

## TERMS AND CONDITIONS FOR THE SUPPLY OF RAW MATERIALS AND MATERIALS FOR 'Radev and Sons' Ltd

### I. General Terms and Conditions

1. These General Terms and Conditions apply to all contracts and/or orders for the supply of raw materials and materials for 'Radev and Sons' Ltd (hereinafter referred to as 'supply contract(s)').
2. By signing the supply contract or accepting a written order, the supplier confirms that they are familiar with the General Terms and Conditions and do not object to their application.
3. Individual agreements contained in signed supply contracts or additional agreements thereto shall take precedence over clauses of these General Terms and Conditions that contradict them.
4. These General Terms and Conditions are binding on suppliers who have the status of traders within the meaning of the Commercial Act and with whom no written contract has been concluded unless they object in writing immediately upon receiving the first order from 'Radev and Sons' Ltd to the application of certain clauses.
5. Existing general terms and/or rules of suppliers do not apply in commercial relations where 'Radev and Sons' Ltd is a party unless otherwise agreed. This condition is also valid in case of reference to documents containing or referring to such general terms and/or rules of other parties.

### II. Supply Contract/Order

1. All supplies to 'Radev and Sons' Ltd are made based on a written contract or a written order and an offer made in response to the order with a specific validity period, in which documents the subject and volume of the delivery, delivery conditions and schedule, payment terms, mandatory documents accompanying each delivery, and other terms are explicitly specified.
2. 'Radev and Sons' Ltd will not accept deliveries that are not the result of a written order from the company, signed by an authorized person.



3. All appendices to the supply contract/order, such as technical requirements, specifications, special testing requirements, special packaging instructions, labeling, loading, and other instructions, are an integral part thereof.
4. 'Radev and Sons' Ltd is bound by a written order for delivery within a period of 7 (seven) days from the date of the order, unless a different period is specified in the contract or order. Acceptance of the order should be declared in writing by the supplier by sending an offer within the specified or contractually agreed period.
5. 'Radev and Sons' Ltd has the right to terminate a concluded supply contract at any time with a 14-day written notice sent to the supplier at the postal address and email address specified in the contract. The termination of the contract does not affect the execution of written orders submitted prior to the notice date.

### III. Execution and Acceptance of Delivery

1. The place of delivery is the production-administrative complex of 'Radev and Sons' Ltd in the village of Graf Ignatievo, Municipality of Maritsa, district of Plovdiv, Karlovska Street – non-regulated area 460.
2. Delivery is made within the timeframe specified in the order. The supplier informs 'Radev and Sons' Ltd of the exact delivery date 24 hours in advance by sending a dispatch notification electronically to the address: [office@rs-light.com](mailto:office@rs-light.com).
3. The supplier shall immediately and in writing notify 'Radev and Sons' Ltd in case of impossibility to meet the deadline. In case of delay due to a reason for which the supplier is responsible, 'Radev and Sons' Ltd has the right to claim damages in accordance with these General Terms and Conditions and the concluded contract, as well as compensation for any additional losses suffered.
4. The supplier may deliver the raw materials and materials before the deadline only with the written consent of 'Radev and Sons' Ltd.
5. Without the explicit prior written consent of 'Radev and Sons' Ltd, the supplier has no right to fulfill the delivery of the ordered raw materials and materials through a third party (subcontractor). The supplier bears the risk of subcontracting, unless otherwise agreed.
6. The delivery must conform precisely to the terms in the order. Any deviation from the specified terms, the technical requirements for the raw materials and materials attached to the contract or order, as well as the presence of any quality defects, entitles 'Radev and



Sons' Ltd to refuse acceptance of the delivery in whole or in part, for which a bilateral protocol for the return of the rejected delivery is signed. If the deviations or defects are not so significant and allow the raw materials and materials to be used for their intended purpose, 'Radev and Sons' Ltd has the right, instead of returning the delivery, to apply a price reduction of 50%.

7. 'Radev and Sons' Ltd is not obliged to accept partial deliveries, except upon explicit written agreement with the supplier.
8. Transfer and acceptance are carried out at the place of delivery based on a bilateral acceptance-transfer protocol containing the number and date of the order, the nature and quantity of the delivered raw materials and materials, and the agreed delivery date. 8.1. The supplier provides, together with the delivered raw materials and materials, all accompanying documents, including invoices, packaging lists, transportation documents, certificates, usage instructions, customs documents, etc. The failure to provide the accompanying documents will be treated as a delay in delivery with the legal consequences thereof in accordance with these General Terms and Conditions and/or the concluded supply contract.
9. Before accepting the delivery, 'Radev and Sons' Ltd is obliged to conduct an inspection for the presence of quantitative discrepancies and/or visible external defects in the raw materials and materials (scratches and/or deformations caused by transportation, packaging, etc.). Any observed discrepancies and/or defects are described in the accompanying transport documents, and a complaint protocol is prepared.
10. Within a period of up to 90 (ninety) days from the signing of the acceptance protocol for the delivery, 'Radev and Sons' Ltd has the right to file a complaint with the supplier for identified quality discrepancies/defects in the raw materials and materials that could not have been noticed during the inspection at the time of acceptance (so-called hidden defects), for which a complaint protocol is prepared. In this case, the supplier is obligated to replace the defective raw materials and materials at their own expense within seven days of receiving the written complaint. In case of non-fulfillment of this obligation, 'Radev and Sons' Ltd may reduce the price of the delivery by the value of the defective goods.
11. Ownership rights and the risk of accidental loss or damage to the delivered raw materials and materials transfer to 'Radev and Sons' Ltd at the moment of accepting the delivery.



Accordingly, liability for loss or damage to the raw materials and materials delivered during transportation to the place of delivery or during loading/unloading activities is borne by the supplier.

#### IV. Quality of the Delivery

1. The delivered raw materials and materials must meet the quality requirements specified in the contract or the order.
2. The delivered raw materials and materials must be properly packaged in accordance with Bulgarian legislation, applicable standards, and/or trade practices. The packaging must ensure the integrity of the delivery during transportation.
3. Failure to meet the quality requirements of the delivery will be considered as improper execution of the delivery with the legal consequences thereof in accordance with these General Terms and Conditions and/or the concluded supply contract.

#### V. Price and Payment Terms

1. The price of the raw materials and materials is determined in the supply contract, and in the absence of a written contract, unilaterally by the supplier in the offer prepared by them with a validity period. It includes all expenses, costs, customs duties, taxes, and profits of the supplier unless otherwise agreed.
2. The price is paid after the issuance of an original invoice within 30 (thirty) days from the date of its receipt by 'Radev and Sons' Ltd, provided that a signed acceptance-transfer protocol for the delivery is available and that the delivery was made on time, unless otherwise agreed. In case of delay in delivery, 'Radev and Sons' Ltd has the right to deduct the due penalty from the invoiced price.
3. The invoice must contain all the requisites in accordance with the Accounting Act or the applicable local legislation of the supplier, as well as the order number and date, the nature and quantity of the delivered raw materials and materials, and it is sent electronically to 'Radev and Sons' Ltd at the address: office@rs-light.com. The original invoice is handed over to the receiving employee of 'Radev and Sons' Ltd.
4. All payments are made by bank transfer to the supplier's bank account as specified in the supply contract and/or the invoice. The submission of a payment order to the servicing bank is considered as 'Radev and Sons' Ltd fulfilling its payment obligation in accordance with



item 2 of this section, with no responsibility in case of delays in bank transactions in execution of the order.

5. The bank commissions for outgoing money transfers, collected by the servicing bank, including the commissions of its correspondent bank, are at the expense of the originator, while the commissions for incoming money transfers, collected by the beneficiary's servicing bank, including the commissions of its correspondent bank, are at the expense of the beneficiary.

## VI. Penalties

1. In case of delay or improper execution of the delivery, the supplier owes 'Radev and Sons' Ltd a penalty of 0.1% on the value of the delayed delivery for each day of delay, but not exceeding 5%.
2. In case of early termination of a supply contract due to the fault of the supplier, the supplier owes 'Radev and Sons' Ltd a penalty of 15% of the value of the unfulfilled portion of the contract.
3. In case of delayed payment by 'Radev and Sons' Ltd, a penalty of 0.1% for each day of delay, but not exceeding 5% of the overdue amount, is charged on the owed amount.

## VII. Force Majeure

1. If either party is prevented or hindered in the performance of its obligations under the supply contract or the order due to an unforeseeable and unavoidable event of an extraordinary nature occurring after the conclusion of the contract (including natural disasters, fires, floods, wars, acts of state or local government authorities, etc.), that party is obliged to immediately notify the other party of the occurred impossibility or hindrance in writing.
2. During the period of force majeure, the execution of obligations and the related counter-obligations under the contract are suspended.
3. If force majeure continues for more than one month, either party may terminate the supply contract or the performance of a submitted order by written notice to the other party, effective from the date of receipt.
4. In the scenarios described in this section, no penalties or compensations are due.

## VIII. Confidentiality



1. During the term of the contract and for 5 (five) years after its termination, or during the execution of an order and for 5 (five) years after the termination of its execution, the supplier must not disclose to third parties any confidential information received during negotiations and correspondence with 'Radev and Sons' Ltd or become known to it during the performance of the contract or the order. The supplier may only use this information in connection with the performance of the contract or the order.
2. Confidential information, as defined in these General Terms and Conditions, means technical, financial, commercial, legal, and other information, oral or written, provided to the supplier by 'Radev and Sons' Ltd during or in connection with the performance of its obligations under the contract or the order, except for publicly available information.
3. The obligation to preserve confidential information ceases when the supplier is required by law to disclose it to the competent state authorities, but only to the extent that the supplier has previously provided written notice to 'Radev and Sons' Ltd and taken all necessary measures to protect the information from further disclosure.
4. Upon request by 'Radev and Sons' Ltd, the supplier agrees to promptly return all provided written confidential information, including its copies, immediately after the termination of the supply contract or after the completion of the order execution.

#### **IX. Ownership. Warranties**

1. The supplier is obliged to deliver the supplied raw materials and materials free from any ownership rights or other rights of third parties that could be opposed to 'Radev and Sons' Ltd.
2. The supplier guarantees that the delivery of the agreed/ordered raw materials and materials does not infringe upon the industrial property rights of third parties.
3. In case of non-fulfillment of the obligation under item 1 or a breach of the warranty under item 2 of this section, the supplier undertakes to indemnify 'Radev and Sons' Ltd for all claims by any third party and to reimburse all costs incurred in this regard. 'Radev and Sons' Ltd has the right to claim compensation from the supplier for greater damages.

#### **X. Applicable Law. Dispute Resolution**

1. Regarding contracts for delivery concluded based on these General Terms and Conditions, the legislation of the Republic of Bulgaria shall apply. The United Nations Convention on Contracts for the International Sale of Goods does not apply.



2. All disputes arising from or related to these General Terms and Conditions and/or the contracts for delivery concluded based on them, including disputes concerning their interpretation, performance, non-performance, termination, invalidity, shall be referred for resolution to the competent Bulgarian court with jurisdiction over the registered office of 'Radev and Sons' Ltd.

## **XI. Final Provisions**

These General Terms and Conditions may be amended and supplemented at any time by 'Radev and Sons' Ltd. The supplier shall be notified in writing of any changes or amendments at the correspondence address or email address specified in the contract or offer, with the changes and amendments taking effect from the beginning of the month following the notification.

These General Terms and Conditions were adopted by a resolution of the General Meeting of 'Radev and Sons' Ltd, held on September 5, 2023.

