

**Global terms of purchase
AVASTAR Automation d.o.o.**

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1. General

The general terms of purchase define the contractual relationship between the company Avastar Automation (hereinafter Avastar) as a client or buyer and a third party (business company, entrepreneur or other legal or natural person) as a supplier or subcontractor. The supplier undertakes to deliver goods or perform services for Avastar.

The general terms of purchase apply generally to all orders and are binding for both the customer and the supplier, unless they have agreed otherwise, in writing, for an individual case.

Wherever and however the supplier sets conditions that differ, they shall not apply to the buyer without their explicit written confirmation.

2. Offer, order and subject of the agreement

The supplier's offer must contain, in particular:

- Type, quality and quantity of goods or services.
- The price at which the goods or services are sold and the method of payment.
- Delivery date (delivery of goods or performance of services).
- Method and place of delivery, address, and other identification information of the supplier.

Individual data can also be part of a mutual agreement and apply even if they are not explicitly stated in the offer.

Orders and changes are issued by the buyer in writing. He either specifies the goods that are the subject of the order, the delivery date and, if necessary, specific data, or specifies the offer, if it contains all the necessary data for the supply of the relevant goods or the performance of the service.

If the supplier does not reject the order in writing within 3 working days of receipt, the order is considered to have been confirmed. The supplier must immediately inform the buyer in case of deviations that could affect the deadlines, quantities or quality of deliveries and follow the client's instructions on further action.

3. Supply of goods and/or services

Goods refers to materials, components, tools, equipment, products, services, and packaging, which are used in the company's business operations and are (in)directly related to the production of products for the buyer. The scope of delivery also includes documents of the origin, production, material composition, certificates, declarations, when they are necessary for verify, and check if they meet all legal requirements.

When supplying sheet metal and screw welding elements, the supplier is obliged to indicate the batch of the material manufacturer on the delivery note.

When delivering services, such as various surface treatments of the material (bluing), where certificates are not attached to each shipment (financial aspect of business, because the price of services with attached documents is higher), it is considered that the supplier performed the service on the basis of technical data obtained by the buyer

when entering into a contractual relationship, with the first order or with each order separately.

Upon delivery of technical and technological goods (machines, devices, etc.), an acceptance report need to be made by the buyer's representatives.

The supplier must deliver the goods in accordance with the contract or the customer's order. The agreed delivery dates are binding. Any supplies that deviate from the order must be approved in advance by buyer.

If the goods or services cannot be delivered within the agreed deadline, a possible prolongation of delivery date should be agreed with buyer. If delivery date is not acceptable for buyer, he has the right to cancel the order, which must be in writing.

In the case of delay in deliveries, that would result in any additional costs for the client, the client is entitled to charge the penalties in the amount of the incurred costs.

Unless otherwise specified and agreed, Incoterms 2020 applies to deliveries.

4. Goods, handed over to supplier or subcontractor

If the buyer has to hand over the goods to the supplier or subcontractor in order to fulfill his obligation, these items remain the property of the buyer and the supplier keeps them for the buyer. These goods can be materials, parts, tools, other objects with which or on which the supplier fulfills his obligation (testing, finishing, manufacturing, surface protection, additional work operations, etc.). These items may only be used by the supplier to fulfill his obligation to the customer. The supplier must immediately notify the buyer in case of any defects in the goods that would make it impossible to fulfill his obligation and follow further instruction and agreement with the client. The supplier may not move/ relocate the goods to another location without the written consent of the buyer.

In case of delivery interruption, potential insolvency proceedings of the supplier or any other violation, the buyer may request the immediate return of all goods.

5. Price, invoicing, and payment terms

The agreed price does not include VAT, but includes all costs of handling, packaging, and storage of goods. It is understood that VAT is calculated on the invoice, in accordance with the law.

The invoice must be issued in accordance with the applicable legislation of the Republic of Slovenia. The supplier issues an invoice for each delivery unless the parties agree on a collective invoice.

The invoice must be issued in accordance with the offer, order, contract, agreement, or General Purchase Terms. Otherwise, the buyer is not obliged to make the payment and can reject the invoice until the reconciliation of deficiencies.

When issuing the invoice, the supplier considers the agreed discount, unless otherwise agreed in the purchase contract.

The payment terms are specifically determined by the contract with the long-term supplier or agreed and confirmed through the process of inquiry, offer and order for each single delivery. It is the client's obligation to pay the invoice within the payment deadline.

6. Packaging and transport

The packaging must be suitable for the type and method of transport. Liability for damage or loss of goods during transport lies exclusively with the supplier if the transport is within his domain. As well, the costs occurred by incorrect or inadequate packaging are fully borne by the supplier.

7. Quality and complaints

Suppliers or subcontractors who perform services for the client (thermal treatment, bluing, etc.) and do not include an appropriate a-test or technical characteristics of the material to each delivery, guarantee and undertake that all services and materials related to the deliveries are in accordance with characteristics of the material or the services which were provided and agreed at the beginning. In case of any change of the material or the service performed, the deviations must be coordinated and agreed with the customer and written consent must be obtained.

Depending on the order type and volume, the supplier must ensure appropriate quality and, upon the request, also provide proof of quality assurance to the client. The supplier must comply all the specifications and technical requirements given at the time of the first order or by every single order or agreed change. The delivery must comply with technical and safety regulations and agreed technical data. At the customer's request, the supplier is obliged to provide all documentation regarding the quality of the ordered goods or services.

Upon confirmation of the order or after 3 working days from the receipt of the order, it is considered that the supplier has accepted all requirements.

In case of inadequate delivery, the client shall inform the supplier with a complaint record within 8 days from goods receipt. Typical types of complaints are:

- poor quality of products or services,
- delivery of wrong goods,
- delivery of the wrong quantity of goods,
- damaged goods.

Depending on the type of non-conformity, the buyer reserves the right to take the following actions:

- In case of inadequate production of the goods (quality), the buyer refuses to accept the goods, informs the supplier, which is obliged to deliver a new component or to correct the defect within the agreed period, and covering all costs incurred by correcting the defect.

- If the wrong goods are delivered, the buyer does not take them over, he informs the supplier, who is obliged to take over the wrong goods and deliver the goods according to the order.
- In case of delivery of goods with a quantity deviation, the buyer retains the goods under changed conditions from agreed ones, informs the supplier, who is obliged to supply the missing quantity at his own expense or to take over the excess quantity, unless otherwise agreed with the buyer.
- In case of delivery of damaged goods, the buyer refuses to accept the goods and informs the supplier, who is obliged to take over the goods at his own expense and deliver undamaged goods.

In case of delivery with defects, the client reserves the right to withhold part or all payments until the complaint is finally resolved.

The supplier is obliged to respond to the customer's complaint immediately, at latest within two working days, and provide actions.

If the supplier cannot fix the defect within a reasonable and acceptable period for the buyer, the buyer can do it himself or a third party, at the expense of the supplier.

For surface treatment services, where a visual quality control is performed at the customer's place upon acceptance, the customer performs an additional random control once a year or as needed, either by checking the certificate upon delivery or by special request and a detailed product inspection. In case of non-compliance, inform the supplier, take the necessary actions for improvement and, if necessary, introduce additional control.

8. Dangerous goods and hazardous materials

The supplier guarantees that the supplied goods comply with all regulations in the field of environmental and health protection, valid in the EU and Slovenia.

The supplier is liable for any damage caused to the buyer due to the delivery of an ecologically questionable item or inappropriate packaging.

9. Confidentiality and data protection

The supplier undertakes to protect the data, the customer's intentions and the technical documentation received from the customer, as a business secret and not to pass them on to third parties without the customer's consent. This especially applies to technical data, drawings, models, samples, stencils and similar items.

10. Force majeure

Force majeure excludes any liability of the contracting parties. Neither contracting party shall in any way be liable to the other for failure to fulfill or delay in fulfilling its obligations due to the occurrence and duration of force majeure (labor strikes, riots, official actions and other unforeseeable, unavoidable and serious events).

11. Warranty

The supplier must provide a warranty for all its deliveries. This can be contractually agreed, or it can be based on an individual order. For purchased components, the supplier provides a warranty in accordance with the term provided by the component manufacturer. The buyer has the right in principle to choose between the elimination of the defect and/or a reduction of the payment for defects found or occurring during the warranty period. Costs related to warranty claims are covered by the supplier.

12. Liability insurance

If the buyer incurs any costs due to supplier's liability (costs of litigation, recall of products from the market), these costs must be borne by the supplier. Liability is regulated according to legal regulations.

13. Other

The court in Koper is competent to resolve any disputes. The client reserves the right to assert its rights in any other competent court.

14. Validity and changes

These general terms shall apply until they are amended . The changed conditions are published on the company's website and the suppliers are obliged to monitor or check them on their own. Each order issued contains the information that the company's general purchasing conditions are available at www.avastar.si .

Each new edition of the document is input in the table below.

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