



## GENERAL TERMS AND CONDITIONS OF SALE

### I. GENERAL PROVISIONS

1. These GENERAL TERMS AND CONDITIONS OF SALE, hereinafter referred to as GTC, are the standard contractual terms applicable to all business transactions concluded between AFER BULGARIA EOOD, hereinafter referred to as the SELLER, as one party, and a natural person or legal entity, hereinafter referred to as the BUYER, as the other party, where the SELLER undertakes to transfer the ownership of and deliver, and the BUYER undertakes to pay for and accept the goods it has ordered.
2. For each transaction between the SELLER and the BUYER, collectively referred to as the PARTIES, a sale and purchase contract shall be concluded, hereinafter referred to as the CONTRACT, specifying the special conditions agreed by the PARTIES. The CONTRACT shall specify the parameters of the concluded transaction in terms of type and description of the goods, quantity, packaging, price, delivery time, etc., as well as explicitly set out any deviations from these GTC, if such deviations have been agreed between the PARTIES. By signing the CONTRACT, the BUYER accepts and agrees with the validity of these GTC.
3. The combination of the special conditions set out in the CONTRACT and these GTC comprises the entire agreement reached between the PARTIES in relation to the sale of the goods. All prior arrangements, exchanged offers and counter-offers and other preliminary arrangements and agreements shall be superseded by and incorporated into the CONTRACT concluded between the PARTIES.

### II. INFORMATION REGARDING THE GOODS AND/OR SERVICE

4. Statements made by the SELLER in printed materials and/or mass media and/or on a website regarding prices, technical and/or quality parameters or other information about the offered goods shall be binding on it only if the CONTRACT expressly cites them.
5. The samples of goods provided to the BUYER shall be regarded as standard samples and the

SELLER shall not be liable for the full conformity of the delivered goods with the sample.

6. The commercial information provided about the goods, including samples, analyses, as well as any price proposals (offers) made, shall be used by the PARTIES for the sole purpose of concluding the CONTRACT, and the BUYER shall not be entitled to disseminate it or provide it directly or indirectly to third parties.

### III. DELIVERY OF THE GOODS

7. Except as otherwise provided in the CONTRACT, the delivery condition for the goods by the SELLER to the BUYER is in the warehouse of AGROPOLYCHIM AD in the town of Devnya, loaded on a carrier's means of transport (FCA), according to INCOTERMS 2010, developed and published by the International Chamber of Commerce in Paris (ICC).
8. The delivery of the goods subject to the CONTRACT shall be made based on the written requests for delivery, sent by the BUYER to the SELLER not later than one business day prior to the requested delivery dates and containing: delivery date; description of the goods; packaging; quantity; place of unloading the goods (for vehicles leaving the country); name, address and VAT number of the final recipient of the goods (consignee), if different from the BUYER. In addition to the above, the following shall also be indicated in the requests for delivery:
  - for road transport: registration number of the vehicle (traction engine); registration number of the trailer (for vehicles leaving the country); name, surname and PIN of the vehicle driver; ID card or passport number (for foreign drivers);
  - for rail transport: number of carriages, registration numbers of the carriages.
9. Delivery requests shall be sent to the SELLER by e-mail or via the web-based platform for online orders on the website [www.agropolychim.bg](http://www.agropolychim.bg) and shall be deemed to be binding after their status is changed to "processed".

10. Unless otherwise agreed in the CONTRACT, it shall be considered that the SELLER has the obligation to deliver the goods in equal consignments within the agreed term.
11. In the event that a time period has been agreed for the delivery of the goods, such time period shall commence on the date of signature of the AGREEMENT.
12. The date of fulfilment of the SELLER's obligations under this AGREEMENT shall be the date of loading the goods, reflected in the taking-over certificate accompanying the goods.
13. The SELLER shall fulfil its obligations under the AGREEMENT by loading the goods on the vehicle (car, railway wagon, etc.), whether rented by the BUYER or provided by the SELLER, or by handing over the goods to a shipping agent designated by the BUYER, unless otherwise provided for in the AGREEMENT.
14. The quantity of the goods handed over to the BUYER shall be the quantity specified in the documents issued by the SELLER. Such quantity shall be verified using the commercial metering devices installed in the place of loading and owned by the warehouse operator.
15. In the event that, by fault of the SELLER, the quantities ordered and accepted for shipment during a given calendar week are not delivered in accordance with the timetable confirmed between the PARTIES, the SELLER undertakes to carry out such deliveries in a subsequent period, even if this requires an extension of the term of the AGREEMENT. In such situations the BUYER shall have the right to refuse to accept the subsequent delivery of the goods that was not shipped by fault of the SELLER. However, the SELLER shall not be obliged to pay any sanctions, penalties and/or damages as a result of the delayed delivery under no circumstances beyond its obligation to deliver the undelivered quantities.
16. In the event that, by fault of the BUYER, the quantities ordered and accepted for shipment during a given calendar week are not delivered in accordance with the timetable confirmed between the PARTIES, the BUYER undertakes to order and accept such shipments in a subsequent period, even if this requires an extension of the validity period of the AGREEMENT. In such situations the SELLER shall have the right to refuse the subsequent delivery of the goods that was not shipped by fault of the BUYER.

#### IV. PRICE

17. The price of the goods shall be determined by the PARTIES upon conclusion of the AGREEMENT and shall be expressly stated as a special condition.
18. The price of the goods shall be fixed and may not be amended, unless after the signing of the AGREEMENT legislative changes in the tax regime of the transaction occur, e.g. new taxes, duties, excise duties, levies, fees, etc. are introduced or applicable rates are changed.
19. Value added tax (VAT) shall be accrued on the price of the goods if such a tax is payable for the specific transaction.
20. VAT shall not be charged if the supply is intra-community and therefore exempt from tax. A mandatory condition for tax exemption is that the BUYER has a VAT identification number issued by the respective EU member state, which is valid as of the respective delivery date. In order to prove the tax exemption, the BUYER shall be obliged to notify the SELLER of its VAT identification number before the delivery of the goods. The BUYER shall also be obliged to acknowledge the receipt of the goods in the respective EU member state, indicating the relevant date and place, by sending an official confirmation letter in accordance with paragraphs 39 and 40 of these GTC.
21. If the BUYER fails to fulfil its obligations under paragraphs 20, 39 and 40 of these GTC or if it turns out that the delivery in question does not comply with the requirements for intra-community supply exempt from tax, specified in Article 138 of Council Directive 2006/112/EC on the common system of value added tax, the SELLER shall be entitled to charge the VAT due additionally. Where an invoice has already been issued for the supply, the SELLER shall have the right to charge VAT at a later stage.

#### V. PAYMENT TERMS

22. The BUYER shall be obliged to pay the price specified in the AGREEMENT, and if no agreement has been concluded – the price for the goods as per the sales order, in advance, not later than the day preceding the requested date of handing over of the goods by the SELLER.
23. The BUYER shall be obliged to pay the price of the goods via a bank transfer so that the amount due is fully credited to the bank account specified by the SELLER, without any reductions, withholding, counterclaims or deductions. All commissions and fees accrued and collected by the servicing banks of the BUYER and the SELLER for the bank transfer shall be borne by the BUYER.

24. Goods shall be shipped from the warehouse after the funds transferred as payment of the full price of the goods are received into the bank account of the SELLER and the payment received is entered in the SELLER's information system based on a received bank statement.
25. In the event that advance payment of the price is agreed, the PARTIES agree that the price paid in advance shall not be considered an earnest money according to the definition of art. 93 of the Obligations and Contracts Act.
26. In the event that a guarantee deposit securing the performance of BUYER's contractual obligations is agreed, the PARTIES agree that the guarantee deposit shall not be considered an earnest money according to the definition of art. 93 the Obligations and Contracts Act.

#### VI. CREDIT LIMITS

27. In the event that the PARTIES agree that the price of the CONTRACT shall be paid within a specified period of time after the date of delivery of the goods, the total value of BUYER's payment obligations under outstanding invoices shall not exceed the amount of the approved credit limit.
28. The SELLER shall determine the amount of the credit limit unilaterally and at its sole discretion in compliance with its internal policies and procedures and has the freedom to reduce or withdraw it at any time. The SELLER shall inform the BUYER in writing on any changes in the amount of the approved credit limit.
29. The SELLER shall have the right to refuse to accept requests BUYER's delivery requests and shall not be liable for damages for any losses suffered and/or loss of profit of the BUYER related hereto, in case that, upon execution of certain delivery, the total value of the outstanding invoices would exceed the amount of the approved credit limit. Upon reaching the approved credit limit, the BUYER shall have the right to resume its deliveries of goods under the CONTRACT, upon receipt of a subsequent payment under invoices issued for performed deliveries into the SELLER's bank accounts. The payment should be for such an amount that, upon issuance of the invoice for the following delivery requested, the total amount of the outstanding invoices does not exceed the approved credit limit.
30. In the event of reduction or withdrawal of the credit limit by the SELLER, the respective amount or the total amount payable under the invoices issued for credit sales, which are outstanding as of the date of the reduction or withdrawal of the credit limit, shall become immediately due for payment and shall be settled by the SELLER in the sequence of their issuance (in chronological order) – from the earliest to the latest issued invoice, regardless of the BUYER's instructions added to the relevant banking documents for the payments performed after the date of reduction or withdrawal of the credit limit.

31. In the event of withdrawal of the credit limit by the SELLER, all subsequent deliveries of goods under the CONTRACT shall be paid in advance in accordance with clauses 22 and 23 of the *General Terms and Conditions of Sale*

#### VII. DEFAULT OF DUE PAYMENT

32. In the event of default of due payment under issued invoices, in order to mitigate its credit risk, the SELLER shall have the right to refuse to accept requests for delivery of goods to the BUYER and shall not be liable for damages for any losses suffered and/or loss of profit of the BUYER related hereto. In this case, the processing of delivery requests might be resumed by the SELLER only upon receipt of all amounts payable under overdue invoices into the SELLER's bank accounts.
33. In the event that a payment is overdue, the SELLER shall be entitled, after having sent a written notice to the BUYER, to unilaterally and at its own discretion retain and/or utilise, fully or in part, all funds paid by the BUYER in the form of a prepayment (advance payment) or a guarantee deposit under other contracts in force between the PARTIES.
34. In the event that a payment is overdue, the SELLER shall have the right at its own discretion to declare its receivables fully or partially repayable ahead of schedule and to use the received amounts to repay the overdue payments payable under the CONTRACT.

#### VIII. OWNERSHIP AND RISK

35. The ownership and all risks of accidental loss or damage to the goods shall pass from the SELLER to the BUYER when the goods are loaded onto the means of transport provided by the BUYER or the SELLER or when the goods are handed over to the shipping agent specified by the BUYER.

#### IX. DOCUMENTS

36. For each consignment of goods delivered by the SELLER to the BUYER or to the carrier (shipping agent), a taking-over certificate (TOC) in accordance with a standard form of the SELLER shall be prepared and signed by the PARTIES. The following shall be indicated in the TOC as a minimum: date of shipment; type, packaging and quantity of the shipped goods; points of

- shipment; vehicle number; name of the SELLER's representative or the warehouse operator; name of the BUYER's representative or of the carrier who signed the document. TOC shall be issued only upon delivery of consignments of goods using road transport.
37. Within the statutory time limit, the SELLER shall issue invoices for all deliveries of consignments performed within the previous days and shall send them to the BUYER. For BUYERS registered in Bulgaria, invoices shall be sent by mail, by a courier service or electronically via the website [www.efaktura.bg](http://www.efaktura.bg). For BUYERS registered outside Bulgaria, invoices shall be sent via an international courier service or by e-mail.
38. For transportation of goods outside Bulgaria, in addition to the TOC, the representatives of the SELLER and the carrier shall prepare and sign international consignment notes in accordance with the Convention on the Contract for the International Carriage of Goods by Road (CMR) or the Uniform Rules concerning the Contract of International Carriage of Goods by Rail (CIM), constituting Appendix B to the Convention Concerning International Carriage by Rail (COTIF). In such cases, the BUYER undertakes to send the SELLER not later than 30 (thirty) days from delivery date a copy of the CMR/CIM consignment note with the signature and stamp of the recipient of the goods in the relevant cell of the document, certifying that the goods have been received. In case of non-fulfilment of the obligation under this section, the BUYER shall be liable for any damages caused to the SELLER by such non-fulfilment.
39. In addition to the requirements set forth in the previous paragraph, when a consignment of goods is transported from the territory of the Republic of Bulgaria to the territory of another EU Member State, the BUYER undertakes to send the SELLER by an international courier service and by e-mail at [confirmations@agropolychim.bg](mailto:confirmations@agropolychim.bg) a formal written confirmation, as per a standard form of the SELLER, signed by an authorised person and stamped with a company stamp, certifying that the goods have been received in the territory of the other Member State. The following must be indicated in the written confirmation: date and place of receipt; name and official capacity of the person who accepted the goods; type and quantity of the goods; type, make and registration number of the vehicle that was used for the transportation; name and official capacity of the person who handed over the goods.
40. To facilitate the BUYER, the confirmation letters under the preceding section shall be automatically prepared by the SELLER, twice a month for the period between 1<sup>st</sup> and 15<sup>th</sup> day of the month and from 16<sup>th</sup> day until the end day of the month, within 5 (five) days after the expiration of the respective period and shall be sent to the BUYER by e-mail, with pre-completed details regarding the deliveries carried out during the previous calendar month. In this case, the BUYER's obligation is only to fill in the place and date of receipt of the individual consignments of goods, its name and official capacity, to sign and stamp the letter and to send it to the SELLER within 7 (seven) days of the date of receipt in the manner described in the previous paragraph.
41. The SELLER shall be obliged to provide and deliver to the BUYER a product quality certificate issued on the basis of an analysis by an accredited chemical laboratory for each consignment of goods or group of consignments the quality of which the SELLER guarantees to be in compliance with the parameters specified in the certificate.
42. The documents certifying the origin of the goods shall be issued in accordance with the instructions of the BUYER. For destinations within the European Union (EU), at the request of the BUYER the SELLER shall provide a T2L/T2LF certificate issued and certified by the competent authorities in Bulgaria, in accordance with the EU regulations. For other destinations, the SELLER shall provide another type of certificate of origin of the goods (for example EUR1), issued, signed and certified by the competent authorities in Bulgaria, in accordance with the provisions effective in the country of destination.
- X. NO GUARANTEES**
43. Unless otherwise expressly agreed between the PARTIES in writing, the quality of the goods at the moment of their delivery by the SELLER to the BUYER shall conform exclusively to the product specification specified in the CONTRACT and the quality certificate issued for the particular consignment of goods.
- XI. COMPLIANCE WITH THE LAW**
44. The SELLER warrants that the goods delivered to the BUYER comply with all the requirements of Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). The BUYER shall be liable for any damages caused by its failure to comply with the provisions of this Regulation.
45. The SELLER shall provide the BUYER with a document certifying the pre-registration of the



chemical substances and mixtures contained in the purchased goods, as well as with a Safety Data Sheet (SDS) of the goods in accordance with the provisions of the REACH Regulation. In view of fulfilling its obligation under the preceding sentence, the SELLER shall ensure the posting and maintaining of an up-to-date version of SDS on the website [www.agropolychim.bg](http://www.agropolychim.bg).

46. The means of transport used to carry the goods must satisfy the mandatory requirements of the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) and of Ordinance No 40 of 14 January 2004 on the conditions and procedure for the carriage of dangerous cargo by road.
47. In compliance with the provisions of Articles 13 and 14 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR) the SELLER, acting in the capacity of data controller, provides the BUYER with information for the processing of personal data of employees of the BUYER received and/or collected with respect to negotiation, conclusion and implementation of the CONTRACT between the Parties in the *Privacy Notice for Employees of Counterparties*, as published on the website [www.agropolychim.bg](http://www.agropolychim.bg).

## XII. CLAIMS

48. The BUYER shall be obliged to organise the inspection of the goods at the time of their loading on the respective vehicle, and to immediately notify the SELLER of any identified visible deficiencies. If the BUYER fails to do so, the goods shall be considered approved as conforming to the requirements.
49. The SELLER shall not be liable for damages or losses caused either directly or indirectly due to subsequently identified quality deficiencies of the goods delivered to the BUYER.
50. Claims relating to the quantity and quality of the goods covered by this CONTRACT may be made only prior to the acceptance of the goods by the BUYER or the carrier and if accompanied by a record issued by an independent commodity inspection organisation.
51. Claims regarding missing goods and/or changes in quality parameters during transportation will not be accepted by the SELLER.

## XIII. FORCE MAJEURE

52. Neither PARTY will be liable for any possible full or partial default or delay in the performance of its obligations, except for the performance of monetary obligations, where such default or delay is due to force majeure.
53. Force Majeure shall be interpreted within the meaning of Article 306 of the Commerce Act. Within the meaning of these GTC, force majeure shall mean circumstances caused by or arising from war, hostilities, sabotage, blockade, revolution or insurrection, expropriation or nationalisation, embargo or restrictions on imports, natural disaster, fire, frost, earthquake, storm, tidal wave or marine risk, accident, delay, damage or arrest of ships, incidents in or closing of ports, piers, canals or other facilities, or accompanying elements of shipping or navigation, strikes, lockouts or other labour disturbances, shortage of raw materials at the manufacturer or industrial accidents, as well as any other event beyond the reasonable control of the PARTIES.
54. The party affected by the force majeure shall take all necessary measures to recover the damages and losses incurred and shall promptly notify the other party in writing of the nature of the force majeure and the possible consequences it might have on the non-performance of the CONTRACT. The notification shall be accompanied by a document issued by the Bulgarian Chamber of Commerce and Industry, certifying the event.
55. Force majeure will lead to the adjustment of the agreed deadlines and timetables if the circumstances affect directly the performance of the CONTRACT and, while the force majeure is in force, the performance of the obligations and related counterparty obligations shall be suspended.
56. If the force majeure continues for more than 3 (three) months, each PARTY can terminate the CONTRACT by sending a written notice having immediate effect from the moment of its receipt. In such cases, no compensations shall be payable to the correct party.

## XIV. SANCTIONS AND PENALTIES

57. In the event of late payment, the defaulting party shall owe the correct party a penalty for delay in the amount of an annual interest rate of 10% (ten per cent) of the amount of the due payment for each day of delay.
58. If the BUYER fails to accept the goods within the deadline agreed, it shall owe a penalty in the amount of an annual interest rate of 10% (ten per

cent) of the value of the goods not received for each day of delay.

59. In the event of termination or cancellation of the CONTRACT by one of the PARTIES, the PARTY responsible for the termination or cancellation shall owe a penalty of 15% (fifteen percent) of the total CONTRACT value.
60. Penalties shall be automatically due without the need for special notification. The PARTY to which the penalty is payable may offset the amount of the penalty from its obligations to the defaulting party.

#### **XV. NOTICES**

61. Each notification under the CONTRACT shall be made in writing and, unless indicated otherwise, shall be delivered in person, sent by a courier service, by e-mail or telefax to the registered address of the SELLER or the BUYER specified in the CONTRACT.
62. Each notification shall be considered received as follows: (a) if delivered in person – at the time of delivery; (b) if sent by a courier service – at the time of receipt, with the delivery note of the courier service serving as proof; (c) if sent by telefax – at the time indicated in the report of the sending fax that the fax has been sent successfully and with no errors to the recipient's address; and (d) if sent by e-mail – when received.

#### **XVI. GOVERNING LAW AND RESOLUTION OF DISPUTES**

63. The provisions of the extant Bulgarian civil and commercial legislation and the provisions of INCOTERMS 2010 shall apply to all legal relations between the PARTIES not settled in the CONTRACT and in these GTC.
64. Any disputes arising from these GTC and/or the special conditions of the CONTRACT or relating thereto, including disputes arising from or concerning their interpretation, invalidity, performance or termination, as well as any disputes relating to filling gaps in the CONTRACT or adapting it to new circumstances, shall be resolved by the competent Bulgarian court.

#### **XVII. ADDITIONAL PROVISIONS**

65. The CONTRACT can be amended and supplemented only by mutual agreement between the PARTIES expressed in writing. No trading, preliminary transactions or actual actions or performance between the PARTIES can be deemed to alter the terms and conditions of these GTC and the special conditions of the CONTRACTS.

66. The BUYER shall not have the right to transfer its rights and obligations under the CONTRACT to a third party without the written consent of the SELLER, except in the cases of transformation of the respective commercial company.
67. If the BUYER decides to resell the purchased goods, it will do so on its own behalf and on its own account, without binding the SELLER with obligations to third parties.
68. The PARTIES undertake not to disclose to third parties confidential information which has been exchanged during the bilateral negotiations or which has become known to them in the course of the CONTRACT execution.
69. Confidential information shall be the information received from any of the PARTIES during or in connection with the negotiation, conclusion and performance of the CONTRACT, covering the manufacturing and commercial activities of the PARTIES and comprising company and business secrets of the party, the disclosure of which would have a negative effect on the injured party or will give a comparative advantage to a competitor.
70. In the event that any provision of these GTC or part thereof is declared invalid by a competent court in the manner prescribed by law, these GTC shall continue to be valid with respect to the remaining clauses, respectively with respect to the remaining part of the clause concerned.
71. These GTC shall also apply to services provided in the course of or in connection with transactions for the sale of goods.
72. In the event of conflict between the special conditions of the CONTRACT, on the one hand, and the GTC, on the other hand, the provisions of the special conditions shall prevail.

#### **XVIII. ENTRY INTO FORCE**

73. These GTC were developed on the grounds of Article 16 of the Obligations and Contracts Act and Article 298 of the Commerce Act; adopted with an Order of the Manager of AFER BULGARIA EOOD dated 24 February 2016 (effective as of 1<sup>st</sup> of March 2016), amended with an order of the Manager of AFER BULGARIA EOOD dated 12 October 2017 (effective as of 1<sup>st</sup> of November 2017), amended with an order of the Manager of AFER BULGARIA EOOD dated 23 August 2019 (effective as of 1<sup>st</sup> of September 2019). An up-to-date version of this document is published on the website [www.agropolychim.bg](http://www.agropolychim.bg).