

GENERAL TERMS AND CONDITIONS
OF TRANSPORTATION AGREEMENTS
OF ALEXANDER Logistics LTD
(General Terms and Conditions)

GENERAL

These General Terms and Conditions govern terms and options on the basis of which **ALEXANDER LOGISTICS LTD**, whose registered address is situated in the village of Kazichene, Capital Municipality, District of Sofia City, and address of management at 9A, Treti Mart Str., Company ID No. 200886662 (**the "Freight Forwarder"**), concludes transportation agreements (the "Agreement/s"), whereby it shall, in consideration of payment, provide any entity (**the "Client"**) with services in the field of logistics, domestic and international forwarding.

The Freight Forwarder and **the Client** are referred collectively hereinafter as **the Parties**:

These rules are posted on the Freight Forwarder's website and are considered as made known to the Client, and the fact of entering into this Agreement makes it accepted. **Client's** commercial terms and conditions are not applicable to **the Freight Forwarder**.

These General Terms and Conditions govern:

1. Subject Matter of the Agreement;
2. Freight Forwarder's Duties;
3. Client's Duties;
4. Prices and Terms of Payment;
5. Claims;
6. Agreement Duration;
7. Agreement Termination;
8. Miscellaneous.

It is agreed as follows:

- **Freight Forwarder** is a business company carrying out a business related to providing services in the field of logistics and domestic and international forwarding, having the status of a full member of the Bulgarian Association for Freight Forwarding, Transport and Logistics (NSBS) according to Certificate No. 78/2010;

- All activities and services performed by the **Freight Forwarder**, as well as any deals made by the latter, shall be subject to these General Terms and Conditions and the General Forwarding Conditions (GFC) in their applicable revision, as posted on the NSBS website: www.nsbs.bg. These General Terms and Conditions and GFC constitute an integral part of each agreement concluded with a Client, as in case of any discrepancy between them, these General Terms and Conditions shall prevail;

- **Client** is an entity using the services provided by the **Freight Forwarder** in consideration of payment, as the **Freight Forwarder** shall do so at its own expense and/or in its favour, and/or by its assignment. By signing the Agreement, the **Client** explicitly

acknowledges to be aware of and to approve completely these General Terms and Conditions, and the GFC, too;

• The Parties shall consider their joint will for establishment and development of fruitful business relations and mutual cooperation.

I. SUBJECT MATTER OF THE AGREEMENT

Art.1.1.The Client assigns, and the Freight Forwarder agrees to carry out and/or arrange for its own expense transportation of Client's cargo (goods) against remuneration (service price), which the Client shall pay it in compliance with the terms and conditions, as agreed by the Parties to this Agreement.

Art.1.2. The conditions for each single cargo (goods) transportation: transportation type, date and place of loading, date and place of unloading, type, cargo (goods) weight/volume, remuneration, method and term of payment, customs, further requirements to packaging/transportation shall be agreed in individual Orders in the form of documents, as follows:

- **Order Agreement**, which is sent by the Client to the Freight Forwarder, specifying the terms and conditions under which the Client wishes to have the transportation performed, including: transportation type, date and place of loading, date and place of unloading, cargo (goods) type, weight/volume, peculiarities, etc. Price, term and method of payment shall be set out by the Freight Forwarder. Freight Forwarder may confirm the conditions of the order in full or in part, entitled to suggest conditions for performance of the transportation other than these desired by the Client. Unless the Client has withdrawn its Order within 2 (two) hours after receipt of the Freight Forwarder's confirmation, stating price, term, method of payment and possible suggestions for changes in the conditions, the Freight Forwarder's option so sent shall be considered accepted by the Client and it shall be binding upon the parties in terms of the conditions appearing in the final document version. Freight Forwarder shall express its opinion on the Order within () hours (on a case-by-case basis) after its receipt.

- **Offer Agreement**, which is sent by the Freight Forwarder to the Client stating the conditions under which transportation can be performed by the Freight Forwarder. The offer is subject to confirmation by the Client, as the latter shall express its opinion on it within 2 (two) hours after its receipt.

Art.1.3. The Agreement shall be accompanied by sample forms of an Order Agreement and a Confirmation (Annex No. 1) and an Offer Agreement and a Confirmation (Annex No. 2). All these Order Agreements, Offer Agreements and Confirmations, whereby the parties have agreed to have the transportation/s performed, shall be deemed an integral part of the Agreement.

II. FREIGHT FORWARDER'S DUTIES

Art.2.1.During the performance of the Agreement, Freight Forwarder shall act as an Operator in the sense of the GFC with all rights, obligations and consequences arising thereof. Freight Forwarder shall carry out the services with due diligence, professional expertise and within a reasonable time. Freight Forwarder shall take responsibility for the Client's goods during their transportation from the time of their acceptance until the time of their delivery under these General Terms and Conditions and the GFC.

Art.2.2.By adherence to the GFC provisions, **Freight Forwarder** shall undertake the following duties during the performance of the subject matter of this Agreement:

- to take all possible and reasonable measures for fulfillment of the **Client's** instructions given in writing (written form shall be also deemed kept in case of a fax transmission or e-mail message);

- to notify the **Client** if the instructions so given are insufficient or impossible to be done;

- to notify the **Client** if it decides that the condition of the packaging or the goods is not proper for transportation;

- to accept the goods for transportation and to perform the transportation in compliance with the agreed terms. Goods acceptance and delivery shall take place by outer peculiarities (number; packaging type and condition) and by documents provided, without taking any responsibility for the contents, unless it has been explicitly agreed in the relevant Offer/Order Agreement under Art. 1.2.

Art.2.3.In the cases, where the Consignee/Sender of the goods is not possible to be found at the stated address or if it denies acceptance/delivery of cargo, **Freight Forwarder** shall notify the **Client** in a reasonable time, as its rights and duties for storage, management and disposal of the goods which have not been received/delivered for such reasons, shall be in compliance with Art. 39 and 40 of the GFC, as for this purpose, the **Client** shall give its special consent and shall authorize the **Freight Forwarder** to do all actions referred to in the above provisions.

Art.2.4. **Freight Forwarder** shall be liable for loss, perishing or damaging (wholly or partially) of the cargo (goods) under transportation, unless such loss/damage is due to a force majeure, properties or specifics of the cargo (goods) or to an obviously improper packaging where the **Freight Forwarder** has warned the **Client** before or which could not have been noticed by the **Freight Forwarder**.

Art.2.5. **Freight Forwarder** shall not be liable for the damages due to delay in performance of the transportation, where the latter has been caused by inaccurate fulfillment of the **Client's** duties for delivery, loading, documentation submission or in the performance of other actions due under the Agreement.

Art. 2.6. In case of finding any full or partial shortages, damages to the cargo (goods) or delay by the **Freight Forwarder**, the latter's liability may only be engaged in case that the **Client** gives a notice to the **Freight Forwarder** within three days after goods receipt, stating the reason for the **Freight Forwarder's** liability and the amount of damages and being accompanied by copies of the documents verifying the claim for indemnification.

Art.2.7. **Freight Forwarder** shall be entitled to receive remuneration for its performed services under the provisions of Section IV of these General Terms and Conditions.

III. CLIENT'S DUTIES

Art.3.1.The **Client** shall, either alone or by its representative, load/provide the **Freight Forwarder** with the cargo (goods) in a condition fit for transportation depending on its type and transportation specifics. The cargo (goods) shall be properly prepared, packed, marked and strengthened by and at the expense of the **Client** in compliance with the rules for primary and gross loading to ensure its integrity and preservation throughout the transportation and all its accompanying usual manipulations and handling operations.

Art.3.2. By assignment a service to the **Freight Forwarder**, the

Client acknowledges that:

- it is a legal disposer of goods or its proxy
- it has the necessary information about the transactions for the performance of which has engaged the **Freight Forwarder's** services and about the terms of goods delivery;
- it knows the goods and their properties and that the description presented is full and for the purposes for which the goods are delivered to the **Freight Forwarder**;
- the goods are not subject to transactions forbidden by the departure, receiving and in transit countries, that they are not a hazardous or outsized cargo;
- the goods are properly prepared, packed and marked for the purposes they are delivered to the **Freight Forwarder** (unless goods preparation, packaging and marking are **Freight Forwarder's** duty), as well as any other circumstances as referred to in Art. 17 GFC.

Art.3.3.The **Client** shall, by its own representative/proxy, provide all necessary documentation for customs clearance in the cases, where needed, and all documents that must accompany the goods during transportation. In the cases, where the cargo (goods) are transported outside the border of the Republic of Bulgaria, the **Client** shall complete the transport documents in the relevant foreign language and state all necessary reference required by the relevant international law agreements.

Art.3.4. Any costs caused by transport documents completed incorrectly by the **Client** shall be at its expense.

Art.3.5. **Client** shall, by its representative/proxy, ensure the safe, flawless and timing loading/unloading of goods onto or from the motor vehicle sent by the **Freight Forwarder** according to the instructions given by the **Client**. In reference with the cargo (goods) delivery and loading, **Client** shall be liable for declaration of any false data about the cargo in its accompanying documents, for damaging the motor vehicle at loading, for delayed loading, underloading, overloading and loading the vehicle in conflict with the established technical requirements, and for the damages caused by any other actions which are not carried out according to the agreed terms, statutory requirements or cargo (goods) specifics.

Art.3.6. If the **Client** withdraws a confirmed order, **Freight Forwarder** shall be entitled to receive, and the **Client** shall pay remuneration corresponding to any costs incurred by **Freight Forwarder** until the time of such withdrawal, but not less than 20% (twenty percent) of the value of the order so withdrawn.

IV. PRICES AND TERMS OF PAYMENT

Art.4.1. Remunerations for the performance of the assigned services shall be agreed in writing for each single shipment as referred to in Art. 1.2. of the General Terms and Conditions, namely: in an **Freight Forwarder's** Option in case of an Order Agreement not withdrawn by the **Client** and in an Offer Agreement, respectively, of the **Freight Forwarder**, confirmed by the **Client**.

Art.4.2. **Freight Forwarder** shall reserve its right to apply differentiated extra charges in the presence of peculiar circumstances related to the specifics of provided services and/or other service components, e.g.: material changes in fuel rates, deliveries in remote places not falling within the network coverage, subsequent cargo redirection, etc. **Freight Forwarder** shall notify the

Client in writing of any change in the agreed prices, as written form shall also be considered kept in case of a fax transmission or an e-mail message.

Art.4.3.Freight Forwarder shall reserve its right to claim reimbursement of any extra costs by the **Client** which are not included in the price as per Art. 4.1 of these General Terms and Conditions, as it shall be obliged to notify the **Client** of the presence of such costs.

Art.4.4.Transportation price shall be determined and paid by the larger of the values calculated on the basis of the volume weight or the gross weight.

Art.4.5.Freight Forwarder shall perform the service assigned by the **Client** against remuneration payable under the conditions of deferred payment (at agreed Credit Limit) or advance payment prior to transportation, as specified in the Agreement accordingly.

Art.4.6.Provided that there is a Credit Limit agreed, the parties agree that for the duration of the Agreement, **Freight Forwarder** may provide the **Client** with an opportunity to order transportation and to receive services to the extent of the fixed sum - Credit Limit. The amount and term for payment of the services by using a Credit Limit shall be set out and amended by the **Freight Forwarder** upon a written notice given to the **Client**, as the same have been fixed at the time of signing the Agreement, as specified therein. The **Client** shall make all payments towards the **Freight Forwarder** within the term fixed by the **Freight Forwarder**, as of the date of issuance of the relevant invoice. The parties agree upon the following conditions for granted Credit Limit, i.e.:

- the amount of the services, excluding VAT, for the services that have been ordered but unpaid by the **Client**, whether or not the due date for payment has occurred by the relevant invoices, may not, at any time for the duration of this Agreement, exceed the amount of the Credit Limit;

- if the amount of the Credit Limit has been reached, in case of ordering a next service, whereby the total amount of the ordered services but unpaid by the **Client** would exceed the fixed amount of the Credit Limit, the **Client** shall pay the **Freight Forwarder** at least such an amount that would reduce the debt to the extent of the Credit Limit. Debts shall be discharged in a chronological order depending on the date of issuance of unpaid invoices, whether or not their due dates of payments have occurred, starting with the oldest one;

- in case of exceeding of the fixed amount of the Credit Limit, **Freight Forwarder** shall have the right to deny services or to claim advance payment for performance of services assigned by the **Client**, and to request immediate payment of all or some of the debts at its option.

Art.4.7.In the cases where the **Client** assigns a service to the **Freight Forwarder** for forwarding of shipments at the Consignee's expense, the **Client** agrees and warrants that will pay the delivery of the respective shipment in case that the Consignee denies payment or such does not occur within 3 (three) days after the date of accepting the shipment regardless of the reason for that. In any case, **Freight Forwarder** may deny delivering the shipment to the Consignee, provided the latter has refused to pay. The **Client** shall also pay the costs related to the return delivery, as well as any other costs incurred by the **Freight Forwarder** for undelivered/unaccepted goods.

Art.4.8. **Client** shall pay the **Freight Forwarder** all outstanding sums payable on their due date without a rebate or deduction, whether or not these sums represent due remuneration for performed services or costs and damages incurred by the **Freight Forwarder**, which are, by virtue of these General Terms and Conditions or GFC, at the expense of the **Client** and/or third parties holding rights to the cargo

(goods).

Art.4.9. In case that the **Client** fails to pay the outstanding amounts within **30 (thirty) days after** the due date stated in the invoice, the **Client** shall pay a penalty in the amount of 0.1 (zero point one tenth)% per day on the amount overdue for each day of delay until its full payment.

Art.4.10. Freight Forwarder shall issue separate invoices for immediate payment for any extra demurrages, fines, etc., related to the goods, accompanied by a copy of the proof for the expenses so made.

Art.4.11. In each Offer/Order Agreement within the meaning of Art. 1.2 of these General Terms and Conditions the parties may agree upon compensations for the relevant transportation different in type and amount.

Art.4.12.In case that damages exceed the amount of the regulated penalty, **Freight Forwarder** shall be entitled to claim compensation for actually sustained damages in court proceedings.

Art.4.13. Freight Forwarder shall be entitled to retain the cargos/goods until full payment of all **Client/consignee'** debts.

Art.4.14.Freight Forwarder issues invoices to the **Client** for each service provided under the Agreement, stating also the due date of the relevant debt. Invoices so issued shall be forwarded via e-mail or delivered via courier service, or posted on file on **Freight Forwarder's** website (www.alog.bg) by the end of the business day when issued. Invoices shall be accessible by the **Client** through its user name and password, provided by the **Freight Forwarder** and stated in the Agreement.

The parties agree that from the date of forwarding via e-mail or delivering via courier service or posting the invoice on the **Freight Forwarder's** website, it shall be deemed duly delivered to the **Client** and shall be binding upon the latter for fulfillment of the money debts as issued. The **Client** may not rely on the fact that has not had access to the **Freight Forwarder's** website, unless on the day of finding so it has failed to send a written notice via e-mail for that end.

The parties agree that the invoices issued shall be delivered twice a year - by ____ and by ____ via courier service with a return slip at the address stated by the **Client**.

Freight Forwarder shall e-mail the **Client** a notice about the posted invoices in case that the latter has stated a valid e-mail address for correspondence in the Agreement.

V. CLAIMS

Art.5.1.Claims shall be filed and considered under the Convention on the Contract for the International Carriage of Goods by Road /CMR/ and the GFC's Rules.

Art.5.2. The right to filing claims resulting from performance of services governed by these General Terms and Conditions and the concluded Agreement, falling within the regulation of CMR Convention shall be canceled by one-year lapse of time within the meaning of Art. 32 of the CMR Convention.

Art.5.3.Filing a claim shall not release the **Client** from its duty to pay the freight for the performed transportation.

VI. AGREEMENT DURATION

Art.6.1. This Agreement shall become effective on the date of its signature by both parties for the period of one year.

Art.6.2. If neither party has made a written notice stating its desire to terminate the Agreement within 30 (thirty) days prior to expiry of the term as per Art. 6.1. of these General Terms and Conditions, it shall be extended automatically for another period of 1 (one) year. The rule for automatic extension of the Agreement shall apply multiply.

VII. AGREEMENT TERMINATION

Art.7.1. The Agreement may be terminated in the following cases:

- at any time, earlier, by either party upon a one-month written notice for termination by one of the parties sent via a registered mail or in other proper way at the other party's address. In case of termination of the Agreement for this reason, the party to whom the notice has been sent shall not be entitled to claim damages, lost benefits or engagement of any liability of the other party relating to the termination;

in late performance of the duties under the Agreement, these General Terms and Conditions and subsequent annexes representing an integral part thereof, which has lasted more than 15 (fifteen) days or in case of another material breach of the provisions of the Agreement, General Terms and Conditions, GFC and/or applicable statutory regulations, the innocent party may terminate the Agreement by written notice given to the default party yet representing a call for volunteer performance with a period for rectification of the breach not less than 5 (five) days. Termination of the Agreement for this reason shall not deprive the innocent party from its right to claim compensation for any damages it is entitled to get according to this Agreement and by law.

VIII. MISCELLANEOUS

Art.8.1. The contents of the Agreement is top confidential and may not be disclosed to third parties without the explicit written consent of both parties.

Art.8.2. The parties agree that conclusion and performance of the Agreement for its duration will be treated as a trade secret and as such it will not be disclosed.

Art.8.3. In case that individual provisions of the General Terms and Conditions become invalid either in full or in part, their invalidity shall not affect the validity of the other terms and conditions or their binding effect. The parties will renegotiate in good faith the provisions of each invalid provision, and if it is not possible to reach agreement, the latter will be replaced by law by the respective imperative legal principle.

Art.9.1. The parties shall determine and specify in the Agreement persons, addresses and contact phones in relation to the Agreement performance, to which offers, confirmations, notices, correspondence and instructions will be forwarded.

Art.9.2. The parties acknowledge that the contact persons stated by them as per the previous paragraph are their authorized representatives for signing the documents provided for in the Agreement, including they have the power to keep all correspondence

and undertaking obligations on behalf of the relevant party to the Agreement in relation to fulfillment of the duties thereof. Each party shall immediately notify the other party of any changes made in their addresses, fax numbers and e-mail addresses and/or of the contact persons, as failure that, all written correspondence addressed according to the previous article shall be deemed duly forwarded and received.

Art.10. Any matters unsettled or disagreements between the parties arising out of or in relation to the Agreement, including these concerning its interpretation, invalidity, default or termination will be resolved by the parties through negotiations in the spirit of good faith and understanding. In case of failure to reach out-of-court agreement, the dispute, if up to BGN 25,000, may be referred, by option of the innocent party, to the competent court for holding the relevant proceeding or to the Arbitration Court at the Bulgarian Chamber of Commerce and Industry in compliance with the rules for arbitration in internal matters of this Arbitration Court. All cases with a material interest exceeding BGN 25,000 shall be heard by the Arbitration Court at the Bulgarian Chamber of Commerce and Industry. In case that the material interest of the claim exceeds BGN 25,000 and the innocent party has chosen the Arbitration Court - the case shall be heard by one arbiter.

Art.11. The Agreement may only be supplemented and amended by the parties by their mutual consent put in writing.

Art.12. The provisions of the *Convention on the Contract for the International Carriage of Goods by Road (CMR)*, *European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR)*, *Customs Convention on the International Transport of Goods under Cover of TIR Carnets, Contracts and Obligations Act*, *GFC of NSBS*, *Commercial Act* and other statutory regulations concerning domestic and international transportation shall apply to any matters not explicitly settled in the Agreement and these General Terms and Conditions.