

GENERAL SALES TERMS AND CONDITIONS BULMAKMETAL LTD

1. Conclusion of business transactions: Business transactions and agreements shall only become legally effective upon signing of the seller's written Order Confirmation/Proforma Invoice/Offer and according to the measure of the contents of such Confirmation. The buyer shall be bound by its order until the seller accepts or denies such order resp. would usually be expected to do so. Penalties for delay in delivery or other claims for delayed delivery shall not be accepted by the seller unless specially agreed to in writing in the sales contract. The seller shall be entitled to withdraw from the contract: a) if the seller is not supplied by sub-manufacturers with the goods, part or units which conform the subject of the seller's own sales contract, and if the seller fail to effect delivery within the time limit agreed upon with the buyer due to the reasons beyond the seller's control. b) should the financial position of the buyer become unsatisfactory to the seller. This shall be given in particular but not limited to – if insolvency proceedings have been or are about to be initiated. The seller's right to extraordinarily terminate the contract for cause without prior notice shall remain unaffected.
2. Quality & Quantity: The seller shall not be held responsible for any damage or deterioration in quality or loss in weight during transit or due to natural wear, except for wilful action or gross negligence by the seller. The usual trade margins in the country of production in quality or quantity are to be allowed by the buyer.
3. War Insurance: Unless otherwise mentioned, war risk is not included in the C.I.F. (cost, insurance, freight) prices agreed upon. In case business is closed as "WAR RISK inclusive" the seller is to cover it at the rates and conditions fixed by the first class insurance companies at the time of contract, but all fluctuation of these rates alteration of conditions to be for the buyer's account and risk. The seller may, if it considers it necessary or advisable to do so, insure against war risk for the account of buyer, but shall never be obliged to do so.
4. Import Duty or Other Taxes: In the event of any alteration and/or revision being made in the Import Duty or other Taxes subsequent to the date of the contract, the difference thereby arising is to be for the buyer's account and risk.
5. F.O.B. Contract: In case of F.O.B. Contract if the buyer fails to provide ship space or air freight space in time, the buyer shall be held responsible for all the expenses, losses, risk, etc. incurred either directly or indirectly through or after such failure.
6. Invoicing, Payment and Delay: The buyer is obliged to provide sufficient and appropriate collateral (e.g. bank guarantee, l/c, credit insurance, etc.) securing the claim of the seller to the purchase price, before the seller will establish an invoice and will deliver the goods. If the buyer fails to fulfil in due time the terms of payment agreed upon in the sales contract, the seller shall not be held responsible for any delay of shipment, and/or retain the right to cancel the sales contract. The same applies if the buyer fails to procure sufficient and appropriate collateral which prevents the seller from invoicing and delivering the goods to the buyer. In these cases, the buyer is to remain responsible for any loss which the seller might suffer and which is caused by the buyer's failure. If the buyer makes default in due fulfilment of its liabilities to its creditors, or becomes subject to the Bankruptcy Laws, the seller may at its option cancel the sales contract extraordinarily. In case of any delay in payment or procuring of collateral, the seller has the right to charge default interest of 5% above the current ECB base interest rate.
7. Shipment: The date of Bills of Lading shall be considered as the date of shipment. Each shipment shall be treated as a separate contract unless incompatible with the nature of the transaction.
8. Force-Majeure: Delivery and/or shipment under this contract is subject to the state of war and to the acts and/or orders of Japanese and/or any other Governments in times of war or national emergency. The seller shall not be held responsible for delay of shipment and/or delivery of the whole or a part of this contract, caused directly or indirectly by Force Majeure such as act of God, War, mobilization, blockade, revolution, strikes, lockout, drought, destruction of merchandise by fire, flood or tidal wave and/or any other causes beyond the seller's control. Delays so caused shall not release the buyer from its obligation to take delivery and to pay for the goods in accordance with the terms and conditions of this contract, unless it appears to be unacceptable to the buyer to adhere to the contract. If goods are shut out of carrier or when there is no carrier available to carry the goods in spite of the same being

ready for loading, the seller shall not be held responsible for non-delivery or non-shipment caused by the above mentioned Force Majeure, and in such cases the seller has the right to cancel the sales contract extraordinarily, in whole or in part, without any obligation to fulfil the sales contract.

9. Complaint: No complaint will be recognized unless made so as to reach the seller within two weeks after landing of goods on quay at the port of destination.

10. Reservation of Ownership of Goods: All goods supplied by the seller shall remain in the seller's property until all payments, including payments for additional charges and also including the payments which the seller acquires or has acquired in respect of other business transactions which take place or have taken place prior to the fulfilment of the remaining obligations have been completed. The goods remaining in the seller's property are naturally not permitted to be put in mortgage or pledge without the seller's written consent. Seizure by third parties of the goods supplied under reservation of ownership of the seller shall immediately be notified to the seller with the notification being accompanied by all documents necessary for conducting interference proceedings. The buyer shall be held responsible for any loss or damage of the goods after delivery to the buyer. In the event of the processing or further treatment of the goods by the buyer before the expiry of the seller's reservation of ownership, the same shall be extended proportionately to such processed or treated goods. Should the goods supplied by the seller be sold or disposed prior to the expiry of the seller's reservation of ownership, the seller reserves the right to collect the payment from the third party who received the said goods directly or indirectly from the buyer in accordance with the payment conditions agreed by the said third party without having a consent of the buyer (prolonged reservation of ownership).

11. Infringements of Unfair Competition Laws etc.: Unless the buyer notifies the seller prior to the conclusion of the contract that the price infringes the laws and/or regulations of unfair competition in the countries of final destination, the seller shall not be held responsible for any such infringements.

12. Inspections: The inspections by the seller at the seller's factory shall be final.

13. Assembly and Installation: For assembly a special contract will be concluded case by case. Therefore, unless especially contracted for, and/or expressly stated otherwise in this sales contract, charges for installation, demonstration and instruction of the goods ordered are not included in the seller's prices. Buyer shall submit a written installation report to the seller within four weeks after the completion of the installation of the machinery at the end customer of the buyer at the latest. This shall specify the date on which the installation of the machinery was completed (Installation Date).

14. Warranty a) The seller hereby warrants to the buyer for a period of 12 months for mechanical parts and for electrical parts dating from the Installation Date (cf. Clause 13) that, with the exception of wear parts, the mechanical parts and electrical components of the machinery are free of defects and comply with the characteristics agreed upon by the seller and the buyer b) The term electrical parts within the meaning of this Section 14 a) covers all electrical parts inside the control cabinet and the operation panel as well as motors, axis motors and position encoders. c) If no Installation Date has been reported to the seller, the warranty for mechanical parts of the machinery shall expire 12 months and the electrical parts warranty shall expire 14 months after the date on which the machinery was delivered to the buyer as designated in the seller's sales invoice. d) During the warranty period, the seller undertakes to repair, or, if necessary, to replace, as soon as possible and at the seller's own cost any parts which can be proved to have become defective or unusable owing to bad material or to faulty design or workmanship. The parts shall be returned by the buyer (CIF) to the seller and the buyer shall bear all costs related to the return (e.g. taxes, duties, shipping cost from airport to the end-user) The buyer shall also assume the cost related to the disassembly and re-assembly of the warranty parts to the machine. The seller shall, however, bear the cost of repairing or renewing these parts. e) Under this warranty, however, the seller only undertakes to bear the costs of repairing or renewing these parts. f) The warranty period automatically expires if the buyer undertakes any alternations, dismantling or repairs on the buyer's account or through a third party without first having obtained the seller's written consent. g) The seller's warranty does not cover: - fair wear and tear, damage due to incorrect or negligent handling of the material by the buyer, false manoeuvres, defective foundations of building work, faulty assembling, freezing, overloading, use of unsuitable lubricants, rusting chemical, electrical or electrolytic action, wear,

damage, corrosion, erosion or incrustation due to water containing and/or other impurities, cavitations and the like.

15. Examination and Notification: Upon receipt of the goods, the buyer shall examine the goods and notify the seller without undue delay of any obvious defects. In case a defect becomes apparent later on, the seller shall notify the seller without undue delay after discovery of the defect.

16. Liability: Irrespective of the legal foundation of a respective claim, the seller shall not be liable for damages unless the seller has intentionally or grossly negligently contributed to the damage. All claims remaining thereafter shall be limited to the typical foreseeable damage.

17. Upgrades for machines: If the seller sends upgrades for sold machines on his own initiative, the buyer shall install those upgrades without delay. 18. Venue, Place of Fulfilment and Applicable Law: The courts in Sofia Bulgaria shall have exclusive jurisdiction for all disputes arising out of or in connection with this Contract. The above shall be like wise applied for all claims and obligations arising from cheque and bill of exchange transactions. The place of fulfilment of contract and legislation for both parties in respect of all rights and obligations deriving either directly or indirectly from the contract conditions shall be Sofia Bulgaria.

These terms and conditions shall be subject to Bulgarian Law.