

GENERAL TERMS AND CONDITIONS FOR DELIVERY OF GOODS

These **General Terms and Conditions for Delivery of Goods**, hereinafter referred to as **General Terms**, are applicable to all **Contracts** and/or **Agreements** and/or **Orders** for delivery (hereinafter referred to in these General Terms and Conditions as **The Contract**), signed by **Agropolychim JSC**, on one hand, and a physical person or legal entity, hereinafter referred to as **Supplier**, on the other hand, whereas the **Supplier** is obliged to sell and deliver, and **Agropolychim JSC** is obliged to purchase and take delivery of the goods described in the abovementioned **Contracts** and/or **Agreements** and/or **Orders**.

SECTION I. CONTRACT FOR DELIVERY

1. All deliveries shall be subject to contract (agreement) in writing between **Agropolychim JSC** and the **Supplier**, explicitly specifying the subject and scope of delivery, terms and conditions of delivery, schedule of individual deliveries, terms and conditions of payment, documents to be issued etc.
2. **Agropolychim JSC** will not take deliveries not ordered by written order signed by duly authorized representative.
3. The **Contract** or individual clauses thereof may not serve as grounds for either of the Parties to allege or claim the existence of commercial representation or agency between **Agropolychim JSC** and the **Supplier**, or the existence of representative power between them.
4. The **Contract** for delivery, the orders, acceptance thereof, as well as all the attachments, amendments and supplements to **Contract** clauses, all communications and notifications related to the latter, shall be deemed valid if produced in writing only.
5. All attachments to the **Contract** as well as technical terms, specifications, testing requirements, special instructions for packing, marking, handling etc., not covered by the **Contract**, or to which reference is made in the **Contract**, represent an integral part thereto.

SECTION II. DELIVERY AND ACCEPTANCE

6. The place of delivery shall be the production facility of **Agropolychim JSC**, Devnya, Bulgaria.
7. /1/ All deliveries must be in strict compliance with the Terms and conditions as per the order of **Agropolychim JSC**.
/2/ Any deviation from the agreed Terms and conditions, plans (drawings) or models submitted by **Agropolychim JSC**, the samples of **Agropolychim JSC** or the **Supplier**, or drawings elaborated based on the order as well as any material and structural defects, entitle **Agropolychim JSC** to take final decision whether these deficiencies are so substantial, that the supplied goods may not be used according to their contractual or usual designation, to accept the delivery of the goods in no compliance with the above prerequisites for the account and at the risk of the **Supplier**, with no financial obligations, or to reject the delivery, with the goods in the latter case considered as undelivered.
/3/ **Agropolychim JSC** shall not bear any liability in respect to rejected items or oversupplies, even if these have been temporarily stored by **Agropolychim JSC**. Such storage shall be for the account of the **Supplier**, at its risk and costs, and not considered to be a consign agreement.
8. For every delivery **Agropolychim JSC** must be advised at least 48 hours prior Delivery date with a copy of forwarding note sent to the address of **Agropolychim JSC**, containing all substantial details of Delivery.
9. /1/ Delivery and acceptance of contracted goods by quantity shall be made at the place of delivery at the time of unloading and upon an inspection by the representatives of both Parties.
/2/ The inspection of delivered quantity in respective measuring units (e.g. number, meter, pair, net weight) shall be based on **Supplier**'s specification.
10. **Agropolychim JSC** shall arrange for his own account the unloading of goods in Devnya.
11. **Agropolychim JSC** shall be entitled to raise a claim against the **Supplier** for undelivered quantities and/or visible defects within ten working days as from the date of the protocol under item 9 /1/. In case the received goods are packed, the time period to raise a claim for undelivered quantities and/or visible defects will coincide with the relevant warranty period.
12. **Agropolychim JSC** shall not be obliged to accept partial delivery. Such partial delivery must be explicitly agreed in the **Contract** and allowed as an exception only.

SECTION III. TERM FOR DELIVERY

13. The term and date for delivery or execution agreed between the Parties shall be deemed strictly binding.
14. /1/ The **Supplier** may deliver the goods prior contracted dates with the written consent of **Agropolychim JSC** only.
/2/ Such preliminary (advanced) delivery shall in no case change or affect the remaining obligations of the Parties or **Contract** clauses in respect to warranty periods or claim period, terms and conditions of payment etc.
15. /1/ In case **Agropolychim JSC** does not provide in due course the assistance specified in the **Contract** for production or transportation of the goods, or modifies the plans (drawings), instructions or other documents submitted to the **Supplier**, and thus creating substantial difficulties for the same production and/or transportation of goods, the **Supplier** may request extension of the time for completion, yet not more than the period of delay of **Agropolychim JSC**.
/2/ The extension of time shall be witnessed with bilateral protocol, an integral part to The **Contract**.
16. /1/ In case the **Contract** for delivery of machinery and equipment does not specify terms for delivery of individual parts and components, the **Contract** shall be deemed fulfilled with the completion of the delivery of the last item, without which the machine or equipment respectively cannot be commissioned.
/2/ **Agropolychim JSC** shall not lose the right to request the delivery of missing parts.

SECTION IV. QUALITY OF DELIVERY

17. All supplied goods shall fully comply with the quality requirements as specified in the **Contract**.
18. In case the **Contract** does not specify the quality, the provisions of the Bulgarian State Standard (BDS) shall apply, and in the absence of Bulgarian state standards, or imported goods, the international standards shall apply.

SECTION V. PACKING AND MARKING

19. All delivered goods must be adequately packed, as provided by Bulgarian laws and the applicable standards and/or the adopted commercial practice. The packing must secure the integrity of delivery taking into account the nature of goods and/or means of transport, reloading operations and duration of transport.

SECTION VI. TECHNICAL AND COMMERCIAL DOCUMENTS

20. /1/ The **Supplier** shall be obliged to deliver together with the goods (or if otherwise specified in the **Contract**) full set of documents, incl.: invoices, packing lists, plans (drawings), forwarder's documents, certificates, warranty cards, instructions for installation and use, equipment passports, customs clearance documents (for imported commodities), schemes, diagrams, plans etc.
/2/ In case the **Contract** does not specify terms for delivery of technical documents (incl. drawings, specifications, instructions for installation, maintenance and operation etc.), the **Supplier** shall be obliged to produce such documents in terms securing in accordance with the adopted practice the normal installation, operation and maintenance of machinery and equipment.
/3/ Technical documents must be elaborated in the language of the **Contract**.
21. All documents submitted to **Agropolychim JSC** pursuant to the **Contract**, shall become property of **Agropolychim JSC** and the Company may use these documents with no restrictions whatsoever and/or against additional payment.
22. Any delay in delivery of documents shall be deemed as delay in delivery of goods and followed by legal effect, as provided for in these **General Terms** and/or the **Contract**, and/or relevant legislation.

SECTION VII. INTELLECTUAL PROPERTY RIGHTS

23. The **Supplier** shall protect **Agropolychim JSC** against all and any claims and sanctions related to materials, technologies or means used for the execution of the **Contract**, based on patents, licenses, drawings, models, trademarks and/or result from unfair competition.

24. In case of a dispute related to intellectual property rights (patents, know-how, copyrights, trademarks, drawings or models etc.), the **Supplier** shall be obliged, for his own account, to waive in judicial or extrajudicial manner all charges and/or to replace immediately the supplied good at his own risk and for his own account with identical one, representing no subject of intellectual property rights of third parties.

SECTION VIII. CONFIDENTIALITY AND PROTECTION OF TRADE SECRET

25. The **Supplier** shall be obliged during the term of validity of the **Contract** and for a period of ten years after the accomplishment thereof, not to provide to third parties the confidential information received during bilateral negotiations and/or acquired during the execution of the **Contract**.
26. The **Supplier** shall be obliged, upon request from **Agropolychim JSC**, to return to the latter all the written confidential information including all copies, immediately upon termination of the **Contract**, or after fulfillment and release of **Supplier** from all obligations under this **Contract**, whichever event occurs first in time.

SECTION IX. TRANSFER OF TITLE (OWNERSHIP) AND RISK

27. The title (right of property) on delivered goods shall be transferred in accordance with the provisions of Bulgarian law, and all risks for destruction (loss) or damage to the goods shall be transferred to **Agropolychim JSC** as per terms and conditions for delivery agreed in the **Contract**, in accordance with INCOTERMS 2010.
28. The **Supplier** shall be obliged to hand over delivered goods free from right of property etc. rights of third parties, contestable against **Agropolychim JSC**.

SECTION X. PRICE

29. The price of goods shall be determined in the **Contract**. The Price shall be deemed final and not subject to amendments.
30. Contract price shall incorporate all the costs, expenses, duties, taxes and profits incurred by **Supplier**, except otherwise specified in the **Contract**.

SECTION XI. PAYMENTS

31. Except otherwise specified in the **Contract**, **Agropolychim JSC** shall pay the price for delivered goods within 30 (thirty) days from the original invoices' issuance date, yet not earlier than 20 (twenty) days from the date of receipt of the latter by **Agropolychim JSC**. The original invoice shall contain all the details stipulated by the Accountancy Act.
32. Invoices, supported by relevant documents (certificates, bills of lading, specifications etc.) shall be dispatched by letter with return receipt or by courier to the attention of **Agropolychim JSC** Accounting and Tax Department and duplicated by e-mail message to: wip@agropolychim.bg.
33. All payments shall be made through bank transfer. It shall be deemed that **Agropolychim JSC** has fulfilled its payment obligation under item 31 in these **General Terms** as from the date when **Agropolychim JSC** has deposited bank payment order in their service bank.
34. Bank charges due on money transfers in BGN and EUR shall be split between the Parties, as follows: the bank charges due upon sending of outgoing payments, as collected by the payer's house bank, including such collected by its correspondent bank (if any), shall be on payer's account and the bank charges due upon receipt of incoming payments, as collected by the beneficiary's house bank, including such collected by its correspondent bank (if any), shall be on beneficiary's account. The bank charges for money transfers performed in different currency shall be entirely on payer's account, incl. such collected by relevant correspondent banks.

SECTION XII. SAFETY AT WORK AND OCCUPATIONAL HYGIENE

35. Every delivery of goods, plans, machinery or mechanical tools as well as personal and collective protection equipment, shall comply with the requirements of the laws and regulations in force in the Republic of Bulgaria in respect to the safety at work and occupational hygiene as well as all and any

other conditions of safety, of significance for the safety of workers and accommodation of working process to human being. On delivery of abovementioned commodities, plans, machinery, tools and equipment, the **Supplier** must provide **Agropolychim JSC** with a document certifying that all General or specific requirements, incl. the above listed and those specified in the **Contract**, are met in respect to safety at work and occupational hygiene.

SECTION XIII. GUARANTEES

36. The **Supplier** shall be responsible in the scope of Warranty period for the quality of delivered goods, especially the quality of the structures and materials of delivered machinery and equipment (when these are not manufactured under **Agropolychim JSC** design) as well as the quality of delivered goods agreed in the **Contract**.
37. Warranty period shall be determined in the **Contract**. If the Parties do not agree such a period, then the warranty period for each delivered good shall be 18 (eighteen) months as from the Date of Delivery. In case a statutory regulation provides for a time period longer than the contract warranty one, the former shall be binding for the Parties to the **Contract**.
38. The **Supplier** shall guarantee that delivered goods are brand new and with no defect in materials, design and manufacturing whatsoever. In case during the warranty period **Agropolychim JSC** find such defect, The **Supplier** shall be obliged, at its own risk and for its own account, to immediately repair and/or replace the defective parts. Should the **Supplier** fail to do so in reasonable period of time (not exceeding 5 /five/ working days), **Agropolychim JSC** shall be entitled to proceed as per necessity for such repair and/or replacement at the risk and for the account of the **Supplier**. All replacement parts shall be covered by a new warranty period in the scope of the original 18-month /eighteen months/ warranty period. In case of a downtime following such defect, the warranty period shall be automatically extended with the downtime duration.
39. The **Supplier** shall guarantee that delivered goods will operate in reliable manner and will achieve the parameters specified in the **Contract**. In case of ineffective operation **Agropolychim JSC** shall be entitled to a compensation as specified in the **Contract**, or the option to rescind the **Contract** at the risk and for the account of the **Supplier**, when the solution in this respect is entirely and only on **Agropolychim JSC**' discretion.
40. In case the commissioning of delivered machinery is delayed by late submission of drawings, instructions etc. recommendations by the **Supplier**, the Warranty period shall be extended with the period of delay.

SECTION XIV. SERVICES AND SPARE PARTS

41. The **Supplier** shall be obliged to secure adequate services and supply spare parts during the Warranty period and for further 5 (five) years upon expiry of the same warranty period. The Terms and Conditions for services and delivery of spare parts upon expiry of Warranty period shall be separately agreed between the Parties.

SECTION XV. PENALTY CLAUSE

42. In case of delay in payment the guilty Party shall be charged a penalty to the extent of the legal interest rate for each day in delay.
43. In case of delay in contracted delivery, the guilty Party shall be charged a penalty to the extent of the legal interest rate for each day in delay accrued on the overall Contract price.
44. In case of rescission or termination of the **Contract** by the fault of either Party, the Party liable for such termination or rescission shall be charged a penalty of 15% (fifteen percent of the overall **Contract** amount. The same penalty is payable by the **Supplier** in case of non-fulfillment of the obligations under Paragraphs 25 and 26.
45. Penalties shall be deemed automatically payable, with no special notice. The injured party is entitled to set off the penalty from its payables to the opposite Party.

SECTION XVI. FORCE MAJEURE

46. /1/ If either of the Parties is prevented from or delayed in the fulfillment of its obligations under the **Contract** by unforeseen or unpreventable event of extraordinary nature arising upon agreement of this

Contract /including natural disasters, fires, floods, wars, civil commotions or riots, violations, requirements or regulations of the Government, industrial breakdowns/, the same Party shall be obliged to advise the other Party of the specifics of the Force Majeure in due course as well as the eventual consequences of the same for the execution of the **Contract**.

/2/ During the existence of the Force majeure, the fulfillment of obligations and related reciprocal obligations shall be suspended.

47. Shall the Force majeure last for a period exceeding 3 (three) months, either of the Parties shall be entitled to terminate the **Contract** with a notice in writing with immediate effect as from the moment of receipt. No compensations are payable in these cases.

SECTION XVII. SETTLEMENT OF DISPUTES

48. All and any disputes originating from these **General Terms** and/or the **Contract** or related to the same, including disputes originating from or related to the interpretation thereof, invalidity, execution or termination as well as disputes for filling of omissions and gaps in these **General Terms** and/or the **Contract** or the accommodation of the latter to newly occurred circumstances, shall be referred to a Bulgarian Court of competence for settlement.

SECTION XVIII. APPLICABLE LAW

49. These **General Terms** as well as the agreed **Contract** shall be interpreted in accordance with the provisions of **INCOTERMS 2010 DDP Agropolychim warehouse, Devnya** and governed by the Law in force in the Republic of Bulgaria.

SECTION XIX. FINAL PROVISIONS

50. **Agropolychim JSC** may incorporate amendments and/or supplements in these **General Terms** at any time, being obliged to advise the **Supplier** in writing for such amendments and/or supplements. Amendments and/or supplements shall enter into force not earlier than the beginning of the month following the month of notification.
51. Pursuant to these **General Terms**, the "Time normally required under the circumstances" and in the sense of Article 13 of the Obligations and Contracts Act, shall be 30 (thirty) calendar days, and "... adequate term for completion..." in the sense of Article 87 of the Obligations and Contracts Act shall be 5 (five) working days.
52. Pursuant to these **General Terms**, "confidential information shall mean technical, financial, commercial, legal and/or other information (irrespective whether identified as "confidential" or not) oral or written, provided to the **Supplier** during and in relation with the fulfillment of his obligations under the **Contract**, excluding:
- information available to the **Supplier** prior submission, which fact is traceable in his archive, or
 - information provided to the **Supplier** by a third party not during and not in relation with the fulfillment of his obligations under the **Contract**, or
 - information being a public domain without violation of the Supplier of any of his obligations under the **Contract** or The Law,
 - information which according to the Law shall be disclosed to competent state authority and only to the required extent and provided the **Supplier** has initiated all the measures for protection of information against further disclosure.
53. In case of controversy between the provisions of the **Contract** and these **General Terms**, prevailing and valid shall be these stipulated in the **Contract**.
54. These **General Terms** have been adopted in a Meeting of The Board of Directors by Minutes No. 2 dated 14.01.2000 (valid as from 20.01.2000) as amended and supplemented in a Meeting of The Board of Directors held on 05.04.2001 (valid as from 10.04.2001), a Meeting of The Board of Directors held on 25.11.2013 (valid as from 02.12.2013) and a Meeting of The Board of Directors held on 19.02.2016 (valid as from **22.02.2016**).

I, the undersigned Nedelcho Stoyanov Kopanov, do hereby certify and attest that the translation of the hereunto attached document – General terms and conditions for delivery of Goods, rendered by me from Bulgarian language into English, is truly and genuinely that of the original. The translation consists of 5 (five) pages.

Certified Translator:

Nedelcho Kopanov