



GENERAL TERMS AND CONDITIONS

Seller: **INTERCOM GROUP LTD.**

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Represented by the Manager: Mr. Pavlin Ivanov Nikolov

These general sales rules shall apply between the Seller and the Buyer, whereby the Seller agrees to sell and the Buyer agrees to buy the goods subject to every specific order/purchase, according to the following terms and conditions:

A. The goods which shall be subject to each deal shall be specified between the parties with additional contract/annex for each order of goods.

1. Delivery terms: to be specified with additional contract/annex for each order.
2. Payment terms: all goods are to be paid by the Buyer to the Seller in advance if no other payment conditions are applicable on the basis of an additional contract/annex.
3. Shipment: to be specified with additional contract/annex for each order.

B. Liabilities and general conditions:

1. Quantity

- 1.1. The Seller is entitled to deliver the goods with quantity tolerances as specified in additional contracts/annexes. Payments are to be made for the exact quantities delivered to the seller.
- 1.2. The delivered quantity will be theoretically weight based or else if differently specified in contract/annex.

2. The Seller will send to the Buyer the following documents with the goods:

- Commercial Invoice - 1 original + 1 copies;
- CMR;
- Mill's test report;

3. Delivery of the goods:

The goods are deemed to be delivered by the Seller and received by the Buyer:

- Quantity wise: Total quantity shown in Mill's Test Report and on bundle tag;
- Quality wise: according to the certificate of quality issued by the producing mill;
- Delivery conditions: should be stated in the specific contract/annex;
- The proof of delivery: according to the above mentioned documents.

4. Reception of the goods:

The Buyer can nominate a neutral control organization or to provide legal representative in order to inspect the goods before loading on trucks and/or during loading.

5. Claims:

Claims can be filled according to the regulations in chapter B 5.1. Quantity wise and chapter B 5.2. Quality wise. The buyer is not entitled to refuse payment on the grounds that he has claims against the Seller for the quality or the quantity of the goods. Any existing claims do not cancel the agreed payment terms.

5.1. Claims regarding the quantity of the goods:

Claims can be filed within 3 days from the goods arrival at the delivery destination and must always be accompanied by the following documents:

- Inspection certificate, issued by a neutral and internationally recognized organization, survey report showing number of bundles and pieces per each size.

The Buyer has the obligation to announce the short-shipment if any, immediately when found.

Within 30 days from the date of issuing of the claim and the necessary substantiating documents have been received, the Seller shall advise the buyer his point of view. The Seller has the right to ask to inspect the goods.

The Buyer has the obligation to put the goods claimed at Seller's disposal, or they can be used only after the seller's approval.

5.2. Claims regarding the quality of the goods:

Quality claims, except the hidden defects and dimensional tolerances, can be filed within 30 days from the date of goods arrival at destination, based on the following documents:

- Inspection certificate issued by a neutral and internationally recognized organization.
- Analysis report issued by an authorized neutral laboratory, photos, samples, and proof of goods arrival at destination.

Quality claims for hidden defects must be announced to the Seller immediately when they are found out, but not later than 2 months after shipment date.

Claims that have been filed without substantiating documents or that have been filed after the above mentioned deadline shall not be deemed as justified claims and shall not be taken into consideration. The goods claimed shall be kept at Seller's disposal in order to be inspected.

The Buyer has the obligation to file the claim immediately after the defects are found and the quantity thereby affected is determined. Within 30 days from the date the claim and the substantial documents have been received, the Seller shall advise the Buyer his point of view.

The Seller has the option to settle the claim, by replacing or repairing the goods by paying a certain allowance or by other such means of settlement. Claims by sub-buyers shall not be considered as proofs. The claim for a part of the goods shall not entitle the Buyer to refuse receiving the other quantities, unless the Seller specifically agrees thereto.

6. Force majeure:

Force majeure (as flood, earthquake, fire, global or local epidemic, strikes, lock-outs, labor disturbances, riots or civil commotion, war, civil war revolution, rebellion, insurrection, or civil strike arising there from) represents all elements and or circumstances beyond the control of the part invoking the force majeure that are unforeseen, irreversible and occur after the contract has been concluded thus

preventing or delaying totally or partially the fulfillment of the obligations deriving from this contract.

Should such a force majeure circumstance prevent or delay, entirely or partially, the performance of an obligation of a party under the contract, the contractual party affected thereby shall be exempt of the obligations according to the signed contract the performance of which has been prevented or delayed by the force majeure circumstances.

The party invoking the force majeure has the obligation to notify by telephone/fax/email the other party no later than seven days from the date the force majeure appeared providing information of the existence of the force majeure and the date when it started.

The parties will immediately consult with each other and decide on the steps to be taken to preserve their interest and to limit the effects of the force majeure circumstances.

The existence of the force majeure circumstances shall not release the buyer from his obligation to make the payment of the owed amounts.

Penalties, interests or compensations will not be requested for any delay and/or failure to fulfill the contractual obligations as a result of the force majeure circumstances. If due to force majeure circumstances one of the parties is prevented from fulfilling entirely or partially its contractual obligations during the period of over 30 days, then any party will be entitled, unless otherwise agreed upon, to cancel the contract by a written notification addressed to the other party.

The parties will establish the consequences of the cancellation in accordance with their will and/or provisions of the law that governs the contract.

7. Penalties:

7.1. In case of non-performance or improper performance of liabilities stipulated by the present contract, guilty party dues a penalty to the other party for the amount of 0.1% of the estimate cost of the goods per day.

- For delay of due payment for up to 7 days no penalties shall apply;
- For delay of due payment for more than 7 days and up to 30 days – 0.1% penalties shall apply per day from invoice issuing date;
- For delay of due payment for more than 30 days – 0.5% penalties shall apply per day from invoice issuing date.

7.2. The regulations in part 7 can be applied for partial payment of overdue invoice.

7.3. Besides the contractual penalty, the Seller has the right to stop all new contractual deliveries to the Buyer until the full payment of all due amounts is made.

8. Arbitration and applicable law:

All disputes related to the present contract shall be settled by the Arbitration Court at 'The Legal Assistance and Mediation' Association in Bulgaria in accordance to its Statutes and accelerated legal procedures. The applicable law is the Bulgarian law if no other applicable law has been explicitly agreed in the specific or contract/annex.