

Sava Insurance Company d.d. General Conditions of Purchase

1. General definitions

Supplier (provider) – every business entity that supplies goods or services to the company.

Buyer (contractor) – means the Sava Insurance Company d.d.

Order - means a written order issued to a supplier for the purchase and supply of goods or services. A written order can be in a form of a concluded contract or an issued purchase order.

Goods or services – means goods, equipment or services from the buyer's purchase order.

Contracting parties – means a contractual relationship between a buyer and a supplier on the basis of a concluded order.

Receipt document – a document proving a receipt of supplied goods or delivered services, their quality and quantity (handover note, delivery note, purchase order, other documents supporting the supply of goods or services).

2. General provisions

2.1. General purchase conditions (hereinafter: purchase conditions) of Sava Insurance Company d.d., Cankarjeva 3, 2000 Maribor, Slovenia (hereinafter: buyer) apply to all orders the buyer or the companies in its majority ownership conclude with suppliers based on the order of goods or services.

2.2 The present purchase conditions fully govern legal relations that are based on business cooperation between a buyer and a supplier. The purchase conditions apply exclusively and in their entirety, and at the same time the buyer does not accept any potential general conditions of the supplier unless otherwise agreed in a written form.

2.3 In order to avoid any doubt, a contract, an approval or implementation of an order already signify that the supplier adopts the purchase conditions and fully agrees with them. The buyer reserves the right to define special purchase conditions that shall apply above the present purchase conditions which is specifically defined in an individual order.

3 Any operating terms of business that are provided together with goods or services in a pair of electronic form, are not binding on the buyer, unless the buyer provides a written confirmation.

3. Demand, offer and order

3.1. The supplier's offers are free of charge and are not binding for Sava Insurance Company. An offer shall consist of at least: a subject, its quality, quantity and the price, payment terms,

deadline and the way of handing over the subject of the order. Unless otherwise stated in the demand, the deadline for the supply is 2 working days from the day of the receipt of the demand. The supplier is bound by the offer until its validity expires, while the deadline shall not be shorter than 14 days. The offer is considered accepted if approved by the buyer as a whole and without any written suggestions for amendments before the expirations of its validity deadline.

- 3.2. In the case of a demand or tender, the buyer shall retain the right to:
 - Decline all the tenderers,
 - Negotiate the price also after the receipt of a tender,
 - Not to accept the items that are included in the tender as optional,
 - Award the contract by sections or to individual companies,
 - Not to inform the unsuccessful tenderers about the result.
- 3.3. The buyer shall submit the orders to the supplier in a written form. Amendments to the orders are valid only if the buyer confirms them in writing. The order shall include an exact address of the supplier, the subject, its quality and quantity, the preferred delivery date and other terms required by the supplier to be able to provide correct and undisturbed service.
- 3.4. The Supplier is obliged to confirm the receipt of the order to the buyer in writing within two (2) working days after the date of the issue of the order. If he fails to do that, the buyer shall understand that the supplier agrees with the terms of the contract and fully approves the order, or the buyer reserves the right to cancel the order without any liability. The cancellation of the order is deemed timely if it is sent to the supplier before the buyer receives from the Supplier a confirmation of the order.
- 3.5. Any oral agreements must be confirmed by the buyer in writing, otherwise they shall not be valid. This also applies to all oral agreements conclude dafter the conclusion of a contract, especially the ones amending the order or the present purchase conditions.
- 3.6. When the supplier accepts the order, the business transaction is concluded and becomes mutually binding and the purchase conditions become an integral part of the order.

4. Supply and takeover of goods and services

- 4.1. The supplier is obliged to supply the goods or services in accordance with the provisions from the order. The goods or services are usually supplied directly to the buyer and/or to a specific location, defined in advance unless otherwise agreed in the order.
- 4.2. The supplier is obliged to immediately inform the buyer about any burden that might cause a delay in supply. The timeliness of the supplies mainly depends on the takeover of goods or services at the agreed location which is the buyer's registered address (headquarters), unless otherwise agreed in writing.
- 4.3. The takeover of goods or services is implemented by signing the takeover document. The takeover document shall include the following information written in CAPITAL LETTERS: type of goods or services, quantity, date and location of the takeover, number of the order and takeover document, name and surname of the supplier's and buyer's representative. The

signed takeover document is used by the supplier as the basic document for the issue of an invoice.

5. Place of destination and passing of risk of destruction or damage

- 5.1. Goods or services supplied by the supplier are subject to valid safety, environmental and other provisions. The supplier shall provide the buyer with all necessary documents relating to the goods and services (construction plans, installation and assembly instructions, instructions for use and maintenance, etc.) All documents submitted by the supplier shall be written in Slovenian language and in other languages, if requested by the buyer.
- 5.2. When the supply includes installation or assembly and services, the risk of accidental destruction of or damage to the thing shall be transferred to the buyer on the day of the takeover, in other examples of supply on the day of the arrival at the place of destination.
- 5.3. The supplier shall be liable for any damage to the goods occurred because of poor packaging. The costs of removing the transport, sale and service packaging shall be borne by the supplier. Unless otherwise agreed, the supplier shall repay the buyer the expenses for the returned packaging that can be reused.
- 5.4. The supplier shall warn the buyer about the possible production of hazardous waste related with the supplied goods and services and shall separately define the way and possible options for their removal. At the request of the buyer, the supplier is obliged to take over the waste created during the eligible use of goods and services free of charge. If the supplier refuses to take over such waste or if such takeover is not possible, the buyer shall remove the waste and the costs of the removal are born by the supplier.

6. Delivery period and a penalty

- 6.1. Unless otherwise agreed by the contracting parties, the delivery date starts on the day when the buyer places an order that is received by the supplier. The delivery of goods and services is deemed timely, if it arrives to the place of delivery agreed upon in the order. The delivery of goods and services is deemed timely, if the takeover is implemented according to the agreement included in the order (time and place of takeover).
- 6.2. Unless otherwise agreed in the order, for the case when the supplier is late in performing the delivery, the buyer shall have the right to demand a penalty in the amount of 0.5 % of the total value of the order for each calendar day of delay but shall not exceed 20% of the contract. The buyer shall retain the right to request the compensation for damages that exceeds the penalty amount. The buyer shall retain the right to the penalty even if the buyer accepts the delayed delivery. The supplier shall pay the penalty within 30 days. The supplier shall waive his right to lower the penalty.
- 6.3. In the event of a delay, the buyer shall have the right to withdraw from the order after the expiry of the additional deadline for delivery determined by the buyer. In the event when the deadline represents the essence of the contract, the buyer is not obliged to determine an additional deadline for the supplier.

7. Special provisions regarding the execution of an order

- 7.1. The supplier shall carry out the accepted works in line with the approved technical specifications. The works have to be implemented professionally and correctly and according with the valid professional rules, standards and rituals and the quality of the material used shall be pre-authorised by the buyer.
- 7.2. The supplier shall provide the buyer with the certificates of all incorporated materials before the beginning of the works.
- 7.3. The supplier is entitled to contract out his external professional co-workers as subcontractors in order to fulfil the contract obligations, which is subject to buyer's approval. The supplier is liable for the implementation of works or services as if they would be fully executed by him. The supplier is obliged to remunerate his subcontractors for the implemented works. If he fails to do so, the buyer is entitled to directly transfer the payment to the supplier's subcontractors.
- 7.4. The supplier shall keep a list of implemented works. After the completion of all works, the supplier shall inform the buyer that the works are fully completed and invite him to carry out the examination of works. The supplier shall bear the duties and responsibilities pertaining to the implementation of safety measures, and in addition, he shall ensure the monitoring and management of his workers.

8. Payment and payment terms

- 8.1. The price and the payment terms are agreed upon each individual order individually. The agreed price is final, and the supplier shall not have the right to modify it unilaterally. Unless the order stipulates otherwise, the price shall include the delivery and transport to the location of delivery stated in the order, including the packaging costs.
- 8.2. The invoice is sent to the buyer immediately or no later than within two (2) working days after the implemented takeover and shall include all data relating to the order, otherwise the buyer is entitled to postpone the payment deadline for the time of the delay. The invoice shall meet the requirements of the valid legislation, and the supplier shall include in the invoice the number of the order and data about the order and should attach a copy of the takeover document.
- 8.3. The supplier undertakes to issue invoices in an electronic form and send them to the agreed address of the buyer. The supplier is allowed to send an invoice in a paper form only exceptionally.
- 8.4. The buyer shall have the right to refuse the invoice that is not created in line with the valid legislation or its rules, especially regarding order data, or in accordance with tax rules. In this case it shall be considered that the invoice was not issued and that the payment deadline did not begin to run.
- 8.5. The payment is implemented in accordance with the terms included in the order. The deadline for the payment of the invoice starts running from the day when the buyer takes over all of the goods and services and receives a properly drawn up invoice.

8.6. The buyer shall settle its obligation by transferring the amount to the supplier's transaction account or by offsetting (compensation).

9. Quality, complaint and warranty

9.1. Contracting parties shall determine the quality and quantity of delivered goods and services at the delivery location. Contracting parties determine the quality and quantity of delivered goods and services in a takeover document.

9.2. The supplier guarantees that the delivered goods or services comply with the requirements and does not include any defects that would reduce its value of usability.

9.3. In the event of any non-compliance of the delivered goods or services, the buyer shall lodge a written complaint against the supplier (an e-mail or a claim form) no later than 8 days after the implemented takeover of goods and services.

9.4. The buyer shall notify the supplier about concealed faults (hereinafter: fault) immediately after he discovers them and no later than 6 months after the implemented takeover. The notification of the fault shall include a description of the fault and a demand addressed to the supplier to repair the fault.

9.5. The supplier shall send to the buyer a written response regarding the complaint or the notification of the fault within two (2) working days from the date of the receipt of the complaint or the notification of the fault.

9.6. The supplier is obliged to settle the complaint or repair the fault within a reasonable deadline defined by the buyer. If the supplier fails to repair the fault within the reasonable deadline, he shall supply and bear the costs of new/replacement goods or services.

9.7. The buyer is entitled to withhold payment until the deficiencies are corrected. During the warranty period the buyer is entitled to withhold the payment of up to 10% of the contract value without interests, as security for claims from the warranty. If a full is payment is made this does not mean that the buyer acknowledges the supply was implemented correctly and neither that he waives the warranty or guarantee rights.

9.8. If the supplier does not settle the complaint or repair the fault, the buyer shall retain the right to:

- Withdraw from the entire contract or from part of it without damages;
- Request price reduction;
- Repair the fault by himself, buy new goods and services or entrust the supply to a third person at the expense of the supplier;
- Claim for damages instead of the supply of goods or services.

9.9. The supplier shall bear the costs and the risk of damagae and destruction during the return of the supplied defective goods or services.

9.10. The buyer is not obliged to pay for the goods or services that are subject to complsint.

- 9.11. The supplier shall bear the consequences of disturbances occurring in the business process because of the poor quality of a shipment, quantity or other existing fault. The costs are calculated separately for each case.
- 9.12. The supplier shall immediately inform the buyer about any deficiency of goods or services he is aware about in order to mitigate possible subsequent adverse consequences. The supplier shall at his expense provide the buyer with a defense in all legal proceedings related to the supplied goods or services that is initiated against the buyer by a third person, and shall reimburse the buyer for all costs and damages he would experience in this regard.
- 9.13. All types of complaints, the existing material and legal defects are resolved in accordance with the provisions of the Obligations Code.
- 9.14. Unless otherwise agreed, the supplier shall issue a twelve (12) month warranty for goods and services. In the event of a complaint, the warranty period starts running once again from the beginning after the correction of a fault.
- 9.15. The supplier shall commit himself to offer assistance to the buyer in the event of litigations related with the supplied goods or services and to immediately provide him with the name of the producer, importer, sub-supplier or sub-contractor taking part in the execution of the procurement, and all information necessary for the defence against claims arising from the product guarantee, and all necessary documents about the supplied goods or services.
- 9.16. The supplier shall be obliged to provide the buyer with the spare parts for the supplied goods for at least 10 years after the implemented supply.
- 9.17. In the event that the supplier decides to stop producing spare parts for the supplied goods, he shall inform the buyer about the above stated immediately or within 6 months at the latest before the termination of the production..

10. Special provisions for hardware and software

- 10.1. Unless otherwise agreed, hardware and software are considered as a unit.
- 10.2. The software that was created especially for the buyer shall be considered as taken over if it complies with the specifications and performs satisfactorily and without errors for at least four-week trial period. In case of a doubt, this deadline shall start running on the day the buyer starts using the software for a commercial purpose.
- 10.3. Pursuant to warranty obligations, the supplier shall be liable to offer the buyer free of charge all version of the software containing updates. In addition, the supplier shall be committed to provide the buyer with at least 5-year maintenance service for the supplied software in line with the prevailing market conditions.
- 10.4. Unless otherwise agreed, the supplier shall submit to the buyer the original code for the supplied software on an appropriate electronic media (DVD etc.) at the actual handover at the latest. In addition, the supplier shall provide the buyer with all system passwords and other necessary instructions (instructions for use, content and structure of the data carrier, data flow

programme and plan, testing programmes, error handling, etc.) the buyer needs for smooth software management.

- 10.5. The software copyrights shall be transferred to the buyer with the handover of the original code in such a way that the buyer is able to use the software without limitations in a modified or non-modified way, reproduce it, modifies it or uses it any other way without requiring any approval from the supplier or without having to pay any kind of additional compensation to the supplier.
- 10.6. The buyer shall obtain the software copyrights for the area of the entire world for the period defined by the legislation of the Republic of Slovenia concerning the copyright and in unlimited scope. All payments for material copyrights are presumed to be already included in the payments under the contract.
- 10.7. The buyer shall have the right to transfer software copyrights forward whether in return for payment or free of charge without the supplier's consent.
- 10.8. If the supplier develops the software based on the software from other producers (e.g. Microsoft), the supplier shall ensure that the buyer is entitled to modify the developed software, however; the supplier shall not be obliged to submit the original codes for the software made by these other producers.

11. Protection of intellectual property and a trade secret

- 11.1. With the implementation of the payment, the supplier shall transfer all his material copyrights on the implemented works to the buyer once and for all. The transferred rights include the buyer's right to use the product, publish and distribute it in an electronic, printed or any other form and to use it in any other way. The author shall separately transfer to the buyer the material copyright for processing the product in such a way that the buyer is allowed to supplement it or modify it by using new or modified data and that he is allowed to use the product or its parts according to his own judgement. The author shall guarantee that he has the right to transfer material copyrights to the buyer in the way and scope defined under this item, otherwise he shall be held responsible for all incurred loss.
- 11.2. Materials, samples etc. the buyer makes available to the author for the purpose of the execution of the order, shall remain in the ownership of the buyer and shall be stored, marked and managed separately. The costs associated with this as well as the risk of destruction or damage of the material shall be borne by the author. The material shall be used exclusively for the implementation of the order. The author shall reserve the right on the materials.
- 11.3. The supplier shall guarantee that the patents and the copyrights of the contractor that provided him with any kind of documents shall not be breached during the implementation of supply services, the use of goods and services or provision of favours by his suppliers. He shall also oblige himself to treat the orders and required works as a trade secret and to indemnify the contracting party the entire loss that would occur in the event of failure to observe this provision.

- 11.4. Data and documents referring to the ordered goods or services shall be considered a trade secret and therefore it shall be forbidden for the authorised persons and other workers of individual customers that have access to them to inform other persons about these documents under no circumstances without an explicit approval issued by an authorised person of the opposite contracting party, unless these persons must be informed about it under professional obligation or the persons are authorised under rules.
- 11.5. The buyer's trade secret shall also be protected by the supplier's employees and other persons the supplier shall include in the implementation of the ordered works provided they knew or were obliged to know based on the nature of the information that this information is a trade secret, and regardless of the way in which they obtained the information. The supplier shall make a commitment to oblige his employees and other persons included in the implementation of the works to protect trade secrets.
- 11.6. The data for which it is obvious that substantial loss would occur if they were known to an unauthorised person shall be treated as a trade secret.
- 11.7. The trade secret shall be protected also after the expiry of the validity of the order until it is repealed by the buyer or until the data that is considered a trade secret becomes publicly acceptable.

12. Processing of personal data

- 12.1. Contracting parties undertake to fully respect the provisions of the Regulation (EU) 2016/697 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereinafter: GDPR) and the valid provisions of the Personal Data Protection Act when executing orders whether they shall become acquainted with the personal data during the implementation of services at the location of data controller or processor, during the control of the implementation of the contract's conditions, through written documents or in any other way.
- 12.2. If the need for personal data processing arises during the execution of orders, the contractual parties shall conclude a relevant contract on personal data processing prior to the first processing place. The processor shall not be allowed to start the processing before the signing of the contract on personal data protection.

13. Health and safety at work

- 13.1. The supplier undertakes to observe the provisions of the Health and Safety at Work Act (ZVZD-1, Official Gazette of the RS, No. 43/2011) when implementing the works based on the order and to observe all special hazards and requirements that shall occur during implementation of contractual works based on the order.

13.2. In order to ensure compliance with the provisions from the ZVZD-1, contracting parties shall be obliged to:

- Execute and organize works on a joint worksite in accordance with the valid legislation in the field of health and safety at work and with the present contract, to ensure health and safety of his employees and health and safety of other employers, visitors and other persons present at the buyer's worksite and to prevent health and safety threats;
- Observe the fire regulations, extract from the fire regulations, evacuation plan, valid ground regulations and all instructions to ensure the buyer's safe work;
- Make sure that the supplier's employees have health and disability insurance, professional skills, are medically fit and receive education about health and safety at work and fire safety and that they are using the prescribed work material and work equipment and appropriate protective equipment;
- Make sure that all work material that shall be used at a joint worksite are appropriately checked and flawless which can be proven by the contracting parties with relevant certificates and that they are equipped with instructions for safe work;
- Appropriately secure and mark the worksite where the supplier shall execute the works, and to prevent the access to unauthorised persons when there exist risk of injuries and health impairment;
- store or use hazardous and harmful substances at the worksite only in the necessary amounts and in accordance with safety data sheets for individual hazardous substances;
- Make sure that the escape routes always allow free passage of persons and vehicles;
- Inform his employees about the necessary safety measures and requirements mentioned in this article.

13.3. The supplier hereby states that all his employees underwent a medical examination and health and safety at work training and fire protection training. In addition, all his employees were informed about the safety statement with risk assessment, instructions for safe work and were informed about the hazards occurring within the scope of their work.

13.4. The supplier undertakes to implement all safety measures in accordance with the regulations and to provide his employees with appropriate protective equipment in line with the type of works they are implementing.

13.5. The responsible person of the supplier undertakes to ensure constant control over the implementation of work safety measures for the safety of all his employees at the worksite.

13.6. The supplier shall not be allowed to arbitrary use the material, devices or machines that are owned by the buyer or anyone else. The buyer shall not use the supplier's work material.

13.7. Smoking or the use of open fire at the worksite is forbidden.

13.8. The responsible person of the buyer or the responsible person of the supplier shall retain the right to stop the works on the joint worksite if he finds out that other contractors do not observe the prescribed, agreed or necessary safety regulations which might jeopardize safety and health of the employees, visitors and other persons at the worksite or in the buyer's facilities, or, which might cause material damage to a facility or devices.

13.9. The costs of the stoppage of works shall be borne by the person that is responsible for the stoppage of works because of the failure to comply with safety regulation. The works can continue only after all safety measures had been taken.

14. Reporting obligation in the event of amendments to the status and in the event of illiquidity

14.1. A supplier undertakes to notify the buyer in writing about any amendments to the status as soon as this is possible.

14.2. Contracting parties shall commit to inform each other about a possible introduction of insolvency proceedings immediately after it becomes likely that such proceeding would be introduced.

14.3. In the event of a suspected insolvency, a contracting party shall be entitled to demand from the other party information about the risk of the introduction of a bankruptcy procedure or about the difficulties in business operation because of the insolvency.

15. Exclusivity

15.1. Contracting parties shall agree that regarding the scope of business operation and specific knowledge the buyer is contributing to the joint development, the supplier is not allowed to execute the same type of services he is performing for the buyer for other companies implementing the same or similar activity as the buyer, without having a buyer's preliminary exclusive approval in writing.

15.2. Contracting parties shall specifically define exclusivity in the order.

16. Anti-corruption clause

16.1. The buyer and the supplier agree that in the phase of signing or executing the contract, no contracting party has not and will not offer, give or promise any kind of undue advantage to any of the opposite party's employees and management or supervisory body members in order to:

- Acquire a business, or
- Conclude a transaction under more favourable conditions, or
- Omit due supervision of the implementation of a contract, or
- Commit other deed or omission that was or would cause injury to the opposite party or to enable any of the opposite party's employees and management or supervisory body members to obtain undue advantage.

16.2. In case of infringement or attempt of infringement of this clause, the already concluded contract shall be void. In case that the contract has not yet been applied, it shall be deemed that the contract was not concluded, or the order was not issued.

17. Final provisions

- 17.1. The legal transactions, concluded in accordance with these purchase conditions are subject to the jurisdiction of the Republic of Slovenia, unless otherwise agreed.
- 17.2. Any disputes arising between contracting parties shall be settled by agreement and in the interest of permanent cooperation. The parties agree that in case of a failing of an agreement the competent court for resolution of the disputes shall be the court in Maribor.
- 17.3. In case that the contract is concluded at the Sava Re Group level, the purchase conditions shall apply for each company separately which shall be mentioned in the contract, or the purchase conditions agreed in the contract shall apply.
- 17.4. All matters that are not defined by these purchase conditions, are subject to the provisions of the valid Obligations Code (OZ), Value Added Tax Act and provisions of other relevant acts.
- 17.5. The supplier is informed and agrees that the data shall be processed in the buyer's computer system.
- 17.6. The purchase conditions shall remain valid for a fixed period of time and they should be observed by all contracts concluded from 1 February 2019 on.
- 17.7. The purchase conditions are published on the websites of Sava Insurance company d.d. www.zav-sava.si.

Maribor, 18 January 2019