

GENERAL PURCHASING TERMS AND CONDITIONS

These General Purchasing Terms shall apply to all the Purchasing Contracts /hereinafter referred to as the "Contracts"/, in connection with the supply from Providers with goods and services to the following companies registered in the Republic of Bulgaria: "Metal Technology Group Angel Balevski Holding" AD, "Metal Technology Group" AD, "Alucom" AD, "Ossam" AD and "Centromet" AD, jointly or severally /hereinafter referred as – „the BUYER/S"/.

Enquiry for the provision of an offer for the conclusion of a contract

1. The BUYER shall send to the PROVIDER in writing an inquiry for the conclusion of a contract for the purchase of certain goods and services, on the grounds of which inquiry the PROVIDER may present a binding offer signed by representatives of the PROVIDER duly authorized for the purpose.
2. The signing of the Contract with the BUYER shall assume acceptance of these General Conditions on the part of the PROVIDER.
3. All the deliveries performed by the PROVIDER shall be in full compliance with the agreed in the Purchase contract and these General Conditions.
4. If the PROVIDER does not observe these arrangements, the BUYER shall preserve his right to reject the receipt of the goods delivered to him by the PROVIDER. The goods thus indicated shall be deemed not delivered. The BUYER shall not bear any responsibility for rejected or extra-delivered articles.

Terms and conditions of supply

5. The term of supply indicated in the relevant order in execution of the Contract shall be binding. Preliminary supplies as well as partial deliveries shall be possible with the explicit consent of the BUYER in writing for this purpose. The PROVIDER shall be obligated to inform in writing in due time about circumstances that would obstruct the supply within the framework of the term fixed.
6. Unless explicitly stipulated otherwise in writing, the supply terms are (i) for goods supplied from Bulgaria – storehouse of the BUYER; (ii) for goods from import – DDP storehouse of the BUYER "Incoterms 2020".
7. When the goods are ready for shipment, the PROVIDER shall be obligated to notify the BUYER in writing about the total weight, the overall dimensions as well as the number of consignments.

Delivery and assignment of the risk

8. The place of performance for all the supplies and/or associated services shall be the place of delivery agreed in Art. 6. The assignment of the risk shall be made from the PROVIDER to the BUYER with regard to the place of delivery, in compliance with the supply terms as agreed in Art. 6 of these General Purchasing Terms (GPT).

Prices, invoices, and manner of payment

9. All the prices agreed in the Contract signed between the Parties shall be fixed for the entire term of validity of the Contract. The prices include the fees and expenditures of the PROVIDER, arising in connection with fulfilling his obligations.
10. The prices shall be deemed exclusive of VAT.
11. Unless stipulated otherwise in the Contract, the BUYER shall be obligated to pay the price of the delivered goods through a bank transfer, within a term of 30 calendar days after the delivery (after the receipt of a tax invoice in the original).

Quality control and inspections

12. All the goods under the supply shall fully satisfy the requirements for quality as indicated in the Contract. For the

events when the Parties do not indicate similar requirements, the PROVIDER shall be obligated to deliver goods of quality equal to the quality which the PROVIDER presents for his remaining Clients in conformity with the common commercial practice.

13. The PROVIDER shall be obligated to keep a register of the verifications for quality control as well as to provide the same at request on the part of the BUYER.

14. The BUYER or its representatives shall be entitled after coordination to conduct the needed inspections and verification of the goods and/or the services in premises of the PROVIDER and/or premises of the Sub-Providers of the PROVIDER.

Marking, packing and documents

15. Each article (except those in bulk) shall be marked by an Identification Label attached to it. The Identification Label shall contain at least the following data: description of the article with data about dimensions and weight; name of the manufacturer, as well as identification number, which shall contain the number of the order.

16. All the palettes and consignments shall be packed and stored for transportation in a manner that shall exclude damaging or transportation defects during the commercial processing and shipment.

17. Each supply shall be accompanied by an invoice and a quality certificate. Packing sheets and other documents shall be issued in events of need.

18. All the documents shall be duly marked with the number of the Contract and the identification number in conformity with the documents.

Transportation of hazardous goods and criminal responsibility for ecological damages

19. The PROVIDER shall be obligated to inspect before the acceptance of the relevant order for the supply of the goods whether the goods and/or their components were classified as hazardous cargo for their country of origin, the country of supply, and/or the transit countries of the transportation /oxidizers, explosives, inflammable, toxic, radioactive, corrosion goods as well as hazardous self-inflammable cargos/. In these events, the PROVIDER shall be obligated promptly to notify the BUYER about all the needed documents legally required for shipment of similar goods, after due registration and signing of the same.

20. With regard to the packing, identification, and declaration of hazardous goods the PROVIDER shall be obligated to observe the applicable national and international provisions.

21. The PROVIDER shall be responsible and shall indemnify the BUYER for all the damages arising as a result of incorrect data at the provision of information as well as in the event of failure to fulfill the applicable provisions for transportation processing /packaging, shipment, storage and so on/ of hazardous cargos.

22. The PROVIDER shall be responsible for any damages arising in connection with the services rendered by him for the events when there is a stated violation of the provisions for the preservation of the environment. Further to that, the PROVIDER shall be obligated to indemnify the BUYER for damages at the first claim in writing lodged by third parties.

Guarantee and spare parts

23. All the supplied goods or services shall have a guarantee at least for a term of 12 months counted from the date of the commencement of the use or the date of the installation, but not later than 18 months after the date of the delivery, depending on the fact which of the two events shall occur earlier.

24. The PROVIDER shall guarantee that the goods thus supplied are completely new and do not have any defects in the materials, structure, and workmanship unless the Preliminary Contract stipulates otherwise.

25. For the events when during the Guarantee Period the BUYER establishes a defect, the PROVIDER shall be obligated at his own risk, expenditures, and expense to eliminate it promptly, respectively to replace the defective raw materials, materials, parts, and components or supply new ones, if the repairs and the replacement are inapplicable. For the events when the PROVIDER does not manage to do that within the framework of the mutually agreed terms, the BUYER shall be entitled to undertake all the needed actions for a similar repair and/or replacement supply – completely at risk and costs of the PROVIDER. For any replaced raw materials, materials, parts, and components the PROVIDER shall be obligated to fix a new Guarantee Period as for new ones. In the event of a breakdown as a result of a similar defect the Guarantee Period should be automatically extended by the time for the term of the idle time.

26. The PROVIDER shall guarantee that the supplied goods shall function normally and shall attain the results stipulated in the Contract concluded with the BUYER. In the event of defects, the BUYER shall be compensated in the amount stipulated in the Contract. In the event of systematic non-fulfillment of the warranty obligations on the part of the PROVIDER, the BUYER shall preserve the right at his discretion to terminate in full or partially the execution of the Contract at the expense of the PROVIDER.

Claims for default penalties per defects

27. The BUYER shall be entitled within a term of 6 months after the date of delivery to object to defects before the PROVIDER for unsupplied quantities and/or visible defects. For the events when the supplied goods are packaged, the term for raising the objections for not supplied quantities and the visible defects shall coincide with the relevant Guarantee Period.

Sanctions

28. For the events of delay at a supply the PROVIDER shall be obligated to pay to the BUYER default penalty in the amount of 2% of the price of the delayed supply for each commenced week but no more than 10% of the total price agreed in the Contract.

29. For the events of pre-term termination of the Contract through the fault of the PROVIDER, he shall owe a default penalty in the amount of 15% of the total price of the Contract. After the termination, the PROVIDER shall be obligated to return all the amounts, samples, documents and so on received up to the time of the termination within a 10-day term from the date of termination of the Contract.

30. The BUYER shall be entitled to deduct the amount of the default penalty under the preceding item from payments due to the PROVIDER under other Contracts with observation of the legal requirements.

Rights of intellectual property

31. The PROVIDER shall be responsible for and shall be obligated to defend, secure, and protect the BUYER from and against any claims, damages, losses, expenditures, and others of the kind arising concerning claims from violation of patents, licenses, industrial marks, trademarks and others of the kind in connection with the performance of the supply/the service and the use of the same on the part of the BUYER. The obligation for security shall also refer to all the expenditures imposed or caused to the BUYER in connection with similar claims.

Environmental, Social Responsibility and Governance (ESG)

32. For each supply of goods and/or services, the PROVIDER is expected to have shown an attitude regarding the environment by minimizing the negative impact and to have considered the applicable local and national laws, rules, regulations, and statutes related to ESG.

33. The PROVIDER shall require everyone in the supply chain to report actions and measures related to environmental aspects and ESG commitments related to the use of energy from renewable sources, management of water resources and wastewater, reduction of waste from production activity and striving for the development of a circular economy.

34. The PROVIDER shall commit to the issues related to climate change by defining measures to reduce the impact on the climate and measures to adapt to climate change. To measure the carbon footprint generated and take action to reduce it. Where possible in the supply chain, reduce the consumption of natural and improve efficiency in their use. To encourage its partners and sub-PROVIDERS to commit to actions and targets related to reduction greenhouse gas emissions, so that we can all contribute to climate neutrality.

35. The PROVIDER shall commit and demand that all laws and regulations according to the Labor Code and Internationally recognized human rights, to respect labor rights, prohibition of human trafficking, prohibition of the use of child labor are observed throughout the supply chain and forced labor and other forms of exploitation and human rights violations in the workplace. To not tolerate workplace harassment, abuse and any form of discrimination (gender, race, religion, ethnicity, age, etc.).

36. The PROVIDER shall comply with and require that applicable occupational health and safety laws and regulations are applied throughout the supply chain and take action to reduce workplace risks related to accidents, injuries and illnesses.

37. The PROVIDER shall ensure and require compliance with relevant laws, standards and applicable practices related to transparency, honesty, integrity, ethical conduct in business management throughout the supply chain. To have zero tolerance for practices related to bribery and other forms of corruption by any of its employees.

38. The PROVIDER shall comply with and demand compliance with policies related to ethical behavior, conflict of interest, confidentiality of information throughout the supply chain.

Health and labour safety

39. Each delivery of goods and/or associated services shall conform to the legislation and provisions effective in Bulgaria, which regulates health and labour safety, as well as to the specific requirements stipulated in the Contract, as well as to any other requirements of effective legislative documents or standards concerning the health and labour safety. The PROVIDER shall be responsible for and shall be obligated to defend, secure and protect the BUYER from and against any claims, damages, losses, expenditures and others of the kind arisen with regard to claims from violation of this requirement

Force majeure circumstances

40. The BUYER and the PROVIDER shall agree that in their commercial relationships “an insurmountable force” (“force majeure circumstances”) shall be understood as a circumstance/an event of extraordinary nature, which arose after the conclusion of the Contract, respectively the confirmation of an order, which makes its execution impossible and could not have been anticipated as: fire, production breakdowns, military actions, natural disasters - storms, heavy rains, earthquakes, hails, floods, icing and other forces of nature as well as governmental bans, embargo, strikes, riots, civil unrest and other events of the kind. The BUYER and the PROVIDER shall agree that the absence of monetary funds and occurred regional or global economic crisis shall not constitute an insurmountable force within the meaning of these General Conditions. There shall not be a force majeure event if the relevant event occurred because of due care that was not taken.

41. For the event when the duration of the extraordinary circumstances exceeds 3 months, each of the Parties shall be entitled to terminate the Contract by sending a registered letter of notification for the purpose to the other Party. The Notification shall have a prompt effect. No compensation shall be due in this event.

Settlement of disputes

42. All the disputes and disagreements under these General Purchasing Terms shall be settled by the competent Bulgarian Court. The language for the conduct of the procedure shall be the Bulgarian language

Applicable legislation

43. Unless agreed otherwise in writing in the Contract, all the legal relationships between the BUYER and the PROVIDER shall be regulated by the effective legislation of the Republic of Bulgaria.

Confidentiality of the information

44. The PROVIDER shall be obligated to keep all the documents and information concerning the Contract in strict confidentiality. The PROVIDER shall be entitled to disclose the information described hereinabove to third parties exclusively with the explicit consent of the BUYER in writing for the purpose. The obligations for confidentiality shall remain valid also after the execution of the relevant Contracts.

Final provisions

45. The agreed in the Contract shall be determinant in the event of a conflict between the agreed in the Contract and the General Purchasing Terms.

46. If proceedings for insolvency are initiated with regard to the PROVIDER, he shall be obligated promptly to notify the BUYER about that.

47. If a certain provision of these General Purchasing Terms becomes invalid or inapplicable, the validity of all the remaining provisions shall not be affected. The invalid provision shall be replaced by a valid one which shall approach the initial meaning to a maximal degree.

November 2024