

GENERAL TERMS OF SALE „ORAO“ JSC BIJELJINA

Internal No: 033/35-040/23

1. Application of General Terms of Sale

- 1.1. This General Terms of Sale apply to quotations, orders, and contracts of the company "Orao" JSC for manufacturing and maintenance, located at Šabačkih đaka b.b., Bijeljina (hereinafter referred to as "Orao" JSC), related to the sale of goods and services to customers.
- 1.2. The General Terms of Sale of "Orao" JSC (hereinafter referred to as the General Terms) apply to orders and contracts entered into by "Orao" JSC with domestic and foreign legal entities and individuals (hereinafter referred to as the Customer), unless the sales process and terms are differently regulated by a specific contract or regulations applicable to the sale of certain types of goods and services.
- 1.3. By accepting an order from "Orao" JSC or through the mutual signing of a contract, these General Terms become an integral part of the contract and apply to the relationship between "Orao" JSC and the Customer. In the event of any conflicts between specific provisions of the General Terms and those in the order or contract and its appendixes, the provisions of the order or contract and its appendixes shall prevail.
- 1.4. Regarding the provision of calibration, testing, and inspection services carried out through the Laboratory department within "Orao" JSC, the "General Terms for the provision of Calibration/Testing/Inspection Services" are applicable to these services.

2. Quotation

- 2.1. „Orao" JSC provides the Customer with an Quotation that includes the quantity, price, delivery time, payment terms, delivery conditions (Incoterms), and the validity of the Quotation, all in relation to the product and/or service specifications as per the Customer's request.
- 2.2. All Quotations prepared and provided by "Orao" for the sale of goods or services are considered to be free of charge and non-binding for the Customer.

3. Purchase Orders

- 3.1. Purchase Orders written on the official forms of the Customer are valid and legally binding for "Orao" JSC. Additionally, written consents from the Customer regarding the submitted Quotations will be considered acceptable. Amendments and modifications to Purchase Orders, as well as verbal agreements, are legally binding for "Orao" JSC only if they have been confirmed in writing by the Customer as the ordering party.

- 3.2. A Purchase Order is considered complete when it contains all the necessary information required by "Orao" JSC for the production and delivery of goods or the execution of services.
- 3.3. "Orao" JSC may transfer the Purchase Order, in whole or in part, to third parties. "Orao" JSC is responsible in any case for the deliveries and services of its subcontractors or sub-suppliers, as well as for the adherence to the purchase terms by its subcontractors and sub-suppliers.
- 3.4. By sending the Purchase Order or giving consent to a valid Quotation, the Customer acknowledges the implementation of these General Terms of Sale as an integral part of the agreement.

4. Order Confirmation

- 4.1. If the Customer requests it in their Purchase Order, "Orao" JSC is obligated to promptly confirm the acceptance of the order to the Customer, specifying the price, delivery time, and payment terms. The Customer retains the right to revoke the given order without any charges to "Orao" JSC in the event that, despite the Customer's request, a valid order confirmation is not received by the Customer within a reasonable time. Such revocation is deemed timely if sent before the order confirmation.
- 4.2. If the order confirmation deviates from the Customer's Purchase Order, "Orao" JSC must clearly indicate such deviations in the order confirmation and the Customer must accept them. Acceptance of the delivered goods will not be considered as such agreement.
- 4.3. The Customer and "Orao" JSC agree that written notices include those provided through appropriate means of communication (email, official website, fax).

5. Delivery Time, Payment Terms

- 5.1. The informative deadlines for service execution or delivery are specified in the Quotation provided by "Orao" JSC. The delivery time is mutually determined by "Orao" JSC and the Customer for each individual order. "Orao" JSC reserves the right to postpone the delivery time for justified reasons if the Customer is informed in a timely manner.
- 5.2. Unless otherwise agreed, the delivery or service completion time starts from the moment the Purchase Order is fully specified. If the time frame is not explicitly specified in the order, "Orao" JSC will commence work on the agreed task without delay.

- 5.3. "Orao" JSC informs the Customer of the readiness of the goods for delivery through email, telephone, fax, regular mail, or other means.
- 5.4. Payment terms are determined in Quotation. Payment is considered to be made when the funds are credited to the account of "Orao" JSC.
- 5.5. "Orao" JSC reserves the right to charge late payment interest in case of delays in the agreed payment, in accordance with the domestic legal regulations.

6. Delivery, Shipment

- 6.1. The costs of delivery and packaging, as well as the costs of transport insurance, are the responsibility of the Customer, unless otherwise agreed in writing.
- 6.2. The terms of delivery shall be based on the rules of EXW "Orao" JSC Bijeljina Incoterms 2020, unless otherwise agreed in writing between the Customer and "Orao" JSC. In the event that the Customer does not take possession of the goods within 14 days from the date of receiving the notice of readiness for pick-up, "Orao" JSC has the right to request compensation of 0.5% of the sales value of the goods ready for pick-up for each week of delay. This compensation covers the costs incurred by "Orao" JSC due to the Customer's delay in taking possession of the goods.
- 6.3. "Orao" JSC will deliver the goods on Euro pallets or crates suitable for forklift handling, if applicable.
- 6.4. The goods will be packed and labeled in accordance with the agreement between the Customer and "Orao" JSC. In all circumstances, the packaging and containers must ensure the protection of the goods from damage or any decrease in quality under normal conditions of transportation and storage. Before shipment, all goods are thoroughly inspected and tested, and all shipments are adequately and properly protected, following logistics industry standards.
- 6.5. "Orao" JSC undertakes to ensure that the wooden packaging and/or pallets used for delivering goods to the Customer are treated in accordance with applicable regulations.
- 6.6. The goods will be delivered on the date specified in the Purchase Order or order confirmation. Goods arriving at "Orao" JSC for service execution must be delivered on a working day during working hours.
- 6.7. Delivery of goods is considered completed when authorized employees of "Orao" JSC sign a confirmation that the goods have been delivered (delivery note), unless otherwise is specified in the Purchase Order.

7. Quality Management System, Warranty, Complaints

- 7.1. "Orao" JSC guarantees that it has established an integrated Quality Management System (QMS) in accordance with ISO 9001, EN 9100, ISO 14001, and ISO 45001 standards. Additionally, "Orao" JSC ensures compliance with requirements related to the delivered goods or services. If requested by the Customer, "Orao" JSC will provide product quality documentation, a certificate, a warranty document, a test sample, usage instructions, and, where necessary, documentation related to import, transportation, customs, and end-user information.
- 7.2. "Orao" JSC guarantees the use of the best, suitable, and original materials, as well as clear identification and professional execution of the ordered goods or services, along with all required technical specifications provided by the Customer (drawings, including key features, specifications, instructions, equipment, and personnel).
- 7.3. The procedure for handling outdated documented information, which has exceeded its archiving period, and the disposal of documented information are defined by the Law on Archival Activities (Official Gazette of the Republic of Srpska 119/08) and the Regulation on the Procedure for Selecting Archival Material, Criteria, and Methods for Its Evaluation (Official Gazette of the Republic of Srpska 43/10).
- 7.4. The storage and destruction period of records related to the quality of delivered goods and materials, as well as their control, must be adhered to in accordance with the EN 9130 standard.
- 7.5. In the event of a Complaint from the Customer regarding the delivered goods or services, the official Complaint is submitted in writing to "Orao" JSC. After an analysis of the validity of the Complaint by "Orao", the Customer is informed of the status of the Complaint. If the Complaint is valid, actions are taken to rectify the issue at the expense of "Orao" JSC. If the Complaint is deemed invalid, "Orao" JSC will inform the Customer of the reasons for the complaint's invalidity.
- 7.6. The goods are not covered by the warranty in cases of inadequate and unskilled use or physical damage occurring after the completion of the goods handover. The Customer's warranty claim does not apply if the Customer attempts to make repairs, or if unauthorized third parties attempt to make repairs. "Orao" JSC provides a warranty for repairs that it has carried out itself.

8. Termination of Contract and Order cancellation

- 8.1. If circumstances arise after the conclusion of the contract or the receipt of an Purchase Order that make it difficult to fulfill the obligations of one party, or if, due to these circumstances, the contract or order cannot be realized to such an extent that it no longer meets the expectations of the contracting parties and would be deemed unfair to uphold it as it is, the party for whom the fulfillment of obligations is complicated, or the party that can no longer execute the contract or order due to changed circumstances, may request the termination of the contractual relationship or order.
- 8.2. The party requesting the termination of the contract cannot invoke changed circumstances that have arisen after the expiration of the deadline specified for the fulfillment of its obligations.
- 8.3. In the event of the contract being terminated or the order being canceled, the parties must return or settle all services received from each other. Any reduction in value is taken into account in this case.
- 8.4. In the event of unilateral termination of the contract or cancellation of the order by the Customer, the Customer is obligated to compensate for all damages incurred in the execution of the order, up to the amount of justified incurred costs.

9. Protection of Business Secrets, Data Protection

- 9.1. The Customer undertakes to keep confidential any information obtained from "Orao" JSC regarding the quotation, the order, or the subject of the order, unless such information is public or has been lawfully obtained in another manner. "Orao" JSC, in turn, undertakes to keep the products or semi-finished products produced based on the fulfillment of the Customer's order confidential and to use them exclusively for the purpose of fulfilling that order. In the event that "Orao" JSC utilizes the services of a third party to fulfill its contractual obligations, it must obligate that third party through a contract to maintain appropriate confidentiality.
- 9.2. "Orao" JSC must protect all information related to the order or the subject of the order from access by third parties, adhere to data confidentiality requirements as per the provisions of the Data Protection Law, and also ensure that its employees involved in this are bound by appropriate confidentiality obligations.

- 9.3. Customer and "Orao" JSC data (data from the business register, address, telephone and fax numbers, as well as any other information necessary for addressing, as revealed through modern communication techniques, locations, contact persons, ordered goods, delivered quantities) within a specific business case are, in principle, processed using automation methods solely for the purpose of contract execution, particularly for management and accounting purposes.

10. Responsibility

- 10.1. "Orao" JSC is not responsible for any damages that may occur at the Customer's end due to the Customer's delays in fulfilling contractual obligations, especially due to incomplete and untimely orders and incorrect or inaccurate data, specifications, projects, or any other information provided by the Customer. "Orao" JSC has the right to seek compensation for any costs, losses, or damages incurred as a result of the above.
- 10.2. If the material or work subject provided by the Customer is not of adequate quality, "Orao" JSC shall not be considered responsible for any resulting damage.
- 10.3. "Orao" JSC is not liable for damages that did not directly occur to the goods, especially for lost profits and/or other material or immaterial damages to the Customer. This limitation does not apply if the damage is intentionally caused or as a result of gross negligence.
- 10.4. Unless otherwise agreed, other claims by the Customer are excluded, regardless of their legal basis.

11. Force Majeure

- 11.1. Neither party to the contract shall be considered responsible for delaying the fulfillment of obligations or for not fulfilling them if the delay or non-fulfillment is the result of circumstances beyond their control. This includes natural disasters, government measures, floods, fires, earthquakes, explosions, civil unrest, or an epidemic, as well as other events that cannot be prevented, eliminated, or avoided. The shortage of raw materials on the world market is also considered a force majeure.
- 11.2. In the event that the fulfillment of contractual obligations becomes difficult or impossible due to such circumstances, the obligation ceases during the period when its fulfillment is difficult or impossible, i.e., if the arising circumstances could not have been prevented, eliminated, or avoided. During this time, such circumstances release "Orao" JSC from the obligation to perform and

from liability for damages resulting from the non-fulfillment of contractual obligations.

- 11.3. The impossibility of fulfilling contractual obligations under this provision is determined in accordance with the applicable legislation and judicial practice.

12. Place of Performance, Authorizations, Disputes, Jurisdiction

- 12.1. The place of performance for deliveries or services is the "place of delivery" specified in the quotation and order, while for payments, the place of performance is the headquarters of "Orao" JSC (Šabačkih đaka b.b., Bijeljina).
- 12.2. In the event that a contract is concluded with the Customer whose provisions are not in line with these terms, the provisions of the contract shall govern the specific relationship. These terms are used to regulate relationships that are not covered by the contract. In cases where these terms expressly state that a different agreement is not possible, the content of these terms shall be used.
- 12.3. Any disputes that may arise in connection with the formation, breach, termination, and legal relationships arising from these general terms will be resolved through mutual agreement.
- 12.4. For disputes that cannot be resolved in this manner, the competent jurisdiction is the district business court in Bijeljina.
- 12.5. Fulfillment of the contract by "Orao" a.d. must comply with the legal regulations of Bosnia and Herzegovina and is subject to restrictions arising from the requirements of foreign trade and customs regulations of Bosnia and Herzegovina.

13. Closing Clauses

- 13.1. These General Sales Terms are prepared in both Serbian and English languages. In case of any discrepancies between the Serbian and English versions, the Serbian version shall prevail.
- 13.2. These General Terms and Conditions shall enter into force on the date of their adoption and apply from the date of publication on the website of "Orao" a.d.
- 13.3. "Orao" reserves the right to update or amend the General Terms and Conditions of Sale. In case of any changes, the Customer will be notified through appropriate means of communication.


Approved by:
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