

General Terms and Conditions of DINOS d.d. (Sales)

Article 1 Applicability of this terms and conditions

(1) DINOS d.d. deliveries, services and quotations shall be exclusively in accordance with these business terms and conditions (hereafter: "Terms and Conditions"). This Terms and Conditions shall therefore also apply in the then prevailing version for future contracts for the sale and/the delivery of movables with the same purchaser, even if they are not once again expressly referred to. Counter confirmations by the customer with reference to its own terms and conditions of business or purchase are hereby expressly excluded. This Terms and Conditions of sale shall also apply even if DINOS d.d. unconditionally make delivery to the customer despite being aware of customer's terms and conditions that conflict with or differ from this Terms and Conditions.

(2) Modifications of these business Terms and Conditions shall only be effective if confirmed in writing by DINOS d.d.

Article 2 Offer and conclusion of contract

(1) Offers of DINOS d.d. are non-binding and without imposing any obligation to DINOS d.d. To become legally valid, declarations of acceptance and all orders will need to be confirmed in writing or by telex by DINOS d.d. The same applies for additions, amendments or supplementary agreements.

(2) If subsequent to accepting an order, DINOS d.d. becomes aware of facts that justify legitimate doubts about the purchaser's solvency, DINOS d.d. shall be entitled, prior to delivery, to demand payment in full or demand delivery of appropriate insurance or else to declare the contract avoided, after having set a deadline that has expired without effect - whereas this does no impact any other right, such as for example compensation for damages. In addition to an existing occurrence of arrears, proof of a significant deterioration in the purchaser's financial circumstances shall be deemed to exist if there is a reduction in the latter's credit limit with DINOS d.d.'s trade credit insurer or - having regard to the due care and diligence of a prudent merchant - information furnished by a bank, credit agency, or company maintaining business relations with the purchaser or the like. If delivery has already been made, the invoiced amounts in question shall be due for payment step by step immediately, regardless of the agreed payment terms in exchange for the delivery of security, acceptances, etc.

(3) All performance data such as drawings, diagrams, dimensions, weights or the like shall only be binding if they are expressly identified as being such.

(4) Scrap is a secondary raw material. Purity in terms of quality and material shall be confined to the ability to sort the material by visual appearance and provenance, which shall be performed with due professional care. A guarantee as to the type or alloy purity is not possible. All further quality demands are explicitly excluded.

Article 3

Prices

The prices quoted by DINOS d.d. are net prices excluding VAT. They are based on the freight tariffs prevailing at the time. The emergence and increase of public dues and - where delivery has been agreed freight free - the increase in freight costs will trigger a corresponding increase in the contractual price. If freight free delivery has been agreed, the agreed price shall apply only in the event of normal, unimpeded transport.

Article 4

Delivery and the time of performance

(1) DINOS d.d. shall be entitled at all times to partial deliveries and partial performance of services.

(2) DINOS d.d. shall not be liable for delays in delivery and the performance of services as a result of force majeure and events that make delivery materially more difficult or impossible for DINOS d.d., where this is not its own fault or attributable to it, such as for example the subsequent occurrence of difficulties in procuring materials, disruption to operations, strike, lockout, government decrees etc, even if they happen to DINOS d.d. suppliers or subcontractors, provided that DINOS d.d. shall not be responsible for these circumstances. They will entitle DINOS d.d. to postpone the delivery or performance of the service for the duration of the impediment plus a reasonable start-up time.

(3) Should an impediment as construed in paragraph 2 of this Article last longer than three months, both parties shall be entitled to declare the yet unconsumed portion of the contract avoided. The contractual partner may also declare the contract avoided if the already rendered partial service performance is not reasonable.

Article 5

Passing of risk, shipment

(1) Unless the order confirmation states otherwise, delivery shall be agreed "ex works", i.e. - unless otherwise agreed - risk shall pass to the contractual partner no later than 3 days after provision of the goods and notification that the goods are ready to be shipped, as soon as the vendor has delivered the article to the carrier, haulage contractor or whichever other person or establishment has been appointed to carry out the shipment.

(2) In accordance with the packaging regulations, transport and all other packaging will not be taken back, with the exception of pallets. The customer shall be obliged to ensure that packaging is disposed of at its own expense.

(3) If delivery "ex works" is not agreed, the means of transport and type of shipment shall be designated by DINOS d.d.

Article 6

Calculation of weights and quantities

The weights and/or quantities determined by DINOS d.d. shall prevail when ascertaining weights and quantities. The contractual partner shall be free to make its own determination of weights and quantities.

Article 7

Claims for defects

(1) Notice in respect of obvious defects is to be made immediately by the contractual partner but no later than within one week of the taking over of the goods at the destination. Defects that cannot be detected within this period notwithstanding careful inspection are to be notified to DINOS d.d. in writing immediately after they have been discovered. If the customer fails to discharge its obligation to inspect and to give notice of defects, Articles 468 in 469 of the Slovenian Code of Obligations (*Obligacijski zakonik*) shall not be applicable.

(2) In the event of a defective delivery, the purchaser shall - at DINOS d.d.'s discretion - be entitled to have the delivery replaced or the defect remedied (subsequent performance). Should the subsequent performance fail, the customer may at its own discretion demand that the purchase price be rebated or declare the contract avoided. The claim for compensation shall be in accordance with Article 10 of this General Terms.

(3) The period of limitation for claims for defects shall be one year from the moment of notification of defects in accordance with Article 487 of the Slovenian Code of Obligations.

Article 8

Retention of title, assignment of security and ceding of security deposits

(1) As long all accounts receivable that are due to DINOS d.d., now or at any time in future, for whatever legal reason, have not been settled, DINOS d.d. shall be granted the following securities, which will be handed over on demand provided that their realizable value exceeds the accounts receivable in the long term by more than 10%; the choice of securities to be handed over shall be incumbent on DINOS d.d.

(2) Title to the goods shall remain with DINOS d.d. Processing or transformation of goods shall always be deemed to be performed on behalf of DINOS d.d. as the manufacturer, however without any obligation for it. If the purchased goods are processed with other objects not belonging to DINOS d.d., DINOS d.d. shall acquire co-ownership of the new goods *pro rata* to the value of the purchased goods (total invoiced amount, including VAT) relative to the other processed objects at the time the processing took place. The same shall apply to the goods manufactured as a result of the processing as the purchased goods delivered under retention of title (goods to which DINOS d.d. has (shared) title, shall hereinafter be referred to as "Goods subject to the retention of title").

(3) If the Goods subject to retention of title are inseparably merged with objects that do not belong to DINOS d.d., DINOS d.d. shall acquire co-ownership in the new article *pro rata* to the value of the Goods subject to retention of title (total invoiced amount, including VAT) relative to the other combined objects at the time they were combined. If the combining is done in such a way that the customer's goods are to be construed as the principal article, it shall be deemed to have been agreed that the customer shall transfer ownership to DINOS d.d. on a *pro rata* basis. The customer shall hold the sole ownership or co-ownership so created in safe custody for DINOS d.d.

(4) The customer shall also assign to DINOS d.d. those claims designated to secure DINOS d.d.'s claims against the customer, that have come into being with respect to a third party as a result of the Goods subject to retention of title being combined with a property.

(5) The customer shall be obliged to treat the Goods subject to retention of title with special care; specifically it shall be obliged to insure them adequately at its own expense against loss or damage caused by fire, water and theft. If maintenance and inspection work is required, the customer shall perform this work without undue delay and at its own expense.

(6) The customer shall be entitled to process the Goods subject to retention of title in the regular course of business and sell them contingent to further retention of title, provided it is not in default. Pledges or assignment as security is permitted. The customer already at this point fully assigns the receivables arising out of the onward sale or out of any other legal reason (insurance, unlawful act) in respect of the goods subject to retention of title to DINOS d.d. as a security. In the event of onward sale, the customer shall be obliged to divulge the purchasers' name and address to DINOS d.d. at any time upon demand by DINOS d.d. DINOS d.d. shall irrevocably authorize the customer to collect the receivables assigned to DINOS d.d. in its own name on its behalf. This authorization for collection can only be revoked, if the customer fails to follow its payment obligations in the agreed manner.

(7) In the event the Goods subject to retention of title being seized by third parties, the customer shall notify DINOS d.d. and about the ownership or co-ownership of DINOS d.d. immediately notify any such third party.

(8) Should the customer breach the contract - in particular with regard to the late payment - DINOS d.d. is entitled to take possession of the Goods subject to retention of title and if necessary demand assignment of the customer's claims for handing over against third parties. DINOS d.d.'s recovery of the Goods subject to retention of title shall not constitute grounds for avoidance of the contract. Having recovered the purchased goods, DINOS d.d. shall be authorized to dispose of them, the disposal proceeds shall be applied to the customer's liabilities less reasonable disposal costs.

(9) The retention of title in accordance with the aforementioned provisions shall remain valid even if DINOS d.d.'s individual receivables are included in a running account.

(10) Payments by bill of exchange or cheque shall only be accepted on account of performance, the agreed retention of title shall hereby not be affected. Retention of title remains in force in the cheque/bill of exchange transaction until the last bill of exchange has been encashed.

Article 9 Payments

(1) Unless otherwise agreed, DINOS d.d.'s claims for payment shall become due without any deduction immediately after the agreed service has been rendered and the invoice has been received by the customer. In the case of the partial performance of services, DINOS d.d. shall be entitled to invoice the contractual customer for this partial performance as well.

(2) In the event of a payment deadline being agreed, it shall be calculated, along with any interest calculations, by reference to the delivery date as the effective date. As regards payment, each order shall be deemed to be a transaction in its own right.

(3) Notwithstanding any customer's provisions to the contrary, DINOS d.d. shall be entitled to calculate payments in accordance with Article 287 of the Slovenian Code of Obligations.

If costs or interest have already been incurred, DINOS d.d. shall be entitled to calculate payments first to the costs, then to interest and finally to the principal sum (Article 288 of the Slovenian Code of Obligations).

(4) A payment shall be deemed not to have been made until DINOS d.d. is able to avail itself of the amount. Where cheques are involved, payment shall not be deemed to have been made until the cheque has been finally and unconditionally cashed.

(5) Payments by bill of exchange shall require DINOS d.d.'s express prior consent. All charges pertaining to a bill of exchange shall be borne by the purchaser. Acceptance of bills of exchange does not imply an extension of the underlying receivable.

(6) Cash payments to DINOS d.d. shall only be deemed to have been discharged if they were made to persons in possession of written authorization for collection.

(7) Should the customer fall into arrears, DINOS d.d.'s shall be entitled to claim legal default interest. DINOS d.d. remains entitled to claim any further damages or costs as well.

(8) Should the customer fail to honor its payment obligations, in particular if a cheque cannot be cashed, if it suspends payment, if a bill of exchange is protested or DINOS d.d. becomes aware of other circumstances, which call into question the customer's creditworthiness, DINOS d.d. shall be entitled to declare the entire outstanding debt to be due, even if it has accepted (other) cheques. In such a case, DINOS d.d. shall also be entitled to demand that the customer delivers appropriate security (e.g. in the form of a bank guarantee).

(9) The customer shall only be entitled to set off or to withhold moneys, even if a defect has been notified or counter claims are being asserted, if the counter claims have been legally determined or acknowledged in writing.

(10) DINOS d.d. shall be entitled to assign claims arising from the agreed business relationships.

Article 10 **Limitation of liability**

(1) DINOS d.d. shall be liable to the customer for damages to the full extent according to statutory regulations in the event of deliberate or grossly negligent breaches of duties (including malice), death or injury to body and health where DINOS d.d. has expressly assumed a guarantee or procurement risk or in the event of liability under the mandatory provisions of the Slovenian Code of Obligations.

(2) Beyond the aforementioned instances, DINOS d.d. shall only be liable in the event of the negligent violation of essential contractual obligations. DINOS d.d.'s liability in this case shall however be limited to a typical, foreseeable loss or damage. Essential contractual obligations are such obligations as protect the customer's essential contractual positions, which the very substance and purpose of the contract is required to procure it; moreover, essential contractual obligations are those without fulfillment of which the contract could not be properly consumed at all and which the customer regularly relies on, and is entitled to rely on, to be honored.

(3) In any other case, liability of DINOS d.d. shall be excluded.

Article 11
Jurisdiction and applicable law

(1) The law of the Republic of Slovenia shall apply. The provisions of the Vienna UN Convention of 11.4.1980 on Contracts for the International Sale of Goods (UN CISG) and the provisions of the Private International Law and Procedure Act shall not apply.

(2) The place of fulfillment and exclusive place of jurisdiction for all disputes arising, directly or indirectly, from the contractual relationship shall be Ljubljana (Slovenia) (depending on the subject matter jurisdiction: District court of Ljubljana, Local court of Ljubljana).

Article 12
Final provisions

Should one provision in these business terms and conditions or within the context of other agreements be or become invalid, the validity of all of the remaining provisions shall not be affected. Invalid provisions are to be replaced by those that most closely meet the commercial purpose being pursued by the relevant provision.

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