



BULMETAL JSC.

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GENERAL TERMS AND CONDITIONS OF BULMETAL AD FOR SALES

1. Binding power of the General Terms and Conditions

1.1. The present Terms and conditions are applicable to all contracts for the manufacture and/or supply of metal packaging, under which BULMETAL AD is a Supplier and regulate the relations between the latter and the respective Client-Buyer. The General Terms and Conditions are applicable regardless of whether an explicit written Agreement has been concluded between the parties or their relationship arises from an offer submitted by BULMETAL AD and an order made by the Client, confirmed by the Supplier.

1.2. These General Terms and Conditions are available on the Internet at:
<https://www.bulmetal.com/generalterms-and-conditions-of-bulmetal-jsc-for-sales/>

1.3. The Client is deemed to have accepted these General Terms and Conditions in case the offer prepared by BULMETAL AD contains an explicit reference that the delivery is made in accordance with these conditions and it is stated that they can be accessed at the address indicated in item 1.2.

1.4. After these General Terms and Conditions are accepted by the Client explicitly or under the order of item 1.3, the same are applied in his relations with BULMETAL AD and for all subsequent deliveries.

1.5. BULMETAL AD reserves the right to change the General Terms and Conditions, and after their publication on the company's website indicated in item 1.2. it is considered that all Clients with which BULMETAL has valid Supply Contracts, are duly notified of update. In case the Client does not explicitly object, by a written statement, to some or all of the changes within 3 calendar days after the publication of the update, the amended General Terms and Conditions are considered as accepted by him. In case a Client objects in writing to the changes, the relations between him and BULMETAL AD will be regulated by the present General Terms and Conditions, as BULMETAL AD reserves the right to unilaterally terminate the Agreement concluded between them within 30 days written notice.

1.6. In case of discrepancies between individual agreements reached between the parties in the Contract concluded between them (written one or under the offer-order- order confirmation system) and any clause of these General Terms and Conditions, the clauses of the relevant Agreement shall apply.

2. Prices, payments and credit limit

2.1. The prices indicated in the offers prepared by BULMETAL AD are in EUR and BGN and do not include VAT.

2.2. The prices are determined by price offers of BULMETAL AD or in an additional written Agreement concluded between BULMETAL AD and the Client.

2.3. BULMETAL AD has the right to unilaterally change the agreed prices in case the price of the main and / or auxiliary materials used for the production of metal packaging changes by 5%.

2.4. The manner and term of payment for the goods shall be determined by agreement and shall be indicated in the price offer and / or in the Delivery Contract, if such has been concluded between BULMETAL AD and the Client.

2.5. In case of non-compliance with the term of deferred payment BULMETAL AD has the right to charge a penalty for delay in the amount of: moratorium interest for late payment or 0.07% of the amount due, whichever is greater, for each day of delay. In the cases under the previous sentence BULMETAL AD has the right to unilaterally terminate the delivery, as well as the current production of new orders.

- 2.6. In the hypothesis of item 2.5. second sentence BULMETAL AD has the right to terminate the contract / delivery, as well as the right to invoice the already produced products, and the CLIENT declares his consent to accept and pay for it.
- 2.7. Payments are made in the currency specified in the offer prepared by BULMETAL AD. In case the central fixed rate of BNB for the EUR / BGN ratio is different from BGN 1.95583 for EUR 1, then all outstanding amounts (current and overdue), as well as the value of the orders confirmed by BULMETALAD are paid by the Client in EUR, recalculated according to changed central fixed rate.
- 2.8. BULMETAL AD may provide a credit limit to an individual Client, which credit limit is agreed in writing in an individual Delivery Agreement. The credit limit is the sum of the value of the amounts due on issued invoices.
- 2.9. BULMETAL AD has the right to unilaterally terminate the deliveries in the event that:
a/ The Client has overdue obligations with more than **7 calendar days** on already executed orders,
and / or
b/ In case of exceeding the credit limit until the payment of the amounts exceeding the same. The credit limit is considered to be exceeded when the sum of the amounts due on invoices has reached the full amount of the approved insured limit for the Client.
- 2.10. BULMETAL AD has the right to unilaterally terminate the production of new orders in case the Client has obligations overdue by more than **10 calendar days**.
- 2.8. In the case of counter-claims and liabilities between the parties, they may be set off against the lesser of the two amounts.

3. Quality, standards, tolerances

- 3.1. All products of BULMETAL AD meet the standard **ISO-9001: 2015**.
- 3.2. BULMETAL AD reserves the right to determine tolerances in the quantities of packaging in the printing / lithography of products. Tolerances are negotiated with fixed contracts-orders between the parties.
- 3.3. The production and / or delivery of goods with quality other than the above is shall be explicitly agreed in a written contract concluded between BULMETAL AD and the Client.
- 3.4. BULMETAL AD guarantees the quality of the goods produced by it up to 12 months from the date of production, in case they are stored according to the instructions of BULMETAL AD, published on address: <https://www.bulmetal.com/en/company/general-rules-for-storage-of-metal-packaging/>

4. Packaging and labeling

- 4.1. The goods are packaged according to the offer prepared by BULMETAL AD.
- 4.2. BULMETAL AD invoices the Client the wooden pallets / frames separately at the prices indicated in the offer. In case of explicit agreement, the price of the pallets can be included in the price of the products, which is specified when requesting an offer.

5. Manufacturing and order delivery

- 5.1. The production and deliveries of goods are carried out on the basis of a written offer prepared by BULMETAL AD. The validity of the offers prepared by BULMETAL AD is 30 calendar days.
- 5.2. Based on the offer provided to him, the Client places an order by e-mail, using the one specified in the offer. The order must specify all the essential conditions, including, but not limited to: the number of the product, the price agreed between the parties, the quantity and delivery time. The order binds the Client even if it is not signed by his representative, as long as it is sent to the e-mail, specified in the offer of BULMETAL AD.
- 5.3. By sending an order in accordance with item 5.2, it is assumed that the Client confirms the binding nature of these General Terms and their applicability to a specific order.
- 5.4. BULMETAL AD confirms its readiness to fulfill the order within two working days of receiving it. The confirmation binds BULMETAL AD, if it is made in writing and sent to the e-mail specified by the Client.
- 5.5. The terms for manufacturing and / or delivery are determined by BULMETAL AD according to the production capacity at the time of acceptance and confirmation of the contract order.

5.6. The term for manufacturing and/or delivery starts from the date of confirmation of the order according to item 5.4.

5.7. In case of production possibility and explicit request from the Client BULMETAL AD can confirm a shorter term for manufacturing and / or delivery.

5.8. In case of occurrence of any unforeseen circumstances that affect the confirmed term for production and / or delivery, BULMETAL AD promptly notifies the Client of the period of delay.

5.9. In the cases when the Client wishes a shorter term for delivery and / or manufacturing than the one indicated in item 5.5, BULMETAL AD may exceptionally, in the presence of free production capacity, execute the order within the shorter term desired by the Client, charging additionally not less than 5% (five percent) on the value of the respective order

5.10. In case of production and / or delivery of goods, subject of a specific order, BULMETAL AD has the right to deviate by $\pm 5\%$ from the amount of the agreed quantity, in case of tin-white and milk-white packaging, and within the tolerance under item 3.2. of the present Terms - for lithographed products.

5.11. The time and place of delivery, transportation and transfer of risk are agreed and indicated in the price offer of BULMETAL AD, in accordance with the generally accepted conditions of Incoterms 2010. The right of ownership over the accepted goods and the risk of their loss or damage passes to the Client from the moment of delivery of the goods to the place of delivery, according to the rules of Incoterms 2010. The risk of damage or loss of goods passes to the Client unconditionally after 60 days from the date on which the Client should have accepted or transported the ordered goods and has not done so.

5.12. Delivery and acceptance of the goods:

a/ In case the Client is responsible for arranging the transport, the acceptance and delivery of the goods is done in the Finished products Warehouse of BULMETAL AD, for which a specification / acceptance-delivery protocol and bill of lading are drawn up, signed by both parties or by a forwarder on behalf of the Client.

b/ In the cases of delivery to the Client's site, the acceptance and delivery of the goods is done in the Client's warehouse and is certified by signing the transport document issued by BULMETAL AD / or by the forwarder of the goods.

5.13. BULMETAL AD invoices to the Client the manufactured goods within 3 business days from the date of the tax event (the date of shipment of the goods from the warehouse of BULMETAL AD).

5.14. When the Client arranges the transport of the goods, he is obliged to pick up / organize the collection of the manufactured goods from the warehouse of BULMETAL AD within 3 working days from the date of readiness of the goods confirmed by BULMETAL AD. In case of non-fulfillment of this condition BULMETAL AD has the right to organize the delivery of the finished goods at the expense of the Client, who declares his consent to accept the goods.

5.15. If the Client does not accept or does not transport the production within the agreed term, BULMETAL AD has the right to charge storage costs / storage in the amount of 3 (three) euros per day per pallet after the expiration of the term under item 5.14. In case the Client is in delay for the fulfillment of his obligation for acceptance or transportation of the goods by more than 60 days, BULMETAL AD has the right to dispose of the same as he sees fit. In the cases under the previous sentence BULMETAL AD does not bear any responsibility towards the Client, and the Client is not released from the obligation to pay the entire due price for the production and all the above amounts.

5.16. The Client has the right to refuse an order only if its execution has not started. The Client can refuse the order when starting production, but is obliged to pay the full agreed price.

6. Claims

6.1. The Client may file complaints for discrepancies in the quality or quantity of the goods delivered by BULMETAL AD, only if the established discrepancies exceed 0.5% of the lot. "Discrepancies" in the sense of the previous sentence are differences in the agreed in writing between the Client and BULMETAL AD quality characteristics of the goods subject to delivery, respectively deviations between the ordered and delivered quantity in excess of the tolerance under item 5.10.

6.2. Complaints are submitted only in writing to the address of management of BULMETAL AD or to one of the official emails, within the following deadlines:

a / for discrepancies in the delivered quantity - within 7 business days from the date of receipt of the delivery, and in case that the discrepancies are identified and mentioned in the transport document;

b / for discrepancies regarding the quality of the delivered goods:

- for visible defects - within 7 business days from the date of receipt of the delivery, and in case that the discrepancies are identified and mentioned in the transport document;

- for hidden defects - within 7 working days from the date of discovery of the respective defect, but not later than 2 months from the date of receipt of the delivery.

6.3. Upon receipt of the goods, the Client is obliged to immediately check the amount of the delivered goods and the presence of visible defects, including those that may have occurred during transport (including wet products, impaired palletizing, damage, shortages and other). The presence of established discrepancies must be described in the document accompanying the delivery (CMR / bill of lading) and requires the signature of the driver of the vehicle. BULMETAL AD is not responsible for visible defects and deficiencies that have not been described in the CMR / bill of lading.

6.4. After the expiration of the terms under item 6.2 it is considered that the respective delivery has been made promptly by BULMETALAD and the latter does not bear any responsibility towards the Client or third parties,

6.5. The claim's letter from the Client must contain:

- batch number of BULMETAL AD,
- delivery document number,
- claimed product,
- description of the defect,
- number of defective products,
- photos (including of the label).

Together with the claim's letter, the Client provides BULMETAL AD with at least 3 products / samples of the delivered goods, for which he claims that there is a discrepancy.

6.6. In case of a claim, the Client is obliged to store the entire quantity of delivered goods to which his claim relates, together with the label of the respective delivery. The goods under the previous sentence are kept until the receipt of the opinion of BULMETALAD in connection with the complaint, and upon request the Client is obliged to provide access to the goods for representatives of BULMETALAD.

6.7. BULMETAL AD reviews the claims within 10 working days of their receipt, notifying the Client in writing whether the same area accepted as justified.

6.8. When the claim is accepted as justified, the Client is obliged to return to BULMETAL AD the quantity of goods under the claim within 10 days from the notification under item 6.7. Within 15 days from the return of the claimed quantity of goods in the warehouse of BULMETAL AD, the same issues a credit note for the value and if applicable refunds to the Client the amount of the credit note.

6.9. The Client is obliged together with the goods, which he returns under the procedure set out in item 6.8, to enclose the label (s) of the delivery and Protocol / Inventory, containing the following information:

- batch number of BULMETAL AD,
- specification number,
- quantity
- type of packaging and number of pallets.

Claimed quantities returned without the documents required above (Protocol / Inventory, label) will not be accepted by BULMETAL AD, respectively the same has no obligation to issue credit notes or refund received amounts.

6.10. BULMETAL AD is not responsible for damages to products already delivered as a result of:

- incorrectly performed by the Client additional operations on the products (including filling, closing, placing additional printed elements and images, placing labels, placing a barcode, etc.);
- improper handling of the products;
- use of additional consumables and / or raw materials by the Client, of which BULMETAL AD could not have known (inks, adhesives, paints, thinners, etc.);
- technical problems in the Client's equipment when filling the packaging;
- non-fulfillment of the Client's obligations under item 3

6.11. The liability of BULMETAL AD for complaints of the Client may not exceed the price of the goods for which there is a discrepancy. Respectively BULMETAL AD is not responsible and does not owe compensation for any damages over this amount, including but not limited to: loss and/or damage of production, for non-fulfillment of the Client's commitments to third parties, for damage or loss of the Client's property and/or third parties and

similar others.

7. Other terms

7.1. By submitting the order for the production and delivery of specific goods, the Client declares and warrants that the design, production, supply, use or sale of the ordered goods does not infringe or affect in any way third parties' intellectual or industrial property rights - patent, trademark, trade secret, copyright or other rights of a third party. In case the Client does not have the indicated rights, he is obliged to inform BULMETAL AD in writing before submitting an order.

7.2. The Client will indemnify and will not seek liability from BULMETAL AD or its directors, employees and representatives for any loss, damage or expense, including attorney's fees and legal costs incurred by such persons as a result of an action based on alleged infringement of the intellectual or industrial property rights of a third party related to the manufacturing, use and / or sale of the ordered goods.

7.3. In case of change of the economic conditions, incl. in case of change of the prices of the incoming raw materials and

materials, energy costs, personnel and / or maintenance, BULMETAL AD may change the terms of business, incl. prices, in accordance with the market conditions and in accordance with the procedure established in the normative acts regulating the relations. In this case, BULMETAL AD has the right, within one week from the date of acceptance of an order, to inform the CLIENT of the impossibility to fulfill the order within the agreed commercial conditions and to indicate the new possible ones. The CLIENT has the right within three days to confirm or reject the changed conditions, and thus the entire order.

7.4. Each order of the Client is accepted by BULMETAL AD only in writing *and* binds the Client with the obligation to purchase.

7.5. All print files made for a specific order, as well as those paid by the Client, under the conditions of item 7.7. last paragraph - SPECIAL SERVICE, are his property. BULMETAL AD charges their value separately and stores the files for 1 year from the last day of production, after which it has the right to dispose of them, including destroying them, if the Client does not perform actions on re-order.

7.6. BULMETAL AD puts a graphic image of its logo on all manufactured products, if the Client has explicitly requested this in writing.

7.7. BULMETAL AD accepts the following projects and files for printing:

- developed with CorelDraw, Adobe Illustrator or other programs in the respective formats - CDR; Ai; EPS, PDF
- executed with vector images and with embedded bitmaps with a resolution of more than 300 dpi,
- implemented in CMYK or Pantone;
- the fonts used are converted to curves;

Projects with .EPS, PRN, .PS file formats in combination with raster images are not accepted and implemented - without a written confirmation from BULMETAL AD for the possibility to prepare a print file and a specified price for SPECIAL SERVICE.

7.8. BULMETAL AD guarantees color execution of lithographed products according to DELTA 5 standard.

7.9. In case of force majeure circumstances such as accidents, disasters, earthquakes, floods, catastrophes, wars, etc., which lead to inability to fulfill the obligations provided for in these General Terms, the parties are informed in writing and no later than 36 hours after of the event.

7.10. The provisions of the legislation in force in the Republic of Bulgaria shall apply to the issues not settled in these General Terms and Conditions.

8. All disputes in connection with the supply of goods made by BULMETAL AD, regardless of whether on the territory of the Republic of Bulgaria or abroad, are resolved by the competent Bulgarian court.

These General Terms and Conditions (in Bulgarian and English, and in case of differences in the interpretations of the text the Bulgarian text takes precedence) shall enter into force on **20.02.2023** when they are approved by the Management of BULMETAL AD and published on the official website of the Company.