1. **Scope of validity**

1.1 These conditions of purchase (unless otherwise agreed in written form) shall apply to all deliveries and / or services suppliers and / or contractors Metalne Industrije d.o.o. Prijedor (hereinafter: Purchaser).

2. **Order**

2.1 Regardless of the submitted offers, only is binding the contents of the order which in written form is given by the our department of purchase.

2.2 Orders of purchaser are legally valid only when they are given by purchaser in printed form or by computer data transfer. This also applies on changes and / or additions.

2.3 The supplier and / or contractor have to comply the dimensions, quantity and quality specified in our order. For products with the requested proof of the quality (attests), the supplier have obligation to send a copy with the product, and the second copy (copy) by fax to number + 387 52 215 811 or e-mail prodaja@mip.rs ba. If the required evidence of quality (attests) are not received by the due date of the product, the date of receipt of the product, and the deadline for payment shall be calculated from the date of receipt of the required proof quality (attests). The supplier or contractor is fully responsible for the quality of supplied goods and / or services. In case the proof of quality (attests) is not submitted within a reasonable time after receipt of the product (at least 5 working days), and if the contractor because of respect own delivery dates have to execute quality testing for the verification of the quality of purchased products personally and / or through a third party authorized bodies, costs in connection with this examination will be at the expense of the supplier. In cases where the purchaser have requires from customer, and purchaser have to check the quality of delivered products because verification of product quality which incorporates in products of our customer, if there checks confirmed by independent authorized bodies are not complying with the information given in evidence of quality (attests) given by the supplier and / or contractor, the cost of such testing will be at the expense of the supplier and / or contractor.

3. **Confirmation of the order**

3.1 The order is confirmed in written form or disputed. If the supplier does not confirm the order within 2 working days from the date of issuance of the order, purchaser will consider that the order is confirmed completely. As long as we do not receive confirmation of order that the order is in full acceptance, the purchaser hold the authority to withdraw the order without giving reasons for the withdrawal. The withdraw of order is timely if withdraw is executed before getting confirmation of
order. Deviations from the orders will be considered acceptable only if approved in writing by representatives of the customer purchases.

3.2 With giving their offers or accepting orders, supplier and / or contractor assumes responsibility that the information given by the purchaser or third party which they in connection with the order, are checked, and also that accuracy and completeness are provided.

3.3 Any annexes of orders, technical or commercial nature form are integral part of the orders.

In case of contradictions in the documents which constitute the documentation of orders, shall apply the following schedule of priorities:

1. Text of Purchase

2. The specific technical and / or commercial conditions and their contributions

3. MIP doo general conditions of procurement

4. The time of delivery and control

4.1 In relation to the delay of delivery or performance of the services, the supplier and / or contractor have to immediately in written form inform the purchase department of purchaser, with inducement of reasons for the delay and the expected time delay. In this case, the deadline will be extended only if it is in written form adopted by the purchaser. Any agreed request for price reduction does not stand out as a result of mutually agreed extended deadline of delivery or performance, and will be counted from the date of when the delivery and / or services completed in full. In case the partial delay delivery over the allowed reasonable time given by the Purchaser, the Purchaser shall be entitled to withdraw from orders / contracts, partially or in total.

4.2 Competence for timeliness of delivery and / or services, is the date of execution on the order / contract. In accordance with the agreed scope of delivery and / or services, hereby includes also setting up proper installation, providing the required documentation in scope, giving the necessary instructions, etc.

4.3 The Purchaser is entitled to by prior appointment, visit a workshop of supplier and / or contractor and his subsupplier / subcontractors, how be inform about the state and quality of the contracted work, or because of obligation to take a delivery in the workshop of supplier.

5. The price, terms of payment

5.1 The prices are considered to be fixed in accordance with specified in the order, including documentation, packaging and all that associated costs.

5.2 The payment is (unless otherwise is not agreed in written form) is usually 30 days from receipt of the invoice and acceptance of goods with 3% commercial discount, or 60 days net. To complete the
removal of shortcomings, the purchaser authority is entitled to withhold payment in part or in full, while demand for commercial discount remains fully in force. For the duration of the warranty period, the purchaser keep authority to hold 5% of the contract value in order to guarantee the quality of supplies and / or services.

5.3 The deadline for payment is considered to be complied when the order for transfer of funds to the supplier and / or contractor submitted to the bank.

6. Conditions of delivery, shipping, packaging

6.1 Unless otherwise is not stated in the order / contract, the goods / services are delivered FCA site suppliers to Incoterms, the last edition. With delivery is given the dispatch with all the information from the order such as, number of order, number of items from the order, the exact name of the goods.

6.2 Partial, excessive or reduced shipments are permitted only with the written consent of the purchaser.

6.3 The specific requirements for the product, for example such as products are the subject of the rules for chemicals, it is in accordance with the regulations of the packaged and labeled, and shall be accompanied by legally proper security documentation, as well as other related forms that can be provided at the expense of the supplier / contractor.

6.4 The Purchaser is entitled to the technical documentation of supplier / or his suppliers and of subsupplier transferred to its customers or end users.

7. Invoicing, reports about services performed

7.1 An invoice is issued and sent with specified number of related orders, as well as all other related information orders and delivery notes, and for the delivery from country and with the tax identification number of the customer. Invoices to customer and delivery constitute so that their connection with the corresponding purchase order can be clearly seen. The height of the invoice or individual prices should correspond to the order by the number of pieces, weight and quantity, and to coincide with the actual quantities of delivered goods and / or services. Only under these criteria made invoices enable compliance with the deadline for payment, and the deadline for the commercial (discount). Invoices that are inconsistent with these conditions shall be considered undefined and maturity to pay accordingly will not imply.

8. Delay of delivery and service, penalties, withdrawal orders

8.1 The supplier / contractor have to strictly respect the agreed term of delivery / service. The supplier / contractor in this regard shall take all precautions on their own expense. In case of delay delivery / services, the contractor is authorized for delay unfairly supplier / contractor and based on valid evidence of the damage to the client, the application of the supplier / contractor fee of 1% of the total
order value for each week of delay. The obligation of the supplier to meet the requirements of the order / contract remains this provision is not changed.

8.2 The request for compensation for the delay is limited to 10% of the total order value.

The supplier / contractor shall immediately after determining the risk of delays, detailed notify the customer in writing.

8.3 If it is considered that the supplier / contractor of goods / services will be delivered by the agreed deadline, the Purchaser shall be entitled to the cost and risk of the supplier / contractor to take all necessary measures to prevent delays.

8.4 In the case of visible financial difficulties of supplier / contractor, the contractor also keep the authority to immediately withdraw the order. Legal consequences in this case are the same as for the excessive delay. In this case, all additional costs incurred for the client will be subtracted from the invoice of the supplier / contractor or be invoiced to the supplier / contractor.

8.5 In the event of bankruptcy proceedings supplier / contractor, the contractor authority is entitled to regardless of the consequences of legal proceedings withdraw all or part of the order / contract. The Supplier / Contractor shall notify the customer immediately of such circumstances.

9. Assumption of the goods, guarantee

9.1 The Contractor is not obliged to immediately after delivery / services performed control of delivered order items and inform the supplier / contractor about identified defects, but it will be done in the shortest possible period of time, and will inform the supplier / contractor immediately after discovering the defects.

9.2 Payment of invoices shall not constitute a waiver of complaint (if defects are identified after the payment ), or other types of claims. In case of complaints, payment to suppliers / contractors can be fully retained in the amount of the purchase price of the advertised delivery / service.

9.3 The supplier / contractor shall at his own expense and risk eliminate the defects by repairing or replacing or with new delivery. If the supplier / contractor does not fulfill its obligations without delay, the contractor is authorized to defects remove personally or through by third party, but the expense and risk bear the supplier / contractor.

9.4 In the case of engineering, consultative, software and other services as documented in the case of sending personnel, the supplier / contractor undertakes the overall guarantee for the accuracy and integrity of their written and verbal information and instructions.

9.5 In case of excess or reduced deliveries or deviations in quality, the supplier shall reimburse all costs incurred due to additional controls, packaging, return dispatch or storage and the like. Return shipment of non-commissioned or over-delivered goods going in any case at the cost and expense of the supplier.
10. Training, documentation

Delivery of technical equipment and devices (unless otherwise agreed in writing) supplier shall provide the free training / customer staff. For delivery of equipment and facilities whose installation will be carried out by third parties or the purchaser, the supplier will submit the necessary plans for installation and data sheets.

11. Compensation for damage, product liability

11.1 In the case that the supplied goods / services from the order have defects and if the contractor as a result of this defect received the complaint by his customer, the cost of claims in accordance with valid evidence of the guilt of the supplier / contractor will fall at the supplier / contractor.

The supplier / contractor shall furthermore without delay the goods with an error return at their own expense and risk.

12. Sub-suppliers and suppliers

12.1 The supplier / contractor guarantees for products / services of their sub-suppliers / subcontractors as well as for their own products / services, such as the items of the order its entirety personally committed.

12.2 The Supplier / Contractor is responsible for forwarding to their sub-suppliers / subcontractors all related requirements of our procurement documents, if the same are necessary for the proper execution of the order / contract specified delivery / service.

13. Operation in the premises of the customer

If the contractor performs work for the client (for example in one of the drive room the customer, or at the site, the customer or the end customer, he must comply with procuring entity or its customer valid rules for fire protection, protection of workers, environmental protection and other regulations. The contractor will about these rules personally informed or will obtain from the client. the Contractor shall be responsible to the client for any damage caused by the violation of these rules.

14. Prohibition of assignment, transfer, transfer of ownership

The supplier / contractor shall not his contractual rights and obligations transferred to third parties without the express consent of the customer.

15. Confidentiality

15.1 The supplier / contractor undertakes to all information or documents obtained in connection with the order / contract be treated in accordance with the rules of confidentiality. He has an obligation to its employees bound by the confidentiality of such information / data. Any transfer of such information to third parties, as well as making a photocopy of the contract documents, requires the express written
consent of the client. In case of violation of the preceding provisions, the purchaser is also entitled to cancel the order / contract in whole or in part.

16. General

16.1 The written form of these conditions is valid also if it is sent by fax or by e-mail in PDF format.

16.2 The supplier / contractor undertakes to immediately inform the customer about changes to processes, production definitions that affect the contracted work and if necessary approval client.

16.4 If any provision of these conditions be or become invalid or ineffective, this will not affect the other provisions. Invalid provisions will be offset by the replacement provisions in terms of legal and economic efficiency are the most appropriate. In the same way will be filled any holes (defects) contract.

17. Justiciary, Applicable Law

All disputes arising from contractual relationships with suppliers / contractors will be settled amicably, and if this is not possible, the competency of arbitration at the Chamber of Commerce of the Republika Srpska (Bosnia and Herzegovina), based in Banja Luka, and the jurisdiction of the Foreign Trade Arbitration at the Chamber of Commerce of the Republika Srpska in the event of disputes with foreign partners, and the competence of Arbitration at the chamber of Commerce of the Republika Srpska in the event of disputes with local businesses.

The preferred arbitration clauses which must contain individual contracts, reads as follows:

"All disputes, disagreements or claims arising from this contract and in connection with it, including disputes relating to its valid creation, breach or termination, as well as to the legal consequences resulting from it, shall be finally settled by arbitration in accordance with the Rules of the Foreign Trade arbitration at the chamber of Commerce of the Republika Srpska / Rules of arbitration at the chamber of Commerce of the Republika Srpska. "

Regulations on arbitration are available on the website of the Chamber of Commerce of the Republika Srpska , www.komorars.ba - http://www.komorars.ba/pkrs/static/92/regulativa_PKRS link, or the seat of the arbitration in the Chamber of Commerce of the Republic of Serbian in Banja Luka, address: Đure Daničića 1 / II, 78 000 Banja Luka, as well as on telephone number +387 (0) 51 / 215-784.