

General Conditions of Sale

1. Scope of Application

All supplies and the services associated with them shall be provided exclusively on the basis of these General Conditions of Sale, which, for the avoidance of any doubt shall be considered General Conditions within the meaning of Article 298 of the Commercial Act of the Republic of Bulgaria (*Promulgated with State Gazette 48 dated 18.06.1991, as amended*) ("**Commercial Act**", "**CA**"). References made by Buyer to his general terms and conditions are hereby rejected. These General Conditions of Sale shall also apply to all future business. Deviation from these General Conditions of Sale require the explicit written approval and consent of ROZACHIM A.D. (hereinafter "**ROZACHIM**").

2. Offer and Acceptance

ROZACHIM's quotations (catalogues, price lists, tariffs, etc.) do not represent binding offers but should be regarded as invitations to Buyer to submit a binding offer within the meaning of Article 290, Para 1 of the Commercial Act. The contract is concluded following Buyer's order (offer) and upon ROZACHIM's acceptance. In case the acceptance differs from the offer, such acceptance constitutes a new non-binding offer of ROZACHIM.

Offers made by the Buyer are subject to recordation with a special journal held by ROZACHIM. The following identification data should be registered with the journal: (a) the client who submitted an offer (*without collecting personal data within the meaning of the Personal Data Protection Act*), (b) the product required by the client (*in terms of type, volume, etc.*), (c) the terms under which the client wishes to purchase the required product (*price, terms, delivery, etc.*). The data recorded in the journal under the preceding sentence shall be considered official with respect to agreements between the Buyer and ROZACHIM that have not been reflected in any other bilateral written instrument between them.

3. Product quality; specimens and samples; guarantees

3.1. Product quality

Unless otherwise agreed, the quality of the goods is exclusively determined by ROZACHIM's product specifications. Identified uses under the European Chemicals Regulation REACH relevant for the goods shall neither represent an agreement on the corresponding contractual quality of the goods nor the designated use under this contract.

3.2. Specimens and samples

The properties of specimens and samples are binding only insofar as they have been explicitly agreed to define the quality of the goods.

3.3. Guarantees

Quality and shelf-life data as well as other data constitute a guarantee only if they have been agreed and designated as such.

4. Advice

Any advice rendered by ROZACHIM is given to the best of his knowledge. Any advice and information with respect to suitability and application of the goods shall not relieve Buyer from undertaking his own investigations and tests.

5. Prices

If ROZACHIM's prices or ROZACHIM's terms of payment are generally altered between the date of contract and dispatch, ROZACHIM may apply the price or the terms of payment in effect on the date of dispatch. In the event of a price increase, Buyer is entitled to withdraw from the contract by giving notice to ROZACHIM within 14 days after notification of the price increase.

6. Delivery

Delivery shall be effectuated as agreed in the contract. General Commercial Terms shall be interpreted in accordance with the *International Commercial Terms* INCOTERMS in force and effect.

7. Damage in Transit

Notice of claims arising out of damage in transit must be lodged by Buyer directly with the carrier within the period specified in the contract of carriage and ROZACHIM shall be provided with a copy thereof.

8. Compliance with legal requirements

Unless specifically agreed otherwise, Buyer is responsible for compliance with all laws and regulations regarding import, transport, storage and use of the goods.

9. Delay in Payment

9.1. Failure to pay the purchase price by the due date constitutes a fundamental breach of contractual obligations.

9.2. In the event of default in payment by Buyer, ROZACHIM is entitled to charge the statutory interest (*within the meaning of decree № 72/1994 of the Council of Ministers of the Republic of Bulgaria*) on the amount outstanding at the time the payment is due.

10. Buyer's rights regarding defective goods

10.1. Pursuant to Article 324 of the Commercial Act, Buyer should inspect the goods within a timeframe, as appropriate and notify immediately ROZACHIM, provided they do not correspond to the requirements. Failure by the Buyer to notify ROZACHIM shall result in considering the goods accepted as corresponding to the requirements.

ROZACHIM must be notified of all defects that may be detected during an ordinary inspection of the goods until their handover to the Buyer. The Buyer is obligated to perform inspection of the goods immediately prior to their handover to him ("**Entry Control**"). Performing an Entry Control (as per the preceding sentence) is a condition precedent for the handover of the goods by ROZACHIM to the Buyer. For the avoidance of any doubt, in case when the Buyer allows handover of the goods into his tenure and/or possession (e.g. in his own tank (cistern), warehouse facility, tank-car, etc.), he shall be considered to have performed Entry Control, not to have detected any flaws and defects and to have approved the goods as corresponding to his requirements.

10.2. If the goods are defective and Buyer has duly notified ROZACHIM in accordance with item 10.1, Buyer has its statutory rights, provided that:

- (a) ROZACHIM has the right to choose whether to remedy the defect or supply Buyer with non-defective replacement goods.
- (b) ROZACHIM has the right to make two attempts according to lit. (a) above.

Should these fail or cause unreasonable inconvenience to Buyer, Buyer may either withdraw from the contract or demand a reduction in the purchase price.

(c) With regard to claims for compensation and reimbursement of expenses on a defect, item 11 applies.

10.3. Buyer's claims for defective goods are subject to a period of limitation of six months from receipt of the goods, pursuant to Article 197, Para 1, first sentence, second application of the Law on obligations and contracts (*promulgated with State Gazette 275 dated 22.11.1950, as amended*) ("**Law on obligations and contracts**", "**LOC**").

11. Liability

11.1. ROZACHIM shall be generally liable for damages in accordance with the law. In the event of a simple negligent violation of fundamental contractual obligations, however, ROZACHIM's liability shall be limited to compensation for typical, foreseeable losses. In the event of a simple negligent violation of non-fundamental contractual obligations, ROZACHIM shall not be liable.

11.2. ROZACHIM shall not be liable to Buyer in case of impossibility or delay in the performance of its supply obligations, provided the impossibility or the delay is due to orderly compliance of regulatory and legal obligations in connection with the European Chemicals Regulation REACH being triggered by Buyer or other regulatory, statutory or other requirements.

12. Set off

Buyer may only set off claims from ROZACHIM against an undisputed or adjudicated counterclaim.

13. Security

If there are reasonable doubts as to Buyer's ability to pay, especially if Buyer is in default of payment, ROZACHIM may, subject to further claims, revoke agreed credit periods and make further deliveries dependent on the provision of sufficient security.

14. Retention of Title

14.1. Simple Retention of Title

Title to the goods delivered shall not pass to Buyer before the purchase price has been paid in full.

14.2 Expanded Retention of Title

In case Buyer has paid the purchase price for the goods delivered, however has failed to completely fulfill other debts arising out of his business relationship with ROZACHIM, ROZACHIM shall retain, in addition, title to the goods delivered until all such outstanding debts have been completely paid.

14.3. Retention of Title with processing clause

In the event Buyer processes the goods delivered by ROZACHIM, ROZACHIM shall be considered manufacturer and shall directly acquire sole title to the newly produced goods. If the processing involves other materials, ROZACHIM shall directly acquire joint title to the newly produced goods in proportion to the invoice value of the goods delivered by ROZACHIM, as opposed to the invoice value of the other materials.

14.4 Retention of Title with combination and blending clause

If the goods delivered by ROZACHIM are combined or blended with material owned by Buyer, which has to be considered the main material, it is deemed to be agreed that Buyer transfers to ROZACHIM the joint title to such main material in proportion to the invoice value of the goods delivered by ROZACHIM to the invoice value (*or, if the invoice value cannot be determined to the market value*) of the main material. Buyer shall hold in custody for ROZACHIM any sole or joint ownership originating therefrom at no expense for ROZACHIM.

14.5. Extended Retention of Title with blanket assignment

Buyer shall have in the ordinary course of business free disposal of the goods owned by ROZACHIM and subject to sale, provided that Buyer meets its obligations under the business relationship with ROZACHIM in due time. Buyer already assigns to ROZACHIM all claims in connection with the sale of goods to which ROZACHIM reserves the right of retention of title when concluding the sales agreement with ROZACHIM; should ROZACHIM have acquired joint title in case of processing, combination or blending, such assignment to ROZACHIM takes place in the proportion to the value of the goods delivered by ROZACHIM with retention of title to the value of the goods of third parties with retention of title. Buyer already assigns to ROZACHIM any future confirmed balance claims under current account agreements in the amount of the outstanding claims of ROZACHIM when concluding the sales agreement with ROZACHIM.

14.6. Right of Access/Disclosure

At the request of ROZACHIM, Buyer shall provide all necessary information on the inventory of goods owned by ROZACHIM and on the claims assigned to ROZACHIM. Furthermore, at the request of ROZACHIM, Buyer shall identify on the packaging ROZACHIM's title to the goods and shall notify its customers of the assignment of the claims to ROZACHIM.

14.7. Late Payment

In the event of late payment by Buyer, ROZACHIM is entitled, without rescinding the sales agreement and without granting a period of grace, to demand the temporary surrender the goods owned by ROZACHIM at Buyer's expense.

15. Force Majeure

To the extent any incident or circumstance beyond the ROZACHIM's control within the meaning of Article 306 of the Commercial Act (*including natural occurrences, war, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, acts of government*), reduces the availability of goods from the plant from which ROZACHIM receives the goods inasmuch as ROZACHIM cannot fulfill its obligations hereunder (*taking into account on a pro rata basis other supply obligations*), ROZACHIM shall (i) be relieved from his obligations under this contract to the extent ROZACHIM is prevented from performing such obligations and (ii) have no obligation to procure goods from other sources.

The first sentence hereinabove shall also apply to the extent such incident or circumstance renders the contractual performance commercially useless for ROZACHIM over a long period or occurs with suppliers of ROZACHIM. If the aforementioned occurrences last for a period of more than 3 months, ROZACHIM is entitled to withdraw from the contract without the Buyer having any right to compensation.

16. Place of payment

Regardless of the place of delivery of goods or documents, the place of payment shall be ROZACHIM's place of business.

17. Communication

Any notice or other communication required to be received by a party is only effective at the moment it reaches this party. If a time limit has to be observed, the notice or other communication has to reach the recipient party within such time limit.

The following means of communication shall be considered valid: (a) delivery by post or other courier service, (b) fax, as well as (c) e-mail.

18. Jurisdiction

Any dispute arising out of or in connection with this contract shall be heard, at ROZACHIM's option, at the court having jurisdiction over ROZACHIM's principal place of business or Buyer's principal place of business.

19. Applicable law

The contractual relationship shall be governed by the law applicable at the place of ROZACHIM's head office, including the provisions of the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG), irrespective of whether Buyer's place of business is in a CISG state or not.

20. Contract Language

If these General Conditions of Sale are made known to Buyer in another language, in addition to the language in which the sales contract has been concluded (Contract Language), this is merely done for Buyer's convenience. In case of differences of interpretation, the version in the Contract Language shall be binding.