

ASSONO d.o.o. Zagreb Terms & Conditions (4/10)

1. DEFINITIONS

1.1 In these Terms & Conditions the following words and phrases shall have the following meanings:

"Acceptance Date" means the date of written (whether printed or electronic) acceptance of your Order by us;

"Address" means an address as notified to you;

"Agreement" - this agreement comprising of these Terms & Conditions and the contents of any Order Form you complete;

"Fees" means our fees for the Services, as agreed in the Order Form and shall be subject to VAT (when Services are furnished to a Croatian entity) or other appropriate taxes as appropriate;

"Number" means a non-exclusive Croatian landline telephone number dedicated to the Client's use;

"Order Form" means any our order form completed by you and submitted to us;

"Services" means all the services as may be set out in your Order;

"Terms & Conditions" means these Terms & Conditions;

"Website" means our local website, www.assono.hr.

1.2 In the event of any conflict between these Terms & Conditions and any terms and conditions appearing on an Order Form, these Terms & Conditions shall prevail.

1.3 In this Agreement:

- (a) references to "we" and "us" shall be deemed to be references to Assono d.o.o. Zagreb, a Croatian company registered in Commercial Court Zagreb registry under company number 080046419; references to "you" and "Client" refers to you and/or your local entity and authorised person completing the Order Form on behalf of you;
- (b) Clause headings do not form part of or affect the interpretation, references to Clauses are to Clauses of this Agreement
- (c) references to any legislation shall include any statutory, or other re-enactment or modification thereof (whether before or after the date of this Agreement);

(d) where the context requires, words denoting the singular include the plural and vice versa and words denoting any gender include all genders;

(e) references to parties include references to their respective successors in title and permitted assigns;

(f) references to persons includes any person, firm or company or group of persons or unincorporated body;

(g) references to "writing" shall include electronic text, including, without limitation, email.

2. ORDERS AND ACCEPTANCE

2.1 Each Order Form for Services (as such terms are defined below) shall be governed by a separate agreement comprising your Order Form and these Terms & Conditions.

2.2 Your Order Form will only be valid if scan returned to our e-mail clients @ assono . hr or via fax sent to +385-1-5599719. By placing an Order Form, you agree to be bound by the Terms & Conditions.

2.3 We shall accept Order Forms at our absolute discretion, and the Agreement will commence only after we do so, as confirmed in our reply. In our reply, we shall also state the particularities required to start using the respective Service, such as Address, manager personal details, etc.

3. REGISTRATION

3.1 When you apply for the Services, you warrant that you or your subsidiary of an any form are eligible for business in your relevant jurisdiction and your incorporated or planned local entity in Croatian jurisdiction.

3.2 You warrant that any information you provide to us about yourself upon registration or at any time will be true, accurate, current and complete and that you will ensure that this information is kept accurate and up-to-date at all times when you use the Services.

4. TERM

This Agreement shall commence on the earlier of the Acceptance Date or the date on which we commence providing the Services to you, as communicated to you in our reply to the Order Form, and shall continue unless and until terminated by either of us in accordance with this Agreement.

5. PROVISION OF SERVICES

In consideration of and conditional upon payment of our Fees, we will provide you with the Services in accordance with your Order Form.

6. WEBSITE AVAILABILITY

Due to the nature of the internet and the fact that your access to the Website involves features outside our control, we are not responsible for technical problems that you may experience with the Website.

7. FEES AND PAYMENT

7.1 Fees applicable are the ones stated in the Order Form completed by you, i.e. the ones applicable at the time when you ordered the particular Service(s). As we tend to optimize our business, all Fees are subject to periodical change. You will be notified of the proposed Fee change, and if you do not agree to the change, the Agreement is terminated with effect as stated in the change notice.

7.2 We only issue and dispatch electronic (PDF format) invoices for all Fees accrued, monthly in advance (increased of cost statement for the preceding month and for any deductions made to your previous payment). Such invoices are due and payable within 10 days after the invoice is sent to your e-mail. Services are billed either to you or to any other consenting (thereby Agreement-adhering) entity of your selection, as long as an invoice is not outstanding due to any change in input of the payee.

7.3 If, for whatever the reason, your payment in full of any Fees is not received after the due date, we reserve the right on dispatch notice in writing (including e-mail) to you to suspend provision of the Services until such time as payment is made in full. If Services provision is depend on your de-registration of Address and/or Number, Clause 13.3 applies.

8. CHANGES TO YOUR DETAILS

Subject to payment of the additional amount of a one-month fee for the Virtual Office/Address Service, you may amend the address to which we forward your mail under such Service, provided that you give us at least 30 days' notice in writing of such change.

9. SERVICE PARTICULAR TERMS AND CONDITIONS

9.1 Address Service

Address Service includes, without limitation, and subject to the Terms & Conditions set out in this Agreement the allocation to you of a non-exclusive Croatian national resident address for the sole use by your business for registration purposes only. No premises are leased under this service at any time.

Address Service shall be deemed rendered as long as the address provided is being held registered at the official

bodies and Fees shall be due and payable regardless of the term and termination provisions hereto.

Annual plan (advance payment) for Address Service ordered and paid in advance entitles to 2-months Fees worth of Service discounted.

Unless otherwise agreed with you in advance in writing:

(i) all mail delivered to you at the Address will be forwarded in the form of 200-dpi greyscale scans to the e-mail address designated by you in your Order Form in a reasonable period upon delivery to the Address (mail not in paper format will be briefly described in English in such e-mail instead).

(ii) mail delivered to you at the Address will not be made available for collection or forwarded, unless if specially agreed, and shall be destroyed without any further cost for you after at least a 3-day period following the receipt. We charge actual cost of sending the packages and post plus a €5.00 handling fee for all individual packages and parcels which you require to receive in any other form than electronic.

(iii) we will be unable to sign for or forward mail delivered to you at the Address at any time other than 9:00 to 16:00 Monday to Friday, excluding national and bank holidays.

In the event that mail delivered to you at the Address is not marked in such a way that we are able to ascertain from the outside packaging that it is intended for you, we reserve the right to fully inspect such mail to determine for whom it is intended.

In the event that you believe we have failed to forward mail sent to you at the Address in accordance with this Agreement, you must notify us and the sender in writing as soon as reasonably practicable upon becoming aware of the same and, in the event that we have received such mail and not forwarded it, we will forward it to you (we accept no liability for mail that you cannot prove has been delivered to the Address and, for the purpose of this Clause, proof of postage of mail sent to you at the Address shall not constitute proof of delivery).

All risk in mail delivered to you at the Address shall pass to you immediately upon delivery to the Address and it is your sole responsibility to arrange for appropriate insurance cover from such time.

You will not arrange for or permit the delivery of any noxious, harmful, deteriorating or dangerous substances to the Address and, in the event that we have reason to believe that any mail item delivered to you at the Address is or may be, in any way, noxious, harmful, deteriorating or

dangerous, we reserve the right to dispose of such mail item as we see fit.

We reserve the right, at our sole discretion and on notice in writing to you, to refuse delivery of and return to the sender (at your sole cost) or to withhold from forwarding any mail items delivered to you at the Address that are above 1kg in weight or larger than 30cm in length or larger than 0.3 metre in girth or multiple items in one delivery or multiple deliveries such as mail promotion, marketing promotion and mail order commercial activities. In the event that we withhold such items from forwarding, we reserve the right to charge you a storage fee pending collection by a courier nominated by you or delivery by us on such terms as may be agreed.

In the event that, for whatever reason (including, without limitation, as a result of any marketing or promotional campaign) you envisage a material increase in the volume of mail delivered to you at the Address, you will notify us in writing as soon as you become aware of the circumstances likely to give rise to such change in volume. Where the expected or actual increase in mail delivered to you at the Address is more than 20% in any one calendar month (above the average monthly volume prior to that month), we reserve the right, on notice in writing to you, to increase the Fees payable in respect of the Virtual Office Services proportionate to the amount of the increase and/or to invoice you in advance on account of future Fees that may accrue. Without prejudice to the aforementioned, unless otherwise agreed in advance and in writing, the Virtual Offices Services may not be used in any direct marketing campaign which is likely to result in more than 20 items of mail being delivered to you at the Address in any one calendar month. Any mail overload above this threshold will be negotiated and charged separately to you.

When disclosing the Address to any third party (including in advertisements) you may not add any additional information, including but not limited to floor or studio numbers for any purposes. When Address is provided to you, you shall not make or permit any reference to the Address in any advertisement, promotion or public announcement, representing the Address as the actual business location of your company, unless specifically agreed in writing with us. In particular, you shall not indicate the Address in any internet website as the actual location of operations or the actual location of any business records of your company. Any reference to the Address in any advertisements, websites or other public sources must clearly indicate that the particular address is only your company registered address.

In the event of our offices relocation involving the change of the Address, we shall give you 30 days notice to effect such change. We shall not be responsible for any associated costs incurred by you as a result of such change of the Address and we shall be relieved from any liability for the receipt of mail at the old address when the said notice period expires, regardless of the fact that you had or had not effected/notified the change wherever it is necessary.

You understand that official and registered-type mail can only be taken over by providing your local entity stamp on the receipt confirmation, and we will neither be able nor entitled or be held liable to take over such mail if we had not been provided with the a copy of your local entity stamp. If a stamp copy is made for us, you guarantee us we shall have the only copy with a special mark "A" on it, so that each stamping performed by us may be traced to us, and so that no other stampings may be attributed to us. The aforementioned applies to officially sent mail (registered) only; mail sent through courier services shall not be taken over (unless agreed with the client for each specific request, subject to additional fees), and in such event we will send you a scan of the shipping notice, and thereafter be further released from all obligations regarding the shipment.

You may not use the Address for the purposes of attending procuring or conducting meetings with any persons whatsoever, for attracting persons to the Address and, for security purposes, you must not carry or use photographs of the building at the Address. You may not use the Address for your personal purposes. For the avoidance of doubt, this service does not provide you with business premises, and you understand no indication in terms of Croatian Companies Act Article 21 paragraph 3 shall be displayed at the Address. You are to disclose to your local tax-office that you are not using the premises at the Address, and we shall be relieved of all liability should lack of premises in general cause you any inconveniences with the tax authorities.

9.2 Virtual Offices Services

The terms and conditions for Address Service (elaborated under Clause 9.1 hereto) apply.

Phone answering component of this Service offered as part of the Virtual Offices Services includes, without limitation, and subject to the Terms & Conditions set out in this Agreement: (i) the allocation to you of a non-exclusive Number for use by your business; (ii) the answering of telephone calls to and the taking of messages from calls to the Number; (iii) the transmission of such messages to you by email; (iv) the re-resending of faxes to your number.

The cap number of communication taken or forwarded shall be total of 10 (ten) or 2 (two) secretary hours of work, and in the event that, for whatever reason (including, without limitation, as a result of any marketing or promotional campaign) you envisage a material increase in the volume of calls to be handled pursuant to the Phone Answering Service, you will notify us in writing as soon as you become aware of the circumstances likely to give rise to such change in volume. Where the expected or actual increase is more than 20% in any one calendar month, above the average monthly volume prior to that month, we reserve the right, on notice in writing to you, to increase the Fees payable in respect of the Phone answering Service component proportionate to the amount of the increase and/or to invoice you for Fees in advance on account of future Fees that may accrue.

Annual plan for Virtual Offices Services ordered and paid in advance entitles to a 2 months Fees worth of Service discounted.

If Virtual Offices Services are terminated or no longer rendered for any reason whatsoever, the Address Service shall be deemed continued being rendered as long as the address provided within the respective Service is being held registered at the official bodies and Clause 13.3 hereto applies.

9.3 Meeting Room Services

Meeting Room Access Services are provided by a third party. By using those Services, you agree to abide by such Terms & Conditions with the third party as may apply from time to time.

You acknowledge and agree that, should you wish to reserve any such offices, you will be required to agree to the Terms & Conditions with the third party, or such other third party as offers those offices for hire.

We accept no responsibility for the quality or availability of service provided by the third party or such other third party as may offer offices for hire via the Meeting Room Access Services.

9.4 Basic Accounting and Filing Services

Basic Accounting and Filing Services ensure your basic annual statutory compliance when maintaining a company in Croatia.

Basic Accounting and Filing Services are provided by a third party. By using those Services, you agree to abide by such Terms & Conditions with the third party as may apply from time to time. This Service excludes any kind of bookkeeping for companies having employees engaged,

doing customs reports and filing for companies issuing over 3 invoices monthly and/or over a total amount of HRK 100.000 or and foreign currency equivalent. This Service excludes audit and/or IFRS application. This Service Fee is calculated on a monthly basis and does not entitle to an annual plan discount.

You and/or your authorised representative will reasonably cooperate on signing forms and other documents and providing information required to successfully perform this Service. We or a third party performing the Service shall not be liable for any act or omission dependant on an input, information, document or a signature from your side.

We accept no responsibility for the quality or availability of service provided by the third party or such other third party as it may offer it.

9.5 Nominee Shareholder Services

This Service includes, without limitation, and subject to the Terms & Conditions set out in this Agreement the allocation to you of a Croatian national who will be a published shareholder of a Croatian company, instead of you or any person of your designation. This Service Fee is calculated on an annual basis and does not entitle to an annual plan discount.

You will cover in full all legal, notarial, tax and other costs associated with implementing this Service at a Croatian notary and a relevant registry and other relevant bodies and companies (such as banks). Individual person will not be available for you to contact, but rather only through us.

You will be entitled to reasonably unlimited number of certificates of true shareholding upon an individual special request, subject to separate fees and handling and certification/apostille/delivery cost. You must recover any and expense to the designated person, should any be imposed to it on the basis of his shareholder status.

9.6 Management Services

This Service includes, without limitation, and subject to the Terms & Conditions set out in this Agreement the allocation to you of a Croatian national who will be management board member of a Croatian company of your selection. You will procure for all submissions and cover in full all legal, notarial and other costs associated with implementing this Service at a Croatian notary and a relevant registry.

You will be entitled to a power of attorney the manager can grant to any person of your desire upon an individual

special request, subject to separate fees and handling and legal/certification/apostille/delivery cost.

Individual person appointed manager shall be made available for you to contact via dedicated e-mail address made for your use only. All other contacts towards the manager shall be made through us. The manager shall be made available for the disposal of your business' needs up to 4 hours monthly at its convenience within the service Fee; should it occur that more hours are needed (either upon your special request or as required to prevent threatening damage to the company where the manager is appointed), such additional hours shall be calculated at an hourly rate equal to: (applicable monthly fee/4*1.5).

Manager acts upon your duly given instruction only and at its earliest convenience, or in urgent matters under it initiative with a notice to you given as soon as practicably possible. You are assuming all risk of failure to require a necessary action by the manager.

This Service performance is conditional upon signing the indemnity letter where you agree to indemnify the manager(s) for all the damages, costs, liabilities suffered in performing the service while acting upon your mandate, i.e. the mandate of the persons designated within such indemnity letter. Such indemnity letter shall contain up to three e-mail addresses entitled to issue mandates to the manager (representing you, where you assume all liability for acts and omissions of such persons). In the event of conflicting mandates the manager shall honour the rank of a mandatory, giving the priority to a higher ranked e-mail listed in the indemnity letter. Any liability or tax charges accrued or estimated in maximum amount threatening shall be added to the first subsequent invoice.

In case an action, mandate or a response is initiated from the manager's side towards, or as required by, the person(s) listed in the indemnity letter, silence shall be deemed the proposal/question rejection. You undertake each and every risk of silence and the consequences that might arise, regardless of the fact that the persons contacted were warned of such consequences or not.

Annual plan for Management Services ordered and paid in advance entitles to a 2 months Fees worth of Service discounted.

Order of more than one manager to perform the Service entitles to a separate benefits in Fees negotiated separately.

9.7 Incorporation – Company Set Up Services

Incorporation Services (limited liability private company or association/NGO set up, setting up local representation/branch office, subsidiary) are provided by a

chartered legal expert we subcontract. By using those Services, you agree to abide by such Terms & Conditions with the third party as may apply from time to time. Costs are estimated and paid by you in advance, and recapped at final account. Service fee and particulars depend on the type of entity and complexity of your needs, and is negotiated separately.

You and/or your authorised representative will reasonably cooperate on signing forms and other documents and providing information required to successfully perform this Service. We or a third party performing the Service shall not be liable for any act or omission dependant on an input, information, document or a signature from your side.

9.8 Escrow Services

Escrow Services are provided under an individually negotiated agreement and a separate fee that can be a part of Fee if you use our other Services we invoice you for.

9.9 Other Services

We provide other services expressly not mentioned here, including, but not limited to, such as document certification, apostille or certified translations, these services rendered upon particular request from you and under such terms and quotes agreed, but these Terms & Conditions shall always be applied to our relationship, if not, and only within the degree of, agreed differently.

9.10 CONTACT DETAILS AND AMENDMENTS

You must notify us immediately in writing if there is any change to your contact details as set out in your Order Form.

Save as may be expressly provided elsewhere in this Agreement, we reserve the right to amend the Terms & Conditions from time to time without notice to you and you agree to be bound by any such changes in your subsequent use of the Services. We therefore recommend that you review the Terms & Conditions from time to time.

10. WARRANTY

10.1 You warrant that you will not use the Services for any unlawful, fraudulent or immoral or similar purposes or in connection with any business that is in breach of any applicable legislation (primary and subordinate), rules, regulations or orders of applicable authorities or in competition with the Services offered by us.

10.2 You will not during or after the term of this Agreement carry out any act or make any omission (whether in respect of use of the Address and/or any Number allocated to you

under this Agreement or otherwise) that may damage the goodwill or reputation of the Address and/or the Number and/or our business or may bring the Address and/or the Number and/or our business into disrepute.

11. INDEMNITY

You agree to indemnify and keep us indemnified against all actions, claims, proceedings, costs, damages and expenses (including, without limitation, legal fees) arising out of the breach of any of the warranties contained in Clause 3 and Clause 10.

12. TERMINATION

12.1 We may immediately terminate this Agreement at any time by notice in writing to you if:

(a) we suspect that you are or may in the future use the Services in breach of the warranties set out in Clause 3 and Clause 10 above;

(b) you are in breach of any of your obligations under this Agreement which you have failed to remedy (if remediable) within 10 days of written notice requiring you to do so; or

(c) we suspect you are or become unable to pay your debts as they fall due.

12.2 Either party may terminate this Agreement on no less than 30 days' notice in writing to the other. Advance annual payments of Fees are not redeemable or eligible to be reclaimed or exchanged, regardless of the terminating party.

13. EFFECT OF TERMINATION

13.1 On termination of this Agreement for any reason:

(a) we will cease to provide the Services to you, and

(b) you will cease all use of the Address and any Number allocated to you under this Agreement and will, at our sole option and discretion, either destroy or deliver to us all stationery, business cards, promotional and other materials in your possession bearing such Address and/or Number, remove all references to the Address and such Number including, without limitation, from your website and electronic mail and cease all marketing and promotional activities utilising our office services, address and number; and

(c) you will immediately notify all your business contacts and relevant registries and any other regulatory authority of your change of address and number;

(d) all mail held or received by us on your behalf on or after the date of termination will, for a period of no more than 1

month, be forwarded to you at a Fee to be notified by us at that time. We shall under no circumstances be liable for any mail incoming or left at us after this month elapses.

13.2 Termination of this Agreement for whatever reason shall be without prejudice to any cause of action which has accrued to any party prior to expiry or termination.

13.3 Should you fail to de-register Number and/or Addresses and fail to pay the services continued due to your failure to de-register, you agree to pay liquidated damages in double the amount of our regular Fee for such service each month. We shall issue invoices for such liquidated damages any you undertake to pay such invoices in due dates.

14. CONFIDENTIALITY

14.1 Each party shall keep confidential and not without the disclosing party's prior written consent disclose to any third party any information of a confidential nature received from the disclosing party which relates to the business of that party whether or not such information is marked as confidential ("**Confidential Information**").

14.2 The obligations set forth in Clause 14.1 shall survive the variation, renewal or termination of this Agreement but shall cease to apply to any information which has come into the public domain through no fault of the recipient, is lawfully received by the recipient from a third party free from any obligations of confidence, is independently developed by the recipient, or is required by law, court or governmental order to be disclosed.

15. INTELLECTUAL PROPERTY RIGHTS

Nothing in this Agreement shall be deemed to transfer any intellectual property to you whatsoever.

16. LIMITATION OF LIABILITY

16.1 You acknowledge and agree that we may use third parties to provide any or all of the Services. We will endeavour to maintain the availability of such Services as may be provided by, or dependant on, third parties, however, you acknowledge and agree that we cannot guarantee the continued availability of such Services and that, save as provided in Clause 16.4, we have no liability to you in respect of Services provided by third parties, including, without limitation, for any interruptions or delays in those Services.

16.2 Save as provided in Clause 16.4, in no event will we be liable to you for any indirect, special or consequential loss or damage arising out of or resulting from the performance or breach of this Agreement.

16.3 Save as provided in Clause 16.4, our liability arising out of or in connection with this Agreement, whether in contract, tort or otherwise, shall in no circumstances exceed the total amount actually received by us under the Agreement in the quarter preceding the date such liability arose or, where the period from commencement of this Agreement to accrual of liability is less than a quarter (3 months), the total amount estimated due and payable by you during the first quarter of the Agreement term.

16.4 Nothing in this Agreement shall be construed as limiting any party's liability for fraud or for death or personal injury caused by its negligence or the negligence of its employees, agents or sub-contractors.

17. COMPETITION

During the continuance of this Agreement and for a period of six months after termination, you will not (whether directly or indirectly and operating by yourself or by agents, sub-contractors or group companies) provide any service competing with the Services, otherwise you agree to pay liquidated damages in the total amount of Fees paid during the Agreement term times five (5).

18. DATA PROTECTION AND PRIVACY

18.1 We will store and process your data received from you under this Agreement in accordance with the provisions and obligations imposed by the Croatian data protection legal framework.

18.2 We do not use any form of cookies in attempting to identify the Website viewers.

18.3 We reserve the right to disclose your data received from you if we are required to do so by any competent court or regulatory body, without notice to you. If we are required to disclose your data in accordance with this Clause 18 we will attempt to notify you of such fact as soon as it is reasonably practical to do so.

18.4 You agree that we may contact you to notify you of changes to, or information about, the Services and any other services that we may offer from time to time.

19. ASSIGNMENT AND GRANT OF THIRD PARTY RIGHTS

By entering into the Agreement, you consent we may assign, licence or sub-contract such of our rights and obligations under this Agreement to such third party or third parties as we, in our absolute discretion, desire.

20. NOTICES

20.1 Any notice or communication under or in connection with this Agreement shall be in writing (and, unless such notice is in electronic form, shall be signed by the party by whom it is given). The risk of misunderstandings, errors and losses due to bad, incomplete and ambiguous communication and the risk of any instructions being issued by unauthorized third parties are your own. We shall not be liable for any loss or damage resulting from his reliance upon any instruction, notice, document or communication, reasonably believed by us to be genuine and originating from you.

20.2 Any notice or communication under or in connection with this Agreement shall be delivered by fax or electronic mail to the respective fax numbers or electronic mail addresses given below or such other address, fax number or electronic mail addresses as either party may notify to the other from time to time.

20.3 In the case of notices or communications delivered by fax, a fax confirmation report shall constitute proof of receipt and in the case of notices or communications delivered by electronic mail, an electronic delivery report shall constitute proof of receipt. The date of receipt shall be:

(a) in the case of fax on the date on which the fax is successfully sent by the sender according to the fax confirmation report; and

(b) in the case of electronic mail on the date on which the electronic mail is sent by the sender according to the electronic mail delivery report.

20.4 The addresses for all notices shall be:

(a) us: Address: P. Heruca 18; Fax: +385-1-5599719; Email: clients @ assono . hr

(b) you: such fax, email and attention details are as set out in your Order Form.

21. WAIVER OF REMEDIES

The failure of either party to enforce at any time or for any period of time any Clause of this Agreement shall not adversely affect its right thereafter to require complete performance by the other party.

22. VARIATION

Unless expressly stated otherwise in this Agreement, no amendment or variation to this shall be valid unless in accepted in writing by the parties.

22. ENTIRE AGREEMENT

The terms of this Agreement supersede all prior agreements, arrangements and undertakings between the parties and constitutes the entire agreement between the parties relating to the Services subject matter hereof.

23. SET OFF

You shall not be entitled to set off any monies due or owing or claimed by you to be due by us to you against monies due or owing by you to us.

24. INTERNATIONAL USE

We make no representation that materials on the Website are appropriate or available for use in locations outside the Croatia and accessing the Website from territories where its contents are illegal or unlawful is prohibited.

25. MATTERS BEYOND OUR CONTROL

We shall not be held liable for any breach of these Terms & Conditions caused by circumstances out of our control, including acts of God, fire, lightning, flood or extremely severe weather, explosion, war, disorder, industrial disputes (whether or not involving our employees) network failures, or acts of local or central Government or other competent authorities.

26. GOVERNING LAW AND JURISDICTION

This Agreement shall be construed in accordance with Croatian laws. All disputes arising out of or relating to this contract, including such relating to its breach, existence or invalidity, and any legal consequence thereof, shall be settled by conciliation in accordance with the Rules of Conciliation of the Croatian Chamber of Commerce as in force. If any such dispute has not been settled pursuant to the said Rules within 45 days following the filing of an invitation for conciliation, such dispute shall be finally settled in accordance with the Rules of Arbitration of the Permanent Arbitration Court at the Croatian Chamber of Commerce. The number of arbitrators shall be one, the substantive law of Croatia shall be applicable, the language to be used in shall be Croatian, the place of arbitration shall be Zagreb. The respective forum selection shall not apply for the enforcement procedure for collection of unpaid invoices, which procedure shall be enforced subject to provisions regulation jurisdiction in accordance with the Croatian Enforcement Act; and in case of dispute thereto, the parties agree to the Zagreb Commercial Court jurisdiction. Unpaid invoices are subject to standard notarial method of enforcement in front of a Croatian notary public and in the event of invoice dispute Zagreb Commercial Court shall be competent to hear the case.