

In this document General Terms and Conditions of Sale of Company EMRAX d.o.o. ("**Conditions**") are presented. These Conditions become effective on **1st of August 2022**.

In these "**Conditions**", "**Seller**" means EMRAX d.o.o.; "**Buyer**" means a customer that places an order on Seller which is accepted by Seller. "**Deliverables**" means all Goods and Services referenced on Seller's "**Order Confirmation**" and/or "**Contract**". "**Order Confirmation**" means Seller's written confirmation of ordered Goods and/or Services. The "**Contract**" means the Purchase and Supply Agreement between the Seller and the Buyer. "**Intellectual Property Rights**" means any patents, trademarks, registered designs, and all applications for registration of them, copyrights or design rights or any right which is similar or analogous to any of these anywhere in the world; "**Incoterm**" means one of the sets of terms defined by Incoterms 2020. "**Proforma Invoice**" is the document for the prepayment of the Deliverables. "**Invoice**" is the document for the payment of the Deliverables, that have been already delivered. The "**Manual**" shall mean the instructions for installation and use for the Goods. "**Sellers's Data sheets**" means documents containing technical data of the Deliverables. "**Return's Form**" shall mean the document required for the approval for the return.

1. Order Confirmation

- A. Seller's quotations are submitted on these Conditions and are not binding documents. Buyer's purchase orders are not binding on Seller. Order is confirmed on the date Seller issues a written Order Confirmation on these Conditions, Seller's Datasheets, if any, any other terms, or documents referenced on the Order Confirmation and other terms incorporated by these Conditions. These Conditions supersede any conditions in Buyer's purchase order. No other terms, conditions or representations about the Goods or Services shall apply unless specifically agreed by Seller in writing. The **Contract** shall prevail over these Conditions if there is any inconsistency.
- B. The Goods or any part of them are sold subject either to:
- the "ex works" Incoterm; or
 - another Incoterm referenced on Seller's Order Confirmation.
- C. If there is any inconsistency about the terms, the order of precedence shall be
- the Contract,
 - any other terms or documents referenced on the Order Confirmation,
 - these Conditions.

2. Order Amendments and Cancellation

A. Deliverables are made according to the specific Order Confirmation; therefore, cancellation or amendments of Order Confirmation can cause costs to Seller. The Seller reserves the right to charge the Buyer for all tangible and intangible costs incurred in connection with the Order Confirmation until the date of cancellation from Order Confirmation. In no case will these costs be less than 10% of the value of the Goods and/or Services in question on the Order Confirmation and not more than the total value of the Goods and/or Services in question on the Order Confirmation.

B. 2A conditions are valid also for the cancellation or amendment of the order after acceptance from the Buyer.

3. Prices and Payment

A. Unless otherwise agreed in writing, or provided for in the relevant Incoterm, all prices quoted are: (i) ex works Seller's premises, (ii) exclusive of any applicable value added tax, which shall be payable in addition; and (iii) subject to variation and may be replaced with those prevailing at the date of released Order Confirmation.

B. The price for the Goods includes all matters for which Seller is liable under the relevant Incoterm.

C. Unless otherwise agreed in writing, Buyer shall pay (in cleared funds) to Seller according to:

- **Proforma Invoices** and/or
- **Invoices** till the due date

D. Seller may charge interest on overdue sums at the highest rate permissible under applicable law, accruing on a daily basis until payment is received, after as well as before any judgment for such sums.

E. All amounts due shall be paid in full without any set-off, counterclaim, deduction or withholding.

4. Delivery and Acceptance

A. All delivery dates are estimates only. Seller is not liable to compensate Buyer for any direct or indirect loss to the Buyer or any third party in relation to the Order Confirmation.

B. If Seller cannot deliver the whole or part of any Goods or Services because of any cause which is not reasonably within Seller's control, the time of delivery shall be extended by a period equal to that during which the cause delaying delivery exists. If this Condition applies, Seller shall deliver and Buyer shall take and pay for such part of the Goods and Services as Seller shall be able to deliver in accordance with the Order Confirmation.

C. Seller shall be entitled to deliver the Goods in one or more consignments or instalments unless otherwise expressly agreed. In all cases where delivery is made in one or more consignments or instalments, each consignment or instalment shall be invoiced separately.

D. Delivery shall be in accordance with the relevant Incoterm.

E. Where Buyer is to collect the Goods from Seller's premises, it shall do so within seven (7) days of receipt of Seller's notice that the Goods are ready for collection, otherwise, Seller may charge Buyer for its costs associated with Buyer's failure to collect within this time.

F. Buyer shall notify Seller in writing of any deviations in quantity and/or quality no later than ten (10) working days after receiving the Goods. In case this is not done in time, it is considered that the items meet the Buyer's requirements in terms of quantity and quality.

G. The Seller's liability cannot in any case exceed the price of the Deliverables defined in the Invoice. The Seller is not responsible for any direct or indirect damage caused to the Buyer or a third party.

5. Property and Risk

A. Risk of loss of or damage to the Goods shall pass to Buyer at the time specified by the relevant Incoterm.

B. Property in Deliverables shall not pass to Buyer until Seller receives full payment (in cleared funds) for the Deliverables. If Buyer does not pay for the Deliverables on time, then Seller shall be entitled to the immediate return of the Deliverables and Buyer hereby irrevocably authorises Seller to recover the Deliverables and to enter any premises of Buyer for that purpose. Demand for or recovery of the Deliverables by Seller does not affect Seller's other legal rights.

6. Buyer's Default

A. Seller may, at its option, cancel or withhold all further deliveries under the Order Confirmation and/or Contract if Buyer:

- does not pay any sum due according to Contract between Seller and Buyer or according to these Conditions on time;
- being a natural person, dies or becomes bankrupt;
- being a company, enters into liquidation or if an administrator or receiver

or administrative receiver is appointed over all or part of its undertaking, property or assets;
(iv) enters or offers to enter into any arrangement or composition with his or its creditors; or
(v) suffers anything similar or analogous to any of these events under the laws of any jurisdiction in which Buyer is incorporated, resident or carries on business.

B. Buyer shall immediately give notification to Seller in case any of the events in (ii)-(v) above apply, and in the case of death, Buyer's representatives shall give such notification.

7. Warranty and Repair

A. Seller warrants that the Goods will substantially conform to Seller's Datasheets, or to such other specifications the parties have agreed upon in writing. Seller will at its sole option repair or replace the Goods which have been properly used (in accordance with valid Manual) and that manufacturing defect (faulty materials or workmanship) has been proved, within a period of 12 months from the delivery date. The repair or replacement shall benefit from a new period of warranty (of 12 months) from the delivery date of the repaired or replaced Goods.

B. Seller is not liable for the quality, performance, or fitness for purpose of any hardware manufactured or software licensed by a third party that are stand-alone items or otherwise external or supplied as an option to the Goods. However, Seller will endeavour to pass on to Buyer the benefit of any warranty received by Seller from its supplier.

C. If Buyer notifies Seller that any of the Services have not been provided using reasonable care and skill or do not materially meet any Sellers' Datasheet, in the 90 days after delivery, Seller shall re-perform the relevant Services within a reasonable time of notification.

D. The warranty in this Condition excludes any consumable items.

E. Buyer should immediately after detecting the defect give a Seller a written notice by e-mail published on Sellers' official website of the alleged defect with full particulars of the operating conditions under which it became apparent. Seller will send a Returns Form to the Buyer for fulfilment. The Buyer should send the Returns Form back to Seller for approval. When the Buyer receives the approved Returns Form back from the Seller, the defected Goods can be shipped back to the Seller for repair. The Seller reserves the right to NOT accept the returned Goods without approved Returns Form.

F. Any items returned to Seller are at Buyer's risk. Repaired or replacement items will be despatched by Seller to the address requested by Buyer in the Returns Form.

G. If the Seller does not identify a defect in the Goods, Seller may charge Buyer at its then current chargeable rates, and for any costs and expenses reasonably incurred.

H. Seller is not liable for any defect, damage to or reduced performance of any part of the Deliverables, or for any direct or indirect losses, after the delivery, if the Deliverables have been:
(i) used for any purpose which is not contemplated by Seller's Manual or the applicable Seller's Datasheets.
(ii) installed, used or stored in a way that is not in strict accordance with Seller's Manual, or otherwise brought to the attention of the Buyer;
(iii) used with materials, equipment or software which is not contemplated by Seller's Manual or used under environmental conditions beyond those expressly stated on the applicable Seller's Datasheet and/or Manual;
(iv) damaged, misused, neglected, not properly cleaned and stored after use or had any of their identification marks or numbers altered or removed;
(v) modified and altered in any way without Seller's prior written authorisation;

(vi) damaged as a result of use or operation after any defect in them has become apparent;
(vii) damaged as a result of failure or fluctuation of electrical power or environmental systems; or
(viii) damaged as a result of fire, flood, theft, act of god, war, terrorism or similar event,

and Seller may invoice Buyer for any repairs required to the Deliverables in such circumstances.

I. The decision of Seller on all matters governed by this Condition 7 and in particular (but without limiting the foregoing) as to the nature and cause of any defect or malfunction, shall be conclusive, and binding on Buyer.

8. The use of Goods

A. Buyer shall bring to the attention of all persons using the Goods, or where the Buyer is reselling the Goods, to the attention of its purchaser, all valid Seller's Datasheets and/or instructions for the Goods including those referred to in Seller's catalogues or brochures or which Seller has otherwise provided to or made aware Buyer aware of. Buyer shall take such steps as are necessary to secure that there will be available in connection with the use of the Goods adequate information about the use for which they were designed and about any conditions necessary to ensure that when put to that use they will be safe and without risk to health.

B. Buyer shall not, and where Buyer resells the Goods, shall require its purchaser shall not remove any marking on the Goods referring any user to Seller's instructions and/or recommendations for use. This is valid also for Seller's logo on the Goods.

C. If either Buyer or its purchaser requires any information as to the use for which such Goods were designed and have been tested and about any conditions necessary to ensure that when put to that use they will be safe and without risk to health for the purposes of satisfying its obligations under any legal requirement relating to health and safety at work, Seller shall provide such information, subject to reimbursement of its out-of-pocket expenses incurred in providing such information.

D. Buyer shall indemnify Seller against all liabilities losses, interest, costs and expenses which Seller may suffer or incur in connection with any claim by any third party alleging facts which, if established, would indicate a breach of Buyer's undertakings, representations and warranties contained in this Condition 8 or a breach by any purchaser from Buyer of any undertaking which Buyer is obliged in this Condition 8 to require from such purchaser.

9. Intellectual Property Rights

A. Nothing in this Agreement changes the ownership of any pre-existing Intellectual Property Rights. All Intellectual Property Rights of the Deliverables shall belong to the Seller unless otherwise agreed in writing by both parties.

B. All drawings, materials, specifications, and other data supplied by Seller ("**Materials**") and all Intellectual Property Rights in them shall remain the property of Seller and, except where they have already been placed in the public domain by Seller, Buyer shall keep the Materials confidential and shall not use them for any purpose other than that for which they were supplied. Buyer shall destroy or return the Materials to Seller immediately upon Seller's request and in any event, promptly upon Buyer's requirements for the Materials having been satisfied.

C. Buyer should not public any drawings, images, photos, videos, or any other media of the Deliverables or parts of the Deliverables, for which the Seller expresses confidentiality. In case such media has already been published, it should be removed by the Buyer in no time, but in maximum three (3) days after receiving the notice from the Seller about its removal.

10. Limitation of Liability

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

B. Seller's total liability is limited to the total price paid by Buyer under the Order Confirmation and/or Contract. Further, and subject to such total liability:

- (i) Seller's liability for defects is limited to the obligations in Condition 7;
- (ii) Seller's liability for breach of obligations under Condition 4 is limited to the price of the relevant part of the Goods or Services in question;
- (iii) Seller's liability for Intellectual Property Rights claims is limited to the obligations in Condition 9;
- (iv) Seller's liability for damage to tangible property is limited to making good or replacing damaged property;
- (v) Seller is not liable for any direct or indirect loss of profit, revenue, data, contracts, business, or goodwill, or for any indirect or consequential loss, or any claims of third parties;
- (vi) Seller is not liable for any claim unless (a) full details of the claim have been given to Seller within 1 month of the matters giving rise to the claim becoming known to Buyer, and (b) legal proceedings in respect of the claim are begun within 12 months of that date.

C. 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.

11. Export Control

A. Seller's acceptance of Buyer's order is conditional on the receipt of any export licence, permit, answer to a rating enquiry from the applicable government(s), or other documentation required by the relevant authorities to comply with applicable export controls. Buyer acknowledges that Seller's compliance with such export controls may delay a shipment and, without prejudice to Condition 4A, agrees that Seller is not liable for such delay.

B. If Buyer intends to export or re-export any item after receipt from Seller (including deemed exports), Buyer shall request and obtain all necessary licences for the use and/or export of the item.

C. Where Buyer resells the Goods to the third party, the third party should send the defected Goods to the Buyer and then the Buyer should send the Deliverables back to the Seller for the repair.

12. General

A. If any term or provision of the Conditions is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term of the Conditions or invalidate or render unenforceable such term or provision in any other jurisdiction.

B. Seller's failure or delay to insist upon strict performance of any provision of the Conditions, or to exercise any right or remedy provided under the Conditions or by law, shall not be deemed to be a waiver thereof, or of any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

13. Proper Law

The Conditions and any dispute or claim arising from or in connection with them shall be governed by and interpreted in accordance with Slovenian law and Buyer irrevocably submits to the exclusive jurisdiction of the Slovenian courts, but Seller may enforce the Conditions in any jurisdiction. The application of the 1980 United Nations Convention on Conditions for the International Sale of Goods is expressly excluded.