

**Bulgaria Foods**  
**General Terms of Sales and Supply**

2020-2021

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## 1. Scope of application

- 1.1. All sales contracts and sales offers that Bulgaria Foods Ltd. (hereinafter named Bulgaria Foods) enters into, starting 1<sup>st</sup> January 2020, are exclusively subject to the following General Terms of Sales and Supply. Additional or different terms introduced by the Customer will only apply if Bulgaria Foods have explicitly agreed with them in written form.
- 1.2. These General Terms of Sales and Supply are also binding for future contracts concluded with Customers within the frame of existing trade terms.

## 2. Conclusion of contract, quality of Bulgaria Foods goods

- 2.1. All Bulgaria Foods sales offers are without obligation until written declaration of acceptance by the Customer. Bulgaria Foods will remain bound by the prices quoted in offers, unless the Customer accepted them in writing earlier, for 30 days from the date of the offer concerned. A contract will not be concluded with Bulgaria Foods until the Customer receives Bulgaria Foods written order confirmation or until Bulgaria Foods starts supplying goods or services. Contract content will be as specified in Bulgaria Foods offer, Bulgaria Foods order confirmation and these General Terms of Sale and Supply. Drawings, illustrations, dimensions, weights and other supply specifications are only binding if this is expressly agreed.
- 2.2. The contract is concluded with the reservation of correct and punctual deliveries of goods by Bulgaria Foods suppliers. The above clause is binding only in case when lack of supplies is not Bulgaria Foods fault, particularly in case of mutually agreed transaction with Bulgaria Foods supplier. In such a case Bulgaria Foods will inform the Customer without any delay on unavailability of goods or services and immediately return a mutual service.
- 2.3. The agreed quality of Bulgaria Foods goods includes only those characteristics and features specified in Bulgaria Foods offer or Bulgaria Foods order confirmation. Other or more far-reaching characteristics and features will only be regarded as agreed quality if Bulgaria Foods has expressly agreed them with the Customer.

### 3. Delivery and transfer of risk

- 3.1. Unless explicitly agreed otherwise, deliveries will be on an ex works basis (Incoterms 2010).
- 3.2. Partial deliveries are permissible, if acceptable by the Customer, unless they are expressly excluded.
- 3.3. If goods are to be supplied as called off by the Customer, the Customer must take the goods by a date three months after the conclusion of the contract at the latest. If the Customer fails to take some or all of the goods within this period, Bulgaria Foods will be entitled either to withdraw from the contract or to invoice the goods for immediate payment, whether taken or not. This will not affect more far-reaching legal rights, in particular the right to sell goods in case of a delay of a creditor.
- 3.4. The risk of the accidental destruction of or accidental deterioration to the goods will pass to the Customer as soon as Bulgaria Foods has handed them over for shipping to a forwarding agent, a carrier or any other person or organisation commissioned to transport them, but at the latest when they leave Bulgaria Foods plant or store. The above is binding also in case of partial deliveries and regardless of the fact whether different delivery terms have been agreed. If the goods are ready for shipping and shipping is delayed for reasons for which Bulgaria Foods is not responsible, the risk will pass when the Customer receives the notification of shipping.
- 3.5. If loading aids (pallets etc.) are used for the shipping of the goods, the Customer is obliged to return the same number of loading aids of the same quality. If he fails to meet this obligation before the expiry of an appropriate granted deadline, he will owe Bulgaria Foods the sum required to purchase the same number of loading aids of the same quality.

### 4. Delivery deadlines, hindrances to delivery, delays, right to withdraw

- 4.1. Product and service delivery deadlines will only be binding if Bulgaria Foods has expressly confirmed them. Delivery deadlines relate to departure from the plant; in the case of deliveries free to Customer's premises they relate to the day when the goods are received by the Customer.
- 4.2. Bulgaria Foods will not be held in default of Bulgaria Foods product or service delivery obligations until a reasonable extension of deadline has been granted to Bulgaria Foods and has expired.
- 4.3. Cases of Force Majeure (unforeseen circumstances and events for which Bulgaria Foods is not to blame and which could not have been avoided by exercising the care to be expected of a prudent businessman, e.g. war, threat of war, riots, acts of violence imposed by third party on persons and objects, actions taken by public authorities, labour disputes in Bulgaria Foods plants or plants of Bulgaria Foods suppliers and customers, fire,

telecommunication interruptions, scarcity of raw materials and electric power) will suspend Bulgaria Foods obligation to supply for the period of their duration and to the extent of their effects, even if Bulgaria Foods is already in default of delivery.

- 4.4. In cases when obstacles specified in point 4.3. above take effect for longer than three months, the Customer, having granted an additional and appropriate deadline extension, is entitled to withdraw from the contract with regard to its unaccomplished part.
- 4.5. In the cases covered by point 4.3. above Bulgaria Foods will be entitled to withdraw from the contract if Bulgaria Foods has informed the Customer without delay of the occurrence of Force Majeure and Bulgaria Foods returns any possibly carried mutual services.
- 4.6. Bulgaria Foods responsibility for delayed deliveries is regulated in accordance with section 7 below, Liability for damages.

## 5. Prices and payments

- 5.1. Unless otherwise expressly agreed, prices are ex works (EXW – Incoterms 2010) (free to the ramp of the cold store in Letniza or Dobrodan), including normal packaging. The price is explicitly agreed and presented on the contract's front page.
- 5.2. If not agreed otherwise with a customer, a customer is obliged to pay an invoice value within 30 days since the date of issuing of an invoice without any deductions and without any deductions resulting from bank fees and charges to one of Bulgaria Foods bank accounts. The date of crediting of Bulgaria Foods bank account is deemed as the date of payment.
- 5.3. If after the conclusion of a contract and beyond the scope of Bulgaria Foods influence taxes, customs duties, freight charges, fees or other required payments of whatever kind which affect the price of the goods are increased or newly imposed, or if other costs arise or increase, Bulgaria Foods may require the parties to negotiate a corresponding increase in the purchase price. If agreement is not reached within 30 days following notification of this requirement, Bulgaria Foods will be entitled to withdraw from the contract.
- 5.4. If the Customer falls into arrears with payments, interest will be payable at 6 percentage points above the current base rate on the amounts owed to Bulgaria Foods.

## 6. Rights and obligations of the Customer in the case of defects.

- 6.1. The Customer is under an obligation to inspect goods immediately on delivery. For this purpose the Customer must take representative samples from all pallet units delivered with a size not less than 1% of the goods delivered. Complaints about defects detectable

on delivery must be made immediately in writing or by e-mail. The period allowed for complaint also applies to incorrect bar-coding of goods. Defects which could not be detected by a proper inspection of the items concerned (latent defects) must be notified to Bulgaria Foods by e-mail immediately upon their discovery. The contract partner will have no claim for defects if his complaint is submitted later than a reasonable documentation processing time from the time defects are discovered. Customer complaints sent later than 6 months from delivery date will not be accepted regardless of the date of discovery and detectability of defects.

- 6.2. Customer complaints will only be considered if properly submitted to Bulgaria Foods in a formal letter documenting the performance of tests showing quantitative and/or qualitative deviations from the applicable specification; the type, extent and significance of these deviations. Any additional proof in the form of photos, samples, or written descriptions will only be considered as supporting evidence if attached to a formal complaint letter.
- 6.3. The Customer may only assert claims based on the supply of an incorrect delivered quantity if a complaint was made about the incorrect quantity immediately on receipt and a written record is made on the delivery note or another shipping document.
- 6.4. In the case of justified complaints about defects submitted in due time the Customer will have the rights to the following:
  - 6.3.1. In the case of retrospective performance, Bulgaria Foods will be entitled to choose whether to rectify or to replace. If an attempt to remedy fails, or if Bulgaria Foods refuses to remedy or if it is unreasonable to expect the Customer to accept the remedy, the Customer will be entitled to assert other acceptable claims.
  - 6.3.2. If the quality of the goods differs from the agreed specification only to an insignificant extent, the Customer will only be entitled to a reasonable reduction in the price or rectification, at Bulgaria Foods discretion.
  - 6.3.3. The Customer is entitled to submit claims for damages on the basis of a defect only with additional reservations specified in paragraph 7.
- 6.5. Before goods which have been the subject of complaint are further processed or sold on, Bulgaria Foods must be given an opportunity to investigate the complaint.
- 6.6. If the goods were not properly stored, in particular if the constant deep-freeze temperature of minus 18° Centigrade or below for deep-frozen goods was interrupted, no guarantee whatsoever will apply.

## 7. Liability for damages

- 7.1. Bulgaria Foods liability for damages, regardless of its legal reason, particularly resulting from incapability, breaching of obligations at contract negotiations or prohibited actions, is limited in accordance with this clause.
- 7.2. On the grounds of European Union product liability regulations Bulgaria Foods liability for deceitful concealment, deterioration to health or life, wilful misconduct or in case of granted warranty, will be unlimited, if applicable. In the case of gross negligence Bulgaria Foods responsibility is limited to compensation for foreseeable losses typical for such contracts.
- 7.3. In case of only unintentional breach of material rights and obligations resulting from the contents and intentions of a contract Bulgaria Foods responsibility is limited to compensation for foreseeable losses typical for such contracts.
- 7.4. In all other cases claims for damages against Bulgaria Foods are excluded, whatever their legal basis, unless Bulgaria Foods, its legal representatives or employees have committed a deliberate breach of obligation.
- 7.5. Where Bulgaria Foods liability is excluded or limited by the above paragraphs, this will also apply to the liability of Bulgaria Foods employees.
- 7.6. Where Bulgaria Foods has granted the Customer specific rights in the case of defects under the terms of a guarantee of quality, such rights will not be affected by the above limitations of liability.

## 8. Jurisdiction, place of performance, legal venue

- 8.1. All contracts concluded by Bulgaria Foods and its Customers are exclusively subject to Bulgarian Law.
- 8.2. The place of performance is Letnitsa, Republic of Bulgaria, including payments by the Customer, unless Bulgaria Foods have expressly agreed otherwise with the Customer.
- 8.3. All disputes that might arise from quality issues shall be resolved by Bulgarian Arbitration Court. A copy of the regulations of the arbitration court is made available upon request to Customers.