

GENERAL TERMS AND CONDITIONS OF PROCUREMENT IN STUDEN-AGRANA Rafinerija šećera d.o.o. Brčko

The purpose of the General Terms and Conditions of Procurement (hereinafter referred to as GTCP) is to standardize the procurement process across all companies within the business group, taking into account the different legal solutions of the countries in which they are applied. This document is prepared in accordance with the applicable legal provisions of Bosnia and Herzegovina at the time of signing and will be adjusted as needed. It serves as an operational tool for defining the elements that should be included in procurement contracts for goods and services.

1. Scope of Application

1.1 STUDEN-AGRANA Ltd. Brčko, Industrijska Street No. 4, (hereinafter referred to as the Buyer) acts as a buyer of goods or services in legal transactions, and for all inquiries, orders, procurements, and other legal actions and activities conducted for the purpose of procuring goods and services from the Contractor, relies on these GTCP. The Buyer and the Contractor agree that these GTCP will apply to all, including future, transactions and actions related to the procurement of goods and the provision of services.

1.2 The Contractor understands and accepts that the Buyer will not acknowledge any conditions that are not in line with these GTCP and may be included in order confirmations or other business documents of the Contractor. Specifically, the acceptance of delivered goods or services or the execution of payment by the Buyer will not constitute agreement with terms other than those defined in these GTCP.

1.3 Any agreement regarding the acceptance of terms deviating from these GTCP must be confirmed by the Buyer in writing to be valid.

1.4 In the event of inconsistency between individual elements of the order/contract between the Buyer and the Contractor, these documents will have priority in the following order: (a) order and/or contract; (b) appendices that constitute integral parts of the order/contract, such as negotiation notes; and (c) GTCP. All agreed conditions must comply with relevant legal provisions.

1.5 Neither the order/contract nor the GTCP limit the other legal rights of the Buyer.

2. Conclusion and Conditional Withdrawal from the Contract

2.1 The contract between the Buyer and the Performer shall be deemed concluded when the Buyer issues a written purchase order and/or signs the contract.

2.2 Orders and purchase orders issued by the Buyer shall be considered accepted unless explicitly rejected in writing immediately upon receipt.

2.3 The Buyer may cancel a purchase order sent to the Performer if the Performer, within a maximum of 10 (ten) days from the date of receipt of the purchase order, has not confirmed such receipt in writing – "purchase order confirmation." The purchase order or purchase order confirmation may be exchanged between the parties electronically (via email, fax, etc.) if such means of communication have been expressly agreed upon between the Buyer and the Performer.

2.4 The Buyer reserves the right to cancel all given orders and purchase orders at any time, especially in the case of:

- if, despite one warning and an approved subsequent period of 5 (five) days, the Performer is late with the delivery of goods or provision of services from the day of the delay, and
- if proceedings for compulsory settlement, liquidation, bankruptcy, or a similar procedure are initiated or threatened to be initiated against the Performer.

3. Price

The prices stated in the order/contract are fixed and non-negotiable in the currency defined in the order/contract, for the period from the conclusion until the complete execution of the agreed delivery of goods and/or services, and are not subject to any price increases.

4. Complete Execution

The Contractor is obligated, within the scope of its deliveries and services, to perform all necessary deliveries and services to achieve the agreed result, even if they are not specified or do not appear in the inquiry, technical documentation, order, or other documents of the Buyer.

5. Price Formation and Transfer of Risk

5.1 The Contractor and the Buyer agree that the provisions regarding price fundamentals, transfer of risk, and customs obligations shall be governed by the applicable INCOTERMS terms.

5.2 The risk of loss or damage to the goods in the case of procurement of goods passes to the Buyer at the moment of handover, and in the case that the subject goods are installed or assembled, at the moment of completion of the acceptance of such assembly or installation, and after the completion of the test and the signing of the successful testing report.

5.3 Goods shipped by the Contractor to the Buyer must be accompanied by an appropriate packing list or shipping documentation, clearly indicating the Order Number. The Contractor is obliged to promptly notify the Buyer of the shipment along with the packing list.

5.4 If the Contractor does not handle the delivery of the goods and there are no other instructions from the Buyer, the Contractor is obligated to organize transportation with the care of a good businessman and under the most favorable market conditions.

6. Advance Payment

The Buyer pays the agreed advance only based on the issued invoice for the advance payment, accompanied by evidence of complete securing the repayment of the disbursed advance through a bank guarantee (in accordance with point 22.4. GTCP).

7. Partial Payment / Partial Delivery

7.1 The Buyer will make any partial payment defined in the order/contract only after receiving proof from the Contractor of the completed partial delivery of goods or services, in accordance with the agreed terms for that specific partial delivery or service (PAYMENT IN PHASES), and after taking delivery or accepting the service and receiving a valid invoice for the completed partial obligation.

7.2 The Buyer reserves the right to return undelivered partial deliveries and to cancel the remaining deliveries.

8. Invoices and Payment Terms

8.1 The Contractor will issue partial invoices and final invoices no later than thirty days from the date of the delivery of goods or services and their acceptance or approval, in accordance with the agreed terms.

8.2. Invoices will be issued in a format that allows the Buyer to review them using reasonable effort; they will be exclusively delivered by mail or in person (STUDEN-AGRANA Sugar Refinery Ltd., Brčko, Industrijska Street No. 4; 76100 Brčko District BiH; VAT-ID: 600216940000). Invoices for delivered goods and services will also include the order number. All documents necessary for approving the delivery of goods and services (quantity calculations, price calculations, drawings, delivery notes, documentation of working hours, successful test reports, etc.) will be attached in a completely transparent form. If multiple invoices are sent in one envelope, attachments must be securely fastened to the corresponding invoice. Invoices must comply with the applicable regulations of Bosnia and Herzegovina or the Brčko District, especially those regulating VAT. The Buyer has the right to return an invoice if it lacks any of the legally required elements.

8.3. In case an invoice is incorrect or does not contain all prescribed elements or is not in accordance with these GTCP, it will be returned to the Contractor for correction within 30 days, and the Contractor must provide a corrected invoice within 30 days. The payment term restarts upon receipt of a correct invoice. The Contractor agrees to issue a credit note in accordance with relevant legal provisions.

8.4. Agreed partial payments and the bank guarantee must be attached to the first invoice for partial payment. The bank guarantee will also be submitted along with the advance payment invoice to the address specified in these GTCP. The full delivery of goods or services will be invoiced in the final invoice, taking into account any reconciled damages/contractual penalties, premiums, and the like. The Contractor has no right to set off claims against the Buyer in relation to the Buyer's claims against them. By issuing the final invoice, the Contractor declares that they have invoiced all deliveries and services related to the execution of the specific contract/order and all other claims, explicitly waiving any other claims arising from that contract.

8.5. The final invoice is considered the invoice that was preceded by invoices for partial payments for partial deliveries of goods or services. Partial payments already made will be indicated in the final invoice.

8.6. Payment terms for partial and final invoices stated in the order/contract will be recalculated by the Buyer upon acceptance of the delivery of goods or services in accordance with the agreed terms and after receiving the invoice. Payment of invoices is only executed under the conditions specified in the order/contract. The Buyer will acknowledge packaging costs only if explicitly agreed upon.

8.7 The payment period starts from the moment when the goods or services are made available to the Buyer in the agreed-upon condition and from the date of receipt of a correct invoice.

9. Liability for Engineering Services

The Contractor guarantees the correctness and completeness of engineering services, consulting services, and all related documentation.

10. Responsibility for Documentation

The Contractor is aware of the special significance of fulfilling their obligations regarding documentation, in accordance with the agreed terms, and is responsible in case of late or incomplete submission of documentation.

11. Contractor's Liability to the Buyer

11.1 The Buyer shall not be liable for losses or damages caused by the Contractor to third parties.

11.2 The Buyer assumes no responsibility or joint liability for its participation in any delivery or service, including but not limited to delivery control, related to the delivery of instructions and documentation to the Contractor, etc. The Contractor waives any right to raise objections regarding the Buyer's liability on that basis.

12. Exercise of Rights by the Contractor

12.1 The Contractor must maintain accurate records of deliveries and services that have been performed but are not covered by the agreed scope of delivery of goods and services. This record must be submitted to the Buyer for written acknowledgment and recognition of the nature and scope of these deliveries of goods and services within seven days from the start of the delivery or service execution. Otherwise, all rights are forfeited.

12.2 Any other claims that the Contractor may have against the Buyer, regardless of the legal basis, must be communicated to the Buyer in writing with detailed evidence and specifying the exact amount of the Contractor's claim, within 14 days of the occurrence of the case that, in the Contractor's opinion, justifies such claims. Otherwise, these rights of the Contractor are forfeited.

13. Claims of Third Parties

The Contractor will consider the Buyer fully released from any responsibility and damage compensation claims by third parties caused by defects in the goods or improper execution of the contracted services.

14. Assignment / Pledge

Any assignment, pledge, or any other transfer of rights and obligations related to the contracted job by the Contractor is permitted only and exclusively with the express written consent of the Buyer.

15. Pledges and Retention Rights

15.1 The Contractor will not establish or take any action that would result in the establishment of any pledge, encumbrance, retention right, or any other type of right over the Buyer's assets or over the deliveries of goods/services or their parts.

15.2 The Contractor will ensure that similar provisions are included in all its subcontracts.

16. Insurance

16.1 The Contractor is obligated to arrange the necessary insurance for the scope of the contracted deliveries and services. Upon the written request of the Buyer, the Contractor is obliged to provide all necessary documentation required for verifying the validity of insurance coverage. The Contractor authorizes the Buyer to obtain information about the insurance policies concluded with the respective Insurance Company.

16.2 When entering into a contract with the Buyer, the Contractor commits to possess a valid liability insurance policy, covering non-contractual liability arising from the core activities for damages caused to third parties and their property. This insurance coverage is arranged per harmful event with the consent of the Buyer.

16.3 The Contractor undertakes, as needed by the Buyer, if the contractual obligation includes the delivery of goods to the Buyer's location, to provide insurance for the goods in international combined transport against general and other potential risks, depending on the characteristics of the goods and the type of transport used.

16.4 Depending on the subject of the contract, when performing work within the Buyer's premises, the Contractor commits, immediately upon signing the contract or before commencing the work, to conclude an insurance contract (insurance policy) covering damages caused by destruction, damage, or disappearance of insured items due to the work performed by the Contractor under the contract and/or subcontractors engaged by them. The insurance coverage should be for the amount of the contracted works, including coverage for existing property and the property of third parties, all subject to the prior approval of the Buyer regarding insurance terms.

16.5 The Contractor undertakes to conclude an insurance contract before commencing work for all risks of damage caused by vehicles and machinery in motion that will be used in the provision of services at the Buyer's premises. In the case of unregistered machinery, additional insurance must be obtained to cover damages caused while in motion.

16.6 The Contractor is obligated to pay their insurance premiums promptly and, upon the Buyer's request, provide confirmation from the Insurance Company regarding the due date and payment made.

16.7 However, the agreed or any other insurance does not limit the obligations and liabilities of the Contractor in any way. If the Buyer has no objections to the agreed insurance policies, the Contractor is still obliged to provide them upon the Buyer's request.

17. Place of Performance

The place of performance will be the final destination specified in the purchase order/contract. This applies specifically to the Contractor, concerning the delivery of goods, services, and payments, regardless of whether an agreement has been reached regarding the place of delivery of goods, services, or payment, or the possible assumption of transportation costs by the Buyer.

18. Delivery Conditions

18.1 The Contractor is responsible for adhering to all delivery conditions defined in the Buyer's purchase order/contract.

18.2 The Contractor will continuously monitor the goods to be delivered and promptly inform the Buyer of any identified defects and errors, especially those related to design and production. This also applies to changes in science and technology. If, after the delivery of the contracted goods, the Contractor determines that, due to these changes, the delivered goods contain defects or errors, they are obliged to immediately notify the Buyer and, at their expense, return all defective or erroneous goods.

18.3 Deliveries are made exclusively to the delivery location defined by the Buyer at the risk of the Contractor. Unless otherwise agreed, the DAP (Delivered at Place) Incoterms rule applies, and in the case of delivery to a construction site or directly to third parties, the Contractor bears the costs and risks of unloading the goods.

18.4 If delivery cannot be made to the agreed location for reasons attributable to the Buyer, the Contractor must immediately inform the Buyer.

19. Transfer of Ownership

The transfer of ownership to the Buyer occurs either upon the first payment, upon receipt of delivery (or part of the delivery), or upon acceptance of services (or part of the services) provided by the Contractor, depending on what occurs first. Retention of ownership by the Contractor is excluded.

20. Warranty / Guarantee / Complaints / Compensation for Damages

20.1 The Contractor guarantees that the delivery or service provided is complete, correct, and in accordance with the purchase order/contract. The delivered item is warranted to possess the usual properties necessary for the intended purpose, comply with the agreed specification, quality, and samples, and adhere to relevant legal regulations for the delivery of goods and services applicable at the place of performance or in the sales markets specified by the Buyer. In accordance with food safety standards, all equipment that comes into direct contact with food must have a Declaration of Conformity, where the Contractor is also obliged to use materials according to EU standards and technical norms, materials that are allowed in the food industry. The Contractor is responsible for all defects during the warranty period, regardless of whether the defects existed at the time of delivery.

20.2 The Contractor will clearly and unambiguously draw the Buyer's attention to risks that are typically expected during the delivery of goods and the provision of services. The Contractor is equally responsible for deliveries of goods and services that they personally execute, as well as for parts of deliveries executed by their subcontractors.

20.3 Only weights or quantities determined after receipt or acceptance of the delivery of goods or services, or other quantities defined in the purchase order/contract, will be relevant, disregarding any previous weighing or counting. Any deviations (losses) in weight, numbers, or quantities will be considered defects.

20.4 The Buyer is obligated to inspect the received delivery of goods or services in the usual manner or have it inspected as soon as it is possible according to the normal course of business, and promptly notify the Contractor of any visible defects.

20.5 If the Buyer discovers defects in the received goods or services that could not be detected by a usual inspection at the time of receiving the delivery or service (hidden defects), the Buyer must promptly notify the Contractor of such defects.

20.6 The Buyer does not forfeit this right by the expiration of a certain period from the moment of receiving the delivery or service.

20.7 The Buyer, who has timely and properly notified the Contractor of a defect, may: a) demand that the Contractor rectify the defect or deliver another item without defects within a reasonable period determined by the Buyer, b) demand a price reduction, and c) declare the contract terminated without observing a notice period. In each of these cases, the Buyer is entitled to compensation for damages. Additionally, and regardless of this, the Contractor is liable to the Buyer for any damages suffered by the Buyer on other of its assets due to defects in the delivered goods, following general rules of liability for damages.

20.8 The warranty period according to the purchase order/contract is at least 24 months after the receipt of delivery or completion of services. This does not apply to compensation for damages periods. The warranty period begins anew for repaired or replaced parts of goods or works within the warranty period. The warranty period is extended for the period in which the Buyer was deprived of the use of the goods or works due to defects.

21. Guarantees / Insurance Instruments for the Return of Paid Advances, for Proper Job Execution, and for Rectifying Defects During the Warranty Period

21.1 The Buyer has the right to retain a cash amount, up to a maximum of 10% of the total order value, as a guarantee for the proper execution of the job, in accordance with the defined work in the purchase order/contract. The Buyer has the right to retain it, without interest, as insurance for the warranty rights, for a period of 30 days after the expiration of the warranty period.

21.2 However, the Contractor has the option to replace the cash guarantee for the proper execution of the job at their own expense with a bank guarantee containing the clauses 'irrevocable,' 'without objection,' and 'on first demand,' issued by a bank approved by the Buyer and payable on the first demand, with a duration of the agreed/legally stipulated warranty period plus at least 30 days from the expiration of the warranty period.

21.3 For the purpose of rectifying defects during the warranty period, the Buyer may request the Contractor, no later than the day of the delivery of goods or acceptance of works, to provide the Buyer with a Bank Guarantee in the amount of at least 10% of the total agreed price of the delivered goods or executed works, with a validity period for the contracted warranty plus 30 days after the expiration of the warranty period, starting from the date of delivery of the goods or the relevant works.

21.4 As security for the paid advance, the Buyer may request the Contractor to provide and deliver a bank guarantee in the amount of the agreed advance, valid until the completion of the delivery of goods and/or provision of services, issued by a first-class bank acceptable to the Buyer, containing the clauses "on first demand" and "without objection."

21.5 In exceptional cases and with the explicit written consent of the Buyer, the Contractor may, as a substitute for the guarantees mentioned in the previous points, provide certified and blank-signed 2 (two) promissory notes from an authorized representative of the Contractor, with the clause "without protest," issued in accordance with the Bill of Exchange Act, along with the completion of bill statements, enforceable against the entire property of the Contractor.

21.6 The administrative costs of obtaining a bank guarantee or promissory notes will be borne by the Contractor.

22. Moment of Fulfillment of the Contract

22.1 Delivery deadlines start from the date of the purchase order. Compliance with the agreed-upon date or delivery period will be determined based on a confirmation of receipt issued by the recipient or at the place of execution defined by the Buyer or by signing the acceptance report.

22.2 Unless otherwise agreed, the Contractor is obligated to deliver the goods or perform services without delay and within a reasonable time. This presumed or agreed-upon period begins to run from the date of the Purchase Order. The Contractor will be considered to have timely completed the delivery if the goods subject to delivery are handed over to the Buyer within the agreed-upon time and at the agreed-upon location. Similarly, the service will be deemed timely provided if the Buyer accepts the works within the agreed-upon time and in the agreed-upon manner. The acceptance of assembly, installation, and similar works represents a relevant moment for assessing the timeliness of the delivery of goods in the case that the delivery of goods is agreed with assembly, installation, etc., or if it arises from the circumstances of the specific case.

22.3 If, under the circumstances, the Contractor can assume that they will not fulfill the obligation to the Buyer within the agreed-upon time, they are obliged to immediately and without delay inform the Buyer about this assumed delay. By accepting a delayed delivery of goods and services, the Buyer does not waive the right to objections.

23. Contractual Penalties (Monetary Penalty/Lump Sum Damages)

23.1 If contractual penalties (e.g., penalties for late delivery of goods or services, including delayed documentation; penalties for failure to meet agreed-upon performance characteristics such as availability or capacity of facilities, etc.) are agreed upon through negotiation protocols, purchase orders/contracts, etc., the Buyer has the right to activate them in the specified cases by withholding payment of (final) invoices for deliveries of goods or services that were not done in

accordance with the agreement, without reserving this right at the time of receiving the delivery of goods or services.

23.2 If not otherwise regulated by negotiation protocol or purchase order/contract, the following general rules apply:

If the Contractor breaches their contractual obligations, including the provisions of these General Terms and Conditions (GTC), the Buyer has the right to claim a contractual penalty in an amount of up to 10% of the agreed-upon price for the relevant goods or services. However, the contractual penalty does not limit the right to compensation for damages exceeding the amount of the contractual penalty.

If the Contractor fails to properly fulfill their contractual obligations, they are obliged to pay contractual penalties in defined cases and amounts.

In case of changes to the agreed-upon cases of contractual penalties between the conclusion and the termination of the legally binding relationship between the Buyer and the Contractor in writing, the newly defined cases are subject to the obligation to pay contractual penalties.

The obligation to pay contractual penalties for the Contractor arises at the moment of the occurrence of the contractually defined case.

Payment of contractual penalties does not release the Contractor from their contractual obligations or the liabilities arising from them.

The Buyer and the Contractor agree that the defined contractual penalties cannot be reduced by a court.

23.3 The Buyer's failure to request a contractual penalty upon receipt of performance in no way constitutes a presumption that the Buyer has waived such a claim. The Buyer is authorized to claim a contractual penalty until the final settlement and payment, in which case they are entitled to reduce the payment to the Contractor by the amount of the contractual penalties.

24. Termination of Contract (Breach of Contract)

24.1 In the event of delayed delivery of goods or services caused by the fault of the Contractor (or its subcontractors) or without fault of the Contractor, the Buyer has the right, after the approval of a reasonable written notice period (determined at its discretion), to partially or completely terminate the contract. The Contractor is liable for all damages incurred due to incomplete fulfillment of the contract (e.g., delayed deliveries, including delayed documentation; non-possession of guaranteed characteristics of goods or services, etc.) or direct additional costs of any kind.

24.2 In the event of such termination of the contract, the Contractor will not be entitled to any claims against the Buyer.

25. Written Form

25.1 Amendments or supplements to the contract are exclusively agreed upon in writing.

25.2 The obligation of the written form also applies to mutual waiver of the written form.

26. Safety Clause for Works and/or Installation Services

26.1 If the contract defines the installation of goods and/or services, it will be carried out in accordance with applicable legal provisions and professional rules, at the agreed place of performance, while adhering to all relevant occupational safety and health regulations (employee protection) and accident prevention measures.

26.2 The Contractor undertakes to provide all licenses and approvals for the company and employees engaged in carrying out the work/services (list of employees and their certificates, licenses for construction work, health examinations of workers working at heights, etc.) before commencing the work or providing services.

26.3 The Contractor assumes responsibility for the safety of its employees (including any employees of third parties engaged by the Contractor) throughout the entire duration of the works and/or installation services. Machines and equipment delivered to the Buyer must comply with the relevant safety standards prescribed by the laws of Bosnia and Herzegovina.

27. Severability Clause

If any provision of these General Terms and Conditions proves to be void or partially void, the remaining provisions shall remain in force. In that case, the Contractor and the Buyer are obliged to replace the void provision with a provision that is closest to the economic purpose that the contracting parties intended to achieve with the void provision.

28. Confidentiality – Data Protection

28.1 The Contractor undertakes to keep confidential all information related to the Buyer or the subject of the contract unless such information becomes publicly known or is lawfully obtained by the Contractor in some other way. Additionally, the Contractor agrees to keep as confidential any results or partial results obtained in the execution of the Purchase Order and to use them exclusively for the execution of the existing Purchase Order. If the Contractor engages a third party to fulfill its contractual obligations, the Contractor must ensure that this third party is contractually bound to the same level of confidentiality.

28.2 The same applies to personal data related to employees of the Buyer or any third party, obtained by the Contractor in connection with the contract. The Contractor is obliged to protect this information from access by any third parties, ensure compliance with the Law on Personal Data Protection, and impose on its employees performing duties related to the contract the same level of confidentiality.

28.3 If, for the performance of obligations, the Buyer provides the Contractor with drawings, projects, sketches, designs, tools, or gives instructions and advice that are or may be subject to intellectual property protection, these remain the property of the Buyer. The Contractor is obligated to use such provided items only for the performance of its obligations to the Buyer and to return them to the Buyer upon the completion of these obligations. Any transfer of these items and information to third parties is possible only with the written consent of the Buyer. After fulfilling its obligations, the Contractor is obliged to return all provided items to the Buyer or destroy all media containing information according to this provision.

29. Applicable Law and Court Jurisdiction

29.1 For Contractors from Bosnia and Herzegovina, the laws of Bosnia and Herzegovina and the Brčko District of Bosnia and Herzegovina exclusively apply, and the competent court is the Basic Court of the Brčko District of Bosnia and Herzegovina.

29.2 If the Contractor is domiciled outside of Bosnia and Herzegovina, within or outside the European Union, all disputes arising from or relating to this contract, including breaches and termination of the contract, will be resolved in accordance with the rules of the UN Convention on Contracts for the International Sale of Goods.

29.3 Disputes arising from or relating to this contract, including breaches and termination, will be settled before the Arbitration Court at the Foreign Trade Chamber of Bosnia and Herzegovina, based in Sarajevo, Bosnia and Herzegovina. The arbitration proceeding is conducted in the official languages of Bosnia and Herzegovina.

30. Employees

The Contractor is responsible for ensuring compliance with all legal norms related to work execution in the factory complex, including employment regulations, particularly proper reporting of employees to pension and disability, health, and injury insurance, compliance with legal measures for employee protection, and laws regarding the employment of foreigners. This also applies to employees of individual subcontractors and any employees of third parties.

31. Code of Conduct and Compliance contractual clause

We adhere to internationally recognized standards for environmental protection, labor, and social standards. We expect our Contractors to uphold the same level of conduct.

In the course of agreement, both Parties agree to adhere to the STUDEN-AGRANA Sugar Refinery Code of Conduct, which is attached and/or available at our internet site.

STUDEN-AGRANA Sugar Refinery reserves the right to monitor the adherence to the Code of Conduct. If the business partner becomes aware of a violation of the principles of the agreed Code of Conduct, it must notify STUDEN-AGRANA Sugar Refinery immediately and agrees to take appropriate measures to stop the violation and minimize the damage.

As a final measure, STUDEN-AGRANA Sugar Refinery reserves the right to terminate any contract immediately.

www.studen-agrana.com

To the same extent, we expect such behavior from our business partners.