



**ISKRA MEHANIZMI, d.o.o.**

Zgornji Brnik 400, 4210 Brnik-Aerodrom, Slovenia,  
represented by its Managing Director Mr. Stefan Hornivius  
(hereinafter referred to as: the "Buyer")

and

Company

Address

represented by position and name

(hereinafter referred to as: the "Supplier")

conclude the following

**SUPPLY CONTRACT no. XXXX**

**1. INTRODUCTORY PROVISIONS**

- 1.1. With this Contract, the contracting parties govern their mutual relationship regarding the supply of products, parts, components, ready-made devices, goods and services (hereinafter referred to as: the "Products") defined in Nomination Contracts, being concluded for individual Products.

**2. SUBJECT OF THE CONTRACT**

- 2.1. Pursuant to this Contract, the Supplier undertakes to supply the ordered Products to the Buyer.

**3. PRODUCTION CAPACITY**

- 3.1. In order to fulfil its obligations to the Buyer, which are related to supplies pursuant to this Contract, in a timely manner, the Supplier must provide the necessary production capacities for the entire duration of the projects for which the Supplier will be nominated by the Buyer.
- 3.2. In the event of any technical errors in the production process or any other events that could affect its fulfilment of contractual obligations, the Supplier will immediately notify the Buyer and eliminate said errors as soon as possible. In these cases, the Supplier must act in accordance with the contingency plan.

**4. ORDERS AND SUPPLIES**

- 4.1. In executing its business transactions, the Supplier shall follow the Logistical Guidelines located on the website of the company Iskra Mehanizmi <https://www.iskra-mehanizmi.si/>.
- 4.2. The Supplier agrees that call-offs are primarily used to order and supply the Products.
- 4.3. The Supplier expressly undertakes to supply the Products pursuant to the provisions of this Contract and the call-offs or individual orders of the Buyer and on the date set out in each individual order or delivery plan.
- 4.4. Individual orders or delivery plans are sent to the Supplier in advance by e-mail, fax, EDI or WEB EDI using the method agreed upon by the contracting parties.
- 4.5. The Supplier shall confirm the receipt of each individual order or purchase plan in writing. The Supplier shall send the order confirmation or the confirmation of the call-off to the Buyer by e-mail, fax, EDI or WEB EDI using the method agreed upon by the contracting parties. If the order confirmation or the confirmation of the call-off is not received in 2 (two) working days after receiving the order or the call-off, the order or the call-off is considered to be confirmed.
- 4.6. The Buyer and the Supplier agree on the establishment of a consignment warehouse pursuant to the objective of optimizing logistics procedures. The conditions and the subject of the consignment shall be defined in the Consignment Agreement signed by both contracting parties.

## **5. PACKAGING**

- 5.1. The Supplier is responsible to provide packaging suitable for the safe transport of the Products.
- 5.2. In order to ensure safe transport, the Products must be properly packed in the agreed-upon units which are harmonised and specified in the Packaging and Transport Specification (PDA) which is related to each individual Product.

## **6. PRICES AND PAYMENT TERMS AND CONDITIONS**

- 6.1. The prices of the Products supplied pursuant to this Contract shall be set out in the Nomination Contracts which are additionally concluded for each individual product.
- 6.2. Prices apply DDP Iskra Mehanizmi, d.o.o., Brnik, Zg. Brnik 400, SI-4210 Zg. Brnik - Aerodrom pursuant to the applicable Incoterms.
- 6.3. The basis for cooperation pursuant to this Contract, as well as the contractual scope of business transactions, is to maintain the competitiveness of the Supplier's prices considering the competitors and market requirements. The Supplier and the Buyer agree that the Supplier shall implement and maintain a system of ongoing improvements. The results of such improvements (hereinafter referred to as: the "Ratio Effect") are specifically set out in the Nomination Contracts concluded for each individual Product for which the Supplier has been nominated.
- 6.4. No price increase may be made by the Supplier without the consent of the Buyer. Any exceptions related to price changes must be specified in the Nomination Contract relating to each individual Product for which the Supplier has been nominated. Supplier may propose price increase only when accompanied with open calculation and adequate evidence allowing Buyer to see reasons for suggested price increase. The latter must also be provided for propositions of changes caused by substantive change suggested by the Buyer.
- 6.5. The Supplier must issue an invoice no later than on the working day following the completion of the service or after the supplied Products have been accepted in the Buyer's warehouse.
- 6.6. The Supplier will send invoices by email to the following address: [einvoice@iskra-mehanizmi.si](mailto:einvoice@iskra-mehanizmi.si) in PDF or XML format. Supplier must add Buyer's order number on the invoice. Should the Buyer inform the Supplier of invoices receiving manner change, Supplier shall adjust invoice shipment to such changes.
- 6.7. The Buyer shall settle his obligations within 120 days following the date of the invoice. The Buyer has the right to withhold payment corresponding to the value of missing or defective goods, until the order is properly completed.
- 6.8. The Supplier will grant to the Buyer a discount of 1/365 (one three hundred and sixty-fifth) of the three-month Euribor rate, increased by 0.02% for each day of early payment. The Euribor rate considered is the three-month Euribor rate provided by the European Central Bank on the day before the Buyer's payment.

## **7. OPEN CALCULATION**

- 7.1. The Supplier undertakes to ensure open calculation with Product value structure. Product value structure consists of at least purchase materials and components value, machine hourly rate, labour costs, structure of potential other costs, production cycle time, Product profit and all other components of Product purchase price. The Supplier undertakes to ensure refreshed open calculation at every parameters change causing change of Product price notwithstanding which party suggested such changes.

## **8. QUALITY**

- 8.1. The Supplier shall implement and maintain a quality management system and shall also implement quality assurance measures pursuant to the Quality Agreement or the Change Management Agreement which are to be concluded separately by both contracting parties.

## **9. ACCEPTANCE**

- 9.1. The Products are taken over by the Buyer (using dispatch documents of the Supplier) only if their qualities comply with the order and the conditions specified in the Documentation (Technical, Quality, Logistic), and if they correspond to the Buyer's order in every detail. If they do not meet these conditions, the Buyer has the right to refuse delivery and request immediate delivery in

accordance with the Buyer's order, whereby the costs incurred by the Supplier and by the Buyer in connection with said subsequent delivery shall be borne by the Supplier in their entirety.

- 9.2. If the Buyer and the Supplier agree that the Supplier shall only provide a general declaration of suitability of the consignment but shall not state any specific details required in accordance with the Quality Agreement, the Supplier must store all original documents (evidence) at its premises and submit them to the Buyer's inspection not later than 24 hours after Buyer's request for such submission.

## **10. WARRANTY/GUARANTEE**

- 10.1. The Supplier guarantees that the supplied Products meet the required technical conditions, have agreed-upon or guaranteed properties, or correspond to the provided sample according to all required parameters and enable suitable and proper operation without errors. The Supplier further guarantees the quality and suitability of the supplied Products in terms of material, manufacture, storage and proper storage time, considering the specific information set out in the Nomination Contract. The Supplier is obliged to warn the Buyer in advance of any special features regarding the storage or handling requirements applying to Products, or of any other special features of said Products.
- 10.2. The Supplier provides a quality guarantee for the supplied Products for a period of 24 months from the takeover at the Buyer's address.
- 10.3. In the event of a found defect (hidden defect), the Buyer has the right to replace the Product with a new faultless Product, and to receive compensation for damages caused to the Buyer due to said defective delivery.

## **11. DELAYS**

- 11.1. If the Supplier is late with the supply of Products, the Buyer has the right to charge to the Supplier a contractual penalty amounting to 0.5% of the value of unsupplied Products for each day of the delay, whereby said amount must not exceed 10% of the value of unsupplied Products.
- 11.2. In the event of a delay in the supply, the Buyer has the right to require the Supplier to also pay compensation for damage due to production downtime, as well as the reimbursement of all costs incurred to the Buyer due to said delay in delivery (including, but not limited to: labour costs, compensation costs asserted by the end customer of the Buyer due to delay, damage due to a reduced reputation of the Buyer, damage due to reduced creditworthiness of the Buyer in the ranking of its end customer, etc.) if they exceed the value of the contractual penalty due to delay, set out in the previous article.

## **12. GUARANTEE OF MANUFACTURER'S RESPONSIBILITY**

- 12.1. The Supplier must take out an insurance for the manufacturer's responsibility for the Products that it delivers to the Buyer pursuant to this Contract, and must also regularly pay the costs of said insurance. The Supplier undertakes to provide such insurance in the amount of the annual volume of transactions provided for in the Nomination Contracts for the supply of all Products to the Buyer for the current year, and also submit them at the request of the Buyer.
- 12.2. In the event that the Buyer or a third party suffers any damage due to a defect in the Product or a breach of contract caused by the Supplier, the Supplier shall, pursuant to the legal provisions, reimburse the Buyer for the damages caused.

## **13. ENSURING THE SECURITY OF SUPPLIES**

- 13.1. The Supplier undertakes to ensure uninterrupted supplies throughout the service life of the Products for which it has been nominated - during serial production and after its expiration, pursuant to the provisions of the Nomination Contracts.
- 13.2. If the Supplier finds during this period that it will no longer be able to provide uninterrupted supplies, it must immediately notify the Buyer of it no later than 12 months before the cessation of supplies. During this period, the Supplier must continue to ensure uninterrupted deliveries of the Product and enable the Buyer to place the last order.

## **14. LONG-TERM SUPPLIER'S DECLARATION**

- 14.1. The Supplier must issue proof of preferential origin of the Product separately for each individual consignment or, by agreement, as a joint declaration by mid-January for the current business year.
- 14.2. The Buyer reserves the right to charge the Supplier with all costs and duties incurred arising from an incorrectly declared origin of the Product or the improperly completed Supplier's declaration on the internal market for Products with a preferential Product origin.

## **15. CONFIDENTIALITY**

- 15.1. Parties acknowledge that during the performance of its obligations pursuant to this Agreement, they will share Confidential Information. If the Parties undersigned a special NDA, terms of the latter shall prevail upon this Section of this Agreement.
- 15.2. During the term of this Agreement, either party may receive or have access to certain confidential information (which includes, but is not limited to, Services, Intellectual Property Rights, Products, ideas, know-how, technical documentation, specifications, constructions, reports, diagrams, pilot projects, photos, designs, trademarks, drawings, manuals etc.), customers, non-technical business information as well as business and financial information of the Party which the disclosing party considers to be confidential ("Confidential Information"). Confidential information shall be marked as such at time of disclosure or later. It may also include any information not labelled as confidential that should reasonably be considered as such due to the nature of such information. Provisions regarding Confidential information shall also apply to any information considered as confidential received prior to signing this Agreement.
- 15.3. Confidential Information may be used by the recipient Party only with respect to performance of its obligations under this Agreement and only by those employees and business partners on a need-to-know basis for the purpose related to this Agreement. Each party shall protect the Confidential Information for five (5) years from disclosure or until such Confidential Information is considered confidential by using the same degree of care (but no less than a reasonable degree of care) as the receiving party uses to protect its own confidential information of like nature.
- 15.4. The forgoing obligation shall not apply to any information which is: (i) already known by the receiving party prior to disclosure; (ii) publicly available through no fault of the receiving party; (iii) rightfully received from a third party without a duty of confidentiality; (iv) independently developed by the receiving party prior to or independently of the disclosure; (v) disclosed under operation of law (by State Authorities, revisions etc).

## **16. INTELLECTUAL PROPERTY RIGHTS**

- 16.1. The Supplier guarantees that the supplied Products do not breach any intellectual property rights of third parties. Should the Supplier breach the intellectual property rights of third parties in the manufacture of Products, the Supplier must compensate all damages caused by such conducts.
- 16.2. Business models, specifications, drawings, business patterns and other elements of industrial property, such as trademarks which are used by the Buyer and which are connected to production parts, are the exclusive property of the Buyer or are under the Buyer's control. Therefore, they must not be used otherwise than for the purposes of this Agreement and may not be passed on to third parties by the Supplier. If the Buyer has provided the Supplier with drawings or other elements of industrial or intellectual property, they shall be considered confidential and shall only be used by the Supplier for the needs of the Buyer; furthermore, the Supplier shall immediately return them to the Buyer at its request or after the termination of cooperation pursuant to this Contract.
- 16.3. Intellectual property and knowledge of the Supplier which were included in the contract products and documents supplied by the Supplier, and which the Supplier possessed independently and/or before the beginning of its cooperation with the Buyer (so-called "background knowledge") shall remain the property of the Supplier, except insofar as they are included in the supplied Products in a way that is absolutely necessary for the use or for the proper functioning of the Products. In such a case and if the Buyer justifiably needs intellectual property rights in order to further use the contractual products, the Supplier shall grant to the Buyer a non-exclusive, worldwide, indefinite and transferrable right to use and exploit these rights for commercial purposes in connection with the Products.

## **17. TRANSFER OF RIGHTS AND OBLIGATIONS**

17.1. This Contract, as well as any rights and/or obligations arising from it, cannot be transferred to any third party without the prior written consent of the other contracting party.

## **18. CONTINGENCY PLAN**

18.1. The Supplier must prepare a contingency plan for unforeseen events such as natural disasters, machine breakage, technical defects in the production process and similar events, and must immediately deliver said plan to the Buyer upon his request.

## **19. CONTRACT VALIDITY AND DURATION**

19.1. This Contract is concluded for an indefinite period.

19.2. Both contracting parties have the right to immediately terminate this Contract with a written notice if:

- the other contracting party goes bankrupt or goes into liquidation;
- the other contracting party seeks or intends to transfer the benefits of this Contract to any third party without the prior written consent of the other contracting party;
- the contracting party does not comply with its obligations pursuant to this Contract or breaches said obligations, and fails to remedy said behaviour even within 8 days after the other contracting party invites it to comply with its obligations or to remedy the breach of its obligations;

19.3. The notice period for a regular termination of this Contract is 180 days. However, the Supplier must still observe the 12-month deadline, as stipulated in Article 13.2.

19.4. The agreement shall enter into force when signed by both parties hereto.

## **20. ANTI-CORRUPTION CLAUSE and CODE OF CONDUCT**

20.1. This Contract is void if someone promises, offers, or provides any illicit benefit to the Client's representative or intermediary in the name or on behalf of the other contracting party for:

- the acquisition of business;
- the conclusion of business on preferential terms;
- relinquishing proper control over the performance of contractual obligations;
- any other act or omission that harms the Client or facilitates the acquisition of an illicit benefit by a representative of the Client, another contracting party, or their representative, agent, or broker.

20.2. The Supplier expressly certifies that it is aware of the Buyer's Code of Conduct published on the Buyer's website, that it adheres to all of its provisions, and that it never acts contrary to the adopted policies of the Buyer.

## **21. COMMUNICATION THROUGH ELECTRONIC PORTAL**

21.1. The Supplier consents to communicate with the Buyer by using Buyer's electronic portal should the Buyer demand so. The latter shall apply for all communications determined by the Buyer (for an example: reclamations, receipts, submission of offers, negotiations, confirmation of documentation, submission of documentation, escalations, innovations suggestions, assessment of the Supplier, ensuring up to date Supplier's information and other communication determined by the Buyer).

## **22. OTHER PROVISIONS**

22.1. All Amendments and Nomination Contracts to this Contract form an integral part thereof.

22.2. Amendments and supplements to this Contract shall only apply if they are concluded in writing and signed by both contracting parties.

22.3. The contracting parties shall amicably settle any disputes arising from this Contract. If an amicable settlement cannot be reached, the court having substantive jurisdiction over the headquarters of the Buyer shall be responsible for settling said disputes.

22.4. The governing law of this Contract shall be the law of the Republic of Slovenia.

22.5. This Contract is made out in two copies, of which the Buyer and the Supplier shall each receive one.

Contracting Entity:  
**Iskra Mehanizmi, d.o.o.**  
Managing Director  
Mr. Stefan Hornivius

Supplier:

\_\_\_\_\_  
Date of signature: \_\_\_\_\_

\_\_\_\_\_  
Date of signature: \_\_\_\_\_

Annexes:

- Annex no. 1 -
- Annex no. 2 -