

**GENERAL SALES AND DELIVERY TERMS**  
of Continental Adria pnevmatike d.o.o. (hereinafter „Continental Adria pnevmatike“)

**I. GENERAL PROVISIONS**

1. These General Sales and Delivery Terms as amended from time to time (cf. Art. VIII/3 hereof) (the “**Terms**”) govern the conditions of the Sales contracts (the “**Sales Contract**”) concerning sale of goods to be delivered by Continental Adria pnevmatike to its customers (the “**Buyer**”) concluded on the basis of the Delivery Agreement between Continental Adria Pnevmatike and the Buyer (the “**Delivery Agreement**”) or without relationship to a Delivery Agreement (the Sales Contract and the Delivery Agreement hereinafter jointly referred to as the “**Contract**”). The provisions of these Terms apply, unless otherwise expressly stipulated in the Contract. Unless expressly stipulated in the Contract that the application of the Terms as a whole is excluded, the contractual exclusion of these Terms applies only to that provision of these Terms that is expressly excluded in the Contract or the contents of which are directly contrary to the contents of a provision of these Terms and, as such, the application of the affected provision of these Terms together with application of the provisions of the Contract would cause uncertainty as to the real contents of the legal relationship between the contracting parties.
2. All the terms used in these Terms have the same meaning as the same terms used in the Contract.
3. All terms stipulated in the correspondence or orally prior to the conclusion of the Contract or any agreements by the contracting parties relating to the subject matter of the Contract are fully replaced by the Contract unless expressly stated in these Terms or in the Contract. The written provisions of the Contract and these Terms represent the entire understanding of the contracting parties with respect to the subject matter of the Contract, unless expressly stipulated otherwise in the Contract or in these Terms. Amendments or supplements to the Contract are valid only if they are set down in writing. The terms of the Delivery Agreement, as the case may be, have priority over these Terms.
4. The validity, effectiveness or term of the Contract is not dependent on the validity, effectiveness or term of any other agreement or understanding between the contracting parties, unless expressly stipulated otherwise in the Contract or in these Terms.
5. The Contract has been validly concluded regardless of the fact whether all permits and licences necessary for purchase of the goods, being purchased on the basis of the Contract by the Buyer (the “**Goods**”) and for their delivery to the place of final destination of the Goods (e.g., customs permits, technical permits) have been obtained.

**II. BASIC CONDITIONS OF DELIVERY**

1. The place of delivery of the Goods by Continental Adria pnevmatike to the Buyer is the place designated in the Contract (usually a factory or a warehouse of Continental Adria Pnevmatike) or otherwise notified to the Buyer in advance, where the goods marked as Goods destined to the Buyer is made available, or from which it is dispatched to him. All risks connected with the Goods (as defined in Sec. 368 Subsec. 1 and 2 of the law No. 513/1991 Coll.; the “**Commercial Code**”) pass to the Buyer at the moment when the Goods are handed over to the first carrier with the purpose of delivering the Goods to the Buyer (in the case that dispatch of Goods by Continental Adria pnevmatike has been agreed) or when the Goods (marked as Goods destined to the Buyer) are made available in the place of delivery by Continental Adria pnevmatike to the Buyer.
2. In case transport is organized by the Buyer (FCA, EXW delivery term, INCOTERMS 2010), the Buyer shall be obliged to prove supply of Goods to another Member state by means of a transport document (CMR, B/L, etc.) or in exceptional case another document of the dispatch giving the place of destination. The Buyer shall be obliged to send the documents to the Seller at least one day after unloading of the Goods at the place of destination.
3. In case transport is organized by the Buyer (FCA, EXW delivery term, INCOTERMS 2010), the Buyer shall be obliged to give proof of the dispatch or transport of Goods to the place of destination within the territory of the third country by means of a copy of Customs Declaration on the release of the Goods, in which the custom authority confirms the exit of Goods from the territory of the European Community and by means of a document of the dispatch or transport of Goods (CMR, B/L, etc.) The Buyer shall be obliged to send the documents to the Seller at least one day after unloading of the Goods at the place of destination.
4. If the Buyer fails to fulfill any of his obligations from the Contract duly and timely, Continental Adria pnevmatike is entitled either to insist on the fulfillment of the Contract and to demand remedy of the status contrary to the Contract or to rescind the whole Contract by a notice of termination with immediate effect and sell the Goods to another buyer (or to use the Goods otherwise). In any case, and regardless of any other provision of the Contract or these Terms, Continental Adria pnevmatike is entitled to claim compensation of damages caused by a non-due or non-timely fulfillment of the Contract by the Buyer.
5. Unless otherwise specified by special terms of the Contract, Continental Adria pnevmatike is merely obliged to deliver goods with properties necessary for normal use, the usual furnishing and the usual finish. Unless otherwise stipulated in the Contract, Continental Adria pnevmatike shall have no obligation to pack the Goods.

**III. PRICES**

1. Unless otherwise stipulated in the Contract, the purchase price of the Goods is understood to be CIP (as defined by Incoterms 2010).

If a provable increase in production or procurement costs of the Goods (esp. the price elements of the production costs of the Goods on the world markets and/or freight and insurance premium) occurs over the period between the conclusion of the Contract and the delivery of the Goods to the Buyer, the purchase price shall be increased accordingly (Sec. 473 of the Commercial Code). Continental Adria pnevmatike is entitled to claim the purchase price increase any time after the delivery of the Goods to the Buyer. Sec. 474 Subsec. 2 and Sec. 475 of the Commercial Code is herewith excluded. A decrease in the prices of production or procurement costs has no influence on the amount of the purchase price.

**IV. DELIVERY TIME**

1. Delivery time should be understood as assumed confirmed delivery date of goods to the Buyer according to above mentioned defined conditions of delivery. Information about confirmed delivery date may change in accordance with production plan.
2. The times of delivery stipulated in the Contract are merely a guideline. Continental Adria pnevmatike will make all reasonable effort to adhere to indicated times of delivery. However, a minor delay of delivery shall not be considered to be a breach of the contract. Any such minor delay in delivery does not entitle the Buyer to claim damages. Continental Adria pnevmatike shall inform the Buyer of the expected date of delivery in advance. In case of delay, Continental Adria pnevmatike shall inform the Buyer, that the indicated times of delivery are going to be exceeded. None of the parties may claim damages from the other party as a consequence of such rescission.
3. Partial deliveries and / or deliveries before the indicated times of delivery are admissible unless otherwise stipulated in the Contract. In such case, the Buyer shall be informed sufficiently in advance of each partial delivery.
4. In the case that no delivery times have been agreed in the Contract, they will be subsequently specified by Continental Adria pnevmatike in a written notice to the Buyer by e-mail.

**V. FORCE MAJEUR**

1. If the execution of contractual responsibilities is hampered by reasons beyond the parties' control (force majeure) e.g. war, natural disasters or prohibition of import, export or transit by national or international authorities, time-limits for performance of contractual duties are extended according to the duration of these circumstances. If those circumstances persist for more than three months, the Parties are, after this period, entitled to cancel the Contract without being liable for damages vis-à-vis to the other Party.
2. The Seller shall not be under any liability of any kind to the Buyer in the event that Seller is unable to perform its obligations, including, in particular, any obligation to effect delivery or to execute on time any existing orders or arrangements with Buyer under this Contract, due to any event beyond the reasonable control of Seller. Moreover, neither Seller nor its agents, legal representatives or employees shall have any liability of any kind and under any title to Buyer on any basis whatsoever, except in the event of willful misconduct or gross negligence.

**VI. COMPLAINTS OF DEFECTS AND WARRANTY**

1. The Buyer is obliged to inspect quantity of every shipment on receipt. The Seller must be notified in written form along with evidence within 5 working days from arrival of the Goods to the store of the Buyer about any discrepancies. Every return of rejected goods requires Seller's prior written consent. The Seller does not assume any responsibility or liability for damages over the issued Limited Warranty Conditions and Complaint Regulations for Tyres (Annex II).
2. The scope of liability of Continental Adria pnevmatike from defects to the Goods and the complaints of the Buyer based on such liability of Continental Adria pnevmatike for defects is governed by the most recent version as of the date of the conclusion of the Contract of the special LIMITED WARRANTY CONDITIONS AND COMPLAINTS REGULATIONS FOR TYRES forming an inseparable part of the Contract

**VII. TERMS OF PAYMENT**

1. Payments to the benefit of Continental Adria pnevmatike shall be considered correctly settled only after the money has been duly and timely credited to Continental Adria pnevmatike's account without any discounts in full invoiced value. Bank charges outside the Seller's bank shall be paid by the Buyer. The Buyer is obliged to procure himself all documents necessary, according to the valid regulation, for him or Continental Adria pnevmatike as his representative to obtain the respective official permission for the transfer of the payment. An advance payment of the purchase price by the Buyer is possible. However, the Buyer is obliged to bear the costs of Continental Adria pnevmatike in connection with such advance payment.
2. If a payment in installments has been agreed in the Contract, the total unpaid remaining sum shall become payable should the Buyer default in payment of even a single payment or part of the same.
3. The Buyer has no right to withhold any amount to be paid in connection with the Contract, either as compensation or for counter-claims against Continental Adria pnevmatike.
4. If the Buyer is in default with a payment in connection with the Contract, Continental Adria pnevmatike is entitled to stop temporarily the deliveries up to the moment all due

invoices are paid up and has the right to penalize, without special notification and without prejudice to his rights as per Article II, Paragraph 2 of these Terms, the Buyer 0,05 % from the amount of the due invoices per each day of the delay and the Buyer is obliged to pay the penalty invoice until seven days from the penalty invoice receiving date. In case of not settling the penalty invoice within 30 days from the due date the Seller is having the right to cancel the Contract. The cancelation is valid once the termination notice was delivered to the Buyer.

5. If a default in payment occurs Buyer loses his entitlement for a discount for payment in advance. If the payment in advance discount nevertheless is deducted from the payments due, the yearly bonus is adjusted for the unrightfully deducted payment in advance discount.
6. Continental Adria pnevmatike reserves title of ownership to the Goods until full payment of the whole purchase price has been made. The Buyer undertakes to fulfill all formalities necessary in accordance with the law of his country to make this clause legally binding also for third persons in his country. The Buyer is not entitled to (i) modify the Goods, (ii) incorporate them in another object or (iii) alienate them to a third entity, as long as the ownership title of Continental Adria pnevmatike to the respective Goods would be lost by such act. The Buyer is not entitled to dispose of the Goods in any manner whatsoever as long as Continental Adria pnevmatike is the owner. The provisions of the preceding sentence do not apply to resale of the Goods in the ordinary course of business, unless Continental Adria pnevmatike withdraws such entitlement of the Buyer by a written notice. The Buyer is obliged to (i) store the Goods in the ownership of Continental Adria pnevmatike with professional care to avoid any damage to the Goods and (ii) to insure the Goods against all risks at least up to the amount of the purchase price. In the case that the Buyer goes into default with any payment obligation towards Continental Adria pnevmatike, he is obliged to return the Goods in ownership of Continental Adria pnevmatike immediately upon receiving a written request to do so. The Buyer is obliged to pay the transport costs and all other costs arising from his obligation to return the Goods to the Seller. The Seller is also entitled to the damages in full amount in case any damage occurs as a result of the Buyer's default. Continental Adria pnevmatike is entitled to review anytime the observance of these rules and to inspect the Goods. Should the Buyer deny Continental Adria pnevmatike the possibility to review observation of the rules pursuant to this paragraph, the purchase price becomes due and payable upon receiving a written request for payment from Continental Adria pnevmatike.

#### **VIII. DISPUTES**

1. In the event of any dispute, controversies or differences, which may arise between the Parties hereto, out of, in relation to or in connection with this Contract, the Parties shall in principle resolve such matters between themselves in good faith.

#### **IX. CONCLUDING PROVISIONS**

1. Laws of Republic of Slovenia shall govern the Contract and all the legal relations arising from the same or in connection with the same. The application of the UN Convention on international sales of goods of April 11, 1980 is herewith expressly excluded.
2. The legal relationships based on the Contract are governed in full scope by the Commercial Code (Sec. 262 Subsec. 1 of the Commercial Code) unless mandatory rules of the Laws of Republic of Slovenia require otherwise.
3. These Terms may be modified by Continental Adria pnevmatike from time to time. The up-to-date version of these Terms is available on internet under the address of Seller. The up-to-date version of these Terms published in line with the preceding sentence overrules any preceding version of these Terms and is applicable to any Contracts concluded after the publication of such version on the fore-mentioned internet address.