

Terms and conditions of purchase

These terms and conditions for purchase by AREXIM ENGINEERING EAD are an agreement and the basis for any planned business activity.

1. Scope - these general terms and conditions of purchase apply between the buyer AREXIM ENGINEERING EAD and the seller in case there is no other condition expressly agreed in writing. These general terms and conditions apply as amended on the day of the purchase order.

2. Definitions

- Agreements - general conditions of purchase and any other documents for which the parties have agreed to be part of the documentation for the buyer, supplier, or third-party client. The agreement enters into force from the moment of confirmation of the contract/order for supplies of the relevant raw material, component or others, by the supplier through an official letter. In the absence of agreement on the part of the supplier, the relevant party must present its arguments in writing and make a proposal for an additional agreement, taking into account the conditions of the buyer. The supplemental agreement is valid only if it is approved bilaterally by signature and seal of buyer and supplier. The Supplemental Agreement does not supersede the terms and conditions described in this document.
- Buyer – AREXIM ENGINEERING EAD
- Supplier – supplier under the contract
- Product – refers to the object of the contract.
- Confidential information - information that cannot be shared with third parties.
- Purchase order - a written order sent by the buyer to the supplier.

3. Purchase procedure

Within 3 working days of receiving the order, the supplier is obliged to confirm the acceptance or rejection in writing and. In the absence of a reply, the order is considered accepted according to the terms of the contract.

4. Price

The price according to the contract/order is firm and fixed according to the date of its conclusion. In the event of a change, the supplier is obliged to inform in advance within three calendar days. In the event of an omission on the part of the supplier, the buyer reserves the right to postpone payment on the relevant invoice until the new price has been settled before the customer, user of the delivered final product. If the customer refuses to confirm the new price, the buyer has the right to cancel the order without any negative consequences.

5. Delivery and packaging conditions

Deliveries are made according to the agreed dates. The supplier is obliged to confirm the requested quantity and delivery dates within a grace period of three days of allowable delay. Delivery terms according to INCOTERMS 2010. Damaged, improperly packed products and/or late deliveries are the

responsibility of the supplier when the buyer has no commitment to transport the delivery. Any additional costs shall be borne by the supplier.

The supplier is obliged to send all necessary documentation accompanying the delivery physically with the delivery itself or in advance by post. It is the supplier's duty to ensure full traceability by lot, package number, etc. compared to the established labeling/marketing system of a finished product.

The buyer has the right not to pay, to return the delivery or to request compensation for the corresponding one if deviations are found at the time of arrival, the costs being borne by the supplier.

The delivery term, on-time delivery or delay and extraordinary transport costs are indicators that enter into the evaluation of the supplier.

In case of non-compliance with the terms of delivery, the supplier shall pay a penalty in the amount of 0.5% of the contract price for each day of delay after the agreed period up to the fifth day inclusive and 1% of the contract price for each additional day of delay, but not more than 10% of the order amount. Any claims of Arexim above this amount are reserved.

6. Payment terms – 60 days after invoice date

7. Delivery delays

In case of extraordinary circumstances, the supplier is obliged to inform in advance about the delay, indicating a real date of execution. Advance notice does not relieve the supplier of responsibility in the event of downtime or suspended lines of an end customer. The payment of a penalty does not release the supplier from the obligation to deliver the order.

8. Quality and environment

The delivered product must meet all customer, legal and regulatory requirements applicable to storage, use and safe operation.

It is the buyer's responsibility to describe and request all necessary documentation from the supplier.

The supplier is required to submit, safety data sheets, technical data sheet a report on health and environmental hazardous materials, as well as confirmation of all regulations and directives before making a physical delivery of the relevant raw material or component.

The supplier is obliged to keep abreast of changes in legal and regulatory requirements by sending updated documents after each revision.

Any additional conditions and amendments are agreed only in writing.

The supplier must be minimum ISO 9001:2015 certified.

The supplier is required to submit certificate for conformity for each one delivery.

It is the supplier's responsibility to secure and provide all necessary documentation regarding the customer's requirements for the relevant raw material or component.

Supplier certification, PPAP status, incoming control results, complaints management are indicators that are evaluated every 6 months.

9. Responsibilities and Promises

It is the customer's responsibility to perform an incoming inspection of the relevant product, and in the event of a deviation, he must inform the supplier within 5 calendar days from the date of delivery. The customer reserves the right to open subsequent complaints in the event of deviations occurring during the production of the relevant product or complaints received from a third-party customer. The supplier is obliged to remove all inconsistencies caused by the quality of the delivered raw material, as well as to cover the damages caused by this.

Return and exchange of raw material with a deviation is entirely at the expense of the supplier.

In case of deviations, the supplier is obliged to inform the customer about the method of marking and date of receipt of clean delivery.

In case of incurred costs related to a third party caused by late delivery, deviation in the quality of the delivered product due to deviations in the specification of the raw material should be paid by the supplier.

The supplier is released from responsibility for problems caused by improper storage or improper use by the customer.

10. Unexpected circumstances

Each party has the right to terminate its obligations under the agreement in case of extraordinary circumstances, such as natural disasters, pandemics, fire, war, strikes, government regulations.

The party affected by an extraordinary circumstance is obliged to inform the other immediately about the termination of the contract or the negotiation of new terms.

11. Confidentiality

Any contractual relationship is solely between the supplier, customer and/or third-party customer in case the respective supplier imposes or has a personal price list for the purchased raw materials.

It is the supplier's duty to maintain confidentiality regarding technical documentation, prices, and other details subject to the relevant contract.

12. Termination of Commercial Relationships

Without prejudice to any of the remaining rights of the Buyer, the latter has the right to terminate the relationship unilaterally, and without observing the notice period, by sending the Supplier a written notice thereof, if:

- in relation to the Supplier, liquidation or bankruptcy proceedings have been opened, considered from the issuance of the relevant decision.
- The supplier entered into a voluntary agreement with his creditors to the same effect.
- the ownership of the Supplier's assets is transferred to a mortgage creditor or legal enforcement is initiated against them.
- The supplier has ceased operations.
- There are other circumstances that give the Employer reasonable grounds to assume that the performance of the contract has become impossible.

13. Change Management

When a change is planned or occurs (in the name, ingredients of raw materials, properties, processing parameters, price, etc.), the buyer should be informed in Bulgarian or English in writing form by e-mail, fax or registered mail. Each of the parties to the contract is obliged to present the

changes that have occurred within a period of two calendar days in case of planned and no later than 24 hours in case of unforeseeable ones.

Please do not forget to familiarize with CODE OF CONDUCT FOR SUPPLIERS on <https://www.areximengineering.bg/en/suppliers-management-2/>