General Terms and Conditions for the sale of goods of QUOTRUM EAD

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Article 1. Definitions

1.1 In these General Terms and Conditions:
“Buyer” means the person who accepts an offer of the Seller for the sale of the Goods or whose order for the Goods is accepted by the Seller.

“Conditions” means the standard terms and conditions of sale set out in this document and (unless the context requires otherwise) includes any special terms and conditions agreed in Writing between the Buyer and the Seller.

“Contract” means the Written contract for the purchase and the sale of the Goods, including the terms and conditions which are set out in the offer or the acceptance of the order, and which are subject to the Conditions, which Conditions are accordingly deemed to be incorporated in the Contract.

“Goods” means the goods and/or any instalment of the goods or any parts for them which the Seller is to supply in accordance with any Contract and these Conditions, including but not limited to invisible doors and fireproof doors.

“Purchase Price” means the price which is to be paid by the Buyer to the Seller for the Goods, as defined in Article 13 of these Conditions.

“Seller” means QUOTRUM EAD, a single-member joint-stock company (Еднолично акционерно дружество) established under the laws of the Republic of Bulgaria, with its

registered seat and management address in Plovdiv 4004, Bulgaria, at Ul. Ostromila 144, fl. 4, app. 23, and registered with the Commercial Register of the Registration Agency of the Republic of Bulgaria, trading under the name A2B DOORS

“Writing” includes e-mail, fax, telex, cable, facsimile transmission and comparable means of communication. these Conditions being declared applicable both on the offer, the acceptance and on the formation of the Contract.

1.2 Every offer is valid for 1 month, unless the offer states otherwise.

1.3 The Contract comes into effect, as soon as the acceptance of the offer by the Buyer has reached the Seller, or the Seller has accepted an order of the Buyer. Unless the Contract states otherwise, it must be apparent from the acceptance that the Buyer also accepts the application of the Conditions and that the Buyer will, if necessary, waive the applicability of its own general terms and conditions.

1.4 If the acceptance of the Buyer contains any reservations and/or changes regarding the offer of the Seller, contrary to the previous paragraph, the Contract comes into effect at the time the Seller accepts the reservations and/or changes in the offer.

Article 2. Contract

2.1 The Seller shall sell, and the Buyer shall buy the Goods in accordance with the Contract.

2.2 Any typographical, clerical or other error in omission in the Contract, any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

Article 3. Changes

3.1 Any deviation in the Contract with these Conditions will only have effect, if the deviation itself is explicitly agreed upon in the Contract.

3.2 If any deviation in the Contract of these Conditions results in lower or higher costs, the change of the Purchase Price which results from this deviation must be agreed upon in the Contract.

3.3 If Buyer and Seller do not agree on the change of the Purchase Price as mentioned in paragraph 3.2 of these Conditions, this falls within the scope of a dispute on which Article 24 of these Conditions is applicable.

Article 4. Delivery

4.1 The Seller undertakes to the Buyer to deliver the Goods in conformity with the subscription, quality and quantity as described (and possible adjusted) in the offer or order.

4.2 The Seller undertakes to the Buyer to deliver Goods, which:

a. are manufactured using proper materials and of reasonable quality.
b. are equal to possible samples or formats as provided or put at the disposal of the Buyer by the Seller, notwithstanding paragraph 18.3.b of these Conditions; and
c. deliver a performance (capacity, return, speed, finishing, etc.), as prescribed in the offer or order.

4.3 Delivery of the Goods shall be made by the Seller to the Buyer at the place of delivery as agreed upon in the Contract.

4.4 Where the Goods are to be delivered on an ongoing basis, each delivery shall constitute a separate Contract and failure by the Seller to deliver any one or more of the installments in accordance with the Contract or any claim by the Buyer in respect of any one or more installments shall not entitle the Buyer to treat the Contract as a whole as repudiated.

4.5 If there is reasonable doubt regarding the financial capacity of the Buyer, the Seller is authorized to postpone the delivery as mentioned in 8.1.a, until the Buyer has provided security for the payment.

Article 5. Term of delivery

5.1 Any dates quoted for delivery of the Goods are given as an estimate only and shall not be an essential term of the Contract unless otherwise agreed upon in Writing. The Goods may be delivered by the Seller to the Buyer in advance of the agreed delivery date if so, agreed by the Buyer.

Article 6. Extension of the term of delivery

6.1 The term of delivery as mentioned in Article 5 will be extended with the period, in which the Seller is prevented to fulfil its obligations because of circumstances beyond its control (being force majeure).

6.2 Force majeure includes, amongst others, the situation in which the Seller is prevented from delivering the Goods or preparing the delivery of the Goods because of war, threat of war, civil war, terrorism, riots, molestation, fire, water damage, flood, strikes, factory sit-in, exclusion, import and export restrictions, government measures, defects of machines, and/or failure in the delivery of power. These situations include any and all matters concerning the Seller, but also in relation with third parties of which the Seller has to obtain any materials or goods, and in relation to storage or transport, whether or not by the company itself, and furthermore because of any other causes which have occurred and/or incurred outside the power of the Seller.

6.3 If force majeure results in a delay of more than 2 months, both the Buyer as the Seller are authorized to cancel the Contract. In this case the Seller is entitled to payment of any costs made by the Buyer.

6.4 If force majeure occurs when the Contract has already partially been performed, the Buyer is, if the remaining delivery be delayed for more than 2 months, entitled to terminate the Contract for the unperformed part. In such case, the Buyer is obliged to pay the Purchase Price for the delivered Goods.

Article 7. Transport

7.1 The Seller undertakes to the Buyer to package the Goods properly (unless this is incompatible with the nature of the Goods) and to secure the Goods as such, that, in case of normal transport, the Goods arrive at the destination in good condition. The Seller ensures the usual insurance for transport.

7.2 The Buyer is obliged to return any ancillary materials used for transport, for example (but not limited to) pallets, totes and other returnable containers within a period of 60 days after the Goods have been delivered to the Buyer. The costs of ancillary

materials used for transport will be charged to the Buyer in addition to the Purchase Price of the Goods, if they are not returned in good condition to the Seller within the prescribed period.

Article 8. Receipt of the Goods

8.1 If the Buyer is not capable of receiving the Goods on the agreed time and place and the Goods are ready for transport, the Seller may, at its sole discretion:
a. store and secure the Goods and take all precautionary measures necessary for the Goods not to deteriorate until they are delivered to the Buyer. The Buyer is obliged to pay the costs for storage to the Seller (including insurance), in line with market conditions, to be paid as from the time Goods are ready for transport; and b. annul, rescind or terminate the Contract and/or suspend any further deliveries to the Buyer.
8.2 The Buyer will be liable if any damage occurs to the Seller, which damage results from the fact that the Buyer has not provided sufficient information to enable the Seller to perform the Contract in accordance with its terms.

Article 9. Transmission of ownership

9.1 Except for paragraph 9.2 of this Article 9, the ownership of the Goods shall transfer from the Seller to the Buyer:

a. if the Goods are transported by plane: at the moment the Goods pass the hull of the plane for the first time.
b. if the Goods are transported by boat: at the moment the Buyer receives the bill of lading.
c. if the Goods are sold “ex works”: at the moment the Goods are delivered to the Buyer at the premises of the Seller.
d. if the Goods are sold in consignment: at the time the invoice relating to the relevant Goods reaches the Buyer; and
e. in any other case, if the Goods are delivered to the Buyer according to the Contract.

9.2 Contrary to the provisions contained in paragraph 9.1 of these Conditions, as long as the Buyer has not paid the Purchase Price, costs for any performed activities by the Seller in relation to the Goods as mentioned in Article 14 of these Conditions and/or any other additional costs, the Seller retains the right of ownership of the Goods, and moreover, retains the right of ownership of any Goods delivered in the past or to be delivered in the future by the Seller to the Buyer.

9.3 In case the Goods are sold by the Seller to a Buyer who imports the Goods into a country which acknowledges an extended retention of title, the property law consequences of the retention of title as mentioned in paragraph 9.2 shall be governed by the laws of that country in which the Goods are imported in. Furthermore, in such cases the provisions contained in paragraph 9.2 apply, provided that the retention of title of the Seller is an extended retention of title.

Article 10. Obligations of the Buyer

10.1 Unless stated otherwise in the Contract, as long as the ownership of the Goods has not been transferred from the Seller to the Buyer, the Buyer holds the Goods as the Seller's agent and shall keep the Goods:

a. in storage, and the Buyer will not use the Goods in any production process whatsoever.
b. separate from those of the Buyer and third parties.
c. properly stored, protected and insured; and
d. identifiable as the Seller's property.

10.2 The Buyer shall not be entitled to pledge or in any way charge, by way of security for any indebtedness, any of the Goods which remain the property of the Seller, but if the Buyer does so, all moneys owing by the Buyer to the Seller shall immediately become due and payable.

Article 11. Transfer of risk

11.1 The risk for the Goods shall transfer from the Seller to the Buyer:

a. if the Goods are transported by plane: at the moment the Goods pass the hull of the plane for the first time.
b. if the Goods are transported by boat: at the time the Goods pass the ships rail in the harbour from which the Goods are freighted out for the first time; and
c. if the Goods are sold "ex works": at the time the Goods are delivered to the Buyer at the premises of the Seller.

11.2 Contrary to paragraph 11.1, the risk for the Goods transfers to the Buyer:
a. if the Goods are sold by consignment: at the moment as stated in the Contract.

Article 12. Purchase Price

12.1 The Purchase Price is set out in the Contract, and includes, except the price for the Goods, the costs for packaging, The Purchase Price does not include any costs for the transport.

Article 13. Terms of payment

13.1 The Seller shall be entitled to invoice the Buyer for the Purchase Price of the Goods on or at the time of delivery of the Goods, unless the Goods are to be collected by the Buyer,or the Buyer fails to take delivery of the Goods, and the Goods are stored as mentioned in paragraph 8.1.a of these Conditions.

13.2 Unless otherwise stated in the Contract, the Buyer shall pay the Purchase Price within 30 days after the date of the Seller's invoice, notwithstanding that delivery may not have taken place. Receipts for payment will only be issued upon request.

13.3 If the Buyer has not paid the Purchase Price in accordance with paragraph 2 of this Article 13 and does not comply with a notice of default with a term of 7 days, the Seller is authorized to annul, rescind or terminate the Contract without intervention of any competent court. In that case, the Buyer is liable for any damages suffered by the Seller, amongst other but not limited to loss of profits, costs for transport and by virtue of the notice of default.

13.4 The Buyer requests for storage as mentioned in paragraph 8.1.a, the obligation to pay the Purchase Price within the period as mentioned in paragraph 13.2 of these Conditions, remains to exist.

13.5 If the Seller takes extrajudicial steps after a default of the Buyer, the costs deriving from the default will be for the Buyer.

Article 14. Installation

14.1 Where any installation of the Goods or any study regarding the processing of the Goods is necessary, it shall be the responsibility of the Buyer. However, the Seller shall, at the Buyer's request, make available to the Buyer the services of a competent engineer who shall supervise the installation of the Goods and give training and advice to the Buyer in relation to the use of the Goods on the following conditions:

a. the said services shall be made available at such times and for such periods as may be mutually agreed upon between the Seller and the Buyer.
b. the payment for such services shall be on such basis as agreed upon in the Contract; and
c. the Buyer shall provide any relevant additional items, personnel and equipment necessary for the installation and make all necessary services available prior to the arrival of the Seller's engineer.

Article 15. Acceptance tests

15.1 The Seller and the Buyer shall, if mutually agreed upon in the Contract, devise acceptance tests for the Goods. In the event such acceptance tests shall be carried out by the Buyer (in conjunction by the Seller if so agreed upon) within 30 days after the Goods which are subject of such acceptance test have been received by the Buyer. In the event no defect being notified to the Seller within 30 days after the Goods have been received by the Buyer, the Goods shall be deemed to be accepted by the Buyer.

15.2 It is especially provided that in the event of acceptance tests are being carried out in terms of this Article 15, the Buyer will not be entitled to rely upon the conditions as contained in paragraph 4.2. band shall have no claim there under.

Article 16. Liability of the Seller

16.1 The Seller takes on liability for any damage of the Goods regarding the Buyer, which arises from a default in the Goods during the guarantee period as contained in the Contract, if an investigation of an expert chosen by the Seller confirms the default which has caused the damage.

16.2 The Seller will not be liable if the damage is the result of the fact that the Buyer has not treated the Goods according to any instructions of the Seller.

16.3 The liability of the Seller will be limited to the market value of the Goods.

16.4 The Seller shall be under no liability if the total price for the Goods has not been paid.

16.5 The Seller shall be under no liability in respect of any defect in the Goods arising from any specification supplied by the Buyer.

16.6 The Seller shall be under no liability in respect of any defect arising from fair wear and tear, willful damage, negligence, abnormal working conditions, failure to follow the Seller's instructions (whether oral or in Writing), misuse, or alteration or repair of the Goods without the Seller's approval.

16.7 The Seller shall be under no liability in respect of the Buyer's failure to provide a suitable installation and working environment for the Goods or in respect of the failure of or damage relating to or resulting from any Goods, items or media not supplied by the Seller.

16.8 It is specifically provided that except in respect of death and personal injury caused by the Seller's negligence, the Seller shall not be liable to the Buyer for:

a. any consequential loss or damage (whether for loss or profit or otherwise), cost, expenses or other claims for consequential compensation whatsoever (and whether caused by negligence of the Seller or otherwise) which arise out of or in connection with the supply of the Goods or their use or resale by the Buyer, except as expressly provided by in the Contract; and

b. any liability for any loss or damage, direct or indirect, caused by, arising out of, or as a consequence of compliance by the Seller in the course of supplying the Goods or noncompliance by the Buyer with any statute, order, regulation, instrument or any other enactment of law (as amended, extended, consolidated or replaced) in any relevant jurisdiction relating to the Goods in particular and to the Contract in general.

16.9 The Seller shall not be liable in relation to the Goods, if any damage was caused by force majeure.

Article 17. Indemnities of the Buyer

17.1 The Buyer will indemnify the Seller for any and all claims arising from any and all damages arising from defects or flaws relating to the Goods and the order of the Goods, if these defects or flaws result from any specifications or instructions of the Buyer, and the Seller could rely on those specifications or instructions.

17.2 In case a situation as described in paragraph 17.1 occurs, all extrajudicial costs will be for the Buyer.

Article 18. Warranties

18.1 Notwithstanding the provisions contained in paragraph 18.3.b of these Conditions, the Seller warrants that the Goods shall:

a. correspond with their description as set out in the Contract at the time of delivery; and

b. subject to Article 15, be free from defects for the period of normal expected "shelf life" or lives of the Goods (as contained in the Contract).

18.2 In conformity with paragraph 16.1, the Buyer is only entitled to invoke any warranty as described in paragraph 1 of this Article 18, after the Goods which are under discussion are examined by an expert which is chosen by the Seller, and this expert has confirmed the default which caused a breach of the warranties.

18.3 the warranties contained in the first paragraph of this Article 18 do not extend to:

a. parts, materials or equipment not manufactured by the Seller, in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer of the Seller; and
b. minor deviations from any specifications used for the purposes of the Contract which do not affect the performance of the Goods.

18.4 Any claim by the Buyer under the warranties or any other provisions as contained in these Conditions shall be notified to the Seller within 7 days from the date of delivery. If the Buyer does not notify the Seller accordingly, the Buyer shall not be entitled to reject the Goods and the Seller shall have no liability for any such defect or failure, and the Buyer shall be bound to pay the Purchase Price as if the Goods were delivered according to the Contract.

18.5 Where any valid claim in respect of the warranties contained in these Conditions is notified to the Seller in accordance with the Contract and these Conditions, it shall be at the sole discretion of the Seller, within a reasonable time, either to replace the Goods (in whole or in part), free of charge, or to repay the Purchase Price, but the Seller shall have no further liability to the Buyer under the warranties contained in the Contract and these Conditions.

Article 19. Confidentiality

19.1 The Buyer hereby acknowledges that any Confidential Information is property of the Seller, that it is of an extremely important and valuable nature and that it is to be kept secret and confidential at all times. The Buyer shall ensure that any Confidential Information passed to the Buyer is kept confidential and is used solely for the purposes as described in the Contract. To ensure that Confidential Information remains confidential, the Buyer shall:

a. give access to the Confidential Information solely and exclusively to those members of its staff who require to use it in order to utilise the Goods properly.
b. whenever reasonably practicable, obtain a written statement from all persons to whom the Confidential Information is disclosed undertaking to maintain the confidentiality; and
c. ensure copies of the Confidential Information are made only to the extent that the same is strictly required for the purpose of using the Goods.

19.2 In the event of breach of confidentiality by the Buyer, the Seller shall be entitled:
to demand from the Buyer the return of all documents and other materials relating to the Confidential Information in the possession, custody or control of the Buyer, or any third party to whom the Buyer may have supplied such information; and
b. to be indemnified by the Buyer for all losses, including but not limited to loss of profits, damages, costs and expenses incurred by the Seller in the event of a breach of this Article 19 by the Buyer.

19.3 Notwithstanding the expiry or termination of the Contract for any reason, the Buyer shall maintain the confidentiality of the Confidential Information.

Article 20. Intellectual Property

20.1 The Buyer acknowledges that the Seller is the exclusive owner of all rights, titles and interest in and to all intellectual property rights relating to the Goods and the Buyer will

not, at any time, acquire any right, title or interest in or to said intellectual property rights as a result of any use it may make of the Goods.

20.2 The Buyer hereby acknowledges, confirms and shall take any steps necessary to ensure that all intellectual property rights including all discoveries, inventions, patent rights, copyrights and design rights arising out of or developed in connection with the work done pursuant to the Contract, shall belong to the Seller.

Article 21. Patent infringement.

21.1 Subject to paragraph 21.2 below, the Seller agrees that it will, at its own expense, defend all claims and proceedings instituted against the Buyer and settle any award of damages against the Buyer in court proceedings in case of claim by a third party that the Goods furnished under the Contract constitute an infringement of any patent.

21.2 The Buyer shall not be entitled to rely upon, and the Seller will have no obligations under paragraph 21.1 above, where:

a. the Buyer fails to give immediate notice in Writing to the Seller of any claims or proceedings made against it or commits any act prejudicial to the defending of such claim or proceedings.

b. the Buyer does not, if so, requested by the Seller, permit the Seller to defend any claim or proceedings raised against the Buyer.

c. the Buyer fails to provide Seller with all necessary information, assistance and authority required to defend any claim or proceedings raised against the Buyer; and

d. any infringement of patents arises through the use of the Goods in combination with other items or materials not forming part of the Goods, or through any others actings of the Buyer.

21.3 In the event that any infringement claims for which the Seller may be liable in the terms of this Article 21 is upheld in court of law or admitted by the Seller, and use of the Goods constitutes an infringement of a patent, then the Seller shall, at its sole discretion:

a. secure for the Buyer the right to continue using the Goods, whether by procuring a license for the Buyer or otherwise.

b. at its own expense, replace the Goods with non-infringing Goods; or

c. remove the infringing Goods and refund to the Buyer the depreciated value thereof at the time of removal.

Article 22. Annulment, rescission and termination

22.1 Subject to the provisions contained in Article 13, the Contract can be annulled, rescinded or terminated by the Seller without intervention of any competent court, after:

a. the Buyer or any other person takes action and/or any legal proceedings are started and/or other steps are taken for the Buyer

(i) to be declared bankrupt or insolvent,

(ii) to be granted a suspension of payments, to be granted a statutory debt adjustment under the Debt Management (natural persons) Act or other judicial postponement of payment of debts,

(iii) for winding-up or liquidation of the Buyer,

(iv) the appointment of a trustee, receiver, administrator similar officer to the Buyer or a substantial part of its undertakings and assets; b. proposition of an extra-judicial arrangement; and

i executory seizure on any part of the assets of the Buyer is made; or
d. the Buyer loses full or partial power of disposition of his assets.

22.2 The Seller may, at its sole discretion and without prejudice to any other rights available to the Seller under the Contract and these Conditions, at any time after the occurrence of any of the events as described in this Article 22 by notice to the Buyer annul, rescind or terminate the Contract. In that case, the Buyer will be liable for the damage suffered by the Seller, amongst others containing the loss of profits and costs for transport.

22.3 If the Contract is annulled, rescinded or terminated by the Seller in accordance with this Article 22, the Seller is entitled to, at its sole discretion, cancel or suspend any further deliveries to the Buyer, and/or charge the Buyer interest on the amount unpaid, at the rate of 7% per annum, until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest.)

22.4 If the Contract is annulled, rescinded or terminated, the Seller is, at any time, entitled to require the Buyer to deliver up the Goods to the Seller.

22.5 The Buyer shall not be entitled to cancel the Contract before any breach by the Seller is brought to the attention of the Seller in Writing, and the Seller has been given a reasonable period in which the Seller has had the opportunity to remedy the breach within that period.

22.6 Contrary to the above, if the Seller has already started to produce the Goods in conformity with the subscription, quality and quantity as described in the Contract, the Buyer may only cancel the Contract if the Seller gives its Written approval and on the terms that the Buyer shall indemnify the Seller in full against all loss (including loss of profit), costs (including the costs of labour and all materials used), damages, charges and expenses incurred by the Seller as a result of cancellation.

22.7 Once the agreement has entered into force, it cannot be cancelled by the Buyer, except as set out in Article 6 of these Conditions. If the Seller invokes force majeure outside of the situation described in Article 6 (i.e. before any delay of more than 2 months has occurred), the Buyer has to notify the Seller immediately in writing, and the Seller may, in case of force majeure, decide to exceptionally cancel the agreement. In that case, and without prejudice to Article 6, the Buyer shall nevertheless be subjected to the payment of 30% of the original purchase and the additional compensation of any damages.

Article 23. Export terms

23.1 In the Contract and these Conditions, “Incoterms” means the Incoterms 2020 regarding the interpretation of trade terms of the International Chamber of Commerce.

23.2 Unless otherwise agreed by the Seller, the Buyer shall be responsible for complying with any legislation or regulations governing the import of the Goods into the country of destination and for the payment of any duties thereon.

Article 24. Miscellaneous

24.1 Any notice required or permitted to be given according to the Contract or these Conditions shall be in Written form, addressed to that other party at its registered office or such other address as lastly notified to the other party.

24.2 The Buyer may not assign, in whole or in part, any of its rights and/or obligations under the Contract or these Conditions without Written consent of the Seller.

24.3 These Conditions contain the full terms and conditions of the Contract and supersedes, cancels any and all previous general terms and conditions. Any amendment or variation on these Conditions must be made in Writing.

24.4 Except for the provisions regarding the extended retention of title as contained in paragraph 9.3 of these Conditions, the Contract and these Conditions shall be governed exclusively by and are construed in accordance with the laws of the Republic of Bulgaria.

24.5 All disputes, arising from this contract or related to it, including those arising from or concerning its interpretation, invalidity, performance or termination, as well as the disputes for filling gaps in this contract or its adaptation to newly established facts, shall be referred for resolution to the Arbitration Court at the Bulgarian Chamber of Commerce and Industry, in accordance with its Rules for arbitration proceedings based on arbitration agreements.