



**GENERAL CONDITIONS FOR CONSTRUCTION,
CONSTRUCTION AND REPAIR, CONSTRUCTION AND FITTING WORKS;
REPAIR AND REPRODUCTION OF MACHINERY AND EQUIPMENT**

These **General Terms and Conditions for the execution of construction, construction and repair, construction and fitting works, repair and reproduction of machinery and equipment**, hereinafter referred to as the **General Terms and Conditions**, shall apply to all **Contracts** and/or **Agreements** and/or **Orders** for construction, construction and repair, construction and fitting works, works for repair and reproduction of machinery and equipment (referred to as the **Contract** in these General Terms and Conditions) signed between AGROPOLYCHIM AD, referred to as the **CLIENT** in these General Terms and Conditions, on one hand, and on the other hand, an individual or a legal entity, hereinafter referred to as the **CONTRACTOR**. These **General Terms and Conditions** shall also apply to contracts, agreements or orders for technical repairs where **AGROPOLYCHIM AD** is the **CLIENT**.

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SECTION I. CONTRACTING OUT AND SUBCONTRACTING

1. Contracting out

All construction, construction and repair and construction and fitting works, as well as works for repair and reproduction of machinery and equipment, referred to as the "Works" in these General Terms and Conditions and in the Contract, shall be the subject matter of a written Contract between the CLIENT and the CONTRACTOR, and the specifications, drawings and bill of quantities shall be an integral part thereof.

2. Contracting out by an order

- 2.1. The assignment of any works to a CONTRACTOR who the CLIENT has concluded a framework contract with shall be carried out by an order. The specifications, drawings and bill of quantities for the specific assignment shall be attached to the order as an integral part.
- 2.2. The order shall be deemed to have been accepted by the CONTRACTOR if the latter fails to refuse its execution in writing within a period of two weeks, or within the term provided for in the order for commencement of the works if such period is shorter.
- 2.3. The CLIENT shall reserve the right to withdraw the order in writing prior to the expiry of the term under Clause 2.2.

3. Subcontracting

- 3.1. The CONTRACTOR shall not have the right to subcontract the Contract or any part thereof without the CLIENT's consent given in advance.
- 3.2. The CONTRACTOR shall not have the right to subcontract all work unless otherwise stipulated in the Contract. The CONTRACTOR shall not subcontract any part of the works without the CLIENT's consent given in advance. Such consent shall not exempt the CONTRACTOR from its responsibilities and obligations arising from the Contract, and it shall be jointly liable for any acts, non-execution and defaults of each subcontractor, its representatives, employees and/or workers.
- 3.3. The CLIENT shall not be required to give consent for:
 - A/ labour supply;
 - B/ purchase of customary materials where they comply with BDS and/or the Contract terms;
 - C/ subcontracting of any part of the works which the subcontractor is named in the Contract for.
- 3.4. Where a subcontractor has undertaken any lasting obligations to the CONTRACTOR in respect of any works carried out by the latter or goods, materials and/or services supplied by the CONTRACTOR, for a period longer than the warranty period under the Contract, the CONTRACTOR shall, at any time after the expiry of such period, assign to the CLIENT, at the CLIENT's request and expense, the benefits of such obligations for the duration of the unexpired term.
- 3.5. The work being subcontracted shall not exceed 30% of the value of the entire Contract, unless otherwise provided in the Contract.

SECTION II. GENERAL OBLIGATIONS

4. CONTRACTOR's general obligations

- 4.1. The CONTRACTOR shall carry out and complete the works in accordance with the applicable regulations of the Bulgarian and European legislation, the technical standards and specific requirements, and in compliance with the approved working procedures of the CLIENT, as well as remedy any defects therein, with due care and diligence and with the care of a good trader, in general.
- 4.2. The CONTRACTOR shall strictly comply with the Rules for Ensuring Healthy and Safe Working Conditions, which the CONTRACTOR declares to have received, be aware of and that it accepts without objection, as well as the rules for fire safety, access regime, internal order and security, and environmental protection requirements, while executing the subject matter of the Contract at the CLIENT's work site, and it shall remove any of its workers having violated the said requirements from the work site.
- 4.3. The CONTRACTOR shall provide all management, labour, materials, machinery, inventory, whether owned or hired, and any other items and procedures of both temporary and permanent nature, necessary for the execution and completion of the works assigned by the Contract, as well as the remedy of any defects

to the extent that the necessity of the execution of such is specified in the Contract, or logically arises therefrom.

4.4. The CONTRACTOR shall be solely responsible for the adequacy, stability and security of any on-site operations. The CONTRACTOR shall not be liable, unless expressly agreed in these General Terms and Conditions or in the Contract, for the design which is not prepared by the CONTRACTOR.

5. Preliminary information about the site

The CONTRACTOR declares that:

- it has inspected the site before signing the contract;
- it is familiar with the working conditions on the production site of AGROPOLYCHIM AD;
- it possesses the required legal capacity for the site type and the skills for the complete and accurate execution of the Contract subject matter;
- it has the necessary qualified and licensed specialists to perform the Contract subject matter;
- it holds the relevant experience and knowledge to perform accurately the subject matter of the contract;
- has fully reviewed the technical documentation provided to it, including but not limited to the operational design or any applicable parts thereof, and the bill of quantities prior to signing the contract.

6. Compliance of the Works with the Contract

6.1. The CONTRACTOR shall have the obligation to carry out and complete the works and remedy any defects therein in strict compliance with the requirements of the Contract and to the full satisfaction of the CLIENT's requirements, unless that contradicts any mandatory legal provisions.

6.2. The CONTRACTOR shall comply with and strictly adhere to the CLIENT's instructions.

7. CONTRACTOR's employees

7.1. The CONTRACTOR shall provide the following on site in connection with the execution and completion of the Works, as well as at their maintenance and rectification of any defects whatsoever, and namely:

- A/ qualified and experienced technical personnel in the relevant professional fields, foremen and supervisors competent to properly supervise the works only;
- B/ such skilled, semi-skilled and general laborers as may be required for the proper and timely performance of the CONTRACTOR's contractual obligations.

7.2. The CLIENT shall have the right to require from the CONTRACTOR to remove immediately from the site any person appointed by the CONTRACTOR who, in the CLIENT's opinion, is incompetent, who does not comply with the rules for occupational health and safety conditions, fire safety, access regime, internal order and security, environmental protection requirements and any other technological rules adopted by the CLIENT and effective on the site. The CONTRACTOR shall not be entitled to request any extension of the execution term due to the removal of any its employees from the site at the CLIENT's request.

8. Safety, security and environmental protection

8.1. Throughout the period of execution and completion of the works, as well as during the removal of their defects, the CONTRACTOR shall:

- A/ ensure full safety of any persons authorized to be on site, and maintain the site (insofar as it is within its control) and the works (insofar as they are not completed and handed over to the CLIENT) in good order to prevent any hazards to people, environment and tangible assets;
- B/ provide promptly its personnel with the necessary protective equipment and work outfit allowing identification of the employing company, accompanied by the necessary certificates of origin and verification in accordance with its own preliminary risk assessment;
- C/ insure its workers and employees against accident and death in compliance with the statutory requirements for the relevant categories of workers and employees, where the insurance duration coincides with the entire period in which the CONTRACTOR's workers and employees will carry out the works covered by the Contract, as well as the period of removing any defects. The CLIENT shall not be liable for or in connection with any damages and/or indemnities payable to any of the CONTRACTOR's workers and employees or to any subcontractor.
- D/ strictly comply with the AGROPOLYCHIM's Rules for ensuring health and safety at work;

E/ provide and maintain, at his own expense, all lighting, fencing and safety signs when and where required or if requested by the CLIENT or a competent governmental authority, for the protection of the works and the safety of personnel and visitors;

F/ take all necessary measures for environmental protection on- and off-site, as well as all necessary measures for avoiding environmental pollution resulting from its methods of operation.

8.2. Should the CONTRACTOR fail to submit a risk assessment, the CLIENT shall suspend the execution of the works under the Contract until such risk assessment is submitted. The CLIENT shall also suspend work under the Contract in the event of the CONTRACTOR's failure to provide work outfit or personal protective equipment for all members of its personnel.

9. Care of the Works and risks

9.1. From the work commencement date until the date of the Record of acceptance, the Record of repair execution respectively, the CONTRACTOR assumes full responsibility for the protection of the works, materials and equipment to be installed or used to execute the Contract subject matter.

9.2. The CONTRACTOR shall take all necessary security measures to protect its own machinery, tools, equipment, materials and property. The CLIENT shall not be held liable for loss/theft of any materials and equipment owned by the CONTRACTOR.

10. Compliance with effective statutory acts, legal resolutions and orders

10.1. The CONTRACTOR shall comply faithfully, including when serving notices and paying any charges, with:
A/ any laws and bylaws, as well as any resolutions and orders of local authorities relating to the execution and completion of the works and the remedy of their defects;

B/ any regulations and orders of government and municipal authorities, trade companies and/or any other organizations whose property or rights may be affected in any way by the works.

10.2. The CONTRACTOR shall indemnify the CLIENT for all fines and penalties paid by the latter for breaches of any of the above requirements by the CONTRACTOR in the performance of the works.

11. Intellectual property rights

11.1. The CONTRACTOR shall be fully liable for any claims brought against the CLIENT by any third parties based on the unlawful reproduction or any other use of materials, technologies, drawings, models or tools (processes) used in the performance of the work assigned and which are subject to protection by intellectual property rights under patents, copyrights, industrial designs, designs, utility models, trademarks, know-how or trade secrets.

11.2. In the event of a dispute concerning intellectual property rights (patents, know-how, copyrights, trademarks, models, etc.), the CONTRACTOR shall be obliged, at its own expense, to reject in court or out of court all accusations and/or to replace immediately, at its own risk and expense, the materials and/or equipment supplied with identical ones that are not subject to or do not infringe intellectual property rights of any third parties.

12. Prevention of damage to roads and trestles

The CONTRACTOR shall take all expedient and necessary measures to protect the roads and/or trestles on the routes to the site and on the approaches to the site from damage or injury by the traffic of the CONTRACTOR or any of its subcontractors. To this end, the CONTRACTOR shall choose appropriate routes, select and use vehicles, restrict and distribute any loads so that any oversize traffic, which will occur inevitably during the transportation of the CONTRACTOR's materials and/or equipment and machinery or temporary works to and from the site, to be restricted as far as practicable and expedient, so that such does not cause any unnecessary damage to the CLIENT's roads and trestles.

13. Providing opportunities to other contractors

In accordance with the CLIENT's requirements, the CONTRACTOR shall provide opportunities for the performance of their duties to:

A/ any other contractors and their workers employed by the CLIENT;

B/ the CLIENT's workers;

C/ workers and employees of any other companies and/or organisations engaged for the execution of any work not included in the Contract or any other contract which the CLIENT may enter into in connection with the works or for activities ancillary thereto, on or in the vicinity of the site.

14. Maintaining order on-site

- 14.1. During the execution of the works the CONTRACTOR shall keep the site clean and free from any unnecessary obstructions, store and/or remove any unnecessary materials, properly position its machinery and equipment, as well as clean and remove any debris, waste and/or temporary works no longer required from the site.
- 14.2. During the execution of the works under the Contract, the CONTRACTOR shall timely (on Friday of the relevant working week at the latest), at its own risk and expense, clean the relevant site of any waste caused by the works, as well as transport it to a place designated by the CLIENT in order to avoid hindering or obstructing the work of the CLIENT and/or any third parties working within the CLIENT's territory.

15. Cleaning the site upon completion

- 15.1. Upon signing the respective Records of acceptance, Acts of commissioning a repaired facility, respectively, the CONTRACTOR shall have the obligation to clean and remove all its machinery, unnecessary materials, waste, waggons, containers and temporary works from that part of the site which the Records of acceptance relates to, to backfill and restore the landscaping and surface of the site, and generally leave that part of the site and works clean and operable.
- 15.2. It shall be the CONTRACTOR's obligation to transport the waste generated on-site separated by types to the main production site and unload it at a location specified by the CLIENT, and that shall refer to all construction and fitting works related to waste generation, which affect the CLIENT's sites outside the territory of the main production site. The works on the respective sites shall not be deemed completed until this obligation has been fulfilled. For the CLIENT's sites located outside the territory of the Varna District, the management of any waste generated as a result of the works shall be explicitly agreed between the parties on a case-by-case basis prior to the commencement of works on-site.
- 15.3. Should the CONTRACTOR fail to fulfil the obligations under Clauses 14.1; 14.2 and 15.1 and 15.2, in addition to imposing the penalty under Clause 33.5 the CLIENT shall be entitled to clean the site and/or restore it to an operable condition, at the CONTRACTOR's risk and expense.

16. Posting in the framework of the provision of services

(in the meaning of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 for implementation of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No.1024/2012 on administrative cooperation through the Internal Market Information System ("IMI Regulation"))

- 16.1. In the event of posting *within the framework of the provision of services* of the CONTRACTOR's (and/or subcontractors') employees, nationals of other countries, on the CLIENT's territory, in connection with the execution of the works, the CONTRACTOR shall strictly comply with the applicable provisions of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services and Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC, as well as Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the application of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No.1024/2012 on administrative cooperation through the Internal Market Information System (IMI Regulation), duly adopted and enforceable in the Republic of Bulgaria, as well as the relevant provisions of the Bulgarian legislation (e.g., but not limited to the Labour Code, the Act on Labour Migration and Labour Mobility, the Application Rules of the Act on Labour Migration and Labour Mobility, and the Ordinance on the conditions and procedures for posting and dispatching workers and employees in the framework of the provision of services). Failure to comply with the requirements of this Clause shall result in the refusal of access of the CONTRACTOR's/its subcontractor's posted workers/employees to the CLIENT's work site. Such case shall not have the effect of suspending the terms of performance of the CONTRACTOR's obligations, agreed herein.

- 16.2. The obligations of the CONTRACTOR as the sending party in the cases of posting in the framework of the provision of services, are detailed in Annex 2 to these GTC. In the event of non-performance, the CONTRACTOR shall indemnify AGROPOLYCHIM for any fines and administrative penalties imposed on it pursuant to the Bulgarian law in relation to the acceptance of the CONTRACTOR's posted employees.

SECTION III. MATERIALS, EQUIPMENT AND MANUFACTURE

17. Quality of materials, equipment and manufacture

- 17.1. All materials, equipment and manufacture shall be:
- A/ of the respective type described in the Contract and in the relevant CLIENT's orders;
 - B/ subject to regular inspection as prescribed by the CLIENT at the place where they are produced, manufactured and prepared, or on-site, or at such other place as may be determined by the Contract or by the nature of the material, equipment and/or manufacture.
- 17.2. The CONTRACTOR shall make all deliveries (other than the usual deliveries) of materials and equipment for the execution of the Works and the remedy of any defects therein, subject to the requirements of the General Conditions of Supply of Agropolychim and upon the prior agreement on the manufacturer and price.
- 17.3. Upon the CLIENT's written request the CONTRACTOR shall submit declarations of conformity and certificates of quality of the materials delivered and used. The CONTRACTOR shall bear responsibility if the materials used are not of the required quality and/or deteriorate the quality of the works completed and/or the site as a whole.

18. Inspection of the work before it is covered

Neither part of the work shall be covered and/or concealed without the CLIENT's approval. The CONTRACTOR shall provide the CLIENT with the opportunity to inspect and measure each portion of the works to be covered and/or concealed, as well as to examine the footings before any portion of the works is placed thereon.

SECTION IV. PERFORMANCE COMMENCEMENT, WORK SUSPENSION, DELAYED EXECUTION AND ACCEPTANCE OF THE WORKS

19. Work commencement

- 19.1. The CONTRACTOR shall commence the execution of the works on-site within the term specified in the Contract, in the order, respectively, upon signing a Record of work commencement, an Act for handing over the facility for repair and the work permit order, respectively.
- 19.2. Only to the extent necessary, the Contract may specify:
- A/ the size and part of the site where the CONTRACTOR will be granted access to work;
 - B/ the procedure which these parts will be provided to the CONTRACTOR by.
- 19.3. Should the CONTRACTOR be in default due to the non-provision of access to the site for work or the CLIENT's failure to perform any other obligation, after appropriate consultation with the CONTRACTOR the CLIENT shall determine an extension of the term of execution of the Contract subject matter pursuant to Clause **Error! Reference source not found.**
- 19.4. Connecting to the CLIENT's power distribution network. Within 3 (three) days after the Contract becomes effective, but not later than 1 (one) working day before the work commencement on the CLIENT's territory, the CONTRACTOR shall be obliged to fill out and send a *Request for connecting a temporary site/facility, Annex 1 to the General Terms and Conditions*, which specifies the approximate quantities of energy resources to be used for the performance of the Contract subject matter. The Contractor will be notified of the location/point and method of supply upon the filling out of Clause 2 of the Request for connecting a temporary site/facility in accordance with the provisions of Clause 19.5. Voltage shall be supplied to the respective site/facility following a positive opinion under Clause 3 of the Request for connecting a temporary site/facility.
- 19.5. The CLIENT undertakes to provide, according to its technical capabilities (without endangering and/or disrupting its production process and at its discretion, the production process of other contractors), an access point to the company utility systems (electricity, air, water, steam). The access points shall be

approved by the CONTRACTOR with the relevant specialists of the workshop where the works are to be carried out and with the specialist responsible for the relevant utility network. All materials and activities for the safe connection to the designated access points shall be the responsibility of and at the expense of the CONTRACTOR.

- 19.6. The CONTRACTOR shall be obliged to carry out all excavation works, or any works for the removal of breakdowns in the existing underground utility systems, respectively, on the basis of a sketch-plan agreed with the CLIENT. The approval shall be made on an updated extract from the master plan issued by the *Construction* Department of the CLIENT.
- 19.7. Within 3 (three) days after the Contract has entered into force, but not later than one working day before the work commencement on the territory of the CLIENT, the CONTRACTOR shall agree the location of the waggons and containers to be used as amenity or storage premises with the heads of the *Safe Working Conditions* and *Corporate Security and Guarding* Departments.
- 19.8. Within 5 (five) days from the completion of the works under the Contract, the CONTRACTOR shall remove the used waggons and containers from the CLIENT's territory. The fulfilment of this obligation shall be certified by a Record signed by the heads of the *Safe Working Conditions* and *Corporate Security and Guarding* Departments of the CLIENT.
- 19.9. Within 3 (three) days prior to commencement of the work on the CLIENT's territory, the CONTRACTOR shall submit a Request for granting access to the *Corporate Security and Guarding* Department, in agreement with the relevant head of department, technological unit, investment project manager or delivery expert of the CLIENT, accompanied by lists of:
- the staff to carry out the work assigned to it;
 - the road vehicles, mobile equipment and machinery;
 - the waggons, containers and tool rooms to be used and their location;
- as well as a copy of the contract, order or agreement with the CLIENT, in their part on the subject matter of performance and terms.
- 19.10. Magnetic cards may be used for issue of the relevant personal passes, which:
- are provided by the CONTRACTOR (with the company logo and card serial number);
 - are temporary, provided by the CLIENT to the CONTRACTOR (upon a deposit paid in advance to the company accounting office), and subject to return upon completion of the work by signing the "Record of acceptance and handover for the executed works";
 - are purchased locally by the CONTRACTOR. The cards shall be produced by the *Corporate Security and Guarding* Department, they shall contain the respective company logo, and remain its property.

20. Completion date

- 20.1. All works, or if applicable to any part to be completed within a specified term as per the Contract, shall be deemed to be completed at the time of signing of the Record of acceptance, or the Record of repair execution respectively, in compliance with the terms under the Contract and calculated from the commencement date, as well as extended accordingly pursuant to Art. 21.
- 20.2. Upon signing the Contract, or upon acceptance of the order respectively, the CONTRACTOR shall provide the CLIENT with a detailed linear schedule for the works to be performed, unless otherwise agreed between the parties.
- 20.3. In case suspension of the works is required during their execution, such suspension and resumption of the works shall be documented.
- 20.4. In the event of delay in the CLIENT's performance of obligations related directly to the works under the Contract, the term for the respective works in the linear schedule shall be extended in proportion to the time of the delay. The extension of the term shall be the sole consequence of the CLIENT's delay and the latter shall not be liable for any compensation and/or penalties for the delay.
- 20.5. For the period of time where the work is to be performed in accordance with the extended completion terms, the CONTRACTOR shall promptly submit a new Request for access, accompanied by a copy of the additional agreement referred to in the preceding paragraph, in its part on the subject matter of performance and terms, to the *Corporate Security and Guarding* Department.

21. Extension of completion terms

- 21.1. The CONTRACTOR shall be entitled to request from the CLIENT an extension of the term for completion of the works in the event of:
- A/ any need of exceptional and/or additional work (in view of its volume and nature);
 - B/ any other reason for delay specified in these General Terms and Conditions;
 - C/ adverse weather conditions (any data from the relevant meteorological service are considered reliable);
 - D/ delay, hindrance and/or prohibition by the CLIENT;
 - E/ other special circumstances which may arise and which are not due to an omission and/or breach of the CONTRACTOR's obligations under the Contract;
 - F/ the occurrence of a circumstance constituting force majeure within the meaning of Art.306 of the Trade Act.
- 21.2. The CONTRACTOR shall notify the CLIENT timely and in writing of the occurrence of any circumstances requiring an extension of the terms, and of the estimated or exact period of such extension.
- 21.3. The term extension period shall be determined by an additional agreement signed between the CLIENT and the CONTRACTOR.
- 21.4. Upon signing an additional agreement for the term extension, the CONTRACTOR shall immediately notify the persons referred to in Clause 19.5, who are responsible for the respective CLIENT's utility systems, which the CONTRACTOR has connected sites/facilities to, as well as the heads of the *Safe Working Conditions* and *Corporate Security and Guarding* Departments.

22. Course of execution

- 22.1. Should the progress of execution of the Works or of any sub-unit be, in the CLIENT'S opinion, very slow for any reason not entitling the CONTRACTOR to a term extension, in order to ensure compliance with the completion term, the CLIENT shall have the right to notify the CONTRACTOR in writing, whereupon the CONTRACTOR shall take the necessary measures agreed with the CLIENT to accelerate the progress of the execution so that it complies with the completion term specified in the Contract.
- 22.2. The CONTRACTOR shall not be entitled to any additional payment for taking up such measures.
- 22.3. In the event that any measures taken up by the CONTRACTOR to perform its obligations under this Clause involve additional costs of supervision and control incurred by the CLIENT, such costs shall be borne by the CONTRACTOR.

23. Suspension of the works

- 23.1. By the CLIENT's order, the CONTRACTOR shall suspend the execution of the Works or any part thereof for such period and in such manner as the CLIENT may deem necessary. During the suspension, the CONTRACTOR shall protect and secure the Works or any part thereof in an appropriate manner as may be necessary in the CLIENT's opinion.
- 23.2. In cases where the CLIENT stops the work for its own reasons, after the necessary consultations with the CONTRACTOR, it shall determine:
- A/ extension of the term which the CONTRACTOR is entitled to according to Clause 21.;
 - B/ the amount of any additional costs to be added to the Contract price, supported by satisfactory evidence provided by the CONTRACTOR.

24. Acceptance of the works

The certification of completion and commissioning of the entire site or its individual parts shall be carried out in compliance with the provisions of Ordinance No.3 of 31.07.2003 on the drawing up of Acts and Records during construction, Acts of commissioning a repaired facility and the Records for the repair execution respectively, in case of repair work on machinery and equipment.

SECTION V. MEASUREMENT

25. Quantities

The quantities specified in the bill of quantities, which forms an integral part of the Contract, are maximum. In the event that additional works are required during the performance of the Contract, they shall be awarded by signing an additional agreement to the Contract. The exact quantities of the works to be carried out by the CONTRACTOR under the Contract shall be determined by measurement during the execution.

26. Measuring method

- 26.1. The CLIENT shall measure and determine the value of the works after measurement, unless otherwise provided in the Contract.
- 26.2. The CONTRACTOR shall:
 - A/ be present or send its qualified representative to assist the CLIENT in the measurement; and
 - B/ provide all data requested by the CLIENT. Should the CONTRACTOR fail to attend, or neglect or omit to send its representative, the measurement made by or approved by the CLIENT shall be deemed true and final.
- 26.3. For the measurement of such permanent works which should be measured by documents and drawings, the CONTRACTOR shall prepare the documents and drawings at the time of execution and the CLIENT shall be present to review and agree to them, after having been notified in writing 7 (seven) days in advance.
- 26.4. The Works will be measured "net", irrespective of any common or local customs, unless otherwise provided in the Contract.

SECTION VI. PAYMENTS

27. Term and method of payment

- 27.1. Unless otherwise agreed in the Contract, the CLIENT shall pay the price of the work completed within 30 /thirty/ days from the date of issue of the original invoice, but not earlier than 20 /twenty/ days from the date of its receipt by the CLIENT. The original invoice shall contain all the requisites as per the Accounting Act.
- 27.2. Any invoices along with their accompanying documents (deeds, bills of lading, specifications, etc.) shall be sent by post with return receipt or by courier to the attention of the *Accounting and Tax* Department of Agropolichim AD, as well as by email to the following address: accounting@agropolychim.bg.
- 27.3. The final payment under the Contract shall be made after all personal passes owned by the CLIENT, which have been provided to the CONTRACTOR's workers and employees have been duly returned, and all waggons and containers used by the CONTRACTOR have been removed from the CLIENT's work site, and all waste generated during the performance of the Work has been cleaned up as directed by the CLIENT.
- 27.4. All payments shall be made by bank transfer. The CLIENT shall be deemed to have fulfilled its payment obligation under this Clause from the date on which it has deposited a bank transfer order with the servicing bank.
- 27.5. Any bank commission payable on money transfers in BGN and EUR shall be shared between the parties, and the commission on outgoing transfers collected by the Orderer's servicing bank, including the commission of its correspondent bank, shall be at the Orderer's expense; and the commission for incoming transfers collected by the Beneficiary's servicing bank, including the commission of its correspondent bank, shall be covered by the Beneficiary. Any bank commission payable on money transfers in other foreign currencies shall be borne entirely by the orderer, including the charges of the respective correspondent banks.
- 27.6. The CONTRACTOR undertakes to cooperate with the CLIENT in the application of the double taxation avoidance treaty signed between the country of its registration and the Republic of Bulgaria, if any. If the CONTRACTOR culpably fails to fulfil its obligation under the preceding sentence, the latter shall be liable for the payment of taxes due at the source of income, in accordance with the applicable tax legislation of the Republic of Bulgaria.

28. Reason for payment

- 28.1. Any amounts due under the Contract shall be paid on the basis of a final set of documents accepted by the CLIENT for the value of all works executed in accordance with the Contract requirements, and any other amounts payable to the CONTRACTOR under the terms hereof. The acceptance shall be certified by bilateral signing of the relevant Records.

28.2. In the event that at the time of payment the CONTRACTOR has not completed any work set forth in the Contract or additionally assigned in the course of performance of the Contract yet, the CLIENT shall have the right to make no certification and payment of such sums which, in its opinion, represent the value of the work uncompleted, or unaccepted respectively, until completion.

29. Exemption of the CLIENT from liability

Upon payment off of any sums due under the Contract, the CLIENT shall be exempt from any liability under the Contract and shall bear no responsibility to the CONTRACTOR and in respect of any matter arising out of or in connection with the Contract or the execution of the Works.

SECTION VII. NON-PERFORMANCE AND LIABILITY OF THE PARTIES

30. Liability for delayed performance

30.1. In case the CONTRACTOR fails to perform its contractual obligation or fails to meet the deadline for completion of the works assigned by the Contract or, as the case may be, individual parts/activities thereof, it shall owe the CLIENT a penalty of 0.20% (zero point twenty percent) for each day of delay on the price of the entire Contract. The payment of such penalties shall not relieve the CONTRACTOR of its obligation to complete the Works or of any other of its obligations or liability under the Contract.

30.2. A penalty in the same amount shall also be payable by the CLIENT in the event that the delay in performance under the preceding Clause is due to his unlawful and culpable act or omission (e.g. unjustified non-admission of the CONTRACTOR's persons to the site, unlawful interference with the CONTRACTOR's work, opposition, refusal to issue a document, etc.).

30.3. Should a due payment be delayed, the defaulting party shall owe to the non-defaulting party a penalty equal to the legal interest on the amount due for each day of delay.

30.4. Penalties shall be due automatically with no need of a special notice. The party which the penalty is due to may set off the amount against its obligations to the other party.

31. Liability for defects

31.1. The CONTRACTOR shall be liable for the quality of the works within the warranty period. In case of subcontracted works, the CONTRACTOR and the subcontractors shall be liable jointly.

31.2. Should any defects in the works performed be found during the warranty period, the CLIENT shall, at its discretion, have the right to require in writing:

A/ remedy of any defects and completion of any uncompleted work (if any) within a reasonable time given by it against no payment; or

B/ payment of the cost of repairing or completing the works at the CONTRACTOR's expense (if any); or

C/ a corresponding reduction of the agreed remuneration up to the amount of the unfinished or defective completed works.

32. Liability for failure to fulfil other obligations

32.1. The CONTRACTOR shall owe a penalty of 15% (fifteen) percent of the Contract price in the event of:

A/ a penalty due to proceedings regards the CONTRACTOR's insolvency;

B/ a penalty due to the CONTRACTOR having been declared in liquidation proceedings;

C/ a penalty due to the imposition of attachments and/or restraints on a substantial part of its assets;

D/ systematic failure to perform its obligations or unjustified refusal to perform or complete the work and/or remedy any defects identified by the CLIENT in accordance with Clause 31.2; Systematic failure shall mean three or more identified breaches in quality and/or quantity of the CONTRACTOR's contractual obligations. An unjustified refusal shall be any refusal which cannot be justified by objective reasons preventing the CONTRACTOR from fulfilling its contractual obligations;

E/ failure to commence work within ten (10) days after the deadline specified in the Contract for no good reason;

F/ systematic breaches of its obligations under Clause 8; 9; 10 and 15 despite of having been warned in writing;

G/ incompliance with the CLIENT's reasonable instructions and orders under Clause 6.

32.2. In the cases under Clause 32.1. the CLIENT shall have the right:

A/ to terminate the Contract unilaterally by serving a week's notice, without exempting the CONTRACTOR from its obligations or liabilities under the Contract incurred prior to the time of termination, and without prejudice to the CLIENT's rights;

B/ to take possession of the site and complete the works awarded under the Contract itself, or assign them to another contractor, respectively. In such case, the CLIENT or any such contractor may use such part of the CONTRACTOR's facilities, temporary works and materials as it or they deem necessary. Upon taking possession of the site, the CLIENT shall determine unilaterally the value (if any) that has been earned by the CONTRACTOR by that time in respect of the work actually performed by it under the Contract, and the value of the CONTRACTOR's unused or partially used materials, machinery and temporary works.

- 32.3. In case of violation of the CLIENT's admission regime for internal order and security by a worker or an employee of the CONTRACTOR, including deviation from the usual routes of movement on the territory of AGROPOLYCHIM and/or staying at a place other than the work site under the Contract, the CONTRACTOR shall owe a penalty of BGN 500 (five hundred) excluding VAT for each individual violation. The same penalty shall be imposed in case of smoking, use of alcohol and/or drugs or in case of sleeping on the work site.
- 32.4. The CLIENT shall have the right to impose a penalty of BGN 500 (five hundred) excluding VAT should it find that a worker of the CONTRACTOR fails to comply with the obligation to wear/use personal protective equipment on its own work site.
Violations under Clauses 32.3 and 32.4 shall be established by the employees of the the CLIENT's *Corporate Security and Guarding* and *Safe Working Conditions* Departments.
In case of repeated violation of Clauses 32.3. and 32.4. the CLIENT shall have the right to refuse access of the CONTRACTOR's worker or employee concerned, and in the event of any delay in the execution of the works as a result thereof, the CLIENT shall have no responsibility.
- 32.5. Where contamination of the site as a result of discarded waste or admitted mixing of different types of waste during the works is established, the CLIENT may impose a penalty of BGN 500 (five hundred) excluding VAT on the CONTRACTOR.
- 32.6. In case the CONTRACTOR's failure to perform an obligation under the Contract or these General Terms and Conditions is causally related to the occurrence of damage for the CLIENT, the CONTRACTOR shall be liable for any direct and immediate damages that could have been foreseen when the obligation arose.

SECTION VIII. WARRANTIES AND CLAIMS

33. Warranty periods

- 33.1. Warranty periods shall be determined by the Contract and shall be specified for each type of work.
- 33.2. In the event that a longer warranty period than the agreed one is stipulated by a statutory act for individual types of work (described in the Bills of Quantities), the statutory warranty period shall apply.

34. Claims

- 34.1. The CONTRACTOR shall guarantee the compliance with the technical requirements set out in the annexes to the Contract and it shall undertake to remedy, at his own expense, any defects and/or deviations arisen in the works in this Contract and/or from the required quality within the warranty period.
- 34.2. The CONTRACTOR shall assume a new warranty period for the work performed to remedy the defects, corresponding to the original one in duration.
- 34.3. Claims for any defects and/or deviations of the work found shall be made within 7 (seven) working days from their finding in writing, and such claims shall contain the nature of the defect, the date and manner of its detection.
- 34.4. Claims shall be rectified by the CONTRACTOR as soon as possible, but not later than a week, if their rectification so permits. Otherwise, a new performance deadline shall be agreed between the parties.
- 34.5. Upon the expiry of the 7-days' period or the period agreed additionally between the parties, the CLIENT may exercise its rights under Clause 31.2.

SECTION IX. FORCE MAJEURE

- 35.** Should either party be prevented or delayed in the performance of its obligations under the Contract by an unforeseen or unavoidable event of an extraordinary nature having occurred after the Contract conclusion (including natural disasters, fires, floods, wars, civil disturbances or riots, violence, government requirements or regulations), it shall notify the other party of the nature of the force majeure, its potential duration and any possible consequences therefrom for the performance of the Contract, within a reasonable time.
- 36.** As long as the force majeure lasts, the performance of the obligations and related counter-obligations shall be suspended.
- 37.** If the force majeure lasts for more than 3 (three) months, either party may terminate the Contract by serving a written notice effective immediately upon receipt. No compensation shall be due in such cases.

SECTION X. SETTLEMENT OF DISPUTED ISSUES

- 38.** All disputes arising out of or relating to these General Terms and Conditions and/or the Contract, including disputes arising out of or relating to their interpretation, invalidity, performance or termination, as well as disputes concerning the filling up of gaps in the General Terms and Conditions and/or the Contract, or their adaptation to newly arising circumstances, shall be referred to the competent Bulgarian court for settlement.
- 39.** These Terms and Conditions and the Contract signed shall be governed by the laws of the Republic of Bulgaria.

SECTION XI. CONFIDENTIALITY AND SECRECY

- 40.** The CONTRACTOR undertakes to disclose no confidential information obtained during the bilateral negotiations and/or made known to him during the performance of the Contract to any third parties during the performance of the Contract and up to ten years after its performance completion.
- 41.** At the CLIENT's request, the CONTRACTOR shall return any written confidential information (expressly referred to as such in the relationship between the parties), including all copies thereof, to the CLIENT immediately upon the Contract termination, or upon performance and the CONTRACTOR's exemption from any obligations under this Contract, whichever is earlier.
- 42.** The CONTRACTOR shall not be entitled to take pictures or videos of the CLIENT's site and/or production site without the CLIENT's express consent. Should any photographs be taken with the CLIENT's consent, the CONTRACTOR shall treat the obtained photo/video material as confidential information and not disclose it to any third parties, including by publishing on the Internet and/or social media, except with the CLIENT's express written consent.

SECTION XII. FINAL PROVISIONS

- 43.** AGROPOLYCHIM AD may make amendments and/or supplements to these General Terms and Conditions at any time, and the updated General Terms and Conditions will be published on the CLIENT's website - www.agropolychim.bg. Any amendments and/or supplements shall come into force and apply to any effective contracts as of the beginning of the month following the month when the General Terms and Conditions became publicly available through their publication on the above mentioned official website of the CLIENT, unless an express date of their coming into force is specified. Should a new GTC revision be unacceptable to the CONTRACTOR, the latter shall have the right to object to the application of the amendments to it in writing within one month of their publication. In such case, the GTC in force as of the Contract conclusion date which the CONTRACTOR agreed to shall apply.
- 44.** The CONTRACTOR shall be liable, pursuant to Art.82 of the Act on Obligations and Contracts, for any actual damages suffered in excess of the agreed liquidated damages under Section VIII.
- 45.** In the meaning of these General Conditions, a "Site" means a place designated by the CLIENT where the Works are to be carried out, as well as any other places expressly designated as such in the Contract.
- 46.** According to these General Conditions, "Confidential information" means any technical, financial, commercial, legal and/or any other information (whether identified as "confidential" or not), whether verbal or written, provided to the CONTRACTOR in the course of and in connection with the performance of its obligations under the Contract, except for:

- information having been known to the CONTRACTOR prior to its provision, which fact may be verified by its records or;
- information lawfully provided to the CONTRACTOR by any third party outside the performance of its obligations under the Contract or in relation thereto; or
- information having become publicly available without a CONTRACTOR's obligation under the Contract or by law to have been breached, or such publicly available as of the date of the Contract;
- information required to be disclosed to a competent public authority by law, and only to the extent requested, and provided that the CONTRACTOR has previously taken any necessary measures to protect the information from further disclosure.

47. In the event of a conflict between the provisions agreed in the Contract and these General Terms and Conditions, the Contract agreements shall prevail.

These General Terms and Conditions were adopted at the Meeting of the Board of Directors held on 05.04.2001 and came into force as of 10.04.2001; they were amended by Minutes dated 18.08.2003, Minutes dated 25.11.2013 (effective from 02.12.2013), Minutes dated 19.02.2016 (effective from 22.02.2016) and Minutes dated 15.08.2022 (effective from 01.09.2022).