

I. GENERAL PROVISIONS

1.1. These General Terms and Conditions govern all sales carried out by **Axflow EOOD**, with UIC 204352887 and corporate seat and registered address at 61A, Georgi Izmirliiev Street, floor 1, office 1, City of Plovdiv 4002, hereinafter referred to as the "Supplier" and its trading partners, hereinafter referred to as the "Customer" (hereinafter jointly referred to as the "Parties").

1.2. The General Terms and Conditions are provisions established in advance that govern the relationships between the Supplier and the Customer under a Sales Contract.

1.3. The General Terms and Conditions will be considered to have been unconditionally accepted by the Customer after:

1.3.1. The Customer states in writing that he accepts the General Terms and Conditions. Confirmation by fax or e-mail will be considered acceptance in writing;

1.3.2. The Customer has not objected in writing after the presentation, submission or familiarization with the General Terms and Conditions;

1.3.3. The Customer has known about the Terms and Conditions or has been obliged to know about them and has not disputed them until the submission of the goods.

1.4. The Parties may agree on terms and conditions other than the General Terms and Conditions with written contracts, annexes to such contracts and/or invoices based on Supplier's invoice forms. These conditions shall be specified in the written contracts, annexes to such contracts and/or invoices prepared according to Supplier's forms and shall have effect only for a particular sale. In this case, upon any discrepancy between the terms and conditions agreed by the Parties and the General Terms and Conditions, the agreed ones will prevail.

1.5. The General Terms and Conditions are published on the company website:

<https://www.axflow.com/bg-bg/za-axflow/obshti-usloviya-za-prodazhba>

The Supplier reserves the right to modify the General Terms and Conditions for sales at any time and to promptly publish them on: <https://www.axflow.com/bg-bg/za-axflow/obshti-usloviya-za-prodazhba>

II. CONCLUSION OF CONTRACT

2.1. The Sales contract shall be deemed concluded and these General Terms and Conditions will apply thereto upon one of the following circumstances:

- there is a concluded written contract or an annex to such a contract, which refers to these General Terms and Conditions;

- the offer of the Supplier has been confirmed in writing by the Customer;

- written order/request from the Customer, which is confirmed by the Supplier;

- an invoice is issued by the Supplier containing details of sold goods, prices, quantities, term and method of payment;

2.2. The Supplier is not bound by the requests submitted by the Customer. They are binding on the Supplier when a proforma invoice has been issued on their basis and the same has been paid in full by the Customer.

III. SUPPLIES

3.1. The Supplier undertakes the obligation to deliver or submit the goods at the agreed quantity, with quality, packaging and marking that comply with the regulatory provisions.

3.2. The Supplier retains ownership to the goods until their full payment by the Customer.

3.3. The delivery of the goods shall be performed by courier, carrier or freight forwarder to the Customer, unless the Parties have expressly agreed otherwise. The loading of the goods and their transportation to the final destination shall be organized by the Supplier, as the Customer shall pay all associated costs to the Supplier.

3.4. The risk of accidental loss or damage to the goods and the risk of any costs that might arise in connection with the goods, including the costs of their storage, will pass from the Supplier to the Customer upon delivery of the goods, in accordance with the terms of delivery. Upon delivery of the goods to the courier, carrier or freight forwarder for delivery to the Customer, the performed delivery shall be verified by the appropriate transport document.

3.5. The Supplier shall carry out deliveries within the terms that he has confirmed in writing. All other terms will be determined depending on the specific conditions (including transport conditions and routes, motor vehicles, etc.) and will be deemed fulfilled if the goods leave the point of dispatch in such a time, which, when taking into account the specific conditions, will be necessary for their arrival at the final destination.

3.6. The Supplier shall not be responsible for default caused by force majeure (force majeure, accident or other circumstances beyond the control of the Supplier, as strikes, unforeseen delays in manufacturing or shipping, etc.). In the event of force majeure, the Customer will not have the right to cancel or refuse acceptance of deliveries performed with a delay. If, due to force majeure, any delivery is delayed by more than 2 (two) months after the deadline, the Customer will have the right to give the Supplier reasonable time for implementation, after which, upon absence of performance, the Customer will have the right to refuse the delivery and/or terminate the contract by notice with immediate effect.

3.7. Upon late delivery by fault of the Supplier, the Customer will have the right to give additional time by written notice, after which, if there is no execution, the latter will have the right to refuse the delivery by notice with immediate effect. The additional period shall not be less than the delivery period.

IV. PRICE AND METHOD OF PAYMENT

4.1. The prices of the goods being sold have been determined and shall be understood in accordance with the EXW (Ex Works) terms, pursuant to Incoterms 2010.

4.2. Unless expressly stated otherwise, it is assumed that the price of the goods is exclusive of Value Added Tax.

4.3. The prices of the goods will be in Bulgarian leva and shall be entered into written contracts, upon preparation of offers or written confirmations of order/request, as well as upon preparation of proforma invoices or invoices prepared following the form of the Supplier. Upon an objective change in price conditions (increased exchange rate, fees, duties, etc.) the Supplier will have the right to increase the prices to the appropriate amount.

4.4. All prices of goods shall be negotiated between the Parties in writing. Prices negotiated by telephone, for which no written confirmation has been drawn up, will not be binding on the Parties.

4.5. The Customer will be invoiced by the Supplier for the sales in accordance with the legislation applicable at the time.

4.6. The conditions contained in the offer, order/request confirmation, signed contract or invoice will be applicable for the payment of prices.

4.7. Stipulations for advance or deferred payment of prices will be permissible only if explicitly reflected in written contract, annex to such contract and/or proforma invoice and/or invoice prepared according to form of the Seller.

4.8. Upon deferred payment the Customer shall fulfill his payment obligation in full no later than the date mentioned on the invoice as the deadline for payment. The payments due will be considered as implemented, when the account of the Supplier has been credited with the amount due on the invoice.

4.9. In order to secure the receivables of the Supplier for the value of the goods sold, the Customer undertakes the obligation to:

- provide information to the Supplier about the servicing banks and the bank account numbers, to which he has undertaken the obligation to direct revenue from the commercial turnover;

- provide, upon request by the Supplier, immediate collections certified by the servicing banks and concerning the abovementioned and other bank accounts of the Customer, which the Supplier can use to collect receivables;

- issue, upon request by the Supplier, promissory notes in favor of the latter under conditions "without charge and without protest" for the amounts covering his receivables;

4.10. The Supplier reserves the right, upon arrangement for deferred payment or in other cases at his own discretion, to request from the Customer additional commercial security: commercial pledges, bank guarantees, surety, etc. All amounts on agreed deferred payments shall become due immediately, if bankruptcy, liquidation or conversion proceedings are initiated in relation to the Customer.

4.11. The payments shall be made by bank transfer to the bank account specified by the Supplier. All bank charges shall be borne by the Customer. The payment will be considered made after receipt of the relevant amount to the bank account of the Supplier or after submission of written confirmation of payment.

4.1.2. Upon delay in payments or other default of the Customer, the Supplier will have the right to request redress of his receivables through realization of the collateral provided by the Customer.

V. RIGHTS AND OBLIGATIONS OF THE SUPPLIER

5.1. The Supplier shall deliver the goods to the Customer in accordance with the General Terms and Conditions and the stipulated between the Parties.

5.2. The Supplier shall issue an invoice prepared under his own form in connection with the performed sale, as well as other documents upon request by the Customer.

5.3. If there is a delay of receipt of goods by the Customer, the Supplier may:

- turn them over for safekeeping;
- sell them at market prices after notifying the Customer;
- upon the occurrence of circumstances threatening the interests of the Supplier, to sell them without notice;

5.4. The costs incurred by the Supplier in connection with the actions under the preceding paragraph shall be borne by the Customer.

5.5. The Supplier has the right to receive the agreed price for the goods.

5.6. Upon overdue payments by the Customer, the Supplier will have the right to obtain the interest and penalties due for the delay in accordance with the General Terms and Conditions.

VI. RIGHTS AND OBLIGATIONS OF THE CUSTOMER

6.1. The Customer undertakes the obligation to pay the price for the goods in the amount, in accordance with the method of payment and within the terms set out in the General Terms and Conditions and/or in written contracts, annexes to such contracts and/or proforma invoices and/or invoices prepared according to forms of the Supplier.

6.2. Upon overdue payments, the Customer undertakes the obligation to pay the interest and penalties due for the delay in accordance with the General Terms and Conditions.

6.3. The Customer undertakes the obligation to receive and take the goods.

6.4. The Customer shall examine the goods within 7 days of receipt. If the goods do not meet the requirements, the Customer shall notify the Supplier immediately. If the Customer does not notify the Supplier, the goods will be considered as approved.

VII. WARRANTY. CLAIMS

7.1. The warranty of the goods offered by the Supplier is in compliance with the warranty given by the manufacturer of the goods. This does not apply in cases of fraud, concealment of a defect or in respect of goods which have not been used in accordance with their normal use.

7.2. The warranty period shall commence from the date, on which the Supplier transports and delivers the ordered goods to the Customer.

7.3. The Supplier shall provide, upon request by the Customer, documents in connection with the goods sold by him, in accordance with the legislation applicable at the time of sale.

7.4. The Customer retains the right to claims, in case he has claimed immediately to the Supplier the noticed defects and lack of conformity, but not later than seven (7) days from the date of receipt. After that period, the goods will be considered as accepted without remarks by the Customer.

7.4. The claims shall be made in writing, with an exact description of the nature of the alleged defect. They will be subject to approval after it is established that their occurrence is not the result of poor loading, transportation, storage or improper use by the Customer.

7.5. All claims and warranties will be excluded after the Customer sells the goods to third parties.

7.6. The Supplier shall not be responsible for the proper use of the goods, the testing of the same and the manufacture of products thereof.

7.7. The merits of a claim will be assessed by the Supplier upon direct review and inspection of the specific goods.

7.8. If a claim is acceptable, the Supplier may, at his discretion, offer to exchange the specific goods with qualitative goods at his own expense, to indemnify the Customer for defects or to make a discount on the goods.

7.9. Any other liability of the Supplier, except for the claim liability specified above, shall be excluded under these General Terms and Conditions.

VIII. CONFIDENTIALITY

The Customer undertakes the obligation to comply with the confidentiality terms with regard to any information that becomes known to him in connection with the implementation of the contracts that are subject to these General Terms and Conditions, both during their execution and after their termination. According to this obligation, the Customer will not have the right to publish such information, to disclose it to third parties and to provide access to it, without the prior written consent

of the Supplier during the term of this contract, after its expiry or termination and at any other time after that. The Customer will be responsible for informing his employees on the obligation for confidentiality, as well as for the compliance with that obligation by his employees and all other persons acting on behalf of the Customer during the term of their business relationships, after their expiration or termination and at any other time after that. The obligation for confidentiality does not apply when the applicable laws, from which the Parties may not deviate, provide otherwise.

IX. LIABILITIES IN CASE OF DEFAULT

9.1. Each of the Parties may terminate the contracts concluded under these General Terms and Conditions with written notice to the other Party, if the latter does not fulfill its obligations under the contracts. In this case all liabilities of the Parties shall become immediately due.

9.2. The Supplier may terminate the concluded contracts without notice, if the Customer fails to fulfill any of his obligations under these General Terms and Conditions or the additionally stipulated ones and/or in case of initiation of any bankruptcy, liquidation or conversion proceedings in relation to the Customer under the Commercial Act.

9.3. The Supplier will be liable only for damages caused intentionally, or through gross negligence or in breach of an essential contractual obligation. The Supplier will be liable only for direct damages from delivery. In the event of late delivery the liability of the Supplier may not exceed 10% (ten percent) of the value of the delivery, in accordance with the invoice issued.

9.4. The Supplier will not be responsible for defaults by couriers, carriers or freight forwarders or their subcontractors, no matter if they are engaged by him. The responsibility for subcontractors will be limited to the careful selection of the latter.

9.5. The Supplier will not be responsible for delayed acceptance or unreasonable refusal of acceptance of goods from the Customer. In case of default of acceptance or unjustified refusal of acceptance of goods, the Supplier is will have the right to refuse, fully or partially, deliveries in connection with the affected contract and/or other contracts with the Customer and/or to terminate the contract without notice. Upon late acceptance and/or unfounded refusal of acceptance of the goods, the Customer will not be relieved of his obligation for payment. The Customer shall pay to the Supplier all costs incurred in relation to unreasonable refusal of acceptance and/or delayed acceptance of the goods, including, without limitation, the costs for their storage and the transportation costs for the delivery.

9.6. In case of late payment, the Customer shall pay compensation for delay to the Supplier in the amount of 0.2% on the corresponding overdue amount for each day of delay until its final payment. This does not deprive the Supplier of the right to claim actual damages in excess of the statutory rate. The Customer shall pay all costs associated with extrajudicial and/or judicial debt recovery. The payment will not be considered made until it is available to the Supplier. In the event of late payment, the Supplier may terminate by notice with immediate effect the validity of all preferential conditions in favor of the Customer, if there are any, including discounts, deferred payments and others.

9.7. In case of delayed payment by the Customer or if there are any circumstances which cast doubt on the solvency of the Customer, the Supplier will have the right, by notice with immediate effect, to declare the entire debt of the Customer as immediately due, as well as in his sole discretion to terminate the contract or refuse, in whole or in part, deliveries in favor of the Customer in connection with the affected contract and/or other relationships with the Customer, as well as to require advance payment of deliveries.

X. FINAL PROVISIONS

10.1. All communications and notifications between the Parties shall be in writing. The written form shall be deemed complied with in case of fax messages, e-mail, mail with notice of delivery.

10.2. The invalidity of any provision of the General Terms and Conditions or of additionally agreed conditions does not lead to the nullity of the other provisions or these General Terms and Conditions and/or the ones stipulated in general.

10.3. Upon any disputes regarding the existence and effect of these General Terms and Conditions or in connection with their violation, including disputes and disagreements regarding their validity, interpretation, performance or breach, as well as all matters not covered in the General Terms and Conditions and/or in written contracts, annexes to such contracts and/or proforma invoices and/or invoices prepared according to forms of the Supplier, the applicable Bulgarian legislation shall be applied. The parties shall settle their relationship by mutual agreement. In case no agreement could be reached, the dispute shall be referred to the competent Bulgarian court.

10.4. These Terms and Conditions shall enter into force on 02.01.2017 and shall be applicable until their cancellation or replacement with others.