

TM INOX Ltd.
General terms for sale and delivery

1. Definitions

The General terms – the present General terms for sale and delivery (GTSD);

The Related documents – all the documents, which describe and specify delivery terms of the Products. These could be: Offer, identified by number and data issued; Price list; Order confirmation; Contract for order; Invoice.

The present GTSD should be considered an integral part of these documents. GTSD should be considered valid unless something different was stipulated in the Related documents.

The Buyer – specified into Related documents.

The Seller – specified into Related documents.

The Products – all the items and services delivered by the Seller.

The Contract – mutual agreement, consisting of specific conditions agreed between the Parties. **Order confirmation** could serve the same purpose.

The Delivery date – the date authenticated in the International Consignment Note (CMR) or handover protocol, which proves that the Buyer received the Products.

2. Field of application

2.1. The following GTSD are to be applied and should be considered an integral part of our Products and Related documents.

2.2. All the terms, stipulated in any other documents and in any way related to our Products which fall into conflict with the present GTSD, can not be part of any agreement, even if not been particularly rejected by us.

3. Specifications, prices and payment of the Products

3.1. Negotiated prices, delivery / manufacturing terms and payment conditions are to be specified into some of the Related documents.

3.2. Prices given in the Related documents represent the net amount that the Seller receives. Any expenses for bank fees, guaranties, insurances, etc. are to be paid by the Buyer.

3.3. All prices in the Related documents are without VAT.

3.4. All Proforma Invoices must be paid within 3 (three) working days from the issue date. Invoice will be issued after receiving the amount according the Proforma Invoice.

3.5. Payment conditions are as follows:

- deposit 40% at commissioning;
- balance payment 60% before dispatch.

3.6. Commissioning is to be considered done with receiving the deposit payment. An Order confirmation or a Contract should be sent by the Seller within 7 workdays.

4. Design confirmation procedure

4.1. After the Seller commits to the implementation of the order, in accordance with the Good Engineering Practice rules, he will send to the Buyer drawing(s) of the contracted Products.

4.2. The Buyer is required to inspect, confirm and return the approved drawing(s) to the Seller in order to proceed with manufacturing. The approval of the drawing(s) should not take more than 3 (three) working days.

4.3. If the approval procedure is delayed more than 5 (five) working days after the initial drawing(s) dispatch the Delivery date should be re-negotiated.

4.4. If design change of the Products, takes place after the drawing(s) approval, delivery term(s) should be re-negotiated.

5. Products to be supplied by the Buyer

5.1. Items to be supplied by the Buyer and aimed to be assembled in the Products as well as their delivery terms are specified in the Related documents.

5.2. The Buyer is required to provide technical documentation for these items within 3 (three) working days after the order was confirmed by the Seller.

5.3. In case the delivery(ies) is delayed more than 3 working days the delivery term of the order should be re-negotiated.

5.4. The Seller has no responsibility for the quality of the items supplied by the Buyer and the warranty terms specified in section 11 do not cover them.

5.5. If the items delivered by the Buyer do not meet specified quality requirements, the Seller is in his right to reject them and to inform the Buyer accordingly. In this case, the terms for order implementation should be re-negotiated.

5.6. Complex, exact quantity and right choice of all the items delivered by the Buyer are responsibility of the Buyer solely.

6. Acceptance

6.1. The conditions described in this section are applicable unless otherwise was previously negotiated in the Related documents.

6.2. The Buyer has to accept the Products contracted personally or through an authorized representative, here and after called **Inspector**. If the Products will be accepted by a representative, the Buyer must inform the Seller before starting the order.

6.3. The Products should be accepted on the territory of the Seller. The Products should be considered accepted if the Buyer denies their acceptance before dispatching.

6.4. The Buyer is obliged to inform the Seller about the name of the Inspector not later than 15 (fifteen) working days before their visit.

6.5. The Buyer has to make a schedule for the visits and their scope of inspection and send it to the Seller for confirmation, at least 10 (ten) working days before the inspection begins.

6.6. Inspectors should perform their duties during the official working hours of the Seller.

6.7. After each visit, the Inspector should write a report about the inspection results and conclusions and to give it to the Seller for review and confirmation. This report must be signed by both parties. It is allowed to exchange documents electronically during this process is completed. Afterwards Inspector must provide both parties with original reports.

6.8. It is allowed to use form(s) of the Buyer / Inspector for filling in inspection results and conclusions.

6.9. All inspection expenses are covered by the Buyer unless otherwise was negotiated.

6.10. The Inspector must provide the Seller with detailed specification for items to be inspected, applicable norms and measuring equipment to be used thus, enabling Seller to provide the conformity of the Products required. The Inspector should send this information to the Seller for review and confirmation at least 10 (ten) working days before the start of the inspection.

6.11. Correspondence relevant to the inspection may be carried out between the Seller and the Inspector with a copy for the Buyer provided.

7. Technical conditions

7.1. Unless otherwise was negotiated in Related documents, the Products manufactured by the Seller would meet the requirements specified in the following norms:

DIN 28005-1 – Tolerances for vessels. Vessels of metallic materials;

DIN 28006-1 – General tolerances for agitator vessels. Agitator vessels for general use;

DIN 28007-1 – Tolerances for columns. Columns of metallic materials;

DIN 28008 – Tolerances for tubular heat exchangers;

EN 25817 – Arc-welded joints in steel. Guidance on quality levels for imperfections

EN 1672-2 – Food processing machinery - Basic concepts - Hygiene requirements;

ISO 3834 – Quality requirements for fusion welding of metallic materials – Comprehensive quality requirements;

EN ISO 13920 – General tolerances for welded constructions;

7.2. Finished Products are dispatched clean and washed from industrial waste. The Buyer / End User should clean them completely according to the particular technological process requirements.

7.3. All the technical requirements should be given to the Seller's disposal before offer preparation. Changing and adding new technical requirements after the offer

was sent will make it invalid and the Seller is in his right to make a new offer or to deny further offering.

7.4. All the technical requirements for Product acceptance should be given to the Seller before Order confirmation or signing a Contract. If the Buyer stipulates different or new technical requirements afterwards the Seller is in his right to commit the order under prior negotiated conditions, or renegotiate the order, or deny the order and terminate the Contract (see division 13).

7.5. For each Product, the Seller issues accompanying documentation in accordance with the European Directives. If the Product does not fall under the scope of any European Directive, the Seller should issue the following documentation: Passport and Manual for Installation and Operation, Warranty Card and Declaration of Conformity.

8. Delivery terms.

8.1. The actual delivery terms will be specified in the Order confirmation or the Contract. All the delivery terms mentioned in any other of the Related documents should be considered not binding until the deposit was received.

8.2. Delivery by lots is allowed.

8.3. Delivery term might be postponed if the Seller informs the Buyer before it was expired and on condition that delay reasons were through no fault of the Seller.

8.4. Delivery terms should be re-negotiated in case the clauses 4.3 and 5.3 are not fulfilled.

9. Packing, delivery conditions, risk transfer and delivery delay.

9.1. Packing type and material should be chosen by the Seller, unless otherwise negotiated.

9.2. All insurance costs during transport of the Products are covered by the Buyer and after written confirmation.

9.3. The delivery terms of the Products are EXW, Incoterms 2010, packing excluded, unless otherwise negotiated.

9.4. Responsibility for the Products is transferred to the Buyer at the moment they leave the territory of the Seller, even in case Seller undertakes to organize transportation.

9.5. The Buyer must accept the delivery after accepting the Products under the clauses in section 6.

9.6. If, because of the Buyer, dispatching was delayed with more than 30 calendar days after he was informed about Products readiness, the Seller is into his right to require extra storage payment limited into 0.3% of Invoice amount per each next calendar day.

10. Products withholding and title transfer

10.1. The Seller is in his right to withhold part of / all the Products as a guaranty for unaccomplished payment by the Buyer.

10.2. Seller keeps the title on the Products until their full payment by the Buyer.

10.3. In case the Buyer resells the Products before completely paid them, the title clause remains in force.

10.4. The Buyer must inform the Seller about any lawsuit and confiscations regarding the Products immediately after he receives such a notification.

11. Claims and warranties, warranty servicing conditions and warranty decline conditions

11.1. The Buyer is in his right to make claims for hidden defects or defects appeared during operation of the Product.

11.2. The Seller will consider claims only in case the particular Products are fully paid by the Buyer.

11.3. Any claims will be accepted only in writing (by e-mail, fax or post) with serial number written in. Appending clear photos illustrating the corresponding defect is mandatory.

11.4. Claims for obvious defects and unconformities to negotiated quality shall be considered until the Products were accepted, in accordance with section 6 or up to 5 (five) workdays after Delivery date.

11.5. Claims for losses or damages on delivered Products shall be considered up to 5 (five) workdays after Delivery date.

11.6. Warranty term of the Products is 12 (twelve) months since Delivery date. This warranty covers only defects and faults not detected in accordance with p. 11.4.

11.7. For equipment on our Products, which has been sub-supplied, warranty terms are the ones of particular sub-supplier.

11.8. Warranty terms do not cover fast-wearing parts (for example, seals, bearings) and consumables (screws and nuts).

11.9. The Buyer should pay back all the expenses the Seller spent for unsubstantial (false) claims.

11.10. If the Products are not 100% paid, any repair, maintenance and/or similar activities should be performed by the Seller only. Otherwise warranty is voided. But yet the Seller is not obligated to perform such activities.

11.11. The Seller is in his right to refuse repairing of the Products, which are not clean, contaminated with poisonous substances or other harmful for people or environment liquids.

11.12. Warranty will be void under following conditions:

- manual for operation was not followed;
- negligence during operation with the Product;
- personnel without necessary qualification was allowed for operation with the Product;
- neglectful or unqualified maintenance;
- Products were used out of the purpose specified in the Related documents or Operation Manual;
- operation conditions did not correspond the ones declared by the Buyer;
- the Product is without identification plate;
- damages on the Product been made during the transport;
- damages on the Product as a result of force majeure reasons;

12. Responsibility of the Seller

12.1. The Seller would be responsible for damages caused by the Products only if he, or his workers / employees, or his authorized representatives had worked with the Products.

12.2. The Seller would be responsible for damages caused by the Products, only if these are consequence of such defects and unconformities, which were concealed deliberately or the Seller guaranteed the Products would be free of.

12.3. Responsibility of the Seller about damages caused by the Products is limited to the contracted price of the particular fault Product(s).

12.4. In case of disputes concerning Seller's responsibility, both Parties consent to accept resolution of an independent and eligible technical institution, for example, a branch of TUV, Lloyds, etc., in order to save Court and proceeding expenditures.

13. Termination

13.1. The contract could be terminated by mutual agreement in writing only.

13.2. The contract could be terminated if force majeure circumstances occur which make it impossible for the Seller to fulfil his duties. In this case, the Seller must inform the Buyer by a letter, authenticated by domestic authorities, into 5 (five) days after such circumstances arose.

13.3. If the order was cancelled by the Buyer Seller retains the deposit and beside this is in his right to receive the cost the Products already finished as well as the expenses he had spent for unfinished Products.

13.4. The Buyer must accept finished Products and, if he wish, unfinished ones and materials purchased for the contract (order).

13.5. Upon contract termination, new delivery terms maybe negotiated, subject to the agreement acc. p. 13.1.

13.6. If the contracted requirements for the Products were changed the Seller is in his right to cancel the order.

14. Place of jurisdiction and applicable(governing) law

14.1. All outstanding matters should be governed by the laws of Republic of Bulgaria.

14.2. The outstanding matters will be resolved in Arbitrary Court at Bulgarian Industrial Association in Plovdiv, composed of one arbitrator.

Address of Arbitrary Court: 37 "Tsar Boris III Obединител" blvd., pavilion 27, 4003 Plovdiv, Bulgaria.

14.3. The Seller is in his right to make changes of this document without prior notification.