

GENERAL PROCUREMENT CONDITIONS

1. Application of the General Terms and Conditions of Procurement

1.1. These General Terms and Conditions of Procurement apply to orders and contracts of the "Orao" a.d. company for production and overhaul, Šabačkih đaka bb, Bijeljina (hereinafter: Orao) for the procurement of goods and services from suppliers.

1.2. The General Terms and Conditions of Procurement "Orao" (hereinafter: General Terms and Conditions) shall apply to orders and contracts that "Orao" concludes with domestic and foreign legal and natural persons (hereinafter: the Supplier), unless the procurement procedure and conditions are different regulated by special regulations that apply to the procurement of certain types of goods and services.

1.3. By accepting the order or signing the contract, these General Terms and Conditions become an integral part of the contract and apply to the relationship between Orao and the Supplier. If certain provisions of the General Terms and Conditions are in conflict with the provisions of the order or contract and its appendices, the provisions of the order or contract and its appendices shall apply.

2. Offer

2.1. All offers compiled and submitted by the Supplier to Orao for the procurement of goods or services are considered free of charge and are not binding on Orao.

3. Orders

3.1. Only orders written on the official Orao forms are valid and legally binding for Orao. Amendments to the order, as well as oral agreements, are legally binding on Orao only if Orao as the

ordering party has confirmed them in writing.

3.2. The supplier may transfer the order, in whole or in part, to third parties. The Supplier is in any case responsible for the deliveries and services of its subcontractors or subsuppliers, as well as in the compliance with Orao's order conditions by its subcontractors and subsuppliers.

4. Order confirmation, general business conditions of the Supplier

4.1. The supplier is obliged, without delay, to confirm to Orao the acceptance of the order, stating the price, delivery time and payment terms. Orao reserves the right to revoke the given order without paying any fee to the Supplier, in the event that the correct order confirmation is not received by Orao within a reasonable time. Such revocation shall be deemed to have occurred in a timely manner, if sent prior to order confirmation.

4.2. If the order confirmation deviates from the Orao's order, the Supplier must clearly indicate this in the order confirmation stating the deviations in question, and Orao must accept. Acceptance of the delivered goods will not be considered as such consent.

4.3. The General Terms and Conditions of the Supplier are not binding, in case Orao has not accepted them in writing. If Orao refers in the order to the documentation of the offer given by the Supplier, it does not mean the recognition of the general business conditions of the Supplier.

5. Delivery time, consequences of delay

5.1. Unless otherwise agreed, the delivery or execution of the service starts from the day of the order. If the order does

not explicitly agreed a deadline, the Supplier will make the delivery or service without delay.

5.2. Receipt at the place of delivery determined by Orao ("place of delivery") is relevant for determining the timeliness of delivery, and for the timeliness of delivery with installation or assembly, as well as for services, the acceptance of the completed work is relevant. In the event that it is foreseeable that delivery will be delayed, the Supplier must, without delay, immediately notify Orao, and obtain his explicit consent. In that case, the delivery or execution of the service will be extended only if Orao has explicitly accepted it in writing.

5.3. For each started working day of delay in delivery or execution of the service, Orao has the right, regardless of the degree of fault of the Supplier and regardless of proof of actual damage, to charge penalties of 0.5% per day of the total order value and up to 5% of the total order value. Orao reserves the right to, in addition to penalties, also claim damages in excess of that amount. In the event of a delay in delivery, Orao has the right to terminate the contract after setting an appropriate additional deadline. This is also true in the event that Orao has previously unconditionally accepted a late, partial delivery. If the agreed deadline is an essential component of the contract, it is not necessary to specify an additional deadline.

5.4. If it is already foreseeable or certain within the delivery deadline that the Supplier is not able to properly deliver, ie service until the contract or order or confirmation of the order of a certain deadline, then Orao has the right to take all measures to avoid delay on the Supplier's cost.

5.5. In case of early delivery, Orao reserves the right to refuse delivery or accept delivery and charge the Supplier for

the costs incurred as a result, e.g. storage and insurance costs, and make payment in accordance with the agreed delivery time.

6. Delivery, shipment

6.1. The costs of delivery and packaging, as well as the costs of transport insurance, shall be borne by the Supplier, unless otherwise agreed in writing.

6.2. The Supplier will deliver the goods on europallets or crates adapted for handling the forklift, if applicable.

6.3. The goods will be packed and marked in accordance with Orao's instructions. In all circumstances, the packaging and package must ensure that the goods are protected from damage or deterioration under normal conditions of carriage, and storage.

6.4. The Supplier undertakes that the wooden packaging and / or pallets used in the delivery of the goods to Orao will be treated in accordance with the applicable regulations.

6.5. Delivery parity will be specified in Orao's order. Irrespective of the parity agreed in writing, the delivery of the goods must be ensured on the entire route to the place and moment of transfer of the risk from the Supplier to Orao.

6.6. Partial, oversized or undersized deliveries are only allowed with the express written consent of Orao. Delivery of the goods to the agreed delivery address must be made at the time provided for the collection of goods, which is specified in the order.

6.7. The goods will be delivered according to the date specified on the order, ie order confirmation. Goods must be delivered to Orao on working day of the week during business hours.

6.8. Delivery of goods is considered completed when the authorized workers of Orao confirm with their signature that the

goods have been delivered, unless otherwise defined in the order.

7. Quality, warranty, complaint

7.1. The supplier guarantees that he has an established quality management system according to EN 9100 or ISO 9001 standards or that he ensures that the requirements related to the delivered goods or services are met. This includes product quality documentation, certificate, warranty card, test sample (when required), instructions for use, and where necessary, documentation on import, transport, customs, use (end user).

7.2. The supplier guarantees the use of the best, appropriate and original materials, as well as for clear identification and professional performance of the ordered goods or services, together with all required technical characteristics by Orao (drawings, including key features, specifications, instructions, equipment and staff).

7.3. It is the responsibility of the supplier to provide documented product / service development processes for Orao, as well as to use calibrated production, inspection, measurement and testing equipment to meet design, testing, examination and inspection requirements.

7.4. In order to meet customer quality standards, the Supplier is obliged to ensure the identification and traceability of materials and products, as well as to ensure that the specific requirements of Orao are met.

7.5. Procurement of materials, which are installed and consumed during the realization of products / services for Orao, from approved suppliers must be accompanied by proof of origin of materials, as well as evidence of the prescribed manner of their conservation, packaging and storage.

7.6. The period of storage and destruction of records on the quality of

delivered goods and materials, as well as their control, must be met in accordance with the standard EN 9130.

7.7. The supplier is obliged to ensure the verification of the quality of products / materials / services in accordance with the product specification and the quality of products defined in the contract or order, as well as to prepare the first article inspection reports, all in accordance with EN 9102.

7.8. During the execution of the order / contract, the supplier is obliged to inform Orao in writing about all deviations related to the production, assembly, testing and quality of the product and is obliged to act in accordance with Orao's decisions. In case of identified defects, the Supplier is obliged to eliminate them at its own expense at the choice of Orao, or within a specified period to make a new delivery or service that does not contain defects.

7.9. Orao reserves the right, if necessary, to request proof of the Supplier's quality assurance system, as well as to carry out inspections at the Supplier's and subcontractor's premises at any time. The supplier will refund to Orao the costs of the inspection, if the inspection proves a defective quality assurance system or missing documentation on quality tests.

8. Temporary suspension, termination

8.1. Orao reserves the right to request suspensions of the execution of an order or contract at any time. In the event of a temporary suspension lasting more than 3 (three) months, the Supplier must provide Orao in detail with the costs arising from the delay after the duration of 3 (three) months, but not the lost profit. The supplier may only claim compensation for such proven costs. In case of shorter duration and in case of longer duration of interruption of execution, the Supplier has no right to claim costs incurred during the

first 3 (three) months of interruption of execution.

8.2. Orao reserves the right to terminate the order or contract in whole or in part, without the fault of the Supplier. In such a case, Orao will pay the Supplier the agreed price in proportion to the accepted deliveries and services and refund the proven costs of deliveries and services that are in operation, but not the lost profit. The Supplier undertakes to make every effort to keep costs to a minimum after Orao's declaration of termination of the order or contract.

9. Invoice

9.1. The Supplier is obliged to, immediately after delivery, ie properly performed service, submit the invoice to Orao, stating all data related to the order. and the invoice can be checked. The text of the invoice should be worded in such a way, and the invoice should be divided in such a way that a comparison with the order can be made in a simple way and the invoice can be checked. The order number and the information related to the order must be stated on the invoice.

9.2. Orao reserves the right to send unprocessed invoices that are not in accordance with the order and/or regulations, and especially with regard to the data related to the order or are not in accordance with the regulations related to value added tax (VAT). In that case, it is considered that the invoice has not been issued.

9.3. The Supplier shall not be entitled to assign Orao's claims to third parties without the prior written consent of Orao.

10. Payment, discounts

10.1. The deadline for payment of the invoice begins to run at the moment when Orao has fully taken over the delivery or service, with a duly issued invoice. If the

Supplier must make available the technical-technological specification, material certificates, test records, quality documents and other documentation, receipt of that documentation is also a precondition for the delivery or service to be considered complete.

10.2. Payment of the Supplier's invoice does not mean confirmation of proper delivery or service, nor does Orao waive any right. Payment is considered valid if Orao issues a payment order to the bank, at the latest on the due date of the invoice. The costs of the payee's bank shall be borne by the Supplier.

10.3. When there is a mutual interest in increased business volume, the Supplier or Orao may propose: quantity discount, ie price for the minimum quantity for ordering, different price levels for ordering larger quantities, depending on the ordered quantity in an individual order or contract; special project discounts, depending on the total value of the project;; value bonus, ie discount on invoiced value.

11. Authorizations, place of performance, law, jurisdiction

11.1. The Supplier expressly declares that, on the basis of the appropriate permits, it is authorized to perform the contracted deliveries and services, and that it will present the relevant documents at the request of Orao. If the delivery of goods and services requires special permits from state administrative bodies, approvals or technical inspections, the Supplier must obtain them in a timely manner without special compensation.

11.2. The place of fulfillment for deliveries or services is the "place of delivery" specified in the order, and for payments the place of fulfillment is Orao's headquarter.

11.3. Disputes or differences of opinion will be resolved primarily peacefully. An attempt to reach an

agreement is considered to have failed when one of the parties notifies the other party in writing.

11.4. The court in Bijeljina has exclusive jurisdiction to decide on disputes, in particular on the conclusion of contracts or on claims arising from contracts.

11.5. The fulfillment of the contract by Orao is conditioned by the restrictions arising from the requirements of the foreign trade and customs regulations of Bosnia and Herzegovina.

12. Keeping business secrets, data protection

12.1. The Supplier undertakes to keep confidential the information it has learned from Orao in connection with the order or in connection with the subject of the order, unless that information is general or has otherwise been lawfully obtained. The Supplier further undertakes to keep the products or semi-finished products, made on the basis of the fulfillment of the order from Orao, secret, and to use them exclusively for the fulfillment of that order. In the event that the Supplier uses the services of a third party to fulfill its contractual obligations, then it must contract that third party with the appropriate confidentiality.

12.2. The Supplier must, in particular, protect all information related to the order or the subject of the order from access by third parties, adhere to the confidentiality of data in accordance with the provisions of the Personal Data Protection Act, and also oblige its employees to appropriate confidentiality.

12.3. Supplier's data (data from the business register, address, telephone and fax numbers, as well as all other information required for addressing, which is shown through modern communication techniques, locations, contact persons, ordered goods, delivered quantities) from a specific business case, in principle are

processed by automation methods only for the purpose of contract execution, especially for the purpose of management and billing.

13. Force majeure

13.1. Neither the supplier nor Orao shall be held liable for delay in performance or for non-performance of obligations, if the delay or non-performance of obligations is the result of circumstances beyond their control. These include natural disasters, government actions, floods, fires, earthquakes, explosions, civil unrest or epidemics.

14. Partial nullity

14.1. If any provision of these General Terms and Conditions is considered or becomes invalid, illegal or unenforceable, it in no way affects the validity, legality and enforceability of other provisions.

15. Bilingualism

15.1. These General Terms and Conditions are drafted in Serbian and English. In case of any discrepancies between the Serbian and English versions, the Serbian version will be considered valid.