

CONTRACT ON THE DELIVERY AND INSTALLATION OF INVESTMENT EQUIPMENT

Concluded on the xx day of xx 2018 in Rača by and between:

1. **Honey Collecting and Marketing Plant of the Beekeepers' union SPOS, "Naš med" doo, Rača**, Karadorđeva 48, Rača, (TIN: 110159697, business registration number: 21308366, account number 340-0000011016864-51, foreign currency account: INTERMEDIARY - _____, ACCOUNT WITH INSTITUTION - _____, BENEFICIARY - _____ represented by Radivoje Ranković, director (hereinafter: **The Procuring Entity**) and

2. _____ (business name) from _____ (registered seat), _____ (state), business registration number: _____, foreign currency account: INTERMEDIARY - _____, ACCOUNT WITH INSTITUTION - _____, BENEFICIARY - _____ represented by _____ (director or another person) (hereinafter: **The Supplier**)

Subject of the Contract

Article 1

The subject of the Contract is the delivery and installation of investment equipment stated in the Tender of the Supplier, no. _____ dated ____ xx 2018, received by the Procuring Entity, under no. _____ dated ____ xx 2018 (hereinafter: The Equipment), according to a turnkey system, putting into operation, maintenance and servicing of the Equipment.

The Tender referred to in paragraph 1 of this Article is an integral part of this Contract.

The Equipment referred to in paragraph 1 of this Article satisfies the technical regulations, as follows:

The Equipment referred to in paragraph 1 of this Article is in compliance with the following standards:

Commencement of the Contract Performance

Article 2

The Procuring Entity shall be obliged:

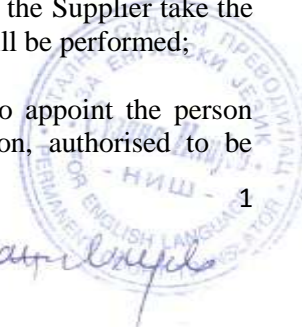
a) within _____ -day time limit from the date of concluding this Contract, to file the PZI and technical documentation on the facility where the Equipment will be delivered and installed;

b) within _____ -day time limit from the date of concluding this Contract, to let the Supplier take the possession of the facility where the delivery and installation of the Equipment will be performed;

c) within _____ -day time limit from the date of concluding this Contract, to appoint the person responsible for contact in relation to the Equipment delivery and installation, authorised to be

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provided with information, to raise objections and give other declarations of will that produce legal action by the Supplier; and to inform the Supplier thereof;

d) within _____ -day time limit from the date of concluding this Contract, to appoint an Expert Commission to perform monitoring over the Equipment delivery and installation, authorised to control the quality and quantities and to verify the performed deliveries and fulfilment of other obligations hereto.

The Supplier shall be obliged:

a) to take over the final project and technical documentation on the facility where the Equipment will be delivered and installed, handed over to them by the Procuring Entity in compliance with this Contract;

b) to take the possession of the facility when the Procuring Entity let them take the possession thereof;

c) within _____ -day time limit from the date of concluding this Contract, to appoint the person responsible for contact in relation to the Equipment delivery and installation (Delivery Manager), authorised to be provided with information, to raise objections and give other declarations of will that produce legal action by the Procuring Entity; and to inform the Procuring Entity thereof;

d) promptly after taking the possession thereof, to undertake appropriate security measures in the course of performing the Equipment installation work and, if necessary, to organise the construction site;

e) to start the Equipment delivery and installation within _____-day period from the date of taking the possession thereof; apart from an inox homogenizer having 22 tonnes capacity, which must be delivered and installed at the shortest possible time limit from signing the contract, and pursuant to the facility construction pace;

f) in the course of the Equipment installation, to act according to the orders of the Procuring Entity, that is to say the Expert Commission;

g) in the installation phase, to treat the facility with a good host care and in accordance with the rules of profession; and to compensate any damage in all that would eventually be caused on the facility.

The Contracting Parties shall state the performance of any of the actions foreseen by this Article in protocol, if the actions is performed jointly, that is to say by a written notification, if it is done unilaterally.

Shipment and Delivery of the Equipment

Article 3

The Supplier shall be obliged to deliver the Equipment at their own expense and own risk all the way to the Plant, as well as to provide all the eventually necessary permits for export, import, or transit of the Equipment and to bear all the customs and other duties related to the import of the Equipment in the Republic of Serbia.

The control of the delivered Equipment quantity and quality will be done by the Expert Commission.

The delivered Equipment remains in the possession and ownership of the Supplier until the moment of acceptance following the installation carried out.


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The risk is transferred from the Supplier to the Procuring Entity following the installation carried out., at the moment of the Equipment acceptance.

Obligation to Install the Equipment

Article 4

The Supplier shall be obliged - within within ____-day period from the date of taking possession thereof - to carry out the Equipment installation in compliance with the technical regulations for this type of activity, the rules of profession, norms and standards agreed upon, so that the Procuring Entity may start using it for the purpose of performing the business activity.

The Supplier shall guarantee that during the performance of work all the prescribed measure of occupational safety will be applied and to be held responsible by the Procuring Entity, if the Procuring Entity is liable towards third parties due to the Supplier's omission.

The Supplier shall be obliged to perform the test-run of the Equipment within the time limit referred to in paragraph 1 of this Article, so that the following quality of the product is achieved by the use of the Equipment:

The Supplier's right to engage third persons

Article 5

The Supplier shall be entitled to engage third persons at own choice for the performance of obligations hereto.

The Contracting Parties shall agree that no contractual relation shall be established due to the engagement of third persons between them and the Procuring Entity, so the Supplier shall be held responsible for everything and for any omissions that the third persons would make in the course of performing the work provided for by this Contract.

Extensions of the time limit set

Article 6

The time limit foreseen under this Contract for the fulfilment of delivery and installation obligation may be extended due to effect of Force Majeure or any measures of state authorities that the Contracting Parties cannot foresee or avoid.

No lack of equipment or material on the market, as well as no strike of labour force are considered Force Majeure.

The occurrence, duration, or termination of Force Majeure is entered into adequate documentation.

The time limit for performing the obligations of delivery and installation shall be extended for the duration of time during which the events that may be qualified as Force Majeure or the state authorities measures lasted.



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In derogation of the provision of paragraph 2 of this Article, each Contracting Party shall be entitled to terminate this Contract if due to the events referred to in paragraph 1 of this Article, the performance of contractual obligations should be extended for a period exceeding ____ days.

Training of human resources

Article 7

The Supplier shall be obliged to organise training for the persons that will operate the Equipment within ____-day period from the day of concluding this Contract with no special remuneration, at the Procuring Entity's choice.

The training referred to in paragraph 1 of this Article shall consist of ____ hours of lectures and ____ hours of practical work with the Equipment.

The training must be completed prior to the acceptance of the Equipment.

Following the completed training, the Supplier shall organise adequate test of knowledge and issue certificates on completed training to the persons who successfully mastered handling the Equipment.

Contractual penalty and damage claims

Article 8

If the Supplier does not deliver the Equipment and perform the handover with the Procuring Entity within the time limit foreseen under this Contract, they shall be obliged to pay, in the name of delay, an amount of 0.5% of the contracted value including VAT daily for each day of delay, and maximum 30 days (15% of the contracted value including VAT).

The Supplier shall be aware of the fact that it is important to the Procuring Entity to receive the Equipment within the time limit agreed upon, and due to the undertaken obligations towards third persons may suffer damages, because of which the Supplier shall be obliged to compensate any damages to the Procuring Entity incurred due to delays in the Equipment delivery and installation.

Acceptance of the installed and tested equipment

Article 9

Following the successfully performed test-run of the Equipment, the Procuring Entity shall be obliged to accept the Equipment upon the Supplier's invitation.

The Procuring Entity shall be obliged to carry out an inspection during the Equipment handover and raise any eventual existence of material deficiencies in a form of damages and other deficiencies that may be determined by inspection thereof; as well as to check up the delivered quantity, which will be confirmed by signing the Acceptance Protocol.

Warranty for the delivered equipment

Article 10

The Supplier shall guarantee that the Equipment that is the subject of this Contract will function properly within ____ (minimum 12 months) period from the day of exploitation commencement.


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The Supplier shall be obliged to issue the Procuring Entity the lists for the Equipment delivered and installed that define the warranty period in the duration set out in paragraph 1 of this Article starting from the date of the Equipment exploitation commencement.

The Procuring Entity shall be obliged to treat the Equipment in the manner provided for by the warranty requirements, particularly: not to engage any third person for the elimination of deficiencies during the warranty period, to use the Equipment in accordance with the instructions delivered by the Supplier, to notify the Supplier on any significant change of function of the Equipment promptly after becoming aware of it.

If any deficiencies occur following the Equipment acceptance, within the time limit referred to in paragraph 1 of this Article, which were not established during the handover, the Procuring Entity shall be obliged to notify the Supplier about them within ____ -day time limit from the acceptance thereof; and the Supplier shall be obliged to eliminate these deficiencies within ____ -day time limit from the receipt of notification.

Service after the warranty period expiry

Article 11

The Supplier shall be obliged to provide service of the Equipment for the Procuring Entity's needs also after the warranty period expiry, and this within ____ -year period after the expiry.

The services costs referred to in paragraph 1 of this Article shall be borne by the Procuring Entity.

Expected quality of materials and products

Article 12

The Supplier shall guarantee that only the Equipment meeting the following quality standards _____ will be delivered and installed.

The Supplier shall guarantee that with a proper use of the Equipment, the products meeting the following quality standards _____ will be obtained.

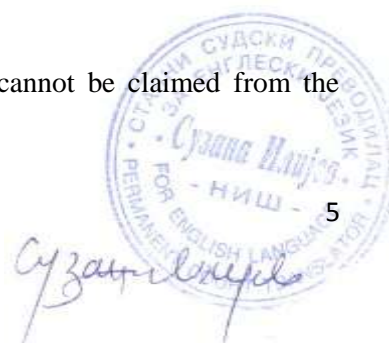
The Supplier shall be held responsible for any damage to the Procuring Entity if the Equipment that is not in compliance with the requirement referred to in paragraph 1 of this Article is delivered; as well as if by using the Equipment no quality set out in paragraph 2 of this Article is obtained.

Price

Article 13

The Procuring Entity shall be obliged to open an irrevocable documentary letter of credit with an issuing bank at their own choice, in the amount of RSD ____ (in words: _____) within ____ -day time limit from the day of concluding this Contract; thereby authorising the Procuring Entity to require the payment of the stated amount on the basis of the Equipment Acceptance Protocol that they are obliged to present to the bank, on the basis of which the bank shall be obliged to make the payment accordingly).

All the costs that are not explicitly agreed upon under this Contract cannot be claimed from the Procuring Entity.



Remunerations

Article 14

Apart from the compensation set out in Article 14 of this Contract, the Supplier cannot claim any other cash or non-cash compensations from the Procuring Entity.

The remuneration of costs incurred due to any discrepancies from the agreed, as well as any difference in the price incurred due to any discrepancies from the agreed, and based on the Supplier's duty to act in accordance with the Procuring Entity's orders or the orders of the Procuring Entity and/or the Expert Commission, shall be calculated in the price.

Notification duty

Article 15

The Procuring Entity and the Supplier shall be obliged to notify one another on all the events significant for the fulfilment of obligations under this Contract and shall be held liable mutually for the damage that occurs due to failure to notify.

Each of the Contracting Parties shall be obliged to notify on the concluded contract the competent state authorities, if such a notification is needed according to the law of the state it belongs to and shall be liable to the other Contracting Party for the damage they suffer due to such a failure.

Costs and fiscal liabilities

Article 16

Each Contracting Party shall bear their own costs they had during the negotiations for the conclusion of this Contract, as well as for the costs of its conclusion.

Each Contracting Party shall bear any costs for goods transportation, obtaining permits and consents, export or import customs or other similar costs, during the period they bear the risk.

In derogation of the provision of paragraph 2 of this Article, any eventual costs for obtaining permits for using the installed Equipment in the Republic of Serbia shall be borne by the Procuring Entity.


Right to terminate the contract and the consequences of termination

Article 17

This Contract may be terminated by a unilateral declaration of will:

a. of the Procuring Entity, if the Supplier:

- 1) does not take the possession upon the Procuring Entity's invitation;
- 2) does not deliver and install the Equipment according to the dynamics plan, so they are late with the performance for more than ____ days in relation to the planned dynamics;
- 3) refuses to act as per the Procuring Entity's or the Expert Commission's orders, given in compliance with the provisions of this Contract;


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4) does not fulfil their obligations regarding the Equipment, so that the delivered and installed Equipment does not have the needed quality or it does not produce the products with the quality agreed upon, unless these discrepancies are insignificant.

5) does not fulfil any other obligations disabling the realisation of the Contract's purpose thereby.

b. of the Supplier, it the Procuring Entity:

1) does not file the Project for Implementation (PZI) to the Procuring Entity;

2) does not let the Supplier take the possession in compliance with this Contract;

3) does not pay the price or the costs provided for under this Contract;

4) does not accept the installed Equipment in compliance with this Contract;

c. of one or the other Contracting Party

1) in the event of Force Majeure or measures of the state authorities that disable the realisation of this Contract's purpose;

2) opening of a bankruptcy procedure over one of the Contracting Parties;

3) losing the right to perform the business activity for which the Equipment is delivered and installed.

In the event of termination of the Contract by the fault of the Supplier, the Procuring Entity shall be entitled to keep the delivered Equipment, paying a proportionate portion of the agreed price or costs or to request the Supplier to take over all they delivered or installed, having no obligation to pay the price.

In the event of termination of the contract without any fault of the Contracting Parties, the obligation of further performance of obligations ceases under this Contract, and the Procuring Entity shall owe the Supplier a proportionate portion of the price for the Equipment delivered by the time of termination.

Governing Law

Article 18

The signatories to the Contract shall agree that this Contract shall be governed by the law of the Republic of Serbia.

Nature of the Contract

Article 19

The law of the Republic of Serbia is the governing law for everything that is not regulated with this Contract.

Resolution of disputes



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Article 20

The Contracting Parties shall endeavour to resolve amicably any disputes occurred on the basis of this Contract.

For any disputes that the Contracting Parties fail to resolve amicably, the competent arbitration shall be agreed upon:

Variant 1: Commercial Court of Belgrade.

Variant 2: Arbitration Centre in Switzerland (Zurich)

Final provisions

Article 21

This Contract is made in eight copies, four of which in Serbian and four of which in _____, whereby the copies in both languages are considered originals.

Each Contracting Party shall have four copies of the Contract, two of which in Serbian and two of which in _____.

PROCURING ENTITY

SUPPLIER

File no. 298118E

05.09.2018, Niš

Hereby, I certify that the
above translation from
Serbian into English language
is correct and true to its original.

Suzana ILIJEV

Court Translator

