use of such right is possible only on grounds of an explicit written agreement made beforehand.
- 9.2 DONIT has not verified the possible existence of third party intellectual property rights that might be infringed as a consequence of the sale and/or delivery of the Products, and DONIT shall not be held liable for any loss or damage in that respect.

10. CONFIDENTIALITY

- 10.1 Unless otherwise expressly stipulated in writing, no information provided to the Seller in connection with orders shall be regarded as confidential, unless their confidential nature is obvious.
- 10.2 Customer is obliged to keep information of the Seller confidential, if disclosure of such information to an unauthorised person may evidently result in damage. Customer agrees to inform all its employees that become acquainted with such information as a result of their professional duty about the confidentiality clause and bind them to respect it.

11. STANDARDS

- 11.1 DONIT performs its business and ensures quality according to the ISO 9001:2008 and ISO 14001:2004 Standards.

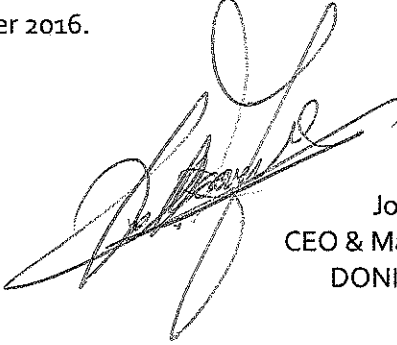
12. PLACE OF PERFORMANCE, APPLICABLE LAW AND JURISDICTION

- 12.1 Place of fulfilment and performance for any obligation arising in context with our deliveries is Medvode, Slovenia.
- 12.2 The place of jurisdiction shall be Ljubljana, Slovenia and its competent courts.
- 12.3 Governing Law shall be the law of Slovenia with the exclusion of international conflict of law provisions and with the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

13. MISCELLANEOUS

- 13.1 Should any of the clauses of these Terms and Conditions be wholly or partially invalid or void, the validity of the remaining clauses or parts thereof shall not be affected.

These Terms and Conditions are valid as per 1st of September 2016.



Johan De Sloovere
CEO & Managing Director
DONIT TESNIT, d.o.o.