



G E N E R A L
C O N D I T I O N S
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General Conditions of Operation of Epilog d.o.o.

1. SCOPE

The following general conditions of operation apply to all supplies and services provided by Epilog d.o.o. By signing a contract or by accepting these conditions, and in the case that no written contract has been concluded by the time of delivery of goods or services (contract execution), the opposing contracting party also recognises these conditions for any potential further transactions between the parties.

Where the provisions of a contract between the Contractor and Client are in conflict with the provisions of these general conditions, the provisions of the contract prevail. In the case of differences between the Client's general conditions and these conditions, the present general conditions apply unless the parties have agreed otherwise.

Any changes or side agreements shall be confirmed in writing. Changes or side agreements confirmed in writing only apply on a case-by-case basis.

If individual provisions of these general conditions of operation are not valid, this is without prejudice to their legal validity in principle and to the validity of the other provisions. In such a case the contracting parties come to an agreement that is as close to the invalid provision as possible.

2. DEFINITION OF TERMS

Contractor:	The company Epilog proizvodnja, trgovina in storitve d.o.o., Tehnološki park 21, 1000 Ljubljana, Slovenia.
Client:	The Contractor's customer, buyer or client, cooperating with the Contractor within the scope of carrying out their business activity.
Offer:	A definitive and, as a rule, binding offer drafted by the Contractor, which serves as the basis for signing a contract. The offer forms part of the contract.
Contract:	A contract between the Contractor and the Client in which the subject and conditions of cooperation are set down for a specific project.
Standard software:	Software by other manufacturers supplied by the Contractor or integrated as modules or operation systems in own software.

3. SERVICES PROVIDED BY THE CONTRACTOR

The Contractor is present in the market for the development and implementation of information systems in logistics. Within the scope of its activities, the Contractor provides the following services:

- development, delivery and sale of licences of own software,
- delivery and sale of standard software,
- implementation of supplied software,
- orientation and training of users at the Client's premises,
- software maintenance,
- other services within the scope of carrying out their activities,
- consultancy in the field of informatics in logistics.

4. OFFERS AND CONTRACTS

All contracts, orders and agreements are only legally binding when duly signed by the legal representative of the Contractor or by a person authorised in writing by the Contractor, and are only binding in the respective given scope.

In principle, offers can be changed and are not binding with regard to the Contractor unless so stated on the offer itself. The Contractor's workers cannot submit statements departing from these conditions unless they have been authorised to do so in writing by the Contractor's legal representative.

5. ORDER

The Contractor provides services and potential supplies on the basis of the substance of a written order from the Client, where the latter refers to the number of a relevant offer or proforma invoice. The Client's written order is only binding with regard to the Contractor if it has been confirmed in writing by the Contractor.

An order placed by telephone is only valid in the case that the Contractor confirms the telephone order to the Client in writing.

In the case that the Client acts in contradiction to the order that has been confirmed or the contract that has been concluded, in particular in the case of a delay in payment, it is considered that the Contractor has withdrawn from the order, unless expressly stated otherwise in writing.

Any potential subsequent requirements for alterations and extensions of the order shall be agreed upon in writing. The Contractor is entitled to charge the Client for any additional costs incurred as a result of requests for alterations and extensions of an order. In the case of such alterations and extensions, the Contractor is also entitled to a postponement of the originally agreed deadlines.

With the written order or by signing a contract, the Client confirms that it has verified the offer that is the subject of the order and that the services and supplies defined therein correspond to its requirements. Services and supplies provided prior to having been specified in detail in an offer, without an offer or in addition to an offer, as well as services and supplies defined as "variable" in their description, are charged separately and in accordance with the actual time spent, unless agreed otherwise by both parties.

The Contractor hereby points out and explicitly refers to the fact that given the current state of technical development it is not possible to create entirely faultless software. With regard to the software solutions created and/or supplied and/or implemented, the Contractor therefore informs the Client that their use in accordance with the user's manuals, on the recommended hardware and system software and in accordance with current good practice will bring the same results as the use of these software solutions in the test environment on the same hardware and with the same set of data.

6. STANDARD SOFTWARE

With standard software the Client obtains the right to use such software for the needs of its business activity in line with the provisions of the respective standard software manufacturer. The Contractor guarantees that the transfer to the Client of the right of use for the needs of the Client's business activity is not contradicted by the rights of third parties. It is deemed that by ordering standard software the Client confirms that prior to the conclusion of the contract it thoroughly familiarised itself with the software's functionality set.

In the case of standard software supply, or in the case that the Contractor's software incorporates modules or operating systems of other manufacturers, the Contractor is not responsible for the operation of and/or faults in such standard software or modules, or for faults resulting from such software.

For standard software, the warranty conditions and the manufacturer's guarantees supplied by the producers of such software apply, and the Client can only file claims against the manufacturer of the software in question.

7. PROJECT MANAGEMENT

Project organisation corresponding to the size and complexity of the project, as well as appropriate project management, are unconditional prerequisites for the successful implementation of the relevant software solutions. The scope and content of the Contractor's and Client's services in the field of project management are determined in the contract.

Both contracting parties shall mutually and immediately inform each other of any circumstances that significantly impede the progress of a project. This applies regardless as to whether these circumstances

occur in their respective spheres of responsibility, or in a sphere of responsibility of another contracting party or of third parties. In such a case, authorised representatives of the contracting parties decide unanimously on relevant measures in order to achieve the original project goal to the greatest possible extent.

Organisational concepts and programmes are drafted with regard to the type and scope of binding information, documentation and tools made available to the Contractor by the Client. The Client hereby agrees to ensure that appropriately qualified (co-)workers, devices, premises and/or other personnel or items will be available at the Client's location on the dates agreed in advance. The Client shall meet all of its own costs associated with cooperation. The Client shall cooperate with the Contractor in drafting functional specifications. The Client shall provide the Contractor with Internet access to the software supplied if this is necessary for the execution of the order.

If the software and/or any hardware supplied by the Contractor does not function as specified in the functional specification, or if the Contractor does not provide its services in line with the functional specification, the Client shall take appropriate measures. In particular, the Client shall avoid causing damage or exasperating damage already incurred, shall protect saved data, shall continually check results as notified by the software, and shall determine and describe in detail any errors and faults occurring in the functioning of the software or hardware, or in services provided by the Contractor. This data material shall be collected in such a way that it is written on computer-readable media and that it can be reconstructed at a relatively low cost.

The contracting parties mutually agree that in the period of the duration of this contract they will not exert influence on (co)workers of the opposing party to cease working for the opposing party, nor will they initiate cooperation in any way with the (co)workers of the opposing party. In the case of a breach of this obligation, the parties agree on a flat-rate contractual penalty in the amount of the two-year gross income of the (co)worker in question, to be paid to the opposing party by the party that has exerted influence on the work of the (co)worker, or that has commenced cooperation of any kind with the (co)worker.

In order for the Contractor to be able to offer rapid support to the Client in the case of warranty, or any other support, a remote access system shall be set up. Each contracting party covers the related costs incurred in its own premises (for hardware, software, telephone connection, etc.). Authorised representatives of the contracting parties jointly decide on the type of technical solution and on relevant security aspects. If damage is caused to the Contractor or additional costs are incurred due to the unavailability of remote access for which the Client is responsible, such additional costs can be charged separately to the Client. The Contractor is not liable for any possible damage or loss resulting from the unavailability of remote access.

8. DELIVERY

The date of delivery is considered to be the date of the start of production operation ("go-live") of the system, i.e., the date when the final user starts working with the system. As of the date of delivery, the Client assumes responsibility for the risk of loss and damage.

9. SUPPORT AND MAINTENANCE

Delivery of software is followed by further consulting via maintenance and support. Software maintenance, providing support and the scope of services to be ensured by the Contractor in this regard is the subject of a separate contract to be concluded.

10. PRICES, TAXES AND FEES

Unless stated otherwise, all prices are stated in EUR excluding VAT, and only apply to the individual respective order. The costs of software media (e.g., CDs), printed material for training, etc., as well as any fees related to the contract, are charged separately. Prices exclude the costs of supply, transport, insurance and installation, or of any interventions on the equipment at the Client's premises, unless stated otherwise in the offer.

The offer price is established on the basis of a special price list for the individual Client, which already includes a possible rebate and discounts, or the price agreed upon with the Client on the basis of negotiations.

The Contractor shall provide the services confirmed in the order at the price that applies at the time of placing the order. The Contractor has the right to amend the prices in the case that the Client does not order the services within the deadline foreseen by the proforma invoice. The Contractor also has the right to amend the price in the case of any changes made to the specified quantities, plans or specific features, or in the case of other changes to the agreement between the Contractor and the Client.

Any travel costs, daily allowances and costs of overnight stays are charged to the Client separately. The contract specifies the arrangement in detail, otherwise the usual norms in line with Slovene business practice apply.

11. DEADLINES AND THE RIGHT TO WITHDRAW

The Contractor endeavours to comply with the agreed implementation deadlines as far as possible. The target implementation deadlines can only be respected if the Client fully completes the necessary works, hands over documentation, confirms the received functional specifications and meets its obligation to cooperate.

Informative delivery periods are stated in the offers and/or proforma invoices issued by the Contractor. The delivery period is determined jointly by the Contractor and the Client for each individual order.

The final delivery period is defined in the order confirmation sent by the Contractor to the Client. The Contractor is responsible to the Client for timely and accurate supply in the case that a written order sent by the Client is confirmed in writing by the Contractor.

The Contractor is not responsible for delays in delivery and for price increases resulting from inaccurate, incomplete or subsequently amended data and information or documentation made available by the Client. Any costs incurred as a result of this shall be covered by the Client.

Either of the contracting parties may set the deadlines anew due to unpredictable and unexpected events, e.g., *force majeure*, natural disasters, shortfalls/delays of the suppliers of the parties.

12. PAYMENT

Terms of payment are stipulated in the offer. Payment is executed to the transaction account stated in the invoice and within the set payment deadline also stated in the invoice. The usual payment period is 15 days after the issuing of the invoice. Payment is deemed to be executed when the amount is in the Contractor's account.

In the case of delayed payments, the Contractor has the right to charge interest on late payment and all costs incurred with regard to recovery of payment. Furthermore, the Contractor reserves the right not to meet the order and/or supplies and/or parts of orders, without obligation or consequences, due to failure to fulfil a contractual obligation or obligations arising from offers based on other open orders.

Respecting the agreed payment deadlines is a prerequisite for the Contractor to implement the supplies and/or fulfil the contracts.

If the Client does not respect payment deadlines, or the Contractor learns of circumstances it deems likely to reduce the Client's creditworthiness, the Contractor may require advance payment for yet unfulfilled supplies. Payment is fulfilled with direct payment to the Contractor.

If several receivables are open towards the Client, the Client's payments are accounted for by the oldest respective receivable. Any costs incurred are always settled first, followed by interest and finally the principal amount receivable.

The Client may offset its liabilities towards the Contractor only with its own recognised and legally established receivables towards the Contractor. The Contractor retains the property right on the goods, products and documentation intended for the Client as the user until full payment.

13. ASSIGNMENT OF RECEIVABLES, COMMUNICATIONS

By adopting these general conditions of operation, the Client agrees not to cede any receivable towards the Contractor without its prior written confirmation.

The contracting parties agree that email or telefax messages are also deemed to be made in writing.

14. COPYRIGHT AND RIGHTS OF USE

The Client agrees to respect all of the Contractor's intellectual rights.

Software developed and supplied by the Contractor for the Client (hereinafter: software) is a copyright work owned by the Contractor, and as such is protected by the Copyright and Related Rights Act. Even if it cooperates in the development of software, the Client does not obtain any rights to this software.

The Contractor is the sole owner and bearer of all intellectual property rights on supplies and implementations, and on all future adaptations, upgrades or adjustment, including but not limited to software, pictures, photographs, animations, video, audio, music, texts and additional programmes related to the project, including the pertinent programme and user documentation.

Unless stipulated otherwise in the contract, upon the payment of the last instalment of the contractual price, the Client obtains for the software non-transferrable, non-exclusive permission to use the copyright work for the purpose of support to logistics processes in the company of the end user for the period of duration of software use as stipulated by the contract. The parties shall define in detail any territorial limitation for the use of software in the contract.

The right to use (licence) described above does not give the Client the right to copy, alter, or distribute the software. The software may not be rented, lent, leased or used for further sale, nor may the software, with its help and/or by way of reverse engineering, be used to offer or sell services to third persons. Any enabling third persons access to use the software is excluded in line with the Copyright Act.

In the case of the breach of intellectual property rights of the Contractor, and/or when the services or software are used contrary to the intended purpose of supply, the Contractor has the right to revoke all of the rights to the use of services and/or software, and to demand the recovery of costs, whereby in this case full compensation must be paid.

15. LIABILITY FOR DEFECTIVE PRODUCTS, GUARANTEE PERIOD

The guarantee period for flawless operation of the installed software is 1 (one) year from the date of its delivery. The Client shall use the software with all due diligence and in line with the Contractor's instructions.

During the guarantee period, the Contractor shall, free of charge, eliminate all faults in the operation of the applied software and hardware supplied by the Contractor. A prerequisite for the aforementioned elimination of faults is appropriate access to the server (in accordance with the agreed specification).

During the guarantee period, the Contractor shall test the software free of charge, and, after having received notification of a fault in the operation of services accepted by the Client, eliminate the fault within the agreed deadlines. The functional operation of software that is not in line with the specifications defined in the offer, or with specifications expressly agreed and confirmed in writing by the Contractor and the Client at a later stage, is deemed to be a fault that shall be eliminated by the Contractor free of charge within the guarantee or maintenance period.

In the case that the software supplied by the Contractor includes modules or operating systems of other manufacturers, the Contractor is not responsible for the operation of such software and/or for faults in software made by the Contractor caused by such software.

In the case of doubt with regard to a software fault, the rule applies that a software fault is a fault also shown with the same application and the same data in another equivalent environment. We cannot speak of a software fault if the problem occurs due to incorrect settings of hardware, unreliable operation of the operating system, a full disk, a physically damaged data file, the presence of a computer virus, tampering by an unauthorised person, inappropriate use of the software package, irregular settings of the software package by the user, natural disasters (flood, fire, earthquake, lightning, etc.), voltage surges, after moving or after the new installation of software on a different computer. If the Client mistakenly or without

appropriate findings and documentation claims there are deficiencies or faults, and if additional costs are thus incurred by the Contractor, such costs are charged separately.

The Client's grievance with regard to the warranty is terminated with the Client's interventions in, repairs or attempts to repair the equipment, and in the case that the equipment is tampered with by an unauthorised third person. The Contractor will provide consulting, support, elimination of faults and deficiencies for which the Client is responsible, as well as other changes and alterations, against payment. This also applies to the elimination of faults in cases where the Client or a third person has altered, upgraded or tampered with the software in any other way.

For hardware, standard software and other supplied goods, the warranty applies as offered by the supplier of the equipment or goods unless agreed otherwise. Any other agreement shall be concluded in writing.

In the case that the Client wishes to shorten the intervention deadlines within the maintenance period, a contract can be signed by the Client and the Contractor on guarantee period servicing, in which all conditions of servicing are agreed and their costs are assessed for each client individually.

In the case that, without signing a contract on servicing, the Client insists on a shorter deadline for the elimination of a guarantee fault, and given the fact that the Contractor incurs certain costs with the intervention servicing visit (programmer's work outside regular working hours, break in work/programming for other clients, etc.), the costs are charged according to the generally applicable schedule of fees of the Contractor.

The Client agrees to make available to the Contractor all of the necessary infrastructure needed for remote access and for fault elimination.

The Contractor does not take on any (additional) obligations with regard to software maintenance or ensuring intervention stand-by duty. Any out-of-guarantee interventions shall be agreed upon with the maintenance contract and the stand-by duty contract.

16. CHANGED CONDITIONS

If circumstances arise after signing the contract that make it difficult for the Contractor to fulfil its obligations arising from the contract, or if due to such circumstances the purpose of the contract cannot be achieved, in both cases to such an extent that the order/contract obviously no longer meets the expectations of the contractual parties, the Contractor may demand the rescission of the contract.

17. DATA PROTECTION AND CONFIDENTIALITY

Both contracting parties agree not to disclose any information on their contractual agreements, or any inside information or information on the opposing contracting party gained due to their cooperation, to third parties for the period of duration of this contract or after its termination. Such information shall be protected and kept as a business secret. Specifications, sketches, schemes, calculations, formulas, instructions, lists, letters, minutes, contractual documents and other data in material and non-material form are also deemed to be a business secret.

If there is a possibility that either party may suffer significant damage due to the disclosure of a business secret even after the expiry of the contractual relationship, the data shall continue to be kept confidential, and in any case shall remain confidential for a period of at least 5 (five) years after the termination of the contractual relationship. A party disclosing a business secret is liable for material and non-material damages.

Termination of the contractual relationship for whatever reason does not prejudice the rights and duties ensuing from this provision.

18. LIABILITY FOR DAMAGES

The Contractor is not responsible for the Client's loss of profit and/or other property and non-property damage. The above limitation of liability is annulled if damage is caused intentionally or due to gross negligence. In no case is the Contractor responsible for damage exceeding the total amount paid to it based on the Client's order.

The Contractor is not responsible for indirect loss. The Contractor is not responsible for the loss of data. The Contractor is not responsible for any loss suffered by the Client as a result of the Client's delays in meeting contractual obligations, in particular due to incorrect or inaccurate data, specifications, designs or any other kind of information provided by the Client, and retains the right to demand compensation from the Client for any possible costs, loss or damage associated with the aforementioned factors. The Client is obliged to take care of appropriate data protection and data backup.

19. PLACE OF PERFORMANCE, TERRITORIAL JURISDICTION

For disputes arising from this relationship the competent court is the court of the Republic of Slovenia, the court in Ljubljana. If not agreed otherwise, the provisions of Slovene law of obligations applicable to business contracts exclusively apply to both parties, even in the case that the order is implemented outside Slovenia. The use of the UN Convention on Contracts for the International Sale of Goods is excluded.

20. APPLICABILITY

These general conditions apply as of 1 January 2016.

