



GENERAL CONDITIONS OF SALES - SRPSKA FABRIKA STAKLA LTD PARAĆIN

Sales SFS Ltd Paraćin

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General conditions

The transactions for the delivery of the products by SFS, Srpska fabrika stakla Ltd Paraćin are exclusively regulated by these General conditions of sales, GCS. It is considered that these conditions have been read and accepted by the Buyer after they have received the order of the SFS for the aforementioned, unless the Buyer has specifically indicated in writing their rejection, partial or complete, for which the SFS must give formal and explicit waiver.

The Buyer confirms with the order that they are familiar with the General conditions and accepts them.

Contractual relationship

The SFS shall process the order only upon receiving the written order from the Buyer.

In the case of a received order from the Buyer, this order shall not be considered officially accepted by the SFS until there is a written acceptance. This acceptance (order confirmation) in this case shall represent special conditions.

No orders can be canceled or changed due to any reason without the written acceptance from the SFS.

The Buyer and the SFS thus explicitly exclude all conflicting conditions which later arise in the Buyer's documents or correspondence of any kind.

In the case of canceling or stopping of the order, the costs are at the buyer's expense.

Prices

The agreed-upon prices are the ones listed in the Order Confirmation and refer to the products delivered "franco factory" SFS relevant manufacturing facility for invoice issuing, according to Incoterms 2020, unless otherwise stated in the order.

If the offers have been made in currencies other than EUR, the SFS keeps the right to modify the prices according to exchange rate fluctuation up until the delivery date, as per the middle rate on the delivery date. The agreed-upon prices are based on the expensed on the day of the SFS's offer or the price list. If the prices of materials, energy, labor, transport, taxes, or other relevant expenses change, the SFS has the right to increase the price for all products not yet delivered. The SFS shall notify the Buyer in writing regarding the intended price increase at least 14 days ahead. The price increase is valid for all deliveries following the price increase date.

Unless otherwise defined in the order confirmation, the prices include packaging and EXW delivery, not the price of the pallets. The Buyer is charged for the pallets in the preliminary cost estimate, or through an invoice directly to the SFS account. The price list does not include taxes, transportation, and other fees issued by authorities. These shall be separately identified on the relevant invoice, unless agreed differently.

Unless it has been differently agreed upon in writing and ahead, the Buyer must take over the Products ready for delivery no later than 14 days after the production has finished. If the products are not taken over within this time frame, the SFS has the right to store and issue invoice for these Products for the Buyer or deliver them to the Buyer, when the Buyer is entirely responsible for the expenses of storage and/or delivery.

Quality standards

Unless otherwise agreed upon in writing, the quality of the products has been exclusively determined by the quality specifications of the SFS (quality standards) listed in the offer of the SFS. These specifications are available to the Buyer upon simple request.

Ordered amounts

For the special orders, and due to the certain technical aspects of the automatic glass production, the SFS has the right of tolerance between ordered and produced amounts, considering the difference is within +/- 10% of the ordered amount.

Within these differences, the Buyer must pay for every surplus as well as give up any compensation for deficiency.

Development costs

The parties agree on the general conditions of development of all new products based on the project's complexity. The Buyer shares the development costs,

including technical drawing, technical product construction, molds, pilot molds, production molds, and sampling.

In this case, the molds for custom products remain SFS's ownership. The SFS promises to make the custom Products only for the Buyer. The intellectual property of the Product is the exclusive ownership of the Buyer.

For the molds they keep, the SFS shall in time notify the Buyer on the state of the molds and/or potential damages to ensure normal production upon order. The Buyer bears the expenses for the mold replacement.

If the price of the mold the SFS has bought for a certain contract is not amortized prior to the contract ending, the SFS shall invoice the Buyer for all not amortized expenses, as agreed upon.

If the Buyer delivers a mold, it has to be developed according to the technical specifications of the SFS and delivered to the SFS's production plant in perfect condition at least 30 days before the production starts. In this case, the SFS shall have a serial production of samples at the Buyer's expense to ensure technical adequacy and the correctness of the mold as well as the adequate product quality. After the sampled serial production has been approved by an authorized person on the Buyer's side, serial production may start. The Buyer shares the development costs, including technical drawing, technical product construction, molds, pilot molds, production molds, and sampling.

Production and delivery dates

Unless otherwise explicitly agreed, the dates of delivery shall be approximate dates (time is not relevant). The SFS shall notify the Buyer regarding the delivery dated at least a month before the exact production, with the ability to move the deadline for delivery for +/- 14 days. In extraordinary cases, even this delivery date may be subject to change.

The Buyer may not ask for reimbursement or fee because of the late delivery.

If the Buyer wishes to change the order, they have to agree in writing about the changes in amounts and delivery dates with the SFS. The SFS shall confirm the changes if there are no obstacles regarding the production abilities.

If the Buyer cancels the order later than 3 weeks from the production date, the SFS may charge the Buyer for the expenses regarding the production adjustments.

The missing of fixed delivery dates or delivery delays do not allow for the Buyer to refuse the product, end or cancel the order or ask for reimbursement.

The SFS may deliver the products in installments. The SFS may invoice all of them separately. In these cases, each installment shall be a different contract, and no cancellation or endings of contracts regarding the installations shall authorize the Buyer to refuse or cancel any installments or contracts.

Payment conditions and payment delays

If the parties have not agreed otherwise in writing, the payment deadline is at least 14 days prior to the production - the deposit.

If the Buyer fails to pay in advance, the SFS may decide to cease production until payment or to produce but not deliver before receiving the payment.

Unless the Buyer notifies the SFS in writing regarding any issues within 8 days, the invoice shall be considered valid. The products are paid via bank transfer to the SFS's assigned account.

The SFS has the right to appropriate any payments from the Buyer for any issued invoices.

Unless otherwise explicitly stated in the Contract or regulated by law, all the payments from the Buyer to the SFS as per the Contract shall be completed in full with no compensations, deductions or withholding, including the accounts of any counter claims.

Force majeure

Strikes, lockouts, industry disputes (internal or external), higher forces, floods, thunders, earthquakes, storms, fires or other extreme weather conditions, war, rebellions, terrorist acts or threats, theft, malicious damages, hold-ups in transport, lack of resources or energy sources, machine malfunctions in the factory, significant accidents with an impact to the production, forced liquidation of subcontractors, accidents of any kind, government decisions that have an impact on production and storage, and in general, any unpredictable events which prevent

the SFS to continue production, shipping and delivery of the Products to the Buyer, shall be regarded as the events of the higher force and the SFS in those cases may suspend or eliminate certain amounts of the Products from the confirmed order with no responsibilities to the Buyer.

If there is an event of higher forces, the SFS shall, as soon as possible, notify about it the Buyer in writing. It shall also make reasonable efforts, with no need for additional expenses, to mitigate the effects of the higher forces.

If the SFS is not able to deliver all or a significant part of the Products within the time period longer than 3 months due to an event of higher force which leads to release from liability as defined, the SFS may end the Contract via a 30-day written notice to the Buyer.

Warranty and responsibility

Limited warranty

The SFS guarantees only that the Products delivered according to this Contract, in the moment of the delivery and their useful life, shall be according to their current specifications; that the SFS shall transfer full ownership over the Products to the Buyer and that such Products shall be delivered with no legal liability unknown to the Buyer. This warranty is subject to a previous notifying to the Buyer that the products differ from the ones guaranteed for.

The SFS shall not be responsible for any losses (direct or indirect) caused by the Buyer, or damages to the Product due to wrong packaging. If the SFS considers packaging inadequate or they are unable to use it, the SFS shall notify the Buyer in writing as soon as it is reasonably possible (Packaging Failure Noticed, PFN). Upon receiving the PFN, the Buyer shall deliver their own packaging within 7 days since PFN. If the Buyer does not re-supply within this time, the SFS shall use the packaging they consider reasonable, and the Buyer shall accept this.

Limited legal remedies

The exclusive legal remedy of the Buyer and the exclusive liability of the SFS for any claims of any nature that come from the aforementioned warranty are specifically limited either to the replacement of the Products which have proved to be not in line with the technical specification in the reasonable time frame, or, according to the SFS's option, to the financial reimbursement which does not go over the amount the buyer has effectively paid for certain products which have proved to be not in line with the technical specifications. Each such substitution or reimbursements are under the condition that the Buyer notifies the SFS in writing that the products are not in line with the technical specification (e.g. in case of damaged packaging, issues with the amounts or other obvious problem) within 8 (eight) working days since reception day, or in case of a hidden damage, within 8 (eight) working days since the day the Buyer has found out, and in any case, no later than 6 months since the shipping day.

If the Buyer fails to deliver the written information in time, this will mean that the Buyer has given up any claims regarding such products. If the SFS demands so, all the products which are not sold or not processed, and for which the Buyer claims that they are not in line with the technical specifications, must be returned to the SFS, who will then reimburse the Buyer for the transportation expenses.

The SFS shall, at their own discretion, either charge for all faulty or damaged Products, or reimburse the Buyer for the transportation expenses upon their return of those Products, as well as deliver the substitute Products at their own expense. All the substitute products will belong to the SFS.

The SFS shall under no circumstances be responsible for any direct or indirect loss or damage or any other special, accidental or consequential damages.

The SFS is not responsible, while the Buyer takes full responsibility for all personal damages and material damages regarding handling, transportation, and further production, assembly or processing of the Products.

No employees, agents, and/or representatives have the authority to give any representation, promise, or agreement, different from what is stated here.

Claims management

If the SFS accepts the Buyer's claims, the parties shall agree on how to solve the claim. After reaching an agreement regarding how to solve the complaint and after solving it, the Buyer shall, within 30 days, deliver to the SFS a report with the evidence on real expenses.

If, after this time period, and with an additional written requirement from the SFS, the Buyer still has not delivered



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the report with real expenses within 7 days since the SFS's written request, it shall be considered that the Buyer has given up the claim.

Property commission and risk transfer

The sold products remain under the SFS's ownership until full payment has been made by the Buyer.

If there is no full payment, the SFS may take back the Products delivered in original packaging with no legal procedures. All the risks of the Products are transferred to the Buyer upon delivery.

Intellectual property

The specific models made by the SFS are the intellectual property of the Buyer. These models are made and delivered specifically at the Buyer's responsibility. It is the Buyer's responsibility if the ordered products are a breach of the intellectual property of a third party and the SFS is free from all damage claims that may come out of such a breach.

All product designs made by the SFS shall remain the intellectual property of the SFS and may not be imitated. The Buyer may not order products according to the SFS's designs to be made by a third party.

The Buyer shall not, without previously receiving the SFS's consent, allow erasure, masking or hiding any trademarks of the SFS or other words or symbols applied to the products, nor shall they add any additional marks or words. The use, reproduction or the representation partially or as a whole of these names, logos or characteristic symbols on any surface is formally forbidden unless previously agreed upon with the SFS.

All intellectual property rights in any drawing or design that the Buyer has delivered to the SFS remain under the Buyer's ownership.

Marketing purposes

The Buyer gives the SFS the right to use their name and/or logo or any public information regarding buying the SFS collectible bottles for sales and marketing purposes, including but not limited to, the web site, social media, and other promotional materials. The Buyer also gives the SFS the non-exclusive, worldwide, right to use, reproduction, distribution and playing pictures and videos of the SFS bottles for promotional materials. The SFS agrees to use such materials only for marketing purposes and to notify the Buyer prior to posting/publishing such content. Through buying collectible SFS bottles, the Buyer agrees to all these terms and confirms they have read and understood them.

Confidentiality

Studies, plans, technical drawings, designs, and documents submitted or sent by the SFS and any other information regarding the SFS business operations are considered confidential information. Such information remain the property of the SFS and may not be disclosed to the third parties for any reasons by the Buyer without a written approval by the SFS. This is applicable during the contractual period, but also after its expiration and following the cessation of a business relationship between the parties.

Cancellations

The SFS retains the right to immediately cancel any accepted orders if the Buyer breaks any of their material liabilities towards the order and does not remove it within 30 (thirty) calendar days after receiving the written notification about it, without questioning any damages the SFS might claim.

The SFS also retains the right to immediately cancel any accepted orders if the Buyer becomes subject to any of the following:

- Cessation of business
- Bankruptcy
- Entering liquidation
- Inability to fulfill their liabilities towards the SFS within the time frame (hereinafter Events for canceling)

The SFS may cancel the Buyer business cooperation, all contracts and confirmed orders, with no reimbursements to the Buyer and with no damage reimbursements as per any damage claims that the Buyer may issue to the SFS based on or as a result of business cooperation, contract, or confirmed orders cancellation.

Unforeseen situations

If the SFS, during the execution of any orders experiences

difficulties or irregularities due to the changes of the circumstances such as but not limited to, temporary limitations and unreasonable rise in the cost of resources or energy supplies, the SFS may use their best commercial tendencies to justly modify such confirmed order in the amount strictly necessary to correct such difficulties due to changes of circumstances, while they still significantly fulfill the liabilities of the order.

Other general conditions

No changes to these conditions shall be binding for the SFS unless the designated representatives of the SFS have agreed to it in writing.

Any information or other communication within or regarding any agreements from either of the parties shall be in written form, in Serbian or in English.

If any court, or other authority determines that any conditions of the GCS is illegal or not applicable, this will have no impact to the rest of the GCS which will remain valid.

Renouncing any rights, legal remedies, violations or unfulfilled liabilities are valid only if it is in written form, signed by the issuing party, and only under the circumstances and for the adequate purpose, and it does not represent renouncing any other rights, legal remedies, violations or unfulfilled liabilities.

The Buyer does not have the right to give way to, transfer, charge for any other parties and deal with their own rights in any other way according to these GCS's and other agreements between parties.

The SFS has the right to give way to, transfer, charge for other parties and deal with their own rights according to these GCS's and other agreements between parties.

Applicable rights

These General conditions of sales, as well as the connected transactions between the SFS and the Buyer, shall be led and interpreted according to the laws of the Republic of Serbia. The rules of the conflict of the law as well as the application of the Convention of the United Nations on international buying and selling contracts done in Vienna on April 11, 1980 are explicitly excluded by this. The exclusive jurisdiction belongs to the competent court of the registered HQ of the SFS, and the Buyer explicitly agrees to choose a registered HQ for this particular transaction with the SFA.

If these General conditions are translated to other languages, the translated text is only informative and the Serbian text has the advantage.

The SFS identity

Srpska fabrika stakla Ltd Paraćin is a company established according to the laws of the Republic of Serbia, registered at 1-3 13. Oktobra Street, 35250 Paraćin, Republic of Serbia.

General conditions validity

These General conditions of sales are applied and come into force since January 1, 2024, and since that date shall totally replace all previous general conditions of sales.--
