

GENERAL CONDITIONS

1. PRELIMINARY CLAUSES

- 1.1. These general conditions of providing accounting services and other one-time services (hereinafter: General conditions) are an integral part of the agreement on the provision of accounting services (hereinafter referred to as the Basic agreement) and with them are regulated issues which are not regulated by the Basic agreement and its annexes.
- 1.2. Subsequent amendments to the General Conditions shall apply to Clients 8 (eight) days from the date of their publication on the website of the Agency, on page [Pricelist and general conditions](#) with which the Client is informed and agrees.

2. MUTUAL RIGHTS AND OBLIGATIONS OF THE AGENCY AND THE CLIENT

- 2.1. Basic mutual rights and obligations between the Agency and the Client is regulated by the Basic Agreement.
- 2.2. If the Basic agreement and its annexes are not expressly agreed otherwise, for the Client entrepreneur and the Client legal entity that is classified by the law in micro entity the Agency prepares its financial statements in accordance with the Regulations on the method of recognition, valuation, presentation and disclosure of positions in the individual financial statements of micro and other legal entities. For the Client which is classified according to the law in small or medium legal entity, the Agency prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Entities (IFRS for SMEs), and for the the Client which is classified according to the law in large legal entity, the Agency prepares financial statements in accordance with International financial reporting standards (IFRS).
- 2.3. The default language of oral and written communication between the Agency and the Client or the Client and the Agency is Serbian. For documents that are submitted for the posting, which is not in the Serbian language, the Client is obliged to submit a translation into Serbian, with a signed note that the content of the translation corresponds to the content of the original document. Only with the annex of the agreement in written form it is possible that the Agency undertakes oral and/or written communication and/or posting of documents in language that is different from Serbian.
- 2.4. Beside legal representative, with the annex of Basic agreement the Client can specife another person to control (liquidate) all accounting documents or only certain types of accounting documents. Putting just the word „controlled“, or the word „liquidated“ or just putting sign or some other identification mark on accounting document without naming any word has meaning confirmation that accounting document is authentic. If procedure of controle (liquidation) of accounting documents the Client regulate with his general act, he is obligation to submit it to the Agency, and the Agency is obligated to act accordingly.
- 2.5. In the accounting documents relating to business transactions with related parties the Client shall, not later than the control (liquidation) of the document, put the notation "related party". If the accounting document contains no indication of "related party" it means that the person who is

involved in such transaction is not a related party. For proper identification of related parties, the Client is obliged to apply the provisions of Article 59 of the Corporate Profit Tax Law if the client is a legal entity, or Article 36 of the Individual Income Tax Law if the client is entrepreneur.

ARTICLE 59. of Corporate Profit Tax Law:

A transfer price shall be understood as the price that comes into being in connection with transactions involving assets or making commitments among related parties.

The person related to the taxpayer is considered to be a natural person or legal entity in whose relations with the taxpayer there is a possibility of control or significant influence on business decisions.

In case of direct or indirect holding of at least 25% of stocks or shares is considered that there is a possibility of control of the taxpayer.

The possibility of a significant impact on business decisions exist, in addition to the case provided for in paragraph 3 of this Article, when a person directly or indirectly owns at least 25% of votes in the taxpayer's management bodies.

The person related to the taxpayer consider the legal entity in which, like in the taxpayer, the same natural or legal persons directly or indirectly involved in the management, control or capital (share), as provided for in paragraph 3 and 4 of this Article.

Persons related to the taxpayer is considered to be legitimate or illegitimate spouse, descendants, adopted children and descendants of the adoptee, parents, adoptive parents, brothers and sisters and their descendants, grandparents and their descendants, as well as brothers and sisters and parents marital or extramarital partner, of the person who is related to the taxpayer in the manner provided for in paragraph 3 and 4 of this Article.

LIST OF JURISDICTIONS WITH PREFERENTIAL TAX SYSTEM that is determined by The Regulations On The List Of Jurisdictions With Preferential Tax System:

1. Andorra,
2. Anguilla,
3. Antigua and Barbuda,
4. Aruba,
5. Bahamas,
6. Bahrain,
7. Barbados,
8. Belize,
9. Bermuda,
10. British Virgin Islands,
11. Cayman Islands,
12. Christmas Island,
13. Cook Islands,
14. Dominican Republic,

15. Falkland Islands,
16. Fiji,
17. Gibraltar,
18. Grenada,
19. Guam,
20. Guernsey,
21. Guyana,
22. Hong Kong,
23. Isle of Man,
24. Jersey,
25. Liberia,
26. Liechtenstein,
27. Macao,
28. Maldives,
29. Marshall Islands,
30. Mauritius,
31. Monaco,
32. Monserrat,
33. Nauru,
34. Netherlands Antilles,
35. Niue,
36. Normand Isles,
37. Palau,
38. Panama,
39. Saint Kitts and Nevis,
40. Saint Lucia,
41. Saint Vincent and the Grenadines,
42. Samoa,
43. San Marino,
44. Seychelles,
45. Solomon Islands,
46. Tonga,
47. Trinidad and Tobago,
48. Turks and Caicos Islands,
49. Tuvalu,
50. US Virgin Islands,
51. Vanuatu.

ARTICLE 36. of Individual Income Tax Law:

Persons related with an entrepreneur, besides nature persons and legal entities which have that status under corresponding provisions of law on corporate profit tax, are also the following:

- 1) members of the taxpayer's family;
- 2) taxpayer's brothers and sisters;
- 3) spouse's parents and stepchildren.

- 2.6. When compiling the list of unpaid bills that the Client shall submit its debtors the Agency gives to the Client an overview of all postings on the analytic card of the Client's debtors. The mere exchange of lists, telephone and other contacts, correspondence, consensus and correspondence is Client's obligation. The Agency do not the close open positions in the analytical accounting of claims and liabilities, while the Client does it within it's financial records. Such obligations for the Agency possibly can be arranged with the annex of the Basic agreement.
- 2.7. In the case of mutual submitting of documents, cash or other valuables, the Client and the Agency are required to provide records regarding particular handover. The party who is submitting, is obliged to keep evidence on the submitting at least for one year.
- 2.8. Place of performing accounting services are considered to be the seat of the Client business premises, while the premises of the Agency are only the place of phases of data processing and, in this sense, storing documents, business records and financial statements in whole is the responsibility of the Client. The Client only temporary submitted documentation at Agency's premises on processing, data entry and posting, after which the Agency, latest within 15 days of submission of financial reports to the competent state authority (SBRA), returns entire documentation as well as all accounting records for safekeeping in his business premises. The manner, place and persons responsible for keeping the documentation is decision made by the Client.
- 2.9. The Client may submit to the Agency documents for processing and posting electronically, in the form of a file suitable for processing and loading into the accounting program, in the form of photocopied or scanned documents when goes without saying that the document is signed by the responsible person and that the original document is kept in Customer's premises. In all such cases, the customer is responsible for the authenticity, exactness and accuracy of the documentation submitted on this way.
- 2.10. The Agency is committed to the same extent as for its own, with due diligence, for the duration of the contractual relationship and after its expiration, to keep as a business secret any client's document/data/information from which content, nature, origin, purpose and/or purposes is obvious that represents a confidential document/data/information or have commercial value because it is not generally known or available to third parties which could with their use or disclosure make economic benefits, or because their use or disclosure to a third party can make damage to the Client either directly or indirectly.
- 2.11. The client has the right and duty to continuously or occasionally, either individually or through professional personnel, controls and audit the accuracy and correctness of keeping their business books. The client is particularly obliged to execute such control, and revision during the compilation of the monthly or quarterly calculation of value added tax as in the preparation of annual financial statements and annual tax returns.

3. PRICE OF SERVICE

- 3.1. Prices of services, terms and conditions of payment and payment security are defined in the Basic Agreement, its annexes and the Price list of accounting services (hereinafter: Price list), which is a separate document, and is an integral part of the Basic Agreement.
- 3.2. The prices of services listed in the Price list in Article 1. "Accounting Services" have only informationorientation purposes for the Client and, in this part, for the Client are applicable prices listed in the Basic agreement and its annexes and can be changed only with the annex of the Basic agreement.

- 3.3. Possible subsequent changes of prices of services listed in the Price List in item 2. "Other additional, subsequent and extraordinary services" shall apply on Client 8 (eight) days from the date of their publication on the website of the Agency, on page [Pricelist and general conditions](#) with which the client is informed and agreed.
- 3.4. If the Agency due to the collection of overdue obligations charge them with the blank bill which the Client submitted in accordance with Article 3 of Basic agreement, the Client agrees that the Agency may increase the amount of blank bill for the amount of the Client's obligations, in connection with the implementation of the Basic Agreement (entry and data processing, payment processing, payroll, courier services, other additional, subsequent and emergency services, making the study of transfer prices, rents for office, receipt of mail), which have occurred and should be paid to parties that the Client, or the Agency in the name and behalf of the Client picked out, and thus at the same time collect all amounts of unpaid obligations in the name and on behalf of such parties.

4. LIMITATION OF AGENCY RESPONSIBILITIES

- 4.1. The Agency is responsible for damage that the Client may suffer due to the fault of the Agency in the manner regulated by the Law on Obligations and these General condition.
- 4.2. The Agency is not liable for any damage arising from the situation when the Client for contempt of legal and/or contractual terms of delivery documentation, or other necessary data or information, put the Agency into the situation to make tasks for inappropriate short deadlines.
- 4.3. The Agency is not liable for any damage arising from the situation where the Agency acts in accordance with the views of the professional public or experts in the application of regulations that are insufficiently precise, for which in practice appears situation with different interpretations and treatment for such regulations.
- 4.4. When performing courier services all risks of transport and handling money, documents and other values are borne by the Client, except in a situation where it is established that the Agency acted with gross negligence. It is the duty of the Client to insurance money and other valuables in transport and manipulation.
- 4.5. While executing the tasks of electronic payment transactions, the Agency is not responsible for any damage caused by interruption of telephone traffic, unavailability of service cable networks and similar services that are not under the control of the Agency.
- 4.6. In a situation where the Agency, due to the delay of the Client with the payment of its obligations towards the Agency more than 10 (ten) days, temporarily suspend the provision of services or permanently terminate the agreement, the Agency shall not be responsible for any damages that arise from it.
- 4.7. Under no circumstances, in case of possible damage for which the Agency may correspond to the Client, amount of damage can not be higher than the amount that the Client has completely paid for services in the last three months preceding the occurrence of possible adverse event, or three times the amount of paid one-time service.
- 4.8. In all cases, the Agency shall not be liable for damages arising from a case of force majeure.

5. TERMINATION OF THE AGREEMENT

- 5.1. Mutual period of notice for termination of the contract between the Agency and the Client is 25 (twenty) calendar days and it runs from the date when one of the parties submit to the other party written notice of termination of the agreement, or the notice for termination of the contract is sent to the e-mail address specified in the Basic Agreement, or in its last annex.
If a written notice is submitted, it can also be done by sending a consigned note, and the cancellation deadline starts to run 3 (three) days from the day of delivery or attempted delivery of consigned note to the address of the contracting party stated in the Basic Agreement, or in its last annex.
- 5.2. No later than the last working day of the expiry of the notice period, the Agency shall submit, and the Client is required to take over its documents which in that moment happens to be at the Agency. Simultaneously with the documentation, the Agency shall submit, and the Client is required to take over the text file containing the trial balance, general ledger, and all analytical books and records which the Agency led for the Client (bookkeeping for goods and material, accounting of payrolls and other personal income, VAT records) sliced on CD, or on other electronic carrier if the Agency and the Client agree about it (flash memory, USB, external hard disk, as an attachment to email, with raising on some of the sites on the Internet from which the Client can download document such as locked part of the site of the Agency, G-drive, Dropbox, etc.).
- 5.3. If the Client does not take over their documents, it is obligated to pay to the Agency a fee for archiving and storing documents in accordance with the Price list. Such documentation, the Agency shall keep for at least sixty (60) days, after which the same documentation can be thrown away with no responsibility for any adverse consequences for the Client.
- 5.4. Unless expressly agreed in writing with the annex of the Basic agreement, with the expiry of the notice period, the Agency has no obligation of recording (posting) Client's business changes for which the completed and controled documents are not submitted to the Agency at least three working days before the expiry of the notice period; not obligated to make or submit to the relevant state authorities financial reports, tax reports, calculation and statistical or any other reports relating to the period for which the agreement was in force, and for which until the last day of the notice period has not expired the last day of the legal deadline for their submitting, and from the date of expiry of the notice period, that is obligation of the Client.
- 5.5. About temporary suspension in providing services, the Agency is not obliged to inform the Client in writing because it goes without saying that with the expiry of the tenth day of delay all services are suspended. About permanent termination of the agreement, the Agency is obliged to inform the Client in writing. Notice of the permanent termination of the agreement may be conditional, stating the deadline for the payment, and if the payment is not execute by that deadline it results with the permanent termination of the agreement.

6. DISPUTE RESOLUTION

- 6.1. Any disputes arising from the Basic Agreement, its annexes, the Price list or these General conditions, the contracting parties undertake to try to resolve by peaceful means or by arbitration. A party dissatisfied during a peaceful settlement or arbitration on the subject of the dispute may initiate court case.

7. OTHER PROVISIONS

- 7.1. The Client is obliged to submit to the Agency all data changes in relation to informations that the allegations about him in the Basic agreement or its annexes, including information about changing phone numbers and email addresses.
- 7.2. The Agency may transfer its rights and obligations under the Basic Agreement on the third party with which the Client is informed and agreed.
- 7.3. The letters that the Agency makes and sent to all or certain categories of the Clients via email and at the same time on the notice board in the premises of the Agency in Pavla Papa 14, which contain deadlines, organizational and technological solutions and/or instructions and/or orders of the behavior of the Clients in certain situations, have the force of addition to these General conditions, and thus the Basic agreement and its annexes. It is considered that the Client is informed of the content of the letter on the next working day from the date of delivery or attempted delivery of the letter by email to the email address specified in the Basic agreement or its annexes, and also from the next business day from the date of posting the letter on the notice board of the Agency in the premises of the Agency in St. Pavla Papa 14, and potential obligations on the parties resulting from such letters become effective no later than within the next three (3) working days.
- 7.4. Changes and additions to, or on that way resulted new version of these General conditions, shall enter into force after 8 (eight) days from the date of posting on the internet website of the Agency aktivasistem.com
- 7.5. This version of the General conditions, published on the internet site of the Agency aktivasistem.com on 27. Decembar of 2017, entering into force on 5. January of 2018.