

## GENERAL TERMS OF PURCHASE

### 1. GENERAL PROVISIONS

- 1.1 The General Terms of Purchase adopted by PETROL d.d., Ljubljana, Petrol Energetika d.o.o., Petrol Geoterm d.o.o., and Petrol tehnologija d.o.o. (hereinafter referred to as "the Terms of Purchase") shall apply to all transactions concluded between PETROL d.d., Ljubljana, Petrol Energetika d.o.o., Petrol Geoterm d.o.o., Petrol tehnologija d.o.o. (hereinafter referred to as "PETROL") and their suppliers, contractors or sellers (hereinafter referred to as "the Supplier") for the purchase of equipment, material, products and services (hereinafter referred to as "the products" or "the services").
- 1.2 PETROL reserves the right to define special terms applying to a particular transaction (hereinafter referred to as "agreement"), which shall prevail over the Terms of Purchase in the case of this particular agreement. The same shall also apply in the event of any discrepancy between the provisions of a particular agreement and the Terms of Purchase.
- 1.3 The Terms of Purchase shall prevail over and exclude any other general or special terms and conditions adopted by the Supplier. The Supplier' general and special terms and conditions shall be binding upon PETROL only if expressly agreed upon in writing.

### 2. CONCLUSION AND AMENDMENT OF AGREEMENTS

- 2.1 All agreements shall be concluded and amended in writing.
- 2.2 No oral agreements shall be valid unless confirmed in writing by PETROL.

### 3. SUPPLY OF PRODUCTS AND SERVICES

- 3.1 The Supplier undertakes to supply the products and/or services in accordance with the agreement.
- 3.2 The Supplier undertakes to inform PETROL in writing and in due time of any circumstances which impact or may impact on the timely and proper fulfilment of his obligations.
- 3.3 Should PETROL decide, after the expiry of a trial period, not to market the products which were newly introduced during the term of the agreement, the Supplier shall accept, after the expiry of the trial period, the entire unsold stock at the point of delivery not later than within 8 days from receipt of PETROL's notice, and shall issue a credit note to PETROL. The same procedure shall apply in the case the agreement has been rescinded by either party, and in the case the sale of certain products has been abandoned.
- 3.4 As regards seasonal goods, after the end of the season the Supplier shall accept all unsold stocks at the point of delivery within 8 days from receipt of PETROL's notice, and shall issue a credit note PETROL.
- 3.5 The Supplier undertakes to accept and exchange at his own cost, once a month, at the point of delivery, the products which are the subject of a substantiated complaint, or the shelf life of which has expired.
- 3.6 In the case of the Supplier's delay in accepting the products, the Supplier shall pay to PETROL storage costs amounting to 1% of the value of the products for each day of delay. PETROL may also return the products to the Supplier at the Supplier's cost.
- 3.7 The Supplier shall forward to PETROL, in an electronic format, all logistic and other data relating to the products, and PETROL shall forward to the Supplier all data relating to the delivery point, date (working day) and time of delivery.
- 3.8 In the case PETROL allows the Supplier access over the internet to the stock situation at his sales outlets or to any other data, the Supplier shall submit to PETROL a list of persons authorised to have access to this information (the users), and shall notify PETROL of any changes regarding the users within 7 days prior to the expected change. PETROL shall not be held liable for any unauthorised use of data accessible to the users. Further, PETROL shall not be held liable in the case the Supplier has either failed to notify or has notified with delay any changes regarding the users or other relevant changes relating to the users.

#### 4. PENALTY

- 4.1 Should the Supplier either fail to fulfil his obligations, or fail to fulfil them within the deadlines defined in the agreement, he shall be liable to pay a penalty of 0.5% of the final contractual price for each calendar day of delay or non-fulfilment of his obligations; however, the amount of such penalty shall not exceed 10% of the final contractual price.
- 4.2 The penalty shall be charged taking into account the legislation regulating VAT, applicable at the time of the occurrence of such penalty.
- 4.3 In addition to penalty, PETROL shall also be entitled to claim reimbursement from the Supplier for any damage exceeding the penalty amount.

#### 5. WARRANTY

- 5.1 The Supplier guarantees the quality and effectiveness of the ordered products and/or services.
- 5.2 Upon receipt of any complaint from PETROL relating to the supply of products and services (warranty claim), the Supplier shall deal with the complaint and resolve it in accordance with the valid legislation (particularly the Consumer Safety Act). The Supplier shall comply with all statutory deadlines (particularly the 8-day deadline for submitting a written reply to PETROL regarding any substantiated complaints). The Supplier undertakes to inform PETROL in writing and in due time of any relevant information regarding the resolving of the said complaints. PETROL reserves the right, in the case of emergency or the Supplier's non-activity, to eliminate defects himself or to engage third party services. All costs arising from this shall be borne by the Supplier.
- 5.3 In the event of any substantiated complaint, PETROL shall be entitled to the reimbursement of all costs and full compensation for damage arising from resolving the said complaint. This provision shall apply mutatis mutandis in the case PETROL is required by competent authorities (particularly in an administrative or violation procedure), to compensate for damage, settle the imposed penalty and tax, or act in any other manner to fulfil the obligations imposed on it by competent authorities.

#### 6. LIABILITY AND INSURANCE

- 6.1 The Supplier shall be liable for any damage caused to his employees, PETROL and/or third parties, resulting from the Supplier's and his subcontractors' work, and from his obligations under the agreement.
- 6.2 During the entire term of the agreement, the Supplier shall have proper insurance against any damage that may be caused to his employees, PETROL and/or third parties as a result of carrying out his business activities, services or works, or against any damage on PETROL's or third parties' facilities or infrastructure. At PETROL's request, the Supplier shall submit an official statement / confirmation issued by the insurance company, or a copy of the insurance policy showing the required insurance coverage. The insurance costs shall be borne by the Supplier.

#### 7. PRICE AND PAYMENT TERMS

- 7.1 The price agreed upon for each transaction shall include all costs under DDP terms of delivery (Incoterms 2010), unless otherwise agreed for a particular transaction.
- 7.2 Payment shall be made in accordance with the terms defined in a particular agreement.
- 7.3 In the event an invoice sent by the Supplier to PETROL is incomplete, wrong or not sent within the deadline defined for the relevant transaction, PETROL shall reject the invoice and request a new one, and in such a case the Supplier shall not be entitled to charge interest for delay to PETROL.
- 7.4 Unless agreed otherwise, payments shall be made either by mutual compensation or remittance to the Supplier's transaction account. At PETROL's request, the Supplier shall also agree on multilateral compensation.
- 7.5 In the event of PETROL's delayed payment, the Supplier shall charge to PETROL interest for delay at the interest rate of Nova Ljubljanska banka d.d., Ljubljana, for short-term liquidity credits, valid in the period of delay.

- 7.6 In the event of early payment, PETROL shall be entitled to a discount of 0.333% for each day of early payment, and shall issue a relevant document to the Supplier.

## 8. ASSIGNMENT

- 8.1 The Supplier is entitled to assign to third party any legal transaction and/or any rights, claims and liabilities arising under it or under any documents made or issued in relation to it, subject to prior written consent of PETROL.

## 9. PARTNERSHIP AND CO-OPERATION

- 9.1 The contracting parties agree to review their mutual operations on a semi-annual basis.
- 9.2 The Supplier shall provide PETROL with a programme for the promotion of business co-operation with the strategic supplier, carry out an annual self-assessment and send the relevant report to PETROL, and participate in preparing a joint list of purchases. This provision shall not apply to small value purchases.
- 9.3 The Supplier declares and guarantees to sell the products and services to the buyer at the most favourable prices he is able to offer.
- PETROL is entitled to check the competitiveness of the products' prices at any time, and in the event any differences in prices are established, to call the Supplier to negotiate the prices, or to withdraw from the agreement without notice.
- 9.4 The Supplier undertakes to offer to the companies within the Petrol Group commercial and technical conditions at least as favourable as those offered to PETROL.
- 9.5 The Supplier and PETROL shall strive to introduce electronic commerce. Subject to a special agreement between the parties, electronic exchange of data relating to the supply of the products or services and e-invoicing will be provided as soon as possible. Electronic data exchange will be carried out by applying technologies for data transfer in a safe and standard manner.
- 9.6 As regards any products or services supplied to PETROL, the Supplier shall keep accurate records of received orders, supplies of products and services, issued invoices and received payments, complaints (e.g. delay in supply of products/services, deviation from the contractual quality) and violations (breach of contract, incorrect invoices, etc.), precisely specifying the bases and causes in order to identify measures for improvements. The records will include quantities, values and deadlines with respect to PETROL's supply channels, organisational units and cost centres. The Supplier and PETROL shall mutually define the form, contents and frequency of reporting, and dates of working meetings to take place with the aim of improving co-operation.

## 10. FORCE MAJEURE

- 10.1 The Supplier shall be entitled to extend the deadlines for the supply of goods and services in the event of force majeure. Force majeure events are extraordinary, insurmountable and unforeseen circumstances that cannot be predicted, avoided or averted, that occur after the agreement has been concluded and are outside the will or reasonable control of the contracting parties.
- 10.2 Within the range of objective possibilities, the Supplier shall supply the products or services to PETROL in any unpredictable circumstances caused by force majeure. The contracting parties shall promptly inform each other of the occurrence of force majeure circumstances, and shall reach an agreement about further implementation of the agreement. If either contracting party is unable to meet its obligations due to a force majeure event and fails to notify the other party of this, such party shall lose the right to use force majeure as a basis, grounds or an excuse to enforce other rights it might have with respect to the force majeure event.

## 11. CONFIDENTIALITY

- 11.1 The entire agreement including any and all documentation relating to it shall be deemed to be confidential, and the contracting parties shall protect any information with respect to their mutual operations under the

agreement, and shall prevent third party access to such information. The responsible persons of the contracting parties shall be criminally liable for disclosing any confidential information.

The parties agree to maintain confidentiality and use any information that is considered confidential only for the purpose of executing the agreement. The contracting parties further agree not to disclose any confidential information to any person or entity other than:

- the parent company, subsidiaries, associated or jointly controlled companies, and their employees or associates responsible for checking such information or using such information in their work.

11.2 The confidentiality obligation does not apply to information that:

- is known to the disclosing party before obtaining it from the other contracting party;
- becomes publicly known without any breach of the agreement provisions;
- has been developed independently by the disclosing party without any breach of the agreement provisions;
- has been disclosed by the disclosing party pursuant to the requirements of a court of competent jurisdiction or other state body;
- has been disclosed by the disclosing party to a third party on the basis of written authorisation by the other contracting party;
- has been obtained from a third party without similar restrictions or breach of the agreement provisions.

## 12. ANTI-CORRUPTION CLAUSE AND PREVENTION OF MONEY LAUNDERING

12.1 Should, in the course of the preparation and/or conclusion a legal transaction, any person offer or grant, on behalf of one contracting party, any undue advantage to the representative or agent of the other contracting party with respect to:

- obtaining new business;
- entering into an agreement under more favourable conditions;
- omission of due supervision over the performance of contractual obligations, or
- other act or omission resulting in damage to the other party, or in the acceptance of undue advantage by the representative of the contracting party, other contracting party or its representative or agent,

the transaction shall be deemed to be null and void.

12.2 The contracting parties undertake to carry out their business in accordance with the applicable regulations pertaining to the prevention of money laundering and funding of terrorism. Further, the contracting parties explicitly guarantee the lawful origin of the funds, products and other items which are the subject of agreement carried out within their financial and business activities.

## 13. TERMINATION

13.1 In the case of an unsubstantial breach of obligations by the Supplier, PETROL shall send a reminder to the Supplier. If the Supplier fails to remedy the breach within 8 days from the date of the reminder, PETROL may terminate the agreement without notice.

13.2 In the case of a substantial breach of obligations by the Supplier, PETROL may terminate the agreement without sending a reminder and without notice. The following shall be deemed to be substantial breaches of the agreement:

- the Supplier's delay in fulfilment of his obligations exceeding 5 days;
- the Supplier ceases to fulfil his obligations without PETROL's written consent, or fails to meet the quality standard specified in the agreement even within the extended deadline defined by PETROL;
- the deadlines are extended due to force majeure by more than 30 days;
- the Supplier fails to notify PETROL of circumstances which impact or may impact the timely and proper

fulfilment of his obligations;

- the Supplier breaches the agreed obligations and fails to provide insurance under Article 6 hereof.

13.3 Notwithstanding other provisions hereof, PETROL may terminate the agreement without notice:

- in the case of bankruptcy, liquidation or composition proceedings against the Supplier;
- if, according to PETROL's estimation, the Supplier has become insolvent, although his insolvency has not been established by a court decision, or if PETROL reasonably concludes from other facts that the Supplier will not be able to fulfil his obligations;
- if the Supplier has ceased to operate;
- if a court order for debt has been issued to the Supplier, for the reason of which his accounts have been blocked for more than three (3) days;
- if, according to PETROL's estimation, negative developments occur in the economic, legal or staff position of the Supplier, or any other circumstances arise which may put PETROL in an essentially less favourable situation, or which may severely undermine PETROL's trust in the Supplier and/or his capacity to fulfil his obligations, or which may in any way compromise, impede or prevent the fulfilment of the Supplier's obligations.

13.4 In the case of termination for the reasons stated above, PETROL shall accept the already implemented subject of the agreement. Moreover, the Supplier shall compensate PETROL for any damage caused to it.

13.5 If PETROL's unjustified delay in payment exceeds 10 days, and PETROL fails to meet his payment obligations despite the Supplier's written notice, by the expiry of an additional deadline for payment defined by the Supplier, the Supplier may withdraw from the agreement without notice.

13.6 If an agreement has been concluded for an indefinite period of time, either the Supplier or PETROL may terminate the agreement subject to three months' notice.

13.7 Both the Supplier and PETROL shall send their notices of termination by registered mail. The notice of termination will take effect upon the date of its receipt, and shall apply proactively.

13.8 In the case of termination of an agreement for any reason whatsoever, any rights and obligations of the contracting parties acquired or assumed by them during the term of the agreement shall remain in force, unless stipulated otherwise in the agreement or the Terms of Purchase. The provision hereof does not affect any other rights the contracting parties may have in accordance with the applicable regulations.

## 14. VALIDITY OF THE TERMS OF PURCHASE

14.1 If any provision of the Terms of Purchase or of any agreement is deemed to be invalid, such invalidity shall not affect other provisions of the Terms of Purchase and/or of any agreements adopted on their basis.

14.2 The Terms of Purchase shall be valid for an indefinite period of time, or until amended.

14.3 PETROL shall notify the Supplier of any intended amendment of the Terms of Purchase or introduction of a new version thereof by posting such notice on the company's website [www.petrol.si](http://www.petrol.si) at least a fortnight prior to the expected effective date of the amended or new Terms of Purchase.

14.4 Upon the announced or notified introduction of the amended or new Terms of Purchase, the Supplier may terminate the valid agreement by giving a written 90-day notice of termination prior to the expected effective date of the amended or new Terms of Purchase.

## 15. FINAL PROVISIONS

15.1 The parties state that PETROL has adopted the Code of Conduct, posted on the company's website: [http://www.petrol.si/sites/www.petrol.si/files/attachment/petrol\\_kodeks\\_2012.pdf](http://www.petrol.si/sites/www.petrol.si/files/attachment/petrol_kodeks_2012.pdf). The Supplier undertakes to carry out his business in accordance with the Code of Conduct of Petrol.

15.2 For the interpretation and assessment of all provisions of the Terms of Purchase, and for the regulation of

relationships with regard to all agreements, the law of the Republic of Slovenia shall apply.

- 15.3 The parties undertake to settle amicably any disputes arising out of or in connection with their agreement. Should this prove impossible, the disputes shall be submitted for settlement to a court of competent jurisdiction in Ljubljana.
- 15.4 The Terms of Purchase are posted on the company's website [www.petrol.si](http://www.petrol.si), and apply from 1.4.2015.