

GENERAL TERMS AND CONDITIONS

Status: 1.10.2016

1. GENERAL: All sales by EMRAX d.o.o., Pod hribom 4, 1235 Radomlje, Slovenia, VAT No.: SI98203363, Registration No.: 6618189000 ("Seller") to its customer ("Buyer") are made under the following Conditions in which "Goods" means the goods that are the subject of such sale. No modifications or additions hereto will be binding unless agreed to in writing by an authorized officer of Seller. "Intellectual Property Rights" meaning any patents, trademarks, registered designs and all applications for their registration, copyrights or design rights or any rights similar to these rights. The "Quotation" shall mean the document that contains the description of the Goods and current prices. Buyer accepts these general terms and conditions when the order is placed. Order is placed when the Proforma Invoice is paid or when the Purchase Order from the Buyer is accepted by the Seller.

2. MODIFICATIONS OF SALES TERMS: Any Terms and Conditions contained in any Purchase Order or other form of communication from the Seller's customers which are additional to or different from these Terms and Conditions shall be deemed rejected by the Seller unless expressly accepted in writing by Seller. In general, no modification, amendment, waiver or other changes of any of these Terms and Conditions, or of any of the Seller's rights or remedies thereunder, shall be binding on Seller unless expressly accepted in writing by Seller's authorized officers. No course of dealing, usage of trade or course of performance shall be relevant to explain or supplement any of these Terms and Conditions. In case of conflict between the Terms and Conditions printed on this page and those contained on the face side or in attachments hereto, the latter shall control. If any document issued by any party hereto is sent by facsimile or another form of electronic document transmission, the parties hereto agree that

- (a) the copy of any such document printed on the facsimile machine or printer of the recipient thereof is a counterpart original copy thereof and is a "writing",
- (b) delivery of any such document to the recipient thereof by facsimile or such other form of electronic document transmission is authorized by the recipient thereof and is legally sufficient for all purposes as if delivered by Post Office mail,
- (c) an electronically stored and reproduced copy of any such document shall be deemed to be legally sufficient evidence of the terms of such document for all purposes.

3. ACCEPTANCE OF ORDERS: All orders are based on a Proforma Invoice sent by a Seller. The Buyer creates an account on Seller's web site and fill the form using EMRAX Motors Configurator. In case Buyer wants to order One Man Rigging Aid, the Order Form is sent by email from Seller to Buyer. These forms serve as a Buyer's data source and helps Buyer to order the correct combination of Goods. After EMRAX Motors Configurator is completed, the Buyer will automatically receive a Quotation for the Goods. In case Buyer completes the Order Form for One Man Rigging Aid, Seller will send Proforma Invoice by email to Buyer. Order is placed after Seller receives the advanced payment according to the Proforma Invoice. When Order is made Buyer agrees to these Terms and Conditions.

4. PRICES; PRICE CHANGES: Unless otherwise agreed between the parties all prices are ex works and are subject to change without notice. In the event of a change in Seller's prices, the price for the Goods unshipped will be the price in effect on the date of Proforma Invoice, which is valid for 20 days, unless otherwise agreed in writing by authorized officer of Seller.

5. TAXES: In addition to any prices, Buyer shall pay the amount of any present or future manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, duty, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or measured by

the transaction between Seller and Buyer. In the event Seller is required to pay any such tax, fee or charge, Buyer shall reimburse Seller therefor; or, in lieu of such payment, Buyer shall provide Seller at the time the order is submitted with an exemption certificate or other document acceptable to the authority imposing the tax, fee or charge.

6. TERMS OF PAYMENT:

- (a) All orders are subject to the approval of Seller. Unless otherwise agreed in writing the Buyer shall pay in advance for the Goods – according to Proforma Invoice. Exceptions can apply for Universities or Institutes, but only if their policy does not allow payment in advance. In this case Invoice has to be paid in full for the Goods not later than 20 days from the date of Invoice. Interest on overdue sums shall be charged at 2% per month until payment is received after as well as before any judgment for such sums.
- (b) Unless and until the Goods are fully paid for, Seller reserves a security interest in them to secure the unpaid balance of the price and all other obligations of the Buyer to Seller however arising. The Buyer hereby grants Seller a power of attorney to execute and file on behalf of Buyer all necessary financing statements and other similar documents required (e.g. Power of Attorney, Purchase Agreement) to protect the security interest granted herein.
- (c) If, during the period of performance of an order, the financial condition of Buyer is determined by Seller not to justify the terms of payment specified, Seller may defer delivery or cancel this contract. If delivery is deferred, the Goods may be stored as provided in Section 8 hereof and Seller may submit a new estimate of cost for completion based on prevailing conditions. If Buyer defaults in any payment when due, or in the event any voluntary or involuntary bankruptcy or insolvency proceedings involving Buyer are initiated by or against Buyer, then the whole contract price shall immediately become due and payable upon demand, or Seller, at its option without prejudice to its other lawful remedies, may defer delivery or cancel this contract.
- (d) If shipments are delayed by the Buyer for any cause storage shall be the Buyer's risk and expense as provided in Section 8 hereof.

7. DELIVERY; RISK OF LOSS:

- (a) Any indicated dispatch dates are estimates only which are not guaranteed and are based upon prompt receipt from Buyer of all necessary shipping and other information. Buyer shall be responsible for the accuracy of this information. The quantity, quality and description of and any specification of the Goods shall be those set out in the Seller's Proforma Invoice. Dispatch date is the date when Buyer's order should be dispatched from Seller. Seller will attempt to meet these dates where possible. Seller shall not be liable for any ordinary, incidental, or consequential loss or damage as a result of Seller's delay in or failure of delivery or installation due to:
 - (i) Any cause beyond Seller's reasonable control,
 - (ii) An act of God, act of the Buyer, embargo or other government act, authority, regulation or request, fire, theft, accident, strike, slowdown or other labour disturbance, war, riot, delay in transportation, or
 - (iii) Inability to obtain necessary labour, materials, components, facilities.Should any of the aforementioned events of force majeure occur, Seller, at its option, may cancel Buyer's order with respect to any undelivered Goods or extend the delivery date for a period equal to the time lost because of delay. Notice of such election shall be given promptly to Buyer. In the event Seller elects to cancel the order, Seller shall be released of and from all liability for failure to deliver the Goods, including, but not limited to, any and all claims on behalf of Buyer for lost profits, or any other claim of any nature which Buyer might have. If shipping or progress of the work is delayed or interrupted by Buyer, directly or indirectly, Buyer shall pay Seller for all additional charges resulting therefrom.
- (b) Seller will not be bound by any penalty clause contained in any specification or order submitted by the Buyer unless such clause is agreed to in writing by an authorized officer of Seller.
- (c) Risk of loss of or damage to the Goods shall pass to Buyer:
 - at the time of Goods available for shipping at Seller's premises if the Buyer choose EXW Incoterms 2010 parity;

- at the time of delivery to place of destination if the Buyer choose CIP Incoterms 2010 parity.

Claims for shortages or other errors in delivery must be made in writing to Seller within 10 days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer.

(d) The property in the Goods shall not pass to Buyer until all sums due or owing to Seller by Buyer have been paid.

(c) If the Buyer does not pay any sum owing to Seller on time then Seller shall be entitled to the immediate return of all Goods sold by Seller to in which the property has not passed to Buyer, and Buyer hereby irrevocably authorises Seller to recover the Goods or documents and to enter any premises of Buyer for that purpose.

d) Shipments shall be made by common Seller's carrier, unless otherwise agreed to in writing by Buyer and Seller. Special arrangements, such as express shipping, specific shipping agencies and special packaging requirements, should be requested by Buyer and if agreed to in writing with Seller, will be at Buyer's expense.

8. STORAGE: If the Goods are not shipped within 15 days after notification has been made to Buyer that it is ready for dispatch, for any reason beyond Seller's control, including Buyer's failure to give shipping instructions, Seller may store the Goods at Buyer's risk and expense in a warehouse or on Seller's premises, and Buyer shall pay all handling, transportation and storage costs at the prevailing commercial rates promptly following Seller's submission of invoices for such costs.

9. WARRANTY:

(a) Warranty Period: The Seller warrants Goods manufactured by or for it to be free from defects in materials and workmanship and to conform to its written specifications for a period of 12 months (or, if Buyer purchases the Goods for resale new and unused, a period of 15 months) after the Goods have been delivered.

(b) Warranty Remedies: If, prior to expiration of the foregoing applicable warranty period, any of such Goods shall be proved to Seller's satisfaction to be defective or nonconforming, Seller will repair or replace such defective Goods or components thereof, or will refund or provide Buyer with a credit in the amount of the purchase price paid therefor by Buyer, at Seller's sole option. Buyer's exclusive remedy and Seller's sole obligation under this warranty shall be limited to such repair or replacement, or refund or credit by Seller, and shall be conditioned upon Seller's receiving written notice of any defect within a reasonable period of time (but in no event more than 60 days) after it was discovered or by reasonable care should have been discovered. In no event shall Seller's liability for such defective or nonconforming Goods exceed the purchase price paid by Buyer therefor. Repaired or replacement items will be dispatched carriage paid by Seller to the address requested by Buyer.

(c) Exclusions: This warranty does not:

(i) cover shipping expenses to Seller's factory or other destination designated by Seller for repair or replacement of defective Goods or any tax and duty (any items returned to Seller are at Buyer's risk) in case defect was not a result of defect in material and/or workmanship;

(ii) apply and shall be void with respect to Goods used for any purpose other than that for which they were designed or otherwise than in strict accordance with Seller's instructions for use (User's Manual for EMRAX Motors and User's Manual for One Man Rigging Aid); used with interfaces or control units not manufactured or recommended by Seller; damaged, misused, neglected, not properly installed, not properly cleaned and stored before/after use, improperly maintained, incorrectly electrical connected, used with unsuitable power supply or in environmental conditions or had any of their identification marks or numbers altered or removed; modified and altered in any way outside Seller's works without Seller's prior written authorisation; or damaged as a result of use or operation after any defect in them has become apparent.

THE WARRANTY STATED IN THIS SECTION IS IN LIEU OF ALL OTHER WARRANTIES WRITTEN, ORAL, STATUTORY, EXPRESS, OR IMPLIED,

INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10. INSTALLATION: Unless otherwise agreed in writing, the Goods will be installed by and at the risk and expense of Buyer. If Buyer asks Seller to supervise such installations, Seller's responsibility and liability for it will be limited by Section 9 above. Buyer will, however, remain responsible for all other aspects of the installation, including compliance with all applicable laws and regulations.

11. LIMITATIONS OF LIABILITY; CONSEQUENTIAL DAMAGES:

(a) All warranties, conditions and terms implied by law are excluded to the fullest extent possible.

(b) Seller's liability for defects and Intellectual Property Rights claims is limited to the obligations in Section 9;

(c) Seller's liability for breach of obligations under Section 9 is limited to the price of the relevant part of the Goods in question;

(d) Seller is not liable for any indirect or consequential loss or damage (including but not limited to loss of data, profits, business, goodwill or otherwise) or any claims of buyer or third parties; and

(e) Seller is not liable for any claim unless:

(i) full details of the claim have been given to Seller within one month of the matters giving rise to the claim becoming known to the Buyer and agreed to in writing by an authorized officer of Seller,

(ii) legal proceedings in respect of the claim are begun within 12 months of that date.

(f) Where Buyer resells the Goods by incorporation into Buyer's products Buyer shall indemnify Seller against any third party claims arising out of defects in Buyer's products.

(g) Nuclear Use Disclaimer: Goods sold by Seller are not intended for use in connection with any nuclear facility or activity. If so used, Seller disclaims all liability for any nuclear damage, injury or contamination, and Buyer shall indemnify and hold Seller, its officers, agents, employees, successors, assigns and customers harmless from and against any and all losses, damages or expenses of whatever form or nature (including attorneys' fees and other costs of defending any action) which they or any of them may sustain or incur, whether as a result of breach of contract, warranty, tort (including negligence) or otherwise, by reason of such use.

(h) Consequential Damage Disclaimer: Seller's liability with respect to Goods proved to its satisfaction to be defective within the warranty period shall be limited to repair, replacement or refund as provided in Section 9 hereof, and in no event shall Seller's liability exceed the purchase price of the Goods involved. Seller shall not be subject to any obligations or liabilities, whether arising out of breach of contract, warranty, tort (including negligence) or other theories of law, with respect to Goods sold or services rendered by Seller, or any undertakings, acts or omissions relating thereto. Without limiting the generality of the foregoing, Seller specifically disclaims any liability for property or personal injury damages, penalties, special or punitive damages, damages for lost profits or revenues, loss of use of Goods or any associated Goods, cost of capital, cost of substitute products, facilities or services, downtime, shutdown, or slowdown costs, or for any other types of economic loss, and for claims of Buyer's customers or to a third party for any such damages.

12. CANCELLATION: Buyer's Default Seller may at its option cancel or withhold all further deliveries under the contract if Buyer:

(a) does not pay any sum due under this or any other contract between Seller and Buyer on time;

(b) being a natural person, dies or becomes bankrupt; or

(c) being a company, becomes insolvent.

No order submitted to Seller may be cancelled by Buyer without the prior written consent of Seller, which consent will at all times be conditioned on Buyer's agreement to pay Seller's cancellation charge. For finished Goods which in Seller's judgement are readily resalable to others, the cancellation charge shall be 15% of the invoice price of the Goods. For all other cancellations, the cancellation charge shall amount to all cost and expenses incurred by Seller and arising out of or in connection with Buyer's order,

net of recoverability, but in no event less than 10% of the invoice price of the Goods or more than the invoice price.

13. RETURN OF GOODS:

- (a) No Goods may be returned by Buyer without prior written consent of Seller. Buyer should contact the Seller before returning the Goods and describe the reason for return. In case of damaged Goods Buyer should send some detailed evidence data (pictures, videos) of malfunctioning device.
- (b) The Goods returned as a result of defects in materials and workmanship (covered by warranty) will be repaired, replaced or refunded in full, including delivery charges for sending them to Buyer and the cost incurred by Buyer in returning them to Seller.
- (c) In case a defect was made due to omission of the Seller's instructions for use (User's Manual for EMRAX Motors and User's Manual for One Man Rigging Aid), then the repairing or replacement will be charged. Shipping costs incurred will also be charged.
- (d) The Goods returned as a result of an incorrect order can be returned within twenty (20) days of the date such Goods arrived at Buyer's warehouse. For Goods which in Seller's judgement are readily resalable to others, the return charge shall be 20% of the invoice price of the Goods. For all other returns, the returns charge shall amount to all cost and expenses incurred by Seller and arising out of or in connection with Buyer's order, net of recoverability, but in no event less than 10% of the invoice price of the Goods or more than the invoice price.
- e) The right of withdrawal should neither apply to goods made to the consumer's specifications in accordance with (49) DIRECTIVE 2011/83/EU.

14. CONFIDENTIALITY:

- (a) The Buyer shall keep strictly confidential and may not disclose any information related to the Goods to a third party (whether technical or commercial) and to the affairs and business of the Seller and its subsidiary or associated companies, whether such information is disclosed to the Buyer by the Seller or otherwise obtained by the Buyer as a result of its association with the Seller.
- (b) The Seller shall have free disposal of this information at any and at all times, and upon demand they shall be returned to the Seller.
- (c) Buyer commits to sign Non-Disclosure Agreement prior placing the order.

15. INTELLECTUAL PROPERTY RIGHTS: Intellectual Property Rights of the Goods, any drawings supplied with them remain the property of Seller and unless otherwise agreed in writing, Buyer is licensed to use the Goods only for its intended purpose. Notwithstanding anything to the contrary, if Seller's sale of a product or service includes a product, process, design or service in which Seller claims a proprietary right as inventor or owner of intellectual property, no title to or ownership of Seller's Intellectual Property is or will be transferred to Buyer on the sale and Seller's Intellectual Property will remain Seller's exclusive property. Subject to these Terms and Conditions, Seller grants Buyer either a non-exclusive licence or sublicense as the case may be, to use Seller's Intellectual Property to the extent necessary for Buyer to use the product or service for the limited purpose intended. Buyer shall not copy, modify, disassemble, reengineer or de-compile Seller's Intellectual Property, in whole or in part, or develop a similar product or service with the intention of or for the purpose of marketing it.

16. DRAWINGS; OTHER DESIGN DATA: All specifications, drawings, designs, data, information, ideas, methods, tools, gages, dies, fixtures, patterns and/or inventions made, conceived, developed or acquired by Seller in connection with procuring and/or executing Buyer's order will vest in and inure to Seller's sole benefit notwithstanding any changes therefore which may have been or may be imposed by Seller. Buyer shall not give, loan, exhibit, sell or transfer to any person other than employed by Buyer and authorized to receive such information, or to any organization or entity, any drawing, photograph or specification furnished by Seller or

reproduction thereof which may enable such person, organization or entity to furnish similar Goods or parts therefore.

17. ASSIGNMENT AND SUBCONTRACTING:

- (a) None of the Buyer's rights under any order shall be assigned by the Buyer to any other person, whether by operation of law or otherwise, without Seller's prior written approval. Seller may, without the necessity of obtaining Buyer's prior written consent, subcontract the production of all or any portion of the Goods.
- (b) If Buyer resells a product, part or service sold by Seller, Buyer shall bind its customer to provisions limiting liability of Buyer and its suppliers and sub-contractors, which are substantially the same, as corresponding provisions in these Terms and Conditions and Buyer shall indemnify and save harmless Seller from any claims, loss or damage arising directly or indirectly from Buyer's failure to do so.

18. PROPER LAW: These Terms and Conditions, and the contract of sale between Seller and Buyer, shall be governed by and interpreted in accordance with Slovenian law and Buyer submits to the exclusive jurisdiction of the Slovenian courts. Buyer agrees to pay all of Seller's costs and expenses of collection and related litigation, including but not limited to attorneys' fees and costs.

19. VALIDITY OF THESE GENERAL TERMS AND CONDITIONS:

These Terms and Conditions are valid from 1.1.2016. The Seller reserves the right to change these general terms and conditions at any time without prior notice. In the event that any changes are made, the revised terms and conditions shall be posted on this website immediately.