

**GENERAL TERMS AND CONDITIONS**

**FOR THE PROVISION OF ACCOUNTING SERVICES**

**BY DVA DUKATA DOO, BEOGRAD (VOŽDOVAC)**

**1. INTRODUCTORY PROVISIONS**

1.1. These General Terms and Conditions for the provision of accounting services (hereinafter: Services) form an integral part of the Accounting Services Agreement (hereinafter: Basic Agreement) and supplement the special agreements established between the contracting parties in the Basic Agreement, regulate issues that are not regulated by the Basic Agreement and are binding with the same legal force as the provisions of the Basic Agreement.

1.2. Subsequent changes to the General Terms and Conditions shall apply to Clients 8 (eight) days from the date of their publication on the Service Provider's website, on the page Price List and General Terms and Conditions/Prices, with which the Client is familiar and agrees.

**2. MUTUAL RIGHTS AND OBLIGATIONS**

2.1. The basic mutual rights and obligations between the Service Provider and the Client are regulated by the General Terms and Conditions, the Basic Agreement, the Price List, and all documentation or other provisions applicable to the Services directly stated in the agreement.

2.2. In order to enable the Service Provider to perform the Services, the Client shall without delay provide all information, documentation and assistance to the employees under the Client's control. The Client shall make every effort to provide all information and documentation even if it is not available at the time. The Client shall promptly notify the Service Provider of any information or events the Client learns about that may have an impact on the Services. The Client shall submit information in response to inquiries from the Service Provider, no later than 2 days from the receipt of the inquiry, in order to enable the Service Provider to comply with legal and contractual obligations. The Client guarantees the accuracy and reliability of the provided oral or written information and submitted documentation, and the Service Provider can fully rely on the above when performing the Services. The Service Provider shall not be liable to the Client for any loss or damage suffered by the Client due to fraud, misinterpretation, concealment of information essential to the Services or due to other omissions related to such essential information, either by the Client or any other source of information.

2.3. Unless otherwise expressly agreed in the Basic Agreement or its annex, the Service Provider shall prepare financial statements for the Client who is an entrepreneur or a legal entity classified as a micro legal entity in accordance with the Rules on the manner of recognition, valuation, presentation and disclosure of positions in the individual financial statements of micro and other legal persons, the Service Provider shall prepare financial statements in accordance with the International Financial Reporting Standards (IFRS) for small and medium-sized entities (IFRS for SMEs) to the Client classified as a small or medium-sized legal entity, and to the Client classified as a large legal entity according to the Law, the Service Provider shall prepare financial statements in accordance with International Financial Reporting Standards (IFRS).

2.4. The default language of oral and written communication between the Service Provider and the Client, and vice versa, is Serbian. For documentation submitted for posting, not originally prepared in Serbian, the Client is obliged to submit a translation into Serbian in a timely manner, with a signed note that the content of the translation corresponds to the content of the original document. The Service Provider may assume the obligation of oral and/or written communication and/or posting documentation in a language other than Serbian, exclusively upon written annex to the agreement.

2.5. Prior to the completion of the Services, the Service Provider may provide oral, general or interim notices, advice or statements, but in that case the written form of the relevant documents will take precedence. The Client shall not rely on anything in draft or oral form nor may hold the Service Provider liable for the foregoing. In case the Client wishes to rely on an oral notice, advice or statement made after the completion of the

Services, the Client shall notify the Service Provider and the Service Provider shall issue a written confirmation of the oral notice.

2.6. In addition to the legal representative, in the annex to the Basic Agreement, the Client may designate another person to control (liquidate) all accounting documents or only certain types of accounting documents. Writing only the word "controlled", the word "liquidated" or placing only the signature/facsimile/initials, or any other identification mark, on the accounting document without mentioning any word, shall be considered a confirmation of such accounting document as authentic. In case the Client regulates the procedure of control (liquidation) of accounting documents by a general act, such act shall be submitted to the Service Provider, and the Service Provider is obliged to adhere to it.

2.7. The Client is obliged to put the indication "related party" on the accounting documents related to business changes with related parties, during the control (liquidation) of the document at the latest. In case the accounting document does not contain the indication "related party", it shall be deemed that the person who participated in the business change is not a related party. In case the Client is a legal entity, for proper identification of related parties, the Client is obliged to apply the provisions of Article 59 of the Law on Corporate Income Tax that reads:

ARTICLE 59. [Law on Corporate Income Tax](#):

A transfer price shall be understood to mean the price that comes into being in connection with transactions involving assets or making commitments among associated persons.

A person associated with a taxpayer shall be understood to mean an individual or legal entity in whose relations with the taxpayer, there is a possibility of exercising control over or exerting considerable influence on business decisions.

The direct or indirect possession of at least 25% of shares or interests shall mean that control over the taxpayer is possible.

In addition to the case provided for in paragraph 3 of this Article, the possibility of significant influence on business decisions exists when a person directly or indirectly holds at least 25% of the votes in the taxpayer's governing bodies. A person related to the taxpayer is also considered to be the legal entity in which, as with the taxpayer, the same natural or legal persons directly or indirectly participate in the management, control or capital, in the manner provided for in paragraphs 3 and 4 of this Article.

Persons related to the taxpayer are considered to be a spouse or a partner, descendants, adoptees and descendants of the adoptee, parents, adoptive parents, siblings and their descendants, grandparents and their descendants, as well as brothers and sisters and parents of the spouse or a partner, as persons related to the taxpayer in the manner provided for in paragraphs 3 and 4 of this Article.

Notwithstanding paragraphs 2 to 6 of this Article, any non-resident legal entity from a jurisdiction with a preferential tax system is also considered a person related to the taxpayer.

LIST OF JURISDICTIONS WITH A PREFERENTIAL TAX SYSTEM based on the [Rulebook on the list of jurisdictions with a 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. Isle of Man
23. Jersey
24. Liberia
25. Liechtenstein
26. Macao
27. Maldives

28. Marshall Islands
29. Mauritius
30. Monaco
31. Monserrat
32. Nauru
33. Netherlands Antilles
34. Niue
35. Normand Isles
36. Palau
37. Panama
38. Saint Kitts and Nevis
39. Saint Lucia
40. Saint Vincent and the Grenadines
41. Samoa
42. Seychelles
43. Solomon Islands
44. Tonga
45. Trinidad and Tobago
46. Turks and Caicos Islands
47. Tuvalu
48. US Virgin Islands
49. Vanuatu

Or in case the Client is an entrepreneur, the Article 36 of the Individual Income Tax Law that reads:

Article 36 of the [Individual Income Tax Law](#):

Persons associated with an entrepreneur shall be understood to mean, besides the individuals and legal entities having that status under corresponding provisions dealing with corporate income tax, also the following:

- 1) Members of the taxpayer's family;
- 2) Taxpayer's brothers and sisters;
- 3) Spouse's parents and stepchildren.

2.8. When compiling the list of unpaid invoices that the Client is obliged to deliver to his debtors, the Service Provider provides the Client with an overview of all postings on the analytical cards of the Client's debtors. The exchange of lists, telephone and other contacts, correspondence, harmonization and communication is the Client's task. The Service Provider does not close open items in the analytical accounting of receivables and liabilities, but the Client does so within its financial records. Such an obligation of the Service Provider may be agreed in an annex to the Basic Agreement

2.9. The Client shall retain responsibility for the conduct of its business, deciding on further measures after the provision of Services, implementation of advice or recommendations given by the Service Provider.

2.10. When handing over documentation, monetary or other values to each other, the Client and the Service Provider are obliged to provide records on the subject handover. The Contracting party handing over such items shall keep the record on the handover for at least one year.

2.11. The place of performing accounting services is considered to be the business premises of the Client's headquarters, while the premises of the Service Provider are only the place of certain phases of data processing and, in that sense, keeping documents, business books and financial statements is entirely within the Client's competence. The Client only temporarily submits the documentation to the Service Provider's premises for processing, data entry, or posting, after which the Service Provider, no later than 15 days from the date of submission of financial statements to the competent state authority (SBRA), returns the documentation in full as all accounting records for storage in its business premises. The decision on the manner, place and persons responsible for keeping the documentation is made by the Client.

2.12. The Client may also submit documentation for processing and posting to the Service Provider electronically, in the form of files suitable for processing and uploading to the accounting program, in the form of photocopied or scanned documentation, when it is assumed that the document is signed by the responsible person and the original document is kept in the Client's business premises. In all such cases, the Client is responsible for the authenticity, accuracy and correctness of the documentation thus submitted

2.13. The Service Provider undertakes to keep, with the care of a good businessman, during the contractual relationship and after its expiration, in the same manner as its own, any business document/data/information from whose content, nature, origin, purpose and/or the purpose is to represent a confidential document/data/information or which have commercial value because they are not generally known, nor are they available to third parties who could benefit from their use or disclosure or because their use or disclosure to a third party may harm the Client, either directly or indirectly.

2.14. The client has the right and duty to, continuously or occasionally, independently or through a professional, control and audit the accuracy and correctness of keeping his business books. The client is especially obliged to perform such control, i.e. audit during the preparation of monthly or quarterly calculations of value added tax as well as during the preparation of annual financial statements and annual tax returns.

### **3. SERVICE PRICE**

3.1. Prices of services, terms and conditions of payment and payment guarantees are defined by 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 item 1. "Accounting services" for the Client have only informative purpose and the relevant prices for the Client are stated in the Basic Agreement and its annexes and can be amended only in writing by annex to the Basic Agreement.

3.3. Any subsequent changes to the prices of services listed in the Price List in item 2. "Other additional, subsequent and extraordinary services" will apply to Clients 8 (eight) days from the date of their publication on the Service Provider's website, on the page Price List and General Terms and Conditions/Price list, with which the Client is familiar and agrees and which will be considered imposing without concluding the Annex to the Basic Agreement.

3.4. The Service Provider may charge legal interest on the Client's outstanding debt.

3.5. In case of termination or suspension of the Services under the Basic Agreement, the Service Provider shall be entitled to reimbursement of costs and collection of fees for services rendered, increased by the amount of VAT (if applicable). In this case, the price for the performed services will be calculated in proportion to the work performed.

3.6 In case it is required, upon the Client's request, and after the termination of the Basic Agreement, for the Service Provider to submit certain information or provide Services related to the Client in accordance with the legal requirement, obligation or any type of legal proceedings, the Client agrees to reimburse the costs to the Service Provider incurred in connection with such request, obligation or procedure, in accordance with the valid Price List within 15 days from the date of receipt of the invoice from the Service Provider.

3.7 In case the Service Provider, upon collection of outstanding liabilities, collects the bill of exchange submitted to it by the Client in accordance with the Basic Agreement, the Client agrees that the Service Provider may increase the amount of the bill of exchange by the amount of all Client's obligations which have incurred related to the execution of the Basic Agreement (data entry and processing, payment operations, payroll calculation, courier service, other additional, subsequent and extraordinary services, preparation of transfer pricing study, rent for business premises, mailing service), and are due for payment to persons hired by the Client, or the Service Provider in the name and on behalf of the Client, and thus simultaneously collect all amounts of outstanding liabilities in the name and on behalf of those persons.

### **4. LIMITATION OF THE SERVICE PROVIDER'S LIABILITY**

4.1. The Service Provider shall be liable for any actual damage suffered by the Client through the fault of the Service Provider in the manner regulated by the Law of Contract and Torts and these General Terms and Conditions. The liability of the Service Provider to the Client or other users under the contract, law or otherwise, will be excluded for indirect or consequential economic losses or damages (including loss of profit) suffered by the Client (or any of these other parties) due to or in connection with Services, regardless of how indirect or consequential economic losses or damages occurred, including the negligence of the Service Provider but not the intent or gross negligence of the Service Provider.

4.2. The Service Provider shall not be liable for any damage arising from the situation when the Client, due to non-compliance with legal and / or agreed deadlines for delivery of documentation, or other necessary data or information, puts the Service Provider in a situation to perform tasks in unreasonably short deadlines compared to the deadlines prescribed by law and/or the agreement.

4.3. The Service Provider shall not be liable for any damage arising from the situation when the Service Provider acts in accordance with the views of the professional public or part of the professional public in the application of regulations that are insufficiently specific, and in practice there is a situation of different interpretations and actions under such regulations.

4.4. When performing courier services, all risks of transport and handling of money, documentation and other values shall be borne by the Client, except in the situation when it is determined that the Service Provider acted with extreme negligence. It is the Client's duty to secure money and other valuables in transportation and handling.

4.5. When performing electronic payment operations, the Service Provider shall not be liable for any damage caused by interruption of telephone traffic, unavailability of cable network services and similar services that are not under the control of the Service Provider.

4.6. In the situation when the Service Provider, due to the delay of the Client with the payment of its obligations to the Service Provider for more than 10 (ten) days, temporarily suspends the provision of Services or permanently terminates the Agreement, the Service Provider shall not be liable for any consequential damage.

4.7. Under no circumstances, total liability under agreement, law, or otherwise, for any direct loss or damage suffered by the Client (or such other party) as a result of or in connection with the Services, regardless of how the direct loss or damages occurred, including negligence of the Service Provider but not the intention or gross negligence of the Service Provider, may not exceed the total amount paid by the Client for the Services in the last three months preceding the occurrence of any harmful event. When determining the material responsibility of the Service Provider, the contributions of the Client and/or third parties (if any) for the harmful event in question will be taken into account.

This clause shall apply to all claims arising out of or under the Basic Agreement.

4.8. In all cases, the Service Provider shall not be liable for any damages resulting from force majeure.

## 5. TERMINATION OF THE AGREEMENT

5.1. The Contracting parties may terminate the Basic Agreement at any time in compliance with the mutual notice period of 25 (twenty five) calendar days, starting from the day of delivery of the written notice of termination by one Contracting party to the other, in person, via registered mail to the address of the registered office or the e-mail address specified in the Basic Agreement, or its last annex, as the registered address for receiving e-mail.

5.2. No later than the last working day of the expiration of the notice period, the Service Provider is obliged to submit, and the Client is obliged to take over his documentation, which at that moment is found with the Service Provider. Simultaneously with the documentation, the Service Provider is obliged to submit, and the Client is obliged to download text files containing the gross balance, general ledger and all analytical bookkeeping and records kept by the Service Provider for the Client (goods accounting, payroll accounting, VAT records) burned on a CD, or on another electronic medium, provided the Service Provider and the Client agree on it (flash memory, USB, external hard disk, as an e-mail attachment, on of the Internet storage locations from which the Client can download the documents, such as the locked part of the Service Provider's site, G-Drive, Dropbox, etc.).

5.3. In case the Client fails to take over its documentation, the Client shall pay the Service Provider a fee for archiving and storing the documentation in accordance with the Price List. The Service Provider is obliged to keep such documentation for at least another 60 (sixty) days, after which it no longer has the obligation to keep the documentation and is not responsible for any potential harmful consequences for the Client based on the relevant documentation.

5.4. Unless explicitly agreed in a potential written annex to the Basic Agreement, upon expiration of the notice period, the Service Provider has no longer the obligation to record (post) the Client's business changes for which he did not submit completed and liquidated documentation to the Service Provider at least three working days before expiry of the notice period, no obligation to submit to the competent authorities the financial statements, tax returns, calculations and statistical or any other reports relating to the period during which the agreement was valid, and that the last day of the legal deadline for their submission has not expired by the last day of the notice period, but starting from the date of expiration of the notice period, it is the exclusive obligation and responsibility of the Client.

5.5. The Service Provider is not obliged to notify the Client in writing about the temporary suspension of the provision of services, but it is understood that, in accordance with Article 4.6, all services have been suspended upon the expiration of the tenth day of late payment. The Service Provider is obliged to inform the Client in writing about the permanent termination of the agreement. Notice of permanent termination of the agreement may be conditional, stating the deadline by which payment is pending, and in case payment is not made by the given deadline, the permanent termination of the the agreement shall take effect.

5.6 Any provision of these General Terms and Conditions which by its nature or implicitly takes effect upon termination of the Basic Agreement shall survive the Basic Agreement, shall be considered a special agreement of the Contracting parties and shall remain in force until the fulfillment of relevant rights or obligations provided by the General Terms and Conditions.

## 6. DISPUTE RESOLUTION

6.1. The substantive law of the Republic of Serbia is applicable to the General Terms and Conditions as well as the Basic Agreement.

The Contracting parties agree to resolve all disputes that arise from the agreement in amicable manner.

In case amicable resolution of the dispute is not possible, the Contracting Parties agree that all disputes arising from or in connection with the Basic Agreement shall be finally resolved before the Commercial Court in Belgrade.

In case the Client has any questions or objections regarding the Services, it may contact the Service Provider who shall consider all complaints as soon as possible and do everything in its reasonable power to resolve them. .

## 7. MISCELLANEOUS PROVISIONS

7.1. The Client is obliged to inform the Service Provider of all changes of information and data provided and stated in the Basic Agreement, or its annexes, including changes in telephone numbers and email addresses.

7.2. The Service Provider may transfer its rights and obligations from the Basic Agreement to a third party with which the Client is familiar and agrees.

7.3. Any notice to the Client or Service Provider under the Basic Agreement shall be in writing and delivered by registered mail to the registered office or another address specified in the Basic Agreement or sent to the email address registered as address for receiving e-mails or another email address specified in the Basic Agreement. The above notices shall be deemed to have been received on the second business day following the date on which they are sent.

7.4. Each clause or provision of these General Terms and Conditions as well as the Basic Agreement is a separate and independent provision. In case the court or other competent authority considers any of the above provisions to be invalid or inapplicable, the remaining provisions shall continue to be fully valid and enforceable.

7.5 Amendments and such resulting new version of these General Terms and Conditions, shall enter into force upon 8 (eight) days from the date of publication on the Service Provider's website - dvadukata.com.

7.6. This version of the General Terms and Conditions was published on the Service Provider's website dvadukata.com in December 2020, and enters into force on January 9, 2021.

7.7. The Client agrees and accepts the provisions of these General Terms and Conditions on behalf of the Client and as a representative of other users of the Services on the day of signing the Basic Agreement. The Client shall ensure that in such circumstances all other users act as if they were a party to the Basic Agreement, as if they had all signed a copy of the Basic Agreement and agreed to conform to it. However, only the Client will be responsible for paying the price to the Service Provider. The Service Provider accepts the Client's consent and acceptance of the provisions of the Basic Agreement.

Client

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