

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

I. General Provisions

1. Entering Agreements: Entering into contracts and agreements – especially if they change these Terms and Conditions – shall become binding for us only upon our confirmation in writing. The Buyer's purchase terms and conditions shall not be binding for us even if not explicitly objected.

Prices: Our asking prices are not binding. The binding prices are stated in our order confirmation. They are valid for terms of delivery EXW, including packaging – owned by the company. An order is considered accepted if we draft an order confirmation or an invoice.

2. Terms of Payment: In the event of delayed payment, the Buyer shall, together with the interest on arrears (in compliance with Directive 2077/7/EC), pay compensation on any and all costs for notification and collection of receivables. We reserve the right to prove greater damage. We are entitled to delivery at any time without prior notice against cash on delivery or to require advance payment for existing orders.

Non-performance of terms of payment or any and all circumstances that have become known after concluding the agreement that may reduce the Buyer's creditworthiness shall result in actions where all our receivables become payable immediately without prejudice to other agreements reached. Furthermore, this shall give us grounds to withdraw from the agreement or to require compensation for damages due to non-performance.

Any and all increase in prices of raw materials and delivery costs due to the execution of the delivery shall entitle us to calculate relevant price adjustment. Price basis: delivery EXW Gabrovo, Bulgaria.

3. Title Retention: we retain the ownership of the goods delivered for every agreement until the receipt of full payment of the purchase price. The Buyer may dispose of the goods only in the normal course of the transaction.

Special performance regarding drawings, samples or specifications are generally not accepted.

4. Place of Execution and Jurisdiction: For all dealings with us, the place of delivery and payment execution is the location of our factory or warehouse facility. The place of jurisdiction for any and all mutual rights and obligations arising from dealings with us – without prejudice to the scope of dispute – is Gabrovo, Bulgaria.

For any and all of these dealings the Bulgarian law shall apply, except for the UN Convention on Contracts for International Sale of Goods (CISG).

II. Delivery Execution

1. Terms of Delivery: The stated term of delivery shall commence as at the date of confirmed order of the Buyer in our factory. An order shall be considered confirmed when any and all export-import formalities have been settled.

The agreed term of delivery shall be extended – without prejudice to our rights in the event of arrears by the Buyer – with the period of delay of the Buyer's performance of obligations arising from this or any other agreement.

If we, on our part, fall into arrears, the Buyer shall give us a reasonable additional term to remedy. The Buyer shall not reject partial deliveries. Any claims for compensation for damages due to non-performance or delayed performance are excluded.

2. Force majeure: Force majeure entitles us to suspend the delivery for the duration of the obstruction plus reasonable time to start the production or to withdraw from the still non-performed part of the agreement. Force majeure shall include events and circumstances that significantly impede our deliveries or make them impossible, regardless whether such circumstances have occurred with us or with our subcontractor. The Buyer is entitled to require an explanation whether we shall cancel the delivery or execute it within a reasonable term. If we do not declare that, the Buyer shall be entitled to withdraw from the agreement.

3. Shipment and Transfer of Risk: Upon handing over the goods to the forwarder of the driver, at the latest when leaving the factory premises, the risk shall be transferred - also applicable for deals with FOB and CIF terms of delivery- to the Buyer.

The shipping route, the transport and protective means which are taken into consideration along with the freighters, are selected by us, excluding all liability. Goods which are notified as ready for forwarding, should be requested immediately for shipping; otherwise we are entitled to store them at the expense and at the risk of the Buyer at our discretion and consider them delivered EXW.

4. Discrepancies: Any discrepancies in size, weight and quality are allowed according to the valid practice. Weights are measured by the Placement Department of our factory-supplier and shall prevail when calculated. Upon delivery, regardless of the type of transportation used, the total weight shall prevail when calculated. Any and all differences in the individual weights used in the calculation shall be distributed proportionately.

Delivery of less or more items of special production are allowed within $\pm 10\%$.

5. Claims: The Buyer shall submit any and all claims in writing, immediately after receiving the goods in the place of destination. For any and all defects that could not be found even during a detailed inspection within this term, the claim shall be submitted immediately upon ascertainment in view of potential remedy or processing but not later than six weeks after delivery of the goods.

We shall take back the defected items and replace them with flawless ones. Where applicable, we may deduct a certain amount from the item value. Other claims for compensations are excluded.

Claims are repaid one month after rejection of the claim by us.

III. Other Provisions

1. Long-term Agreement: In the event of ongoing long-term agreements, we must receive an order of the relevant goods and the relevant specifications for approximately equal monthly quantities. If the order and the specifications are not submitted in due time, we are entitled to determine an additional term at our discretion and deliver the goods, or withdraw from the non-performed part of the agreement, or claim compensations for damages due to non-performance.

2. Exceeding the agreed amount: If the agreed amount is exceeded through the individual orders of the Principal, we are entitled to deliver the excess quantity. We can calculate the value of the excess quantity according to prices valid on the date of assigning the order.