


GENERAL TERMS AND CONDITIONS OF PURCHASE - AKD



AGENCIJAZAKOMERCIJALNUDJELATNOST d.o.o.

A photograph of a hand in a dark suit sleeve holding a black pen, writing on a white document. The document is on a reflective surface. In the background, a large window shows a city skyline with several skyscrapers under a bright sky.

GENERAL TERMS AND CONDITIONS OF PURCHASE

AGENCIJA ZA KOMERCIJALNU DJELATNOST

Savska cesta 31 - 10000 Zagreb – Croatia - OIB: 58843087891

Edition 2016.

The success of AKD is closely associated with the creation of partnerships with suppliers and customers. Our focus is to build good and transparent relationships with our business partners.

We believe that trust and openness are the basis of a good business relationship. We try to gain the trust of our business partners by being dedicated to our work, which the partners can see through the solutions we offer and the information we provide.

At the same time, we develop business relationships with customers and suppliers in such a way that they are built for the long-term and are improved by both sides through a period of several years.



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GENERAL TERMS AND CONDITIONS OF PURCHASE



DEFINITIONS

Goods are the fundamental economic element of the market economy. They include tangible or intangible assets the main property of which is the fulfilment of certain human needs. Goods are all movable items of the same types: raw materials, semi-finished products, equipment and spare parts, and other appurtenances, patents, licences, software (including system and application software).

Works/performance are construction, reconstruction and rehabilitation of buildings and other structures, installation, changes, modifications, maintenance and removal of buildings, installations, equipment and other engineering systems.

Service is a set of activities of an individual or a group designed to fulfilment of someone's needs in form of providing production services related to product manufacturing as well as professional knowledge in technical, engineering, legal, financial and other areas, including the production of studies, programs and projects, performance of experiments and tests, control, electronic support for data processing and exchange, work organisation, management, expert consulting and training.

Subject of Purchase includes Goods, Works and Services determined by type, feature or intended purpose or determined in the manner they represent a technical, engineering, economic, design, functional or another unit.

Purchaser is *Agencija za komercijalnu djelatnost d.o.o.* ("AKD")

Supplier/Contractor is a legal entity or an individual or association of economic operators submitting a Tender in a procurement procedure.

Price is an expression of value of Goods, Works or Services, formed on the free market based on the supply and demand for such Goods, Works or Services.

Tender is an integral presentation of the product supplied to the Purchaser at a specified Price, quantity and delivery term. The Tender shall be provided by the tenderer to AKD based on Tender documents within the specified term. Only one Tender may be submitted by a tenderer.

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Purchase Order is a general legally binding document established between the parties based on which the Supplier/Contractor is as a rule obligated to supply and the Purchaser is obligated to pay the fee for the received Goods/Works/Services. After its acceptance by the Supplier/Contractor without any changes in its contents or with amendments accepted by the Purchaser and when confirmed by both parties together with the General Terms and Conditions, the rights and obligations between the parties shall come into effect.

Purchase Contract is a contract with financial interest in written form between AKD and one or several tenderers governing the supply of Goods, provision of Services or performance of Works.

Open Procurement Procedure is a procurement procedure in which Tenders may be submitted by any interested economic operator.

Restricted Procurement Procedure is a procurement procedure through tendering upon an invitation to Tender in which Tenders may be submitted by any invited economic operator.

Negotiated Procurement Procedure is a procurement procedure in which AKD negotiates with one or several economic operators.

Protocol of Delivery and Acceptance of Goods/Works/Services is a document with predefined contents and number of counterparts, certifying the due delivery and acceptance of Goods/Works/Services.

1. Application

1.1. These General Terms and Conditions of Purchase shall apply to all Purchase Orders and contracts of the company AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o., Savska cesta 31, Zagreb ("AKD") for procurement of Goods and Services from the Suppliers.

1.2. The AKD General Terms and Conditions of Purchase ("GT&C") shall apply to Purchase Orders and contracts between AKD on one side and domestic or international legal entities and individuals ("Supplier") on the other side unless the procurement procedure and conditions are governed otherwise by special regulations applicable to the procurement of specific types of Goods and Services.

1.3. Upon the Purchase Order acceptance or contract execution, the GT&Cs shall become integral part of the contract and shall apply to mutual relationships between AKD and the Suppliers. No other terms or conditions written by the Supplier on Purchase Order confirmations, contracts or Suppliers' invoices or on any other documents shall be acknowledged unless expressly accepted by AKD in written form.

1.4. If any provisions of these G&TCs are contrary to the provisions of a contract or its appendices, the provisions of the contract and its appendices shall apply.

2. Tender

2.1. All Tenders prepared by a procedure nor any of the Supplier's costs related thereto or in responding to an invitation for Tender by AKD shall be reimbursed in any way.

2.2. AKD is under no obligation to Supplier and submitted to AKD for procurement of Goods or Services shall be deemed free of charge. The Supplier also expressly accepts that neither the Supplier's

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participation in the tendering issue a Purchase Order only because of having received a Supplier's Tender or only because of inviting a Supplier to take part in a tendering procedure or to respond to an inquiry for Tender.

3. Purchase Order

3.1. Only Purchase Orders on AKD official forms and duly signed shall be valid and binding for AKD. Any amendments or supplements to the Purchase Order and any oral agreements shall be legally binding for AKD only if confirmed in written form by AKD as the Purchaser. Purchase Orders may also be provided by electronic data exchange provided it was previously agreed in written form between AKD and the Supplier.

3.2. Purchase Order may be disclosed fully or partially by the Supplier to third parties (subcontractor) exclusively with express prior agreement by AKD. The Supplier shall in any case be responsible for the deliveries and Services provided by its subcontractors and for compliance with AKD Purchase Order terms and conditions by its subcontractors.

4. Purchase Order Confirmation, Recall, Supplier's GT&Cs

4.1. The Supplier shall confirm the Purchase Order acceptance to AKD without delay with the mention of the Price and delivery term. Due confirmation may be provided through electronic data exchange provided it was previously expressly agreed in written form between AKD and the Supplier.

4.2. AKD reserves the right to recall an issued Purchase Order without payment of any compensation to the Supplier if a valid Purchase Order confirmation is not received at AKD within the due term, at latest within two days following the submitted Purchase Order. The recall notice shall be deemed timely made if sent before the Purchase Order confirmation.

4.3. If the Purchase Order confirmation differs from the AKD Purchase Order, the Supplier shall clearly indicate it in the Purchase Order confirmation with the mention of the differences. The difference shall be binding on AKD only if the difference is expressly accepted in written form. Unconditional acceptance of the supplied Goods shall not be deemed to constitute such agreement.

4.4. Supplier's General Terms and Conditions shall not be binding unless accepted by AKD in written form. If in its Purchase Order AKD refers to Tender documents provided by the Supplier, it shall not constitute acknowledgement of the Supplier's General Terms and Conditions.

4.5. Terms and Conditions or contracts of the Supplier or its subcontractors provided in written form or supplied with software solutions shall not be binding except upon written acceptance by AKD, even if AKD and/or its associates (e.g. employees, business consultants, customers, etc.) act in a manner provided in such Terms and Conditions, which would present the basis for contracting or if the licence cards or other software registration cards are returned to the Supplier.

5. Delivery Term, Delay, Early Delivery, Supplier's Insolvency

5.1. Unless agreed otherwise, the term for delivery or provision of Service shall start from the Purchase Order date. Unless the term is expressly agreed in the Purchase Order, the Supplier shall perform the delivery or provide the Service without delay.

5.2. The timeliness of delivery shall be determined based on the receipt at the place of delivery

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designated by AKD ("Place of Delivery"), and the timeliness of delivery including installation or assembly or timeliness of Services shall be determined based on the final acceptance of the completed work. In case the delivery delay is foreseeable, the Supplier shall notify AKD immediately and obtain AKD's express consent thereto. In that case, the term for delivery or provision of Service shall be extended only if expressly agreed to by AKD in written form.

5.3. For each started workday of delay in delivery or provision of Service, AKD shall be entitled notwithstanding the Supplier's degree of culpability and notwithstanding the evidence of actual damage, to charge 0.5% of total order value as penalty per day but at most up to 10% of total order value. In addition to the penalty, AKD shall be entitled to require damages exceeding that amount.

5.4. In case of delayed delivery, AKD may terminate the contract after determination of adequate additional delivery term. This applies also if AKD previously accepted delayed partial delivery unconditionally. If the agreed delivery term is an essential element of the contract, no additional term needs to be determined.

5.5. If it is foreseeable or probable within the delivery term that the Supplier is unable to perform the supply or provide the Service until the final term as set out in the contract or Purchase Order or confirmation thereof, AKD is entitled to undertake any and all steps at the Supplier's cost and risk to avoid the postponement of the final term.

5.6. In case of early delivery, AKD reserves the right to reject a delivery or accept it but charge any expenses incurred thereby by the Supplier, e.g. storage and insurance costs and make payment in compliance with the agreed delivery term.

5.7. In case of a procedure due to the Supplier's insolvency or change in its ownership structure, AKD is entitled to terminate the contract fully or partially notwithstanding legal consequences. The Supplier shall notify any such circumstances to AKD without delay.

6. Transport, Delivery, Transfer of Risk

6.1. Costs of transport and packing as well as transport insurance costs shall be borne by the Supplier.

6.2. The Supplier shall deliver Goods on Euro-pallets or boxes adjusted for forklift handling where applicable.

6.3. Goods shall be packed and labelled in compliance with AKD's instructions. In all circumstances, the packing and packaging must secure the Goods from damage or deterioration in standard transport and storage conditions.

6.4. The Supplier undertakes the wooden packaging and/or pallets used in delivery of Goods to AKD shall be treated in compliance with the applicable phytosanitary requirements to be fulfilled by wooden packaging materials in international trade.

6.5. Direct deliveries to AKD customers shall be where possible performed with neutral packaging and neutral shipment documents, on behalf of AKD. AKD shall receive one copy of the delivery documents.

6.6. The Supplier is not entitled to retain the title to the delivered Goods notwithstanding their type. The retention of title by the Supplier shall have no effect.

6.7. Deliveries from Croatia shall be on FCO AKD basis and deliveries from abroad shall be on DDU, CIP, CPT or DDP Zagreb basis according to Incoterms 2000. With regard to all the foregoing delivery terms, Goods shall be insured along the route to the place and moment of risk transfer from the

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Supplier to AKD.

6.8. In deliveries including installation or assembly or in provision of Services, the risk shall be transferred to AKD at the moment of acceptance and in deliveries without installation or assembly the risk shall be transferred at the moment of acceptance at the place of delivery.

6.9. Partial, oversized or undersized deliveries are allowed only with AKD's express written consent. Delivery of Goods to the agreed address shall take place at the time scheduled for the acceptance of the Goods as specified in the Purchase Order.

6.10. All AKD conditions in view of the transport mode, forwarder and delivery terms must be fulfilled unconditionally. If no specific transport mode is defined by AKD, the Goods shall be delivered in safe manner at most favourable cost. Any increased costs arising from non-compliance with AKD's instructions concerning the transport mode shall be borne by the Supplier. Any increased costs required for any transport acceleration in order to meet the delivery term shall also be borne by the Supplier. In case of insufficient or incomplete contract documents related to payment instruments (e.g. letter of credit), insufficient shipping documents, and particularly if any information is missing in the Purchase Order which need to be notified in return, AKD reserves the right to reject the Goods at the Supplier's cost and risk.

6.11. All the Supplier's deliveries shall be accompanied with a bill of lading with the exact contents and number of the Purchase Order. All information related to exports controls and customs regulations shall be mentioned on the Purchase Order confirmation, bill of lading and the original invoice per items. In any case, export control AL number (according to EU Dual Use Regulation or national export controls provisions in the current version), ECCN number (according to US Export Administration Regulations - EAR in the current version), net weight, statistic number (tariff number) of Goods, country of origin, country of origin of preferential Goods (EUR1 or statement on invoice) are required. If the Goods are not subject to any provisions related to exports control, or if no preferential origin is provided, the Supplier shall notify it in clear manner.

6.12. If the Price is on "no packaging" basis, the Supplier shall calculate it at its own expense and express it separately. If there is no specific contract, the Supplier shall refund the value of packaging returned by AKD which may be reused. Any and all damages due to inadequate packaging shall be at the Supplier's expense. If any hazardous materials are supplied, compliance with the applicable legal provisions is mandatory, particularly provisions on exports and labelling of packaging and means of transport.

7. Suspension, Postponement, Cancellation, Termination

7.1 AKD reserves the right to require suspension of a Purchase Order or contract at any moment. In case of suspension for more than three months, the Supplier shall present to AKD the detailed expenses arising from delay after the 3-month term exclusive of any lost profits. The Supplier may only demand compensation of such proven expenses. In case of a shorter duration or in case of longer suspension of the performance, the Supplier shall not be entitled to claim damages incurred in the first three months of the suspension.

7.2 AKD reserves the right to terminate the contract fully or partially without the Supplier's default. In that case, AKD shall pay to the Supplier the agreed Price in proportion to the accepted deliveries and Services and compensate the agreed costs of deliveries and Services in process and of cancelled subcontracts but exclusive of any lost profits. After AKD's statement of contract termination, the Supplier shall invest all efforts in order to minimize the expenses.

8. Invoice, Set-Off

8.1. The Supplier shall provide the invoice to AKD immediately after the delivery or due provision of Service with the mention of all information related to the Purchase Order. An invoice may be related to only one Purchase Order.

8.2. The text of the invoice should be formulated and the invoice itemized in such a way as to make possible a simple comparison with the Purchase Order and control of the invoice. The Purchase Order number and information related thereto must be included in the invoice. In addition to invoices for Works or assembly Works, time consumption certificates confirmed by AKD shall be provided. In case of Goods subject to export license, the invoice shall include all the required designations.

8.3. AKD reserves the right to return, without processing, any invoice not compliant with the Purchase Order and/or regulations, particularly considering data related to the Purchase Order or non-compliant with VAT regulations. In that case, the invoice shall be deemed not issued at all.

8.4. The Supplier shall have no right to assign its claims against AKD to third parties except with prior written consent by AKD.

9. Payment, Discounts

9.1. The final term for invoice payment shall run from the moment when AKD fully accepts the delivery or Service and receives a duly made invoice. If the Supplier needs to make available any technical and engineering specification, material tests, test protocols, quality documents or other documents, the receipt of such documents shall also be a requirement to consider the delivery or Service fully supplied or provided respectively.

9.2. Unless agreed otherwise:

- Payments shall be made at AKD's choice within 30 days at 2% discount or within 60 days with no discount – in both cases without any advance payment,
- Until removal of any objected deficiencies, AKD may suspend payment,
- During the warranty term, AKD is entitled to retain without interest payment up to 10% of the Purchase Order value as security for warranty-based claims.
- AKD may ask for blank bond/bank guarantee from the Supplier as a performance guarantee and the Supplier shall provide it to AKD within the term specified by AKD.

9.3. Payment of the Supplier's invoice shall not mean the confirmation of due delivery or provision of Service or AKD's waiver of any right. The payment shall be deemed timely made if AKD's payment order is issued to the bank at latest on the invoice due date. The recipient bank costs shall be borne by the Supplier. If advance payment is agreed in favour of the Supplier, the Supplier shall immediately upon the Purchase Order acceptance but before the advance payment request, obtain and provide AKD with a bank guarantee to the agreed advance sum, issued by a bank acceptable by AKD.

9.4. If there is mutual interest in increased scope of operations, the Supplier or AKD may propose:

- Quantity discount, i.e. Price for minimum ordering quantity,
- Different pricing levels for higher quantities ordered, depending on the quantity ordered in a specific Purchase Order or contract;
- Special project discounts, depending on the overall project value.

9.5. The Supplier shall grant a value bonus to AKD, i.e. 1.5% discount from the invoiced value if the invoiced value exclusive of VAT in a quarter exceeds HRK 200,000. The value bonus i.e. credit for the discount on the invoiced value in the preceding quarter shall be provided by the Supplier to AKD upon expiration of the quarter, and at latest by the end of the subsequent month (i.e. by the end of April in respect of the 1st quarter, by the end of July in respect of the 2nd quarter and by the end of October in respect of the 3rd quarter.

9.6. AKD may perform the payment to the Supplier through set-off of its claims against affiliated companies which at the same time have outstanding claims against the Supplier.

10. Delivery, Acceptance, Complaint, Warranty for Defects, Product Warranty, Intellectual Property, Quality Assurance

10.1. The Goods shall be delivered according to the date designated in the Purchase Order or confirmation thereof. The Goods shall be delivered to AKD on workdays, in the period from 8.00 a.m. to 3.00 p.m. at latest. If the Goods are delivered by a truck with trailer or a truck higher than 3.6 m, the Supplier shall announce the arrival date and exact time in written form in order to ensure traffic police assistance at the entrance to AKD.

10.2. Unless specified otherwise in the Purchase Order, the Goods delivery shall be completed when the licensed AKD personnel confirm by their signatures the Goods as delivered.

10.3. The receipt of Goods delivery or Service provision, their temporary use or payments shall not be deemed as acceptance or waiver of any rights appertaining to AKD. Goods receipt confirmation by AKD shall not constitute AKD final acceptance certificate.

10.4. Receipt of Goods (technical inspection) and inspection of their integrity and any visible deficiencies shall follow within an adequate term following the receipt of Goods. If the parts of the scope of delivery are found in random sampling inspection as incompliant with the AKD regulations or lack features as are common in the trade of Goods, the full delivery can be returned. AKD shall report the observed deficiencies to the Supplier in the shortest possible term.

10.5. The Supplier shall guarantee for the use of best, adequate and original materials, professional workmanship according to the drawings, adequate structure and perfect assembly. The warranty term for deliveries of Goods and provision of Services is two years. In deliveries and Services closely related to buildings and/or lands, the warranty term shall be 3 years. Hidden deficiencies shall be governed by provisions on time periods set out in the Obligations Act.

10.6. After removal of any deficiencies subject to complaints, the warranty term for the replaced subject of delivery or Service shall start anew. The obligation to provide warranty shall in case of deliveries start upon the installation or assembly or, in case of Services, upon the acceptance. In case of deliveries without installation or assembly, the obligation shall start upon their receipt at the "place of delivery" and in respect of hidden deficiencies, from their discovery. For deliveries to places where AKD performs its orders at places outside its plants with the use of the delivered Goods, the warranty term shall start when the Services to be performed by AKD are accepted by the customer that ordered such Services. Written acceptance by AKD shall suffice for compliance with the terms.

10.7. In case of engineering, consulting, software or documentation Services and in case of sending professionals to assignments abroad, the Supplier shall be responsible for accuracy and integrity of its written and oral tasks and instructions within two years from the provision of the Service.

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10.8. If any deficiencies are found in the foregoing warranty terms, they shall be immediately eliminated by the Supplier from the designated place of delivery at the Supplier's own expense or, at AKD's choice, a new delivery shall be made or a new Service provided free of deficiencies. AKD shall in any case be entitled to claim from the Supplier compensation of any and all costs related to the elimination of the deficiency, such as dismantling and assembly costs. The Supplier shall in any case compensate the test costs to AKD if the test found any deficiencies. As regards the risk in delay, e.g. for avoidance or own delay or in case of the Supplier's delay in removal of deficiencies, AKD reserves the right to settle its costs at the Supplier's expense in another way or to repair the deficient Goods or entrust their repair to others at the Supplier's expense, without announcement and notwithstanding its other rights to damages from the Supplier. The costs of such repair shall be reimbursed to the Supplier in full amount even if they exceed the costs that would be incurred if the repair had been conducted by the Supplier.

10.9. The Supplier shall protect and hold harmless AKD from any claims for damages or legal actions or proceedings based on patents, copyrights, trademarks or industrial design protection rights based on deliveries of Goods and Services and shall guarantee for unrestricted use of the delivered Goods. Notwithstanding any other obligations, the Supplier shall protect and hold harmless AKD from any claims for damages or legal actions related to products supplied by the Supplier in respect of third parties' claims based on product warranty. The Supplier shall in any case compensate to AKD any and all costs incurred by AKD due to impossible use or due to substitute Service. The Supplier shall keep that risk insured to a sufficient extent and provide AKD with appropriate evidence thereof at request.

10.10. Within a 10-year period from the latest delivery, the Supplier shall designate the manufacturer, importer, subcontractor in respect of the products supplied by the Supplier, immediately at AKD's request or at latest within 1 week, and protect and hold harmless AKD from any third party claims for damages due to deficient product and shall provide AKD with adequate evidence such as e.g. manufacturing documents and documents on batches and lots of products and deliveries and/or production and delivery time and compensate any and all damages incurred on that basis.

10.11. Systems or delivered products installed by the Supplier shall include the prescribed safety devices and comply with the applicable safety regulations (in case of systems or parts thereof, particularly with the regulations applicable on a specific place of delivery). In any case, the performance shall be completed in compliance with the state-of-the-art technology. In particular, compliance with the relevant EU guidelines, Croatian laws and all regulations based thereon (always in the current version) as well as currently applicable Croatian technical standards, European standards (EN) and similar provisions concerning conformity etc. Installations, systems and products shall be labelled with CE marks in compliance with the Croatian laws and EU guidelines. The Supplier shall promptly notify AKD on any changes in the materials, production processes and subcontractors' parts as well as declarations of conformity. Furthermore, the Supplier shall in case of delivery of systems and equipment to be installed by a third party or AKD, provide all other documents which are commonly required and indispensable to AKD such as installation drawings, safety technical sheets, construction instructions, reprocessing instructions, rules on storage, operation and maintenance, lists of spare parts and consumables, etc. Labels must be in Croatian and if required by AKD also in other languages. Regulations and operating instructions shall always be provided in two counterparts in Croatian language and if required by AKD also in other languages.

10.12. AKD may, based on an adequate notification to the Supplier, control the Goods and their production, including quality assurance system, as well as conditions and method of Service provision in the production plants of the Supplier and its subcontractors. In case such control does not comply with AKD requirements, the Supplier shall without delay and without any cost for AKD, perform corrective actions in order to reach the required quality level. The Supplier shall compensate to AKD all control costs if the control shows deficient quality assurance system or deficient documents during quality testing. The Supplier shall have qualified experts and provide them with all required tools and

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information indispensable for high quality and seamless Service provision. The Supplier shall eliminate any and all deficiencies caused by the Supplier's fault free of charge and compensate any costs incurred by AKD for that reason.

10.13. The Supplier shall organise its operations in such a way that its employees, suppliers and other external subcontractors comply with the applicable legal provisions and regulations governing occupational health and safety, environment protection, fire safety, and other laws and regulations related to the Goods and Services provided. AKD asks from its Suppliers to have in place the environment management system in compliance with ISO 14001 or equivalent. The environment certification is not a requirement but is welcomed by AKD.

10.14. Non-certified Suppliers shall fulfil at least the following Environment Management System requirements:

- The Supplier shall have environmental policy. It shall be based on the analysis of the Supplier's actual impact on the environment and shall serve as a basis for improvement.
- The Supplier shall keep account of the environmental legislation and act in compliance with the legal requirements and the common good practice.
- The Supplier shall take environmental aspects in consideration in its system of operations.
- The Supplier shall document the important environmental aspects.
- The Supplier shall have a program of improvement of environmental impacts.
- The Supplier shall ensure its employees have adequate and documented environmental training.

11. Availability of Materials

11.1. Materials made available to the Supplier for production of ordered products or provision of Service shall remain property of AKD and shall be separately stored, labelled and managed, free of charge. Their acceptance shall be confirmed at AKD's request. Their use shall be allowed only for the fulfilment of AKD Purchase Orders.

11.2. In case of value reduction or loss of materials, the Supplier shall compensate the damage.

11.3. Any Supplier's claims for compensation of costs for untimely availability of materials as well as any reservation of title by the Supplier are excluded.

12. Special Provisions for Hardware and Software

12.1. Hardware and software always represent a unit unless set out otherwise in the contract or in the Purchase Order.

12.2. If the Supplier must supply software which is not custom made for AKD, the Supplier grants to AKD a transferable and non-exclusive license for its use. The license shall be unlimited in time if a one-time fee is agreed. For AKD's custom software, the Supplier grants to AKD a transferable and exclusive licence unlimited in time, for all uses. Unless agreed otherwise, with the software supplied in source code, the Supplier shall also supply its source code in the current version. The software shall be installed by the Supplier. After the installation, the Supplier shall provide AKD with data storage device readable on AKD system, with the source and object code and the appertaining documents (contents and structure of the device, data flow program and charts, test procedures, test programs, error elimination, etc.). In addition to such documents, the Supplier shall make available to AKD, before the acceptance, comprehensive written user documents in Croatian language and/or any other language requested by AKD in a sufficient number of counterparts.

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12.3. Software which is custom developed for AKD shall be deemed received and accepted after completed free trial operation in compliance with the agreed specification for minimum four weeks in a satisfying manner and without any error report. In case of any doubt, the term shall start only upon start of commercial operation by AKD or final user if forwarded, depending which is later.

12.4. Within the warranty term, the Supplier shall provide AKD, free of charge, with all subsequent program versions including updates ("Updates"). In addition, with regard to the delivered software, the Supplier shall provide AKD with maintenance and updating Service in duration of minimum 5 years from the acceptance according to the customary market conditions. During the warranty term, the fee for maintenance and servicing shall be reduced accordingly.

13. Templates, Drawings, Tools, Aids, Authorizations

13.1. The Supplier shall provide free drawings, technical calculations and authorizations where required.

13.2. Graphic templates, design, tools, samples, models, profiles, drawings, standard sheets, printed forms or alike, assigned by AKD to the Supplier for the order fulfilment shall remain property of AKD and neither they nor any products made on their basis shall be provided to third parties or used for any purpose other than those set out in the contract. Graphic templates, design, tools, samples, models or similar made at the AKD's expense shall become property of AKD upon payment for them.

13.3. All tools and aids shall be adequately labelled as AKD property and secured from any unauthorized disclosure or use and where required serviced or updated. They shall be returned with the delivery or cancellation of Purchase Order or contract termination. With the reservation of other rights, AKD may also demand their return, if the foregoing obligations are breached by the Supplier. In case of delivery or cancellation of Purchase Order, they shall be returned in appropriate condition. Notwithstanding any other rights, AKD shall request their return in case of the Supplier's breach of this provision or in case of any production difficulties. All reservation right by the Supplier shall in any case be excluded.

13.4. The Supplier expressly declares that based on the adequate licenses the Supplier is authorized for the performance of the contracted deliveries and provision of Services and at request of AKD shall present the adequate documents. Where special licenses from government authorities are required for delivery of Goods and provision of Services, the Supplier shall obtain them timely without any special remuneration.

14. Place of Performance, Applicable Law, Jurisdiction

14.1. The place of performance for deliveries or Services shall be "the place of delivery" as specified in the Purchase Order and in respect of payments, the Purchaser's seat.

14.2. Any and all disputes or differences in opinions shall be primarily resolved amicably. An attempt to reach amicable solution shall be deemed failed when notified as such by one party to the other in written form.

14.3. The applicable law shall be Croatian law, with the exclusion of trade customs and practice, international private law conflict of law rules and the Vienna (UN) Convention on contracts on international trade in goods from 1980.

14.5. Dispute resolution, particularly concerning contract execution or claims arising from contracts shall be within the jurisdiction of Zagreb courts.

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14.6. AKD shall in any case claim the compensation of legal procedure costs, particularly of attorney expenses and pre-litigation costs.

14.7. Contract performance by AKD is conditioned upon restrictions arising from requirements of foreign trade and customs regulations of Croatian and international law or any embargo (and/or other sanctions).

15. Information, Material Labelling, Waste

15.1. Notwithstanding the legal obligations governing instructions, the Supplier shall provide AKD with all indispensable and useful information about their Goods or Service particularly including instructions for use and adequate storage. Besides, the Supplier shall draw attention to any risk of hazardous waste or waste oil generation and notify about the options for waste removal.

15.2. The Supplier shall provide a summary of information about the lifecycle for its processes and products and the information on required actions at the end of the lifecycle of the supplied materials.

16. Confidentiality, Data Protection

16.1. The Supplier shall keep confidential any and all information obtained from AKD in relation to a Purchase Order or subject thereof unless such information is widely known or obtained in another lawful way.

The Supplier shall also keep confidential the products and semi-products made on the basis of fulfilment of AKD's Purchase Order and use them only for the fulfilment of the Purchase Order.

In case the Supplier uses third party Services for the performance of its contract obligations, the Supplier shall bind the third party to confidentiality in form of a contract.

16.2. The same applies to personal data related to AKD or third parties of which the Supplier becomes aware with regard to AKD's Purchase Order. The Supplier shall protect all such information and results particularly from third party access, and comply with confidentiality obligation according to the Data Protection Act and shall bind its employees involved therein to keep the confidentiality thereof.

16.3. The Supplier's data (data from Register of Companies, address, telephone and fax number, as well as all other information required for addressing, provided through contemporary communication technology, locations, contact persons, ordered goods, supplied quantities) from a relevant business case shall be processed by automatic methods only for the purpose of contract performance, particularly for the purpose of management and accounting. For technical reasons, there may be need to store such data on a server of another company which AKD is affiliated to.

16.4. The Supplier shall provide its express consent to AKD for forwarding data stored according to 16.3 above from a relevant business case to other affiliated companies for information purposes (e.g. association for more favourable procurement).

17. Anti-Corruption Practices

17.1. At latest with the submission of the Tender, the Supplier shall notify AKD in written form whether the Supplier or any member of its management has been finally sentenced for public official corruption before any national court in the 5-year term before the Tender submission date.

17.2. The Supplier shall notify AKD without delay in written form if the Supplier or any member of its management was charged for public official bribery/corruption before a national court at any moment between the Tender submission date and the Purchase Order acceptance date. The information shall serve to fulfil OECD anti-corruption guidelines related to government export guarantees.

18. Code of Conduct for AKD Suppliers

18.1. The Supplier shall comply with the laws of the applicable jurisdiction(s). The Supplier particularly undertakes not to take part, actively or passively, directly or indirectly, in any form of bribery/corruption, in any violation of fundamental rights of its employees or abuse of children work. Besides the Supplier shall be responsible for health and safety of its employees at workplace, comply with environmental laws and in the best possible way support and request compliance with these rules of conduct for AKD Suppliers from its own Suppliers, in compliance with SA 8000.

18.2. If the Supplier violates the foregoing provisions by its own default, AKD shall besides other legal remedies available also be entitled to terminate the contract or cancel the Purchase Order. If the violation is impossible to eliminate, AKD may effectuate the right to termination/cancellation only if the Supplier fails to eliminate the violation within an adequate term provided by AKD.

19. Notices

19.1. All notices in the procurement process shall be in written form and sent to the agreed contact persons of AKD and the Supplier and shall be deemed duly delivered:

- When delivered in person, or
- If sent by facsimile, upon the transmission confirmation, or
- If sent by courier, upon written receipt confirmation, or
- By registered mail, or
- E-mail, with delivery confirmation.

19.2. The Supplier shall notify AKD in written form about any and all changes in the Supplier's contact data.

20. Partial Nullity

If any of the provisions of these GT&Cs is deemed or becomes invalid, illegal or unenforceable, it shall in no way affect the validity, legality and enforceability of other provisions hereof.

21. Revision

Any amendment to these GT&Cs shall entail drafting of an integral revised version to be published on the website: <http://www.akd.hr>
