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## GENERAL CONDITIONS AND TERMS OF DISTRIBUTION

### GENERAL PROVISIONS

#### Article 1.

This document defines the general conditions of procurement, sales and guarantees for goods, software, subscriptions and services from the sales program of SYS Company d.o.o. (hereinafter: Seller).

#### Article 2.

The Seller's sales program includes brands of manufacturers of equipment and solutions (hereinafter: Manufacturers) from the distribution portfolio, as follows:

- CISCO (hardware and software ICT solutions) – <https://www.cisco.com/>
- DELL Technologies (hardware and software ICT solutions) – <https://www.dell.com/>
- Microsoft (software ICT solutions and hardware components) – <https://www.microsoft.com/>
- Rittal (hardware and software ICT solutions) – <https://www.rittal.com/>
- Genetec (software and hardware solutions for unified technical security) - <https://www.genetec.com/>
- Hanwha Vision (previously Hanwha Techwin and Samsung Techwin, video surveillance hardware solutions with accompanying software and related solutions, with its Wisenet brand) - <https://hanwhavision.eu/>
- Vivotek (hardware solutions for video surveillance with accompanying software and related solutions) - <https://www.vivotek.com/>
- Ksenia Security (hardware solutions with accompanying software for smart house, automation and anti-burglary) - <https://www.kseniasecurity.com/>
- CUDY (active network equipment of less complexity that includes network routers, switches, signal amplifiers, network adapters, etc.) - <https://www.cudy.com/>

### PROCUREMENT

#### Article 3

The Seller will procure goods, software and subscriptions exclusively through the official channels of the Manufacturers and their affiliated companies, in accordance with the signed distribution agreements.

#### Article 4

Goods, software, subscriptions and services, if carried out by third parties, will be ordered from the Manufacturer in accordance with market demands (for storage equipment) and based on orders from legal entities (hereinafter: Customers).

### SALE

#### Article 5

The Seller will make the sale of goods, software, subscriptions and services available to the Customers, in accordance with the applicable legal regulations in the territories for which the Seller is authorized by the Manufacturer.

#### Article 6

Product prices will be defined on the basis of offers that are created and sent to Customers, partnership agreements concluded with Customers, and price lists of individual equipment in stock, or promotional price lists of limited duration.

After signing the partnership agreement, the Seller will grant the Customers partner discount on the basis of which the goods, software, subscriptions and services will be sold, with exception of those with promotional prices. The discount amount is determined in accordance with:

- Customer status with the Manufacturer and/or
- complexity and size of projects, or approved project discounts, and/or
- actual average monthly turnover from the previous quarter, which is updated at the end of each quarter.

For goods for which the Seller prepares price lists for equipment in stock, or promotional price lists of limited duration, partner discounts will be included in the promotional price.

The Customer confirms the order in writing, by a purchase order. Confirmation of the order via e-mail shall also be considered a valid confirmation.

#### **METHOD AND TERM OF PAYMENT**

##### **Article 7**

Payment of liabilities shall be made in advance, unless otherwise defined in the offer or in case the Customer does not have an active Partnership Agreement.

Payment is made by non-cash payment, based on the obligations incurred, to one of the following Seller's bank transaction accounts:

- Raiffeisen Bank d.d.: 161-000-00072800-55
- NLB Banka d.d.: 132-731-00100024-78
- UniCredit Bank d.d.: 338-900-22027727-19
- ZiraatBank d.d.: 186-000-50295705-95
- ASA Banka d.d.: 134-470-10024044-86

##### **Article 8**

The Seller issues an invoice/delivery note to the Customer for each order, with the specified currency and payment term.

The submitted invoice must be prepared in accordance with legal regulations. If the invoice is not proper, i.e. if it does not contain all legally defined elements and/or it contains an error in the calculation, the Customer is not obliged to pay it until the correct invoice is submitted. In this case, the Customer shall not be held responsible for late payment. The Customer is obliged to report any errors found on the invoice immediately or within 48 hours at the latest.

The Customer is obliged to pay the invoiced amount by the due date indicated on the invoice.

When paying, the Customer shall indicate the number of the document (Offer or Invoice), based on which the payment is made.

##### **Article 9**

If the Customer does not comply with the agreed payment term according to the issued invoices, the Seller will promptly inform the Customer about the due debts. If the Customer ignores the Notice of overdue debts and fails to make the payment, the Seller will initiate the procedures provided by law for the collection of claims.

If the Customer fails to settle the obligations within the stipulated time frame, the Seller reserves the right to reduce or revoke partner discounts.

##### **Article 10**

The Seller reserves the right to calculate default interest prescribed by law, as well as the right to a special compensation in the amount of KM 100.00, in accordance with Article 14 of the FBiH Law on Financial Operations.

The Seller has the right to special compensation, referred to in the previous paragraph of this Article, regardless of whether he suffered damage due to the Customer's delay.

The above provisions of Articles 9 and 10 of this document in no way reduce, limit or exclude the Seller's right to compensation for damages, the costs of the forced collection procedure and other rights he is entitled to due to the Customer's delay in settling obligations, including the collection of exchange rate differences.

**DELIVERY AND TAKEOVER**
**Article 11**

The Seller undertakes to deliver the goods according to the terms indicated in the offer/proforma invoice that he submits to the Customer, but shall not take the responsibility for delays caused by the Manufacturer or force majeure or legal procedures governing the import of goods, including but not limited to, the regulations governing dual-use goods and the like.

The Customer is obliged to pick up the goods at the Seller's registered warehouse, unless otherwise agreed. Software and subscriptions are delivered electronically, by sending an e-mail message from the Seller or by actively registering the software and/or subscription on the Manufacturer's portals, about which the Customer will be informed.

The invoice/delivery note, signed and certified by both parties, serves as proof of delivery of the ordered goods. The serial numbers of the delivered devices, if they exist, must be indicated on the invoice/delivery note.

Ordered and collected goods cannot be returned, except in the case of a service complaint.

**Article 12**

Manufacturers of equipment and software deliver user instructions in English, in printed or online form, with each article or solution, which the Seller forwards to the Customer along with the delivered equipment, and the Customer confirms by signing the delivery note that he has received and understood them.

Instructions in electronic form are available on the Manufacturer's website, with the exception of some special project equipment.

In the case of the delivery of equipment and/or software, including the implementation service by the Seller as a whole, the Seller undertakes, together with the Manufacturer, to make available an electronic form of instructions, i.e. user documentation at the request of the Customer and to deliver it to him by e-mail.

At the Customer's request, the Seller shall provide instructions for the requested items in one of the official languages in Bosnia and Herzegovina.

**WARRANTY PERIOD**
**Article 13**

Manufacturer provides the warranty for equipment and software, and the Seller forwards it to the Customer.

The warranty terms and conditions defined by the Manufacturer are available on their websites, as listed in the table below:

Manufacturer	General warranty conditions	Manufacture's relevant documentation
CISCO	Up to one (1) or five (5) years, depending on product type.	Warranty terms <a href="https://www.cisco.com/go/warranty">https://www.cisco.com/go/warranty</a>
DELL Technologies	Up to one (1) or three (3) years, depending on product type.	Warranty terms <a href="https://www.dell.com/en-us/dt/customer-services/product-warranty-and-service-descriptions.htm">https://www.dell.com/en-us/dt/customer-services/product-warranty-and-service-descriptions.htm</a>
Microsoft	Up to one (1) year for hardware warranty.	
Rittal	Up to one (1) or two (2) years, depending on product type.	
Genetec	Up to one (1) year for software and hardware warranty.	Software licenses terms <a href="https://www.genetec.com/legal/license">https://www.genetec.com/legal/license</a>
		General terms and conditions of sale <a href="https://www.genetec.com/legal/termsofsale">https://www.genetec.com/legal/termsofsale</a>
Hanwha Vision (Hanwha Techwin)	Up to three (3) or five (5) years for Silver, Gold and Diamond STEP partners for particular parts, in accordance with the Manufacturer's rules	Service and warranty conditions <a href="https://hanwhavision.eu/about-us/service-and-warranty/">https://hanwhavision.eu/about-us/service-and-warranty/</a>
Vivotek	Up to two (2) or three (3) years, depending on product type.	Service and warranty terms and conditions <a href="https://www.vivotek.com/support/warranty-rma">https://www.vivotek.com/support/warranty-rma</a> The Manufacturer states the length of the warranty for each product separately on the official technical sheet of the product.
Ksenia Security	Up to one (1) year for all hardware.	<a href="https://www.kseniasecurity.com/mkt/download/ksenia_catalogue_en.pdf">https://www.kseniasecurity.com/mkt/download/ksenia_catalogue_en.pdf</a> The Manufacturer states the length of the warranty for each product separately on the official technical sheet of the product.

CUDY	Up to 24 months for hardware components.	Not available.
1) Accessories that are supplied free of charge with equipment such as computer mouse, power cable and data cable, mounts brackets and other consumables and accessories are subject to a three (3) month warranty. 2) The warranty covers defective devices or device parts, where the defect was not caused by human factors, i.e. physical damage or software damage by the Customer. 3) By signing the invoice/delivery note issued to him, the Customer confirms that he accepts the terms of the warranty and that he fully understands them. 4) Warranty periods are subject to change without prior notice.		

The warranty term may be longer than the above in case of special agreements between the Customer and the Seller or the Customer and the Manufacturer, which shall be defined in separate documents.

The warranty period runs from the day the goods are taken over by the Customer.

During the warranty period, the Seller undertakes to carry out free of charge all necessary repairs on the goods, provided that the defect is not caused by unprofessional handling, mechanical damage, electric or voltage shock and other cases specified in the Manufacturer's warranty conditions. The Seller shall be released from this liability in the event that the Manufacturer, in its warranty conditions, has foreseen that the repairs will be carried out by the Manufacturer's service providing personnel.

Any intervention by unauthorized service personnel shall relieve the Seller of responsibility for maintenance during the warranty period and the warranty period is thereby terminated.

#### Article 14

The Customer proves the right to a warranty by presenting the invoice/delivery note, stating the name and serial number of the goods that are the subject of the complaint. As long as the Customer does not present one of the mentioned documents, the Seller will not accept the faulty goods or will not consider the goods as goods within the warranty period.

The Customer is obliged to attach to the claimed goods a short description of the defect, complete documentation and accessories, and the Seller undertakes to check the defect as soon as possible.

For unfounded complaints, that is, correct components returned as defective or components where the failure was caused by unprofessional handling, mechanical damage, electric or voltage shock and in other ways as specified in the Manufacturer's warranty conditions, an inspection will be charged according to the labor and material used.

The Customer shall bear the costs of servicing after the expiration of the warranty period.

### FORCE MAJEURE

#### Article 15

Force majeure refers to events and circumstances that could not be foreseen and avoided or removed at the time of the conclusion of the sale.

The following events and circumstances shall be considered force majeure: weather disasters and circumstances caused by them, war, fire, general strike, state of emergency, epidemic or pandemic and other events.

The impossibility of any party in the purchase and sale to fulfill any of its obligations will not be considered a breach of obligation, if such impossibility occurs due to force majeure, provided that the party affected by such an event:

- a) has taken all the necessary precautionary measures and due care, in order to fulfill their obligations within the deadlines, and
- b) informed the other party, in the manner that is only possible in the given situation, immediately after the occurrence of force majeure event, and no later than within 3 (three) working days from the occurrence of such event and the measures taken to eliminate the adverse consequences of force majeure.

### CONFIDIALITY

#### Article 16

Offers/quotations, invoices/delivery notes and other sales documents of the Seller that contain terms of sale such as price, discount, delivery term, delivery method, payment method and term are considered confidential and may not be fully or partially disclosed to third parties, without prior consent of the Seller.

It will not be considered a violation of confidentiality if one of the parties in the purchase and sale has a legal obligation to provide confidential information to the competent authority based on a legal and legally valid order, of which the Buyer is obliged to inform the Seller, but not to seek his consent for the transfer thereof.

In the event of breach of confidentiality from paragraph 1 of this Article, the Seller reserves the right to compensation for damages and lost profits.

#### **ETHICS AND ANTI-BRIBERY AND ANTI-CORRUPTION RULES**

##### **Article 17**

The Seller conducts all its operations in an honest and ethical manner, and takes a zero-tolerance approach to bribery and corruption. The internal regulations of the Seller stipulate, among other things, that our behavior is professional, honest and with integrity, and in all our business relationships and relationships wherever we do business we implement and put in place an effective anti-bribery system.

The Seller and the Customer are obliged to comply with and respect the laws in force in Bosnia and Herzegovina, which refer to the suppression and fight against bribery and corruption, and to harmonize their own business operation procedures with them.

#### **APPLICATION OF GLOBAL TRADE LAWS AND RULES AGAINST BRIBERY AND CORRUPTION**

##### **Article 18**

The Seller and the Customer shall comply with and respect relevant global trade laws and acts that regulate issues of ethical business and define rules against bribery and corruption, among others, "U.S. Foreign Corrupt Practices Act", "UK Bribery Act", "OECD Convention on Combating Bribery of Foreign Public Officials in International Business".

The Customer undertakes not to offer or sell equipment distributed through the Seller's distribution channel in embargoed countries and regions that are subject to global or US sanctions.

The Customer undertakes that the equipment distributed through the Seller's distribution channel will not, without obtaining the relevant local or global permits, be sold to end users for whom the relevant permits are necessary (military industry including production of chemical and biological weapons, nuclear industry, etc.).

#### **OTHER PROVISIONS**

##### **Article 19**

The Seller will make this document (General Conditions and Terms of Distribution) available on his official website [www.sys.ba](http://www.sys.ba).

The Seller shall indicate on each generated offer/proforma invoice, as well as on each issued invoice/delivery note the exact Internet address (URL) of the online site where this document is posted, and the Customer shall confirm by signing the invoice that he has understood the General Terms of Distribution and that he agrees with them.

The Seller reserves the right to change the General Terms of Distribution without prior notice.

##### **Article 20.**

The provisions of the laws and regulations applicable in the territory of the Seller's headquarters shall apply to other conditions, not regulated by these General Terms of Distribution.

##### **Article 21**

This document enters into force on the date of its adoption.

Sarajevo, 13 September 2023

Number: \_\_\_\_\_

Director

\_\_\_\_\_  
Nedim Sirbubalo