1. GENERAL PROVISIONS

1.1. These General Terms and Conditions of Purchase set out the basis on which legal transactions are entered into between suppliers and TIM PAVLIN d.o.o., as the ordering party (the Supplier and the Ordering Party together, the "Parties"), for the procurement of goods, materials and services required for its business activities (collectively, the "Goods"). These terms apply to all types of orders.
1.2. A contract between the Supplier and the Ordering Party is concluded when the Supplier accepts an order issued or confirmed in writing by the Ordering Party. These General Terms and Conditions of Purchase apply from the conclusion of each individual contract.
1.3. These terms govern the relationship between the Parties exclusively and take precedence over any general terms and conditions adopted by the Supplier. Any deviating, conflicting or supplementary Supplier terms shall apply and form part of the contract only if, and to the extent that, the Ordering Party expressly agrees to them. This requirement applies in all circumstances, including where the Ordering Party accepts a delivery without reservation or is aware of the Supplier's terms.
1.4. Unless otherwise agreed, the version of these General Terms and Conditions of Purchase in force when the contract is concluded or the individual order is placed (as applicable under Clause 2) shall apply, including to comparable future contracts, without the Ordering Party having to refer to them again in each instance.
1.5. The Ordering Party reserves the right to specify special conditions in an individual order, including special system requirements imposed by its customers or other specific requirements. For that order, such conditions shall take precedence over these General Terms and Conditions of Purchase.
1.6. For blanket orders, the Ordering Party schedules deliveries and processes invoices for payment.
1.7. The duly signed order confirmation issued by the Supplier shall be returned to the Ordering Party. Acceptance or performance of an order also constitutes acceptance of these terms and excludes any other instruction or agreement not confirmed in writing by the Ordering Party. If the Supplier neither confirms nor rejects the order in writing within five (5) business days after it is issued, the order shall be deemed rejected. If the Supplier accepts the order after that period, its acceptance shall be deemed a new offer, which the Ordering Party may accept by express confirmation.



2. BLANKET ORDERS – INDIVIDUAL ORDERS

2.1. Goods that are regularly consumed may be covered by a blanket order specifying the Goods, place of delivery, price and purchasing conditions (transport, packaging, etc.), with total quantities for a specified period stated for indicative purposes only. Dates and quantities of specific deliveries may subsequently be determined in individual orders placed under the blanket order.
2.2. Blanket orders and any individual orders, amendments and supplements must be made in writing.
2.3. To the extent practicable and proportionate to the available options, the Ordering Party may request changes to the design and execution of Goods covered by a blanket order. The Parties shall agree on the consequences, particularly any additional or reduced costs and changes to delivery dates.

3. DELIVERY PERIODS AND QUANTITIES

3.1. Agreed delivery periods are binding. Delivery periods specified in orders and confirmed by the Supplier must be observed, with 100% on-time delivery.
3.2. The Supplier shall immediately notify the Ordering Party of any circumstance that may affect delivery periods or quantities.
3.3. The Supplier shall pay a contractual penalty equal to 1% of the order value for each day of delivery delay and shall also compensate the Ordering Party for delay-related damage to the extent that it exceeds the value of the contractual penalty.
3.4. In the event of an apparent inability to deliver, an apparent or actual delay, or any other breach of these General Terms and Conditions of Purchase, the Ordering Party reserves the right, in accordance with applicable law, to terminate all or part of the order and have the work performed or goods delivered by another supplier at the original Supplier's expense.
3.5. Force majeure, labor disturbances other than strikes occurring directly at the Supplier's premises, measures taken by public authorities, and other unforeseeable, unavoidable and serious events shall release the affected Party from the contractual consequences of and obligations affected by the disruption for its duration. To the extent possible, the Parties shall promptly exchange necessary information and adjust their obligations in good faith to the changed circumstances.

4. SAFETY STOCK

4.1. Where a blanket order or supply agreement covers Goods required for the Ordering Party's production process, the Supplier shall, at its own expense, establish and maintain stock, keep it continuously available and replenish it. Unless otherwise specified, the stock shall cover the quantity required by

the Ordering Party for twenty (20) business days. The Ordering Party shall inform the Supplier in advance of the quantity required for one business day.

4.2. The Ordering Party reserves the right to inspect production of the ordered Goods and the safety stock from time to time.

5. DELIVERY

5.1. Unless otherwise specified, the ordered Goods shall be delivered to the Ordering Party's premises. The purchase price includes delivery to the location stated in the order and any other costs, unless expressly agreed otherwise.

5.2. Each packaging unit must bear the address and details stated in the order. Each shipment must be accompanied by a fully completed delivery note containing the order information, including date, order number, quantity and type of Goods, and a detailed description of the packaging.

5.3. Title to the delivered Goods shall pass unconditionally to the Ordering Party upon delivery, regardless of whether the purchase price has been paid or not.

6. PACKAGING AND TRACEABILITY

6.1. Unless otherwise agreed, the Supplier shall, at its own expense, professionally package and dispatch the Goods in accordance with commercial practice or, at the Ordering Party's request, use other suitable packaging in accordance with its instructions. The Supplier shall be liable for damage resulting from inadequate or incorrect packaging.

6.2. For all deliveries, the Supplier shall provide certificates of origin and all other documents required by applicable law, as well as any documents requested by the Ordering Party.

6.3. The Supplier shall ensure traceability of the delivered Goods and label each packaging unit with the following information: recipient, recipient's address, Goods code, revision status, number of pieces and net/gross weight.

7. QUALITY AND QUANTITY INSPECTION AND ACCEPTANCE 2

7.1. Inspection and acceptance shall take place at the Ordering Party's premises in accordance with the agreed acceptance of Goods arrangements. A signature or release stamp shall not constitute final acceptance.

7.2. The Ordering Party shall inspect the Goods as soon as reasonably practicable, however the Parties agree that the inspection this is not earlier than five (5) business days after delivery, and shall immediately afterwards notify the Supplier of apparent defects. For latent defects, the Supplier shall be liable under these terms if the defects arise within warranty periods binding on the Ordering Party in relation to its customers or available to the end user, provided that the Ordering Party notifies the Supplier immediately after discovering such defects or immediately after being informed of them by its customers or end users thereof.

7.3. The Ordering Party shall return non-conforming or defective deliveries and may claim a contractual penalty and reimbursement of resulting costs to the extent that they exceed the value of the contractual penalty. The Ordering Party may require defects to be remedied by repair, delivery of replacement Goods on the same terms, a price reduction or withdrawal from the contract, together with a contractual penalty and any additional damages exceeding that penalty.

7.4. The Parties may separately agree that acceptance shall be based on a "Certificate" under EN 10204, Clause 3.1, or on the Supplier's quality assurance for deliveries. Where acceptance is based on a Certificate, any delivery that does not comply with that standard shall be deemed non-conforming and subject to a complaint.

7.5. The Ordering Party may conduct random counter-tests and systematically check quantities, accompanying reports, packaging condition and labelling.

7.6. If the scrap rate during processing, the need for repairs or mandatory sorting exceeds a specified percentage for the relevant part type, the Ordering Party may charge a contractual penalty and processing, repair or sorting costs (to the extent that they exceed the penalty) as well as demand repairs or sorting. At its discretion, the Ordering Party may also request a price reduction or require the Supplier to remedy the defects (by repair or new delivery, as chosen by the Ordering Party).

7.7. The Supplier assumes full liability for damage suffered by the Ordering Party as a result of material defects attributable to the Supplier, whether the defects arise at the Ordering Party's premises, at its customer's premises or with the end user. This obligation continues even if warranty or other periods relating to material defects between the Supplier and Ordering Party have expired.

7.8. The Ordering Party may claim a contractual penalty equal to 5% of the order value if a delivery is non-conforming or defective. This does not affect its other rights relating to material defects, and does not release the Supplier from any other obligations. The Supplier shall also reimburse costs or damage exceeding the value of contractual penalty.

8. PRICES

8.1. Unless otherwise specified in the order, all prices are fixed and may not be changed unilaterally.
8.2. Prices include all items agreed in the offer and order. Unless otherwise agreed, prices are DAP (Delivered at Place) to the Ordering Party.
8.3. Prices include statutory value added tax (VAT), unless VAT is shown separately.

9. INVOICING AND PAYMENT

9.1. Each invoice must correspond to an individual order and include the order number, Goods code and description, quantity, price, delivery note date and number, delivery method and delivery location.
9.2. Invoices must be sent exclusively to finance@timpavlin.com. Only invoices sent to this address will be processed for payment.
9.3. Payment shall be made after the Goods have arrived as contractually agreed and a correct, checked invoice has been received.
9.4. Unless otherwise agreed, payments shall be made within sixty (60) days of receipt of the Goods.
9.5. In the event of defective delivery, the Ordering Party may withhold payment, or a proportionate part corresponding to the value of the defective Goods, until proper performance has been achieved.
9.6. The Supplier may not assign its claims against the Ordering Party or transfer them to a third party for collection without the Ordering Party's prior written consent.

10. QUALITY AND CONFORMITY

10.1. The Supplier is responsible for the quality of the delivered Goods and shall establish a quality control and management system meeting standards applicable to the automotive industry. It shall demonstrate the effectiveness and conformity of its quality management system by means of:
- ✓ quality certificate ISO 9001:2015
- ✓ quality certificate lATF 16949:2016

10.2. If the Supplier does not hold a quality-system assessment, an assessment of its organization shall be carried out by an authorized institution, which shall provide an opinion on the Supplier's capabilities. If the opinion is positive, the Supplier may be commissioned to prepare the process, provided all process quality-assurance requirements are met.
10.3. The Supplier undertakes to establish, within the required timeframe and in substance, a quality system complying with Clause 10.1. Selected suppliers shall obtain quality management certification within one year
10.4. Suppliers additionally demonstrating a management system compliant with ISO 14001:2015 or an occupational health and safety management system compliant with OHSAS 18001 shall receive a higher evaluation during supplier selection and assessment.
10.5. The Goods must comply with the specifications, drawings and other documents defining them that have been made available to the Supplier. For unspecified characteristics, any applicable standard parts or reference samples shall apply. At the Ordering Party's request, the Supplier shall provide an annual requalification report at no additional cost. Requalification shall assess all requirements in the drawing and specification.
10.6. The Supplier shall demonstrate conformity with the applicable documentation by means of:
- ✓ the "Initial Sample" procedure,
- ✓ process capability calculations for individual characteristics (Cp, Cpk);
- ✓ delivery within permitted tolerances;
- ✓ quality records for delivered Goods; and
- ✓ annual requalification of the Goods

10.7. For each new product, and in other agreed cases, the Supplier shall, at the Ordering Party's request, provide a sample fully corresponding to planned production. It shall be accompanied by an inspection report and, where necessary, all test results required by applicable regulations. Parts must comply with the instructions, be suitable for their intended function and meet applicable regulatory requirements. The order shall become firm only after the Ordering Party confirms that the reference parts (samples) are acceptable.
10.8. The Supplier shall maintain the required documentation (and archive) regarding the "Quality Records" for the entire service life of the Goods.
10.9. No technical change, however minor, may be made without the Ordering Party's consent. The Supplier must notify the Ordering Party in advance of any change to the production process, potential transfer of production, or use of new or modified tooling or a new process. Each such change requires the "Initial Sample" procedure to be repeated.

11. TERMINATION THE CONTRACT

11.1. In the event of any failure to perform an obligation, the Ordering Party may request that the Supplier fulfil its obligations within an appropriate additional period. If the Supplier fails to do so, the Ordering Party may terminate the contract. Otherwise, the applicable statutory provisions shall apply.
11.2. Written notice of termination may include the reservation of the Ordering Party's right to claim damages and may include a specific claim for damages.

12. TOOLS AND DRAWINGS

12.1. Tools, samples, models, gauges, etc. supplied to the Supplier or manufactured by the Supplier or third parties for the Ordering Party, or produced by the Ordering Party for provision to the Supplier, shall be the exclusive property of the Ordering Party. The Supplier shall maintain and overhaul them and is responsible for fulfilling orders for parts.
12.2. The Supplier shall maintain up-to-date records of tool maintenance and repairs.
12.3. Without the Ordering Party's prior written approval, the Supplier may not manufacture any part for a third party on the basis of the Ordering Party's drawings or using its tools and models. The Ordering Party shall regard such conduct as unfair competition and may claim a contractual penalty of 50.000,00 EUR per breach, with penalties for multiple breaches cumulative and subject to no overall maximum, plus demand repayment for damages to the extent that the damage exceeds the contractual penalty. Tools may not be modified or destroyed without the Ordering Party's prior written consent.
12.4. The Supplier shall assume responsibility for and bear any costs arising from damage to, destruction of or theft of the tools referred to in Clause 12.1.

13. WARRANTY

13.1. The Supplier is liable for apparent and latent defects in the Goods, including Goods whose manufacture or performance it has entrusted, in whole or in part, to a third party.
13.2. The Supplier undertakes to compensate or otherwise indemnify the Ordering Party if a third party seeks compensation from the Ordering Party due to defects attributable to the Supplier, or if any person asserts rights against the Ordering Party in connection with material defects in the Supplier's Goods. This obligation remains in force until the expiry of the warranty periods applicable to the Ordering Party's customer (or that customer's end customer), regardless of whether warranty periods between the Ordering Party and Supplier have expired.
13.3. The Ordering Party may claim the contractual penalty under Clause 7, terminate the contract and/or cancel an individual order, and claim damages under the legislation governing obligations and the general rules on liability for damages.
13.4. The Supplier shall take all necessary measures to notify the Ordering Party immediately of any actual or suspected deficiency or material defect in its Goods of which it becomes aware, to limit potential subsequent adverse consequences.
13.5. If Goods incorporated into vehicles are found to be defective after the vehicles have been released for sale, the Supplier shall reimburse the vehicle manufacturer for costs calculated according to its spare-parts price list and under warranty terms it must honor towards its customers. The Supplier shall also reimburse the vehicle manufacturer and the Ordering Party for all costs, compensation, damages and amounts whose payment has been caused directly or indirectly by the defect.
13.6. Under the same reimbursement conditions, the warranty for the same Goods also extends to defects attributable to the Supplier where the vehicle manufacturer is required to inspect and replace defective parts at customers' premises after expiry of the warranty period.
13.7. The Supplier warrants that, during process preparation, manufacture and dispatch of the Goods to the Ordering Party, it will comply with all statutory and other environmental obligations.
13.8. The Ordering Party shall separately collect packaging of hazardous substances and hazardous waste using the equipment provided for that purpose. Unless otherwise agreed, the Supplier shall, upon first request and at its own expense, arrange collection of the hazardous substances and all waste collected from them, complying with applicable environmental obligations.
13.9. The Supplier warrants that the Goods do not infringe third-party intellectual property or industrial property rights. In the event of a breach, the Supplier shall, at its discretion and expense, either obtain and grant the Ordering Party a right of use sufficient for the agreed or intended use of Goods, or modify the Goods so that no third-party rights are infringed. The Supplier shall also compensate the Ordering Party for all damage incurred.

14. CONFIDENTIALITY AND PROTECTION OF BUSINESS SECRETS

14.1. The Supplier undertakes to maintain the confidentiality of information provided to it and to take all necessary measures to prevent dissemination of information obtained for the performance of an order. Drawings, documentation, plans, models and samples received by or made known to the Supplier shall remain the property of the Ordering Party.

14.2. The Supplier and the Ordering Party undertake to treat all non-public commercial and technical details learned during their business relationship as business secrets and to protect them accordingly.
14.3. Drawings, models, templates, samples and similar items may not be disclosed to unauthorised third parties or otherwise made accessible to them. Reproduction is permitted only to the extent required for business purposes and in accordance with laws governing copyright and industrial property rights.
14.4. For each individual breach of this Clause 14 by the Supplier, the Ordering Party may claim a contractual penalty of 20.000,00 EUR per breach. Penalties for multiple breaches are cumulative and have no overall maximum. The Ordering Party may also claim damages to the extent that the damage exceeds the value of the contractual penalty.

15. FINAL PROVISIONS

15.1. The Supplier and the Ordering Party may terminate outstanding blanket orders (i.e. framework contracts referred to in Clause 2), subject to twelve (12) months' notice period. The notice period begins when one Party receives the other Party's written notice of termination, unless otherwise agreed in writing.
15.2. Legally relevant declarations and notices by the Ordering Party or Supplier (e.g. setting a deadline, notifying defects, termination, claiming a contractual penalty, requesting remedy of defects or a reduction in the purchase price) must be made in writing; email or fax is sufficient.
15.3. The Parties shall endeavor to resolve disputes amicably through consultation. If no agreement is reached, the courts in Ljubljana shall have jurisdiction, irrespective of the nature, cause or place of the dispute and irrespective of any particular delivery terms.
15.4. All transactions shall be governed by the law of the Republic of Slovenia, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG), unless otherwise agreed in writing.

For and on behalf of the issuer of these General Terms and Conditions of Purchase:



Director of TIM PAVLIN d.o.o.
Tomaž Pavlin

