



PERFOM

GENERAL CONDITIONS FOR INTERNATIONAL SALE CONTRACTS

I General

1. Ltd "Perfom", Pozega, Serbia (hereinafter referred to as Seller) determine the general conditions of sale (hereinafter referred to as GTC) products from its range, in accordance with Article 3 of the UN Convention on Contracts for the International Sale of Goods 1980 (hereinafter the Convention).
2. GTC applies to all contracts of sale of products between parties (the Seller and the Buyer) whose places of business are in different States, in accordance with Article 1 of the Convention.
3. These General Conditions may be incorporated into any sale contract. In case of contradiction between these General Conditions and any specific conditions agreed upon between the parties, the specific conditions shall prevail.
4. Any reference made to trade terms (such as EXW, FCA, etc.) is deemed to be made to the relevant term of Incoterms published by the International Chamber of Commerce. Any reference made to a publication of the International Chamber of Commerce is deemed to be made to the version current at the date of conclusion of the Contract.
5. GTC oblige the Buyer at the time of conclusion the contract. GTC are published on the website of the Seller www.perfom.rs on 15th april 2012. It is believed that the Buyer is aware of the GTC on publication date or the date of concluding the contract of sale or the first such contract, and undertake the Buyer for each additional purchase.

II Offer, acceptance, concluding a contract

1. The offer is a proposal for concluding a contract made by the Seller, which contains all the essential ingredients of the sales contract, and indicates the goods and expressly or implicitly fixes or makes provision for determining the quantity and the price, in accordance with Articles 14 and 24 of the Convention.
2. The offer may be accepted within 7 days from the date specified on the offer.
3. A contract is concluded at the moment when an acceptance of an offer becomes effective (at the time when the Seller received acceptance, at his headquarters).

III The Subject of the contract

1. The subject is an essential component of the sales contract and must be specified in the offer, in accordance with Articles 14 and 24 of the Convention.
2. The subject of the sales contract are products from the manufacturing and sales range of the Seller.
3. If the product is not standard, in the offer will be expressly indicated which technical drawings and other relevant documentation the Seller using for manufacturing. Technical documentation is an integral part of an offer or the contract.

IV Price

1. Price is an essential component of the sales contract and must be specified in the offer in accordance with Articles 14 and 24 of the Convention.
2. Calculation of price is based on the the Seller's current list price or current calculations (for products that are not standard) at the time of the conclusion of the Contract.
3. Price applies to parity FCA- Free Carrier (Incoterms 2010).
4. Seller reserves the right to change prices, after the conclusion of the Contract because of reducing or increasing costs, particularly due to collective agreements or material price changes and the like.

V Delivery of the products

1. Sales contract obligates the Seller to deliver the goods, hand over any documents relating to them and transfer the property in the goods and Buyer to pay the price of goods and take deliver of them, in accordance with Articles 30 and 34 and Articles 53 and 60 of the Convention.

Obligations of the Seller

2. The Seller must deliver the goods, hand over any documents relating to them and transfer the property in the goods, as required by the contract.

Seller shall orally or in writing notify the Buyer that the product is ready for delivering, in which shall specify the date when the Buyer is obliged to take the product, if such date is not specified in the contract.

3. The Seller shall deliver the goods to parity FCA- Free Carrier (Incoterms 2010)
4. A condition for the start of manufacturing and delivery of goods in time is delivering of relevant technical documents by the Buyer at the time specified in the contract, as well as adherence to agreed terms of payment the price. Any delay from the Buyer will prolonged the time of delivery of products.

5. The Seller is not responsible for the extension of delivery, in so far as he proves: that the failure was due to an impediment beyond his control, and that he could not reasonably be expected to have taken into account the impediment and its effects upon his ability to perform at the time of the conclusion of the Contract, and that he could not reasonably have avoided or overcome it or its effects, in accordance with articles 79 and 80 of the Convention.

6. The Seller can do partial deliveries of goods, and the Buyer must take such delivery of goods.

Obligations of the Buyer

7. The Buyer must take delivery of goods as required by the contract. His obligation to take delivery consists in doing all the acts which could reasonably be expected of him in order to enable the Seller to make delivery and in taking over the goods.

8. If the Buyer does not take the goods within the agreed time, falling into arrears. In this case the Seller may declare the contract avoided and claim damages, as provided in articles 61 and 65 of the Convention.

Packing list

9. For each shipment of products the Seller issues 6 (six) copies of packing list.

10. The Buyer is obliged to sign when taking the product of each copy of the packing list, and 1 (one) copy signed leaves to the Seller. A signed packing list is proof that the Buyer has taken delivery of products.

11. If the Seller at the request of the Buyer organizes the transport of products, packing list will be signed by the person transporting the goods. It is believed that at that point Buyer took the delivery of goods.

12. The Seller delivers the goods, according to the Incoterms specified period, cleared for export. The Seller is required to prepare each shipment with the relevant documentation for the goods, and which is necessary for export (statement of origin, certificates of inspection, certificates, etc.).

VI Passing of risks

1. The risk of loss of or damage of the goods, passes to the Buyer when he takes over the goods or, if he does not do so in due time, from the time when the goods are delivered to the carrier (FCA- Free Carrier (Incoterms 2010)) and he commits a breach of contract by failing to take delivery, in accordance with article 69 of the Convention.

2. The risk in respect of goods sold in transit passes to the Buyer from the time of the conclusion of the contract, in accordance with articles 67 and 68 of the Convention.

VII Invoice

1. The Seller will issue to the Buyer invoice, based on the concluded contract and the delivery of goods.
2. In the case of successive delivery of goods the Seller may issue one (1) invoice.
3. The Buyer must deliver the Seller complaints at the invoice, in writing within 7 days of the date in the invoice.
4. If within that time the Buyer does not dispute the invoice, the Seller is going to believe that he has no complaints.

VIII Payment

1. The Buyer must pay the price at the time and place specified in the contract, on the Seller's open account within the agreed date specified in the invoice, in accordance with Articles 54 and 59 of the Convention.
2. In the case of successive delivery the Buyer must pay the price for each shipment at the time of taking delivery or by each individual invoice.
3. Loss of or damage of goods, after the risk passed to the Buyer does not discharge him from obligation to pay the price, unless the loss or damage is due to an act or omission of the Seller, in accordance with Article 66 of the Convention.
4. If Buyer fails to pay the price within the agreed period, the seller is may suspend further deliveries and (or) declare the contract of sale avoided for the unpaid merchandise.
5. Paying by bill of exchange has not allowed. The Buyer accepts the bill of exchange only as insurance that the Buyer will pay the price and such payment is valid only after cashing.
6. In the event that a bank account of the Buyer is blocked any claim by the Seller immediately become due for payment, even if the agreed deferred payment.
7. If the parties have agreed on payment by documentary credit, then, unless otherwise agreed, the Buyer must arrange for a documentary credit in favour of the Seller to be issued by a reputable bank, and to be notified at least before the agreed date of delivery. Unless otherwise agreed, the documentary credit shall be payable at sight and allow partial shipments and transshipments.
8. If the parties have agreed on payment by documentary collection, then, unless otherwise agreed, documents will be tendered against payment.
9. To the extent that the parties have agreed that payment is to be backed by a bank guarantee, the Buyer is to provide, at least 7 days before the agreed date of delivery, or a standby letter of credit in either case issued by a reputable bank.

VII Liability for non conformity of the goods

1. The Seller must deliver goods which are of the quantity, quality and description required by the contract and which are contained or packaged in the manner required by the contract. The Seller is liable for any lack of conformity which exists at the time when the risk passes to the Buyer, even though the lack of conformity becomes apparent only after that time, in accordance with Articles 35 and 40 of the Convention.

2. The goods do not conform with the contract if: not fit for the purposes for which goods of the same description would ordinarily be used; not fit for any particular purpose expressly or impliedly made known to the Seller at the time of conclusion of the contract, except the circumstances show that the Buyer did not rely or that was unreasonable for him to rely, on the Seller's skill or judgement; not possess the qualities of goods which the Seller has held out to the Buyer as a sample or model; are not contained or packaged in the manner usual for such goods, or where there is such manner, in manner adequate to preserve or protect the goods.

3. The Seller is not liable for any lack of conformity of the goods if at the time of conclusion of the contract the Buyer knew about the lack of conformity or could not have been unaware of lack of conformity.

4. It is not a lack of conformity: wear natural-products; characteristics of the goods or damage caused by improper storage, installation, handling, loading or excessive use; characteristics of the goods or damage caused by the impact of force majeure, in particular external influences not included in the contract, or the use of goods outside the contract or provided for common use; characteristics of the goods that are based on the design or selection of materials, if the buyer stipulates the construction or material.

Taking delivery of goods and examine the goods

5. The Buyer must examine the goods or cause them to be examined within as short a period as is practicable in the circumstances and notify the Seller promptly if there are any lack of conformity (see the deadlines in paragraph 7), or else lose the right to rely on a lack of conformity, in accordance with Articles 38 and 40 of the Convention.

6. If the contract involves carriage of the goods, examination may be deferred until after the goods have arrived at their destination.

7. The Buyer is obliged to notify the Seller if there are any lack of conformity in writing, within 7 days of examine the goods, in accordance with Article 39 of the Convention. In the notice he will specify the contract number, number of packing list and invoices, code and type of product, and the nature of the lack of conformity or he loses the right to rely on a lack of conformity of the goods.

8. If the seller found that there is no lack of conformity of the goods, the Buyer must pay the actual costs to the Seller.

The rights of the Buyer

9. The buyer is timely and properly notified the Seller of the defect, and that is found in the record indicated that there were indeed, may require Seller to remove or lack of to give him another thing without defects (the fulfillment of the contract).

10.If the fulfillment of the contract in a reasonable, the subsequent period is not possible, the Customer may request a price reduction.

11.Only if it is not possible to fulfill the contract or price reduction, the buyer may terminate the contract in accordance with Articles 45 and 52 of the Convention.

12.The buyer loses the right to terminate the contract due to lack of product when it is impossible to return the product or return it to the state in which it was received. The same applies if the product is totally or partly destroyed or damaged due to the Buyer to inspect the product or if unveiled before a lack of buyer changed one part of the product during its regular use, or if the damage or alteration without significance.

13. When only part of the submitted product is defective or when it is handed over only part of the product, or a small amount of the contract, the buyer may terminate the agreement only in part pgledu who lack or have only in terms of quantity or missing.

Loss of rights

14. in any event, the Buyer loses the rights to rely on a lack of conformity of the goods if he does not give the Seller notice thereof at the latest within a period of 2 (two) years from the date on which the goods were actually handed over to the Buyer.

IX Confidentiality

1. All business or technical information (technical documentation, drawings, sketches, etc.) related to the products subject to sales contracts, representing a trade secret and should be kept secret from third parties. This information must be made available to only those people who inevitably need to engage in the use of the product, and they are also obliged to keep confidential.

X Copyright

1. Seller is not liable for breach of commercial protection rights or copyrights of third parties, if the products are manufactured in accordance with specifications and instructions of the Buyer or if the injury was caused by use in combination with other subject matter that Seller is not manufactured or produced in the manner used by the Seller could not predict.

XI Force Majeure

1. A party is not liable for a failure to perform any of his obligations in so far as he proves: that the failure was due to an impediment beyond his control, and that he could not reasonably be expected to have taken into account the impediment and its effects upon his ability to perform at the time of the conclusion of the Contract, and that he could not reasonably have avoided or overcome it or its effects.

XI Final Provisions

Resolution of disputes

1. Unless otherwise agreed in writing, all disputes arising in connection with the present Contract shall be finally settled under the Rules of Arbitration of the Chamber of Commerce in Belgrade. Applicable law will be UN Convention on Contracts for the International Sale of Goods or by domestic law of Serbia.

Entry into force

2. GTC are published on the website of the Seller www.perfom.rs on april the 15th 2012. GTC entry into force on 15.04.2012. and are valid for all future sales of the Seller.

4. GTC oblige the Buyer at the time of conclusion the contract. It is believed that the Buyer is aware of the GTC on publication date or the date of concluding the contract of sale or the first such contract, and undertake the Buyer for each additional purchase.

5. For all that is not regulated by GTC or by individual contract of sale, will apply the UN Convention on Contracts for the International Sale of Goods or by domestic law of Serbia.

June 1st 2012.

**Ltd "Perfom" Pozega, Serbia
Director Milos Jankovic**