

**Note:**

The translation from the Serbian language to the English language of the General Terms of Joint Stock Telecommunications Company Telekom Srbija Beograd for Technical Support and Maintenance Services in Post Warranty Period and Services of Equipment Repair and Servicing is provided to inform in English all interested parties about the contents of the document which is the subject of the translation.

The Joint Stock Telecommunications Company Telekom Srbija Beograd particularly points out that the version of the text "General Terms of Joint Stock Telecommunications Company Telekom Srbija Beograd for Technical Support and Maintenance Services in Post Warranty Period and Services of Equipment Repair and Servicing, number 475387/1-2015 dated 16/12/2015", which is the subject of the translation in this document and published in the Serbian language on the Internet page <https://www.mts.rs/otelekomu/javne-nabavke/opsti-uslovi> is exclusively and solely legally valid and applicable.

**Belgrade, Takovska 2****Number:****Date:**

## **General Terms of Joint Stock Telecommunications Company Telekom Srbija Beograd for Technical Support and Maintenance Services in Post Warranty Period and Services of Equipment Repair and Servicing**

The General terms of the Joint Stock Telecommunications Company Telekom Srbija Beograd for technical support and maintenance services and services of equipment repair and servicing (hereinafter: General Terms) determine the uniform rules for all domestic commercial companies which are contractual partners of the Joint Stock Telecommunications Company Telekom Srbija Beograd (hereinafter: the Client) in terms of regulating mutual relations regarding the provision of technical support and maintenance services in the post warranty period and the services of equipment repair and servicing. The Purchase Order shall specify these rules and obligations of the Parties determined by the General Terms for the particular project. The Client may change, supplement or replace the General Terms by other General Terms in accordance with its business policy, whereas the General Terms in force at the moment of the Purchase Order effective date shall be applied to each particular project.

### **Article 1 Definitions**

Particular expressions used in the General Terms shall have the following meanings:

- 1) **The Client** means the Joint Stock Telecommunications Company Telekom Srbija Beograd;
- 2) **The Service Provider** means an entity bound by the Purchase Order concluded with the Client to provide the Services which are the scope of the particular project;
- 3) **The Parties** means collectively the Client and the Service Provider, and individually the "Party";
- 4) **General Terms** means the general terms for the Services applied to all activities of Service provision. The General Terms shall apply to everything not specifically regulated by the Purchase Order;
- 5) **Purchase Order** means the terms for provision of Services for the particular project, signed with the selected bidder upon conclusion of the procurement procedure by the Client. The following important elements per particular procurement of the Client shall be determined by the Purchase Order: the scope and description of Services, value of the Purchase Order, payment terms, period and place of Service provision and other important elements for the implementation of the particular project. Attachments to the Purchase Order are as follows: accepted Service Provider's bid, Service specification, description and manner of Service provision and other documents relevant for the implementation of the particular project. By conclusion of the Purchase Order, the Service Provider accepts these General Terms as an integral part thereof;
- 6) **Services** means the services of technical support and maintenance of the Client's equipment in the post warranty period, as well as services of equipment repair and servicing.

## **Article 2 Scope of General Terms**

The scope of the General Terms is to regulate the mutual relations of the Parties regarding the provision of Services which are specified in detail in the Purchase Order. The Service Provider shall provide the Services all in accordance with the Service Provider's bid which has been accepted by the Client, as well as with the attachments which shall make an integral part of the Purchase Order.

## **Article 3 Value of Purchase Order**

The value of the Purchase Order is the value of Services for the particular project stated in the accepted Service Provider's bid and the Purchase Order.

Unit prices of the Services stated in the Purchase Order shall be fixed (unchangeable) for the period of Service provision.

## **Article 4 Payment terms**

The Payment for the provided Services shall be effected by the Client in accordance with the applicable Financial Policy of the Client and shall be specified in the Purchase Order.

## **Article 5 Elements and manner of invoice submission**

The invoice must include all the elements prescribed by the Law on Value Added Tax of the Republic of Serbia and the by-laws.

The invoice with the accompanying documents shall be submitted in 3 copies (1 original + 2 copies) to the Client's file room indicating the competent organizational unit of the Client, which shall be stated in the Purchase Order.

The invoices which are not made in accordance with the above stated shall be returned to the Service Provider and the payment shall be deferred to the detriment of the Service Provider until the correct invoice is submitted.

The time limit for the issuance of the invoice shall be 3 (three) days from delivery date at the latest.

## **Article 6 Place and period of Service provision**

The Place and period of service provision shall be stated in the Purchase Order.

## **Article 7 Liquidated damages**

Depending on whether the completion dates for Service provision are expressed in days and/or hours, the following provisions on liquidated damages shall apply:

### **For completion dates expressed in days**

In case of delay in the performance of Services due to the reasons attributable to the Service Provider, the Client shall have the right to collect the liquidated damages in the amount of 0.2% (two per mille) of the value of the delayed Services, for each day of delay, and maximum up to 10% (ten per cent) of the total value of the Purchase Order for all delays during the contracted period.

The Client is entitled to collect the liquidated damages without a specific notice to the Service Provider by issuing the relevant calculation with payment term of 15 days as of the issuance date thereof.

The collection of liquidated damages does not exclude the Client's right to indemnification.

### **For completion dates expressed in hours**

In case of delay in the performance of Services due to the reasons attributable to the Service Provider, the Service Provider agrees that the liquidated damages shall be collected in the following manner:

BS x COS

where:

BS – number of hours from the expiration of restoration time, until the hour of the failure repair.

COS – price for an hour of Services calculated by the formula (KCO/90/24)

KCO represents the quarterly price for the provision of Services. In case several systems are supported, KCO shall be calculated for each system separately.

In case of delay in performance of Services expressed in hours, in any event, liquidated damages may be maximum 10% of the total value of the Purchase Order for all delays during the contracted period.

The Client is entitled to collect the liquidated damages without a specific notice to the Service Provider by issuing the relevant calculation with payment term of 15 days as of the issuance date thereof.

The collection of liquidated damages does not exclude the Client's right to indemnification.

The liquidated damages from this Article can be applied only in cases when the registration of failure has been performed by the professionally trained staff of the Client in accordance with the procedure for failure registration and when the problem solving process is entirely in accordance with the procedure stated in attachment to the Purchase Order.

### **Article 8 Performance bond security instrument**

Depending on the value of the secured amount, the Service Provider undertakes to submit the relevant performance bond security instrument.

#### **Performance bond security instrument for the value of secured amount of up to RSD 3,000,000.00**

The Service Provider is obliged, upon the Purchase Order signature and within 5 days after the Purchase Order effective date at the latest, to submit to the Client the signed, certified and registered blank promissory note with endorsement letter for good and timely performance of all the Service Provider's contractual obligations.

The Model of Endorsement Letter is given in Attachment 1 hereto.

The Endorsement Letter shall be issued in the amount of 10% of the total value of the Purchase Order and shall be valid for further 30 days after the expiration of the contracted period for Service provision. When the scope of Services is equipment repair and servicing, the endorsement letter shall be valid for further 30 days after the expiration of the warranty period for the repaired/serviced equipment.

The promissory note shall be collected if the Service provider fails to fulfil its obligations as provided for under the General Terms and the Purchase Order.

If the promissory note is collected by the Client, the Service Provider is obliged to provide new, signed, certified and registered blank promissory note under the same conditions.

In case of automatic extension of the Purchase Order, according to Article 20 hereof, the Service Provider undertakes to issue a new endorsement letter which shall be valid for further 30 days after the expiration of the new period of Service provision.

#### **Performance bond security instrument for the value of secured amount of over RSD 3,000,000.00**

The Service Provider undertakes, upon signing of the Purchase Order and within 5 days after the Purchase Order effective date at the latest, to provide and submit to the Client an irrevocable and unconditional bank guarantee for good and timely performance of all Service Provider's contractual obligations, payable on first demand and without objection.

The bank guarantee shall be issued by a bank acceptable for the Client in the amount of 10% of the total value of the Purchase Order, made in accordance with Attachment 2 hereto. The performance bond security instrument shall be valid for further 30 days after the expiration of the contracted period for Service provision. When the scope of Services is equipment repair and servicing, the performance bond security instrument shall be valid for further 30 days after the expiration of the warranty period for the repaired/serviced equipment.

The Client is entitled to collect the performance bond security instrument if the Service provider fails to fulfil its obligations as provided for under the General Terms and the Purchase Order.

The costs of the bank guarantee shall be borne by the Service Provider.

In case of automatic extension of the Purchase Order, according to Article 20 hereof, the Service Provider undertakes to provide a new bank guarantee or extend the validity of the issued bank guarantee.

## **Article 9 Obligations of the Parties**

During the provision of Services, the Service Provider shall:

- provide Services professionally and in accordance with the terms and conditions from the General Terms and the Purchase Order;
- engage the personnel having professional knowledge of a specific Service to be provided;
- perform all obligations from the description and manner of Service provision stated in attachment to the Purchase Order;
- make sure that all personnel of the Service Provider adhere to reasonable requests of the Client in regard to access to the equipment and safety policies while providing services at the Client's premises (if the Services are provided at facility);
- if, when providing the Services, it comes into contact with personal data of the Client's users, act in all according to the applicable Law on Personal Data Protection.

The Client guarantees to the Service Provider the physical access to the facility necessary for the performance of Services and agrees to ensure the availability of working premises and means at the facility which are necessary for the provision of Services (if the Services are provided at facility). The Client also agrees to provide remote access to the equipment for which the Services are provided.

## **Article 10 Safety measures and damage rectification (if the Services are provided at facility)**

The Service Provider is obliged to undertake all prescribed measures for safe work at the facility and around the facility, to secure the facility during the provision of Services against fire and other kinds of damages, and shall be solely responsible for the damage that could occur due to the non-compliance with this provision and the provisions of general regulations related to the safety measures at work.

During the performance of the Purchase Order, the Service Provider undertakes to hold the Client harmless against all liabilities arising out of any omission or action of the Service Provider which violate the law, General Terms or terms of the Purchase Order.

The Service Provider undertakes to be solely responsible for the damage it causes during the provision of Services, due to non-compliance with legal and contractual provisions related to safety measures at work and shall reimburse the caused damage to the Client.

## **Article 11 Service provision exceptions**

The services to be provided by the Service Provider under the Purchase Order shall not include the services arising out of the following:

- in case of the damage to the equipment caused by a third party or the Client,
- in case of any modifications, removals or deletions of the code serial number or other identification features made by anyone except by the authorized personnel of the Service Provider,
- exploitation and management of the equipment which are different from those described in the relevant manuals of the equipment manufacturer (if such services occur as the consequence of the aforesaid actions),
- damages occurred due to the transport from the Client to the Service Provider, and for which the Client is responsible,
- damages occurred due to the Client's power supply network except damages caused by the equipment delivered by the Service Provider.

The said provision shall not apply to repairs and servicing of the equipment, when it is expressly stated in the Purchase Order.

## **Article 12 Notices and contacts**

All written notices required for the performance of the Purchase Order shall be delivered via electronic mail to the addresses which shall be stated in the Purchase Order.

In case of a change in the stated data, each Party is obliged to inform the other Party thereof.

## **Article 13 Force Majeure**

If Force Majeure events obstructing or preventing the performance of contractual obligations occur after the conclusion of the Purchase Order, the time limits for the performance of the contractual obligations of the Parties shall be justifiably extended for the period of the Force Majeure event duration.

Force Majeure assumes extreme and extraordinary events that cannot be predicted, that occurred without the will or influence by the Parties, and that could not be prevented by the affected Party. As Force Majeure events can be understood, but without limitation to, such events as floods, earthquakes and fire, political events (war, large-scale riots, and strikes), imperative decisions of the authorities (ban on export and import traffic). The lack of semi-products and labour will not be considered as Force Majeure.

The Party affected by Force Majeure shall forthwith inform the other Party in writing about the occurrence of unpredicted circumstances and provide the other Party with appropriate evidence.

If the circumstances of Force Majeure are present for more than 3 months, each Party shall have the right to terminate the Purchase Order.

## **Article 14 Termination of Purchase Order**

Should the Client become entitled to maximum amount of liquidated damages, the Client may invite the Service Provider by notice in writing to complete the performance of the Purchase Order, taking into account the technical and other relevant conditions as well as all delays already occurred. If the Service Provider fails to complete the performance in the given period of time, the Client is entitled to forthwith terminate the Purchase Order by notice in writing to the Service Provider. Either Party may terminate the Purchase Order by notice in writing to the other Party on the occurrence of any of the following events:

- If the other Party commits a breach of the General Terms and terms of the Purchase Order and after the receipt of a written notice specifying the breach or default of the General Terms and terms of the Purchase Order fails to remedy the breach within 30 days or any other longer period of time set forth in the said notice, and such period of time shall be reasonable taking into account all relevant circumstances;
- If bankruptcy proceedings are instituted against the other Party or the Party becomes insolvent and such proceedings are not dismissed within 90 (ninety) days from the date of proceedings initiation;
- In case of Force Majeure, in accordance with the provisions of Article 13 hereof.

The provisions set forth in the General Terms, that are expressed or by their sense and context are intended to survive the expiration or termination of the Purchase Order shall so survive the expiration or termination thereof such as rights and obligations arising from the provisions on confidentiality.

## **Article 15 Confidentiality**

The term "Confidential Information" means any information, written or said, which one Party discloses to the other Party regarding the particular project, such as information or data concerning products of any Party or its business operations and all planned acts in production, support or services, which the Parties exchanged under the concluded Purchase Order, but which have been clearly and visibly stated or adequately indicated (by legend or otherwise) as "confidential or protected" at the time of their disclosure.

Neither Party shall reveal to a third party any confidential information received from the other Party under the particular project, unless the other Party gives its written consent. The Party receiving such confidential information agrees to treat them as strictly confidential and shall not reveal them, directly or indirectly, to any third person, commercial company, corporation, association or entity, for any purpose whatsoever, and shall not make use of or copy such confidential information in any other way except for the purpose of the Service provision. Such confidential information may be disclosed for the purpose of

Service provision only to employees of the receiving Party who reasonably require access to such information and who have secrecy obligations to the receiving Party and only while this is necessary for the purpose of such performance.

It is assumed that the provisions of confidentiality shall not apply to any information received under the particular project which:

- was known to the receiving Party prior to its receipt from the other Party (and has been documented by the receiving Party);
- became public or (through no act of failure on the part of the receiving Party) becomes generally known;
- is supplied to the receiving Party by a third party which the receiving Party in good faith believes is free to make such disclosure and without restriction on disclosure;
- is own confidential information of the disclosing Party which were disclosed to a third party in a general manner, without limitation to the disclosure;
- which was independently created by the receiving Party without using any of the confidential information submitted to it by the disclosing Party.

The obligation of confidentiality shall be valid for the period of 5 (five) years after the expiration and/or termination of the Purchase Order.

#### **Article 16 Assignment**

Neither Party shall have the right to assign, sell or pledge the Purchase Order or any of its rights and obligations under the General Terms and the Purchase Order to a third party without prior written consent of the other Party.

#### **Article 17 Amendments to Purchase Order**

Amendments to the Purchase Order can be made only when agreed by both Parties, by signing the annex to the Purchase Order by their duly authorized representatives.

#### **Article 18 Substantive law**

The contractual provisions and all other matters not explicitly regulated by the General Terms and the Purchase Order, as well as any dispute that may arise in connection with the General Terms and the Purchase Order, shall be governed by substantive legal regulations of the Republic of Serbia.

#### **Article 19 Settlement of disputes**

All disputes arising out of or in connection with the General Terms and the Purchase Order, including any question regarding its existence, validity or termination, shall be solved by the Parties on an amicable basis. All disputes which cannot be solved by the Parties on an amicable basis shall be settled by the court with subject matter jurisdiction in Belgrade.

#### **Article 20 Purchase Order effective date**

The Purchase Order shall become effective as of the date of its signature by the authorized representatives of both Parties, and it shall be applied in the period stated in the Purchase Order, with automatic extension for a one-year-period under the same conditions, unless either Party reacts in writing against the automatic extension no later than 30 days prior to the expiration of the current validity period. In the event of described automatic extension, and provided that the Parties do not agree upon new Purchase Order conditions, for technical support and maintenance services in the post warranty period, the prices from the last quarter of the previous Purchase Order shall apply to the quarters of the new one-year period and for the services of equipment repair and servicing, the unit prices from the Purchase Order.

## **Article 21 General Terms validity**

The General Terms shall become effective and shall apply as of the date of their adoption.

**DIRECTOR GENERAL**

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**Predrag Ćulibrk, BScEE**

Attachments:

Attachment 1: Model of endorsement letter for good performance of work

Attachment 2: Model of performance bond bank guarantee

**ATTACHMENT 1**

**Endorsement Letter for Good Performance of Work  
(model)**

**DEBTOR**

(COMPANY NAME)

ID number. \_\_\_\_\_

TIN \_\_\_\_\_

CURRENT ACCOUNT \_\_\_\_\_ with the bank \_\_\_\_\_

ISSUES

**ENDORSEMENT LETTER – AUTHORIZATION  
- for beneficiary of blank promissory note –**

**BENEFICIARY:** Joint Stock Telecommunications Company TELEKOM SRBIJA, Beograd, Takovska 2  
(Creditor)

We hereby deliver to you blank promissory note with the serial number: \_\_\_\_\_ and authorize the Joint Stock Telecommunications Company TELEKOM SRBIJA, Beograd, Takovska 2, as creditor, to fill out the blanks of the delivered promissory note with the amount up to 10% of the total value of the Purchase Order no. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter referred to as: Purchase Order), which amounts to RSD \_\_\_\_\_, if the Debtor fails to meet, completely or partially, its obligations under the Purchase Order, as provided for under the said Purchase Order.

We hereby authorize the Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd, as creditor, to fill out, in compliance with the provisions of the said Purchase Order, the promissory note for the collection of the debt amount pursuant to the provisions of the Purchase Order and to effect unconditionally and irrevocably, without protest and costs, out of court and in compliance with the applicable regulations, the collection at all bank accounts of (NAME OF DEBTOR) and in favour of the Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd, Takovska 2.

(NAME OF DEBTOR) hereby waives the right to revoke this endorsement, raise an objection to the debit and to the cancellation of the debit on this basis of the collection.

The note is also effective if during the validity period of contractual relation a change is made as regards the person authorized to represent, persons authorized to manage funds at the bank account, as well as the change of the seal, status changes, foundation of new legal entities by (NAME OF DEBTOR).

The note is signed by the person(s) authorized to represent and manage funds at the bank account of (NAME OF DEBTOR), XXXXXX XXXXX.

This endorsement is made in 2 (two) identical copies, of which 1 (one) shall rest with (NAME OF DEBTOR), and 1 (one) with the Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd.

Place \_\_\_\_\_

Date \_\_\_\_\_

Issuer of the note:



**ATTACHMENT 2**

**Performance Bond Bank Guarantee under Purchase Order no. \_\_\_\_\_ dated \_\_\_\_\_  
(model)**

For: Joint Stock Telecommunications Company TELEKOM SRBIJA Beograd  
Takovska 2, 11 000 Belgrade, Republic of Serbia

Whereas \_\_\_\_\_ (name and address of the Service Provider) (hereinafter referred to as: the Contractor) has undertaken, in pursuance of Purchase Order No. \_\_\_\_\_ (dated) \_\_\_\_\_ to execute \_\_\_\_\_ (state activities under the scope of the Purchase Order) (hereinafter referred to as: the Purchase Order) and whereas it has been stipulated by you in the said Purchase Order that the Contractor shall furnish you with an irrevocable and unconditional bank guarantee, issued by a first-rate bank acceptable to the Client, in the amount of 10% of the total value of the Purchase Order as security for the fulfilment of all its obligations in all as provided for under the Purchase Order, we hereby agree to provide the Contractor with such Guarantee for good and timely performance of work.

Therefore, we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of \_\_\_\_\_ (amount of Guarantee) \_\_\_\_\_ (in words). This amount shall be paid in the same type of currency in which the payment of the contract price has been stipulated.

We, \_\_\_\_\_ (name of the bank) (hereinafter referred to as: the Guarantor) undertake irrevocably to pay you, upon your first demand, and without objections or cavil, any sum or sums within the limits of \_\_\_\_\_ (amount of Guarantee), without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms and the conditions of the Purchase Order or the activities to be performed thereunder or of any Contract document between you and the Contractor shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any such change, addition or other modification.

This Guarantee shall be valid until \_\_\_\_\_.

Upon the expiry of the above validity period, the guarantee will automatically become null and void, irrespective of whether or not the present document is returned to us.

Guarantor's signature and seal: \_\_\_\_\_

Name of Guarantor: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_