

GENERAL TERMS AND CONDITIONS FOR THE SALE AND DELIVERY OF GOODS PRODUCED BY 'Radev and Sons' Ltd

General Provisions

1. These General Terms and Conditions for sale and delivery ("General Terms and Conditions") apply to all contracts entered into in connection with the sale and/or delivery of Goods by 'Radev and Sons' Ltd.
- 1.2. By submitting an order or written confirmation (including by email) of an Offer, the Buyer confirms that they are aware of the General Terms and Conditions and do not object to their application, unless they immediately and in writing object to the application of specific clauses.
- 1.3. In the event of a contradiction between individually negotiated written agreements between the parties and these General Terms and Conditions, the provisions contained in the written individual agreement shall prevail.
- 1.4. The current general terms and conditions and/or rules of other merchants who are clients of 'Radev and Sons' Ltd do not apply in commercial relations where it is a party, unless otherwise agreed. This condition is also valid in the case of reference to documents containing or referring to such general terms and conditions and/or rules of other persons.

Definitions

2. The definitions used in these General Terms and Conditions have the following meanings:
 - 'Seller' - 'Radev and Sons' Ltd, UIC 200329193, with seat and registered office: district of Plovdiv, municipality of Maritsa, village of Graf Ignatievo, p.c. 4189, Karlovska Street
 - non-regulated area 460;
 - 'Buyer' - a person who has sent an order or written confirmation after submitting an offer or has signed a written contract with the Seller for the purchase and/or delivery of Goods, thereby entering into a commercial relationship with the Seller;
 - 'Goods' - metal parts for the manufacture of end metal products or containing metal elements, specifically described in the respective Contract and/or Order and produced by the Seller in fulfillment of the Order in accordance with the specification - drawing provided by the Buyer;
 - 'Sale and/or Delivery Agreement' - the agreement for the sale and/or delivery of Goods concluded between the Buyer and the Seller;



- 'Order' - a written request sent by the Buyer to the Seller in response to a submitted Offer, specifying the type and quantity of Goods subject to sale and/or delivery;
- 'Offer' - a written proposal sent to the Buyer by the Seller in response to a received inquiry, specifying the price, terms, and delivery time of the Goods subject to sale and/or delivery;
- 'Offer Confirmation' - a written statement by the Buyer accepting the offer made by the Seller with the Offer. An offer for which proper written confirmation is lacking is not considered accepted. The confirmation can also be sent via email;
- 'Specification' - technical data or other information regarding the Goods, explicitly provided by the Buyer to the Seller for the purpose of preparing an Offer.

Sale and/or Delivery Agreement

3. The Offer submitted by the Seller and the written confirmation received by the Buyer, respectively, the Order sent by the Buyer in response to the Offer, along with these General Terms and Conditions, constitute the entire agreement between the parties.
 - 3.1. The Seller reserves the right to accept or reject any inquiry submitted to it, and it shall not be liable to the Buyer for the execution of an inquiry for which it has not sent an Offer.
 - 3.2. The Seller is bound by an Offer sent by it in response to an inquiry until the expiration of the term specified in the offer, or in the absence of a term, until the expiration of 10 (ten) days from its dispatch to the Buyer.
4. The Buyer's Order constitutes an agreement to conclude a Sale and/or Delivery Agreement for Goods in accordance with these General Terms and Conditions. The responsibility for the comprehensive and accurate content of the Order and its accompanying Specification - drawing belongs to the Buyer.
 - 4.1. The contract is considered concluded upon receipt of the Offer Confirmation or upon submission of an Order by the Buyer within the validity period of the offer. At the express desire of both parties, the Sale and/or Delivery Agreement may be concluded in writing, and the parties may stipulate different individual conditions deviating from those regulated in these General Terms and Conditions.

Confidentiality

5. Information provided by one party to the other in connection with the conclusion and execution of a specific Agreement shall be treated and stored as confidential information during the term of the Agreement and for 5 (five) years after its termination. The parties



shall refrain from disclosing it to third parties and have the right to use it solely for the purposes of the Agreement's execution.

- 5.1. Confidential information, as defined in these General Terms and Conditions, means technical, financial, commercial, legal, and other information, whether oral or written, provided by one party to the other in connection with the performance of its obligations under the Agreement or the Order, excluding publicly available information.
- 5.2. The obligation to protect confidential information ceases in cases where a party is required by law to disclose it to competent state authorities, but only to the extent required and provided that the disclosing party has notified the other party in writing and has taken all necessary measures to protect the information from further disclosure.
- 5.3. Each party is obligated, upon request from the other party, to return all provided written confidential information, including copies thereof, immediately upon termination of the Sale and/or Delivery Agreement or upon completion of the Order.

Specification

6. The Buyer must provide a detailed and accurate Specification - drawing regarding the Goods subject to sale and/or delivery, including dimensions with appropriate tolerances before painting, materials, processing methods, and all other specific technical requirements. The Buyer guarantees that the Specification - drawing complies with applicable laws, regulations, and industrial standards.
7. The Seller manufactures the Goods in accordance with the Specification - drawing provided by the Buyer, using its knowledge and experience, and in compliance with applicable industrial standards.
8. The Seller shall not be liable to third parties for defects or non-conformities in the Goods subject to sale and/or delivery, as well as for defects or non-conformities in end products into which the manufactured/delivered Goods are incorporated, resulting from inaccurate or incomplete Specification provided by the Buyer.
9. The Seller has the right to modify the Specification – the drawing in accordance with applicable legislative or regulatory requirements, if necessary, and only with the prior written approval of the Buyer. In this case, the production and delivery period commences upon receipt of the approval. In the absence of explicit written approval, it shall be deemed that the Buyer has withdrawn the Order, respectively, the Offer Confirmation, and the Sale and/or Delivery Agreement is considered terminated.



Prices and Payment Terms

10. The prices for the ordered Goods are determined in the Offer in accordance with the Seller's price list or under individually negotiated pricing conditions, and they include all expenses, disbursements, duties, taxes, and profits of the Seller, unless otherwise agreed. The Seller issues an invoice for the due amount, which is sent to the Buyer at the email address provided by the Buyer. The original of the invoice is handed over to the Buyer's receiving delivery personnel.
11. The terms and payment period are determined in the Offer. If not otherwise agreed in writing, the Buyer must make payment to the Seller within 30 (thirty) days from the date of the invoice. All payments are made by bank transfer to the bank account specified in the delivery contract and/or invoice.
12. The bank charges for outgoing money transfers collected by the originator's servicing bank, including the fees of its correspondent bank, are at the expense of the remitter, while the charges for incoming money transfers collected by the beneficiary's servicing bank, including the fees of its correspondent bank, are at the expense of the beneficiary.
13. In case of delayed payment, a penalty of 0.1% per day is applied on the outstanding amount, but not exceeding 5% of the overdue amount.

Execution of the Delivery. Transfer of Risk

14. The Seller delivers the Goods within the delivery period specified in the Offer.
 - 14.1. The production and delivery period is extended in case of unforeseen circumstances beyond the Seller's control (including natural disasters, fires, floods, wars, acts of state or local authorities, etc.) that hinder or impede the production and/or shipment of the Goods subject to the Order, in which case the Seller shall promptly notify the Buyer.
15. In cases not described in the previous item, if the delivery deadline is not met, the Seller owes a penalty of 0.1% for each day of delay, but not exceeding 5% of the value of the delayed delivery.
16. The Buyer shall provide the necessary information and assist the Seller in ensuring the trouble-free delivery of the Goods.
17. The Seller delivers the Goods to the delivery location specified in the Order.
18. If the Buyer is unable to accept the delivery of the Goods at the specified time, they shall immediately notify the Seller in writing, stating the reason and indicating another date and time when they will be able to accept the delivery.



19. The specific terms regarding the assumption of transportation costs for the delivery of the Goods to the delivery location are determined in the Order. In case of a change in the delivery location by the Buyer after sending the Order, the additional costs resulting from the change are borne by the Buyer.
20. The delivery of the manufactured Goods is considered complete when they are handed over to the Buyer, an authorized representative of the Buyer, or a carrier designated by the Buyer.
21. In the case of Goods delivered with included transportation (DAP) to the place of delivery, the risk of accidental loss or damage to the Goods, as well as liability for defects occurring during transportation or loading and unloading activities, is borne by the Seller. For this purpose, the Seller should have a valid cargo insurance policy.
22. In the case of Goods delivered without included transportation (EXW), the risk of accidental loss or damage to the Goods, as well as liability for defects occurring during transportation or loading and unloading activities, is transferred to the Buyer at the moment of handing over the Goods for dispatch to the Seller's production-administrative complex.

Inspection and Acceptance. Claims

23. The acceptance of the delivered Goods is carried out based on a mutually signed acceptance protocol or packing list and presented international road waybill (when applicable) or other transport documents.
24. Prior to accepting the delivery, the Buyer is obliged to inspect for any quantitative deviations and/or visible external defects in the Goods (injuries and/or deformations caused by transportation, packaging, etc.). Any identified deviations and/or defects should be documented in the accompanying transport documents, and a protocol for an insurance event and a protocol for a claim should be prepared. Failure to describe the identified deviations and defects during acceptance of the Goods exempts the Seller from liability.
 - 24.1. In cases under item 22 of these General Terms and Conditions, the inspection as described in the previous point and the preparation of the relevant protocols are carried out by the Buyer before handing over the Goods for dispatch from the Seller's production-administrative complex.
 - 24.2. In cases under item 21 of these General Terms and Conditions, the Buyer notifies the Seller of any identified quantitative deviations and/or visible external defects, including those caused during the transportation of the Goods or subsequent loading and unloading activities, immediately, before signing the acceptance protocol or packing list. The



identified deviations and defects are documented in the accompanying transport documents, and a claim protocol and an insurance event protocol are prepared and sent to the Seller within three days from the date of delivery. Failure to meet the specified deadline results in the claim not being considered by the Seller, and the Seller is relieved of responsibility for the deviations and defects identified by the Buyer.

25. In the event that the Buyer unjustifiably refuses to accept the delivered Goods, it is considered that the Seller has fully, accurately, and timely fulfilled its obligations under the Contract related to the delivery, and all obligations related to or arising from the performed delivery, including the obligation to pay the price, arise for the Buyer.

26. The Buyer is obligated to notify the Seller in writing within 30 (thirty) days of accepting the delivery of any identified qualitative deviations/defects in the Goods that could not have been noticed during the inspection at the time of acceptance (so-called hidden defects). After the expiration of this period, the delivery is considered to have been completed accurately and in accordance with the concluded Contract or the Buyer's Order.

26.1. A claim for hidden defects is accepted and considered by the Seller only if the defect is identified by the Buyer before the Goods are incorporated into the subsequent production of a final product for the market and offered to end consumers, actions by the Buyer that will be considered as accepting the Goods without objections. The Seller is not responsible for claims of hidden defects identified by third parties.

27. Types of claims for hidden defects:

27.1. A claim for discrepancies in the dimensions of an unpainted detail is permissible after measuring from both sides of the specific detail. If there is a discrepancy of more than 20% in the measured values of all specified dimensions in the Specification - drawing, it is considered a defect.

27.2. A claim for discrepancies in the dimensions of a painted detail is permissible after removing the paint and measuring from both sides. If there is a discrepancy of more than 20% in the measured values of all specified dimensions in the Specification - drawing, it is considered a defect.

27.3. A claim for paint thickness is permissible after measuring at 5 points on the front side of the detail and 5 points on the back side of the detail, after which the sum of the results from the 10 points is divided by 10. If the obtained result is greater or less by at least 50% from the requirement specified in the Specification - drawing, it is considered a defect.



27.4. A claim for external defects in the paint is permissible after a visual inspection of both sides of the detail from a distance of 1 meter. If scratches, dents, spots, and other paint defects are visible from a distance greater than 1 meter, it is considered a defect.

27.5. A claim regarding the pretreatment of the detail before painting is permissible after conducting a salt spray test in a specialized laboratory. If the result does not meet the minimum requirement specified in the Buyer's Specification - drawing, it is considered a factory defect. If there is no specific requirement for paint durability in the salt spray test, the lowest level - C1 applies. In case of detecting a defect, the costs of the test are reimbursed by the Seller, and in the absence of a defect, they remain the responsibility of the Buyer.

28. In the event of detecting defects as described in these General Terms and Conditions, namely visible external defects, including defects caused during the transportation of the Goods or during loading and unloading activities in the cases under item 21, or hidden defects in the Goods, the Seller shall rectify the defect at its own expense, or if impossible, refund the amount paid by the Buyer.

Transfer of Ownership. Third-Party Property Rights

29. The produced Goods remain the exclusive property of the Seller until the moment the Buyer pays the agreed price for them. In the case of advance payment, ownership of the Goods passes to the Buyer upon payment of the full amount as per the invoice.

30. The Buyer guarantees that the specifications provided to the Seller - drawings for the production of the Goods subject to sale and/or delivery do not violate the intellectual property rights of third parties.

31. In case of a breach of the warranty under item 30, the Seller has the right to seek compensation from the Buyer for all amounts paid by the Seller in connection with third-party claims, including all incurred expenses. The Seller also has the right to seek compensation for other damages.

Seller's Liability



32. The Seller's liability for the execution of the Order in accordance with the Specification - the Buyer's drawing is limited to the rectification of defects in the Goods or the refund of the purchase price in accordance with these General Terms and Conditions.
- 32.1. The Seller does not owe penalties to the Buyer for the delivery of defective Goods or compensation for lost profits or other consequential damages, except in cases of proven intent or gross negligence.
33. The Seller is not responsible for damages if they are due to: the use of the Goods for an application other than their intended purpose, including the installation of the Goods in final products in which the Goods have been incorporated, in an unsuitable environment; modifications or repairs to the Goods undertaken by the Buyer or a third party acting on behalf of the Seller; the use of defective or unsuitable auxiliary equipment; accidental or intentional damage or misuse of the Goods by the Buyer or a third party not acting on behalf of the Seller.
34. The Seller is not liable for non-performance of its obligations under these General Terms and Conditions or under the contracts concluded (including delayed or unfulfilled deliveries of Goods) in cases of events beyond the control of the Seller, including but not limited to: interruption and/or restructuring of the supply chain and the deliveries themselves; delays in deliveries by manufacturers, distributors, and suppliers; lack of stock availability; reduced production; plant closures, warehouses, or similar facilities, as well as force majeure.
35. The Seller is not liable for compensation due to third parties by the Buyer for damages caused by the design provided by the Buyer for the Goods produced by the Seller.

Force Majeure

36. Events such as strikes, floods, fires, disruptions in communication and transportation systems, significant production, transportation, or warehouse incidents, as well as all other unforeseen and uncontrollable extraordinary events that occur after the conclusion of the Contract and hinder or delay the production or delivery of the Goods, shall be considered cases of force majeure.
37. The party claiming the existence of a force majeure event shall have an obligation to promptly notify the other party in writing of the impact, commencement, and termination of such event.



38. Each of the parties has the right to terminate the Contract with written notice to the other party if the performance of the Contract is impeded due to the existence of force majeure for a period exceeding 2 (two) months.

Applicable Law and Dispute Resolution

39. All disputes arising from a specific Contract or related thereto, including disputes arising from or related to its interpretation, invalidity, performance, or termination, as well as disputes regarding the filling of gaps in the contract or its adaptation to newly arisen circumstances, shall be resolved in accordance with Bulgarian law, with the competent Bulgarian courts at the Seller's registered office having jurisdiction. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.

Final Provisions

40. These General Terms and Conditions may be amended and supplemented at any time by the Seller. For any changes or additions, Buyers, parties to existing sales and/or delivery contracts, shall be notified in writing at the addresses for correspondence or email addresses provided in the offers and orders, with the changes and additions 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.

