

GENERAL TERMS AND CONDITIONS

OF CONTRACTS OF CARRIAGE
OF ALOG LTD
(General Terms and Conditions)

GENERAL PROVISIONS

These General Terms and Conditions regulate the procedure and parameters under which ALOG LTD, with its registered office in the village of Kazichene, Metropolitan Municipality, Sofia City District and management address at: 9A Treti Mart Str., with UIC 200886662 (**Freight forwarder**), concludes contracts of carriage (Contract/s), with which it provides each person (**Client**) with services in the field of logistics, domestic and international forwarding in exchange for a fee.

In the text of the General Terms and Conditions, the **Freight Forwarder** and the **Client** are collectively referred to as **Parties**.

These rules are published on the Freight Forwarder's website and shall be considered brought to the knowledge of the Client, and with the fact of concluding the contract - as accepted by them. The **Client's** commercial terms and conditions shall not be applicable to the **Freight Forwarder**.

These General Terms and Conditions shall govern:

1. Subject matter of the Contract;
2. Obligations of the Freight Forwarder;
3. Obligations of the Client;
4. Prices and terms of payment;
5. Claims;
6. Term of the Contract;
7. Termination of the Contract;
8. Other provisions.

The parties shall agree that:

- The **Freight Forwarder** is a commercial company with developed activity in the field of provision of services in the field of logistics and domestic and international forwarding, having the status of a full member of the Bulgarian National Freight Forwarding Association (NSBS), according to Certificate No. 78/2010;

- For all activities and services performed by the **Freight Forwarder**, as well as in relation to all transactions concluded by the **Freight Forwarder**, these General Terms and Conditions shall apply, as well as the General Freight Forwarding Terms and Conditions (GFFTC) in their current version, according to the publication on the NSBS website: www.nsbs.bg. These General Terms and Conditions and General Freight Forwarding Terms and Conditions shall be an integral part of every contract concluded with a Client, and in the event of a conflict between them, these General Terms and Conditions shall apply;

- The **Client** is an entity using the services provided by the **Freight Forwarder** in exchange for a fee, the **Freight Forwarder** performing the same at their expense and/or for their benefit, and/or upon their assignment. By signing the Contract, the **Client** expressly declares that they are familiar with and fully accept these General Terms and Conditions, as well as the General Freight Forwarding Terms and Conditions;

- The parties testify to their common will to establish and develop fruitful business relations and mutual cooperation.

I. SUBJECT OF THE CONTRACT

Art. 1.1. The **Client** assigns, and the **Freight Forwarder** agrees to carry out and/or organize the transportation of **Client's** cargo (goods) at their own expense in exchange for a fee (price of the service), which the **Client** undertakes to pay to them in accordance with the terms and conditions agreed between the parties in the Contract.

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

- **Contract Request**, which is sent by the **Client** to the **Freight Forwarder** and which specifies the conditions under which the **Client** wishes the transportation to be carried out, including: type of transportation, date and place of loading, date and place of unloading, type, weight/volume, specific features of the cargo (goods), etc. The price, term and method of payment shall be determined by the **Freight Forwarder**. The **Freight Forwarder** can confirm the conditions of the contract request in whole or in part, having the right to offer different conditions for carrying out the transportation than those desired by the **Client**. If the **Client** does not withdraw the Request within 2 (two) hours of receiving the **Freight Forwarder's** confirmation containing the price, term, payment method and possible offers for any changes to the terms and conditions, the offer sent by the **Freight Forwarder** shall be considered to have been accepted by the **Client** and shall be binding to the parties with the terms and conditions appearing in the final version of the document. The **Freight Forwarder** shall be obliged to respond to the Request within 2 (two) hours (to each specific request) of receiving it.

- A **Contract Offer** that is sent by the **Freight Forwarder** to the **Client** and which specifies the conditions under which transportation can be carried out by the **Freight Forwarder**. The Offer shall be subject to confirmation by the **Client**, the latter being obliged to give their reply regarding it within 2 (two) hours of receiving it.

Art. 1.3. Samples of the Contract Request and Confirmation (Appendix No. 1) and the Contract Offer and Confirmation (Appendix No. 2) shall be attached as an appendix to the Contract. All Contract Requests, Contract Offers and confirmations by virtue of which the parties have agreed to carry out the carriage/s shall be considered an integral part of the Contract.

II. OBLIGATIONS OF THE FREIGHT FORWARDER

Art. 2.1. During the execution of the Contract, the **Freight Forwarder** shall act as an Operator within the meaning of the General Freight Forwarding Terms and Conditions with all rights, obligations and consequences arising therefrom. The **Freight Forwarder** shall undertake to perform the services with

due diligence, with professional skill and within a reasonable time. The **Freight Forwarder** shall assume responsibility according to these General Terms and Conditions and the General Freight Forwarding Terms and Conditions for the **Client's** goods during their transportation from the moment of their acceptance to the moment of their handover.

Art. 2.2. In compliance with the provisions of the General Freight Forwarding Terms and Condition, the **Freight Forwarder** shall undertake the following obligations when performing the subject of the Contract:

- undertake all possible and reasonable measures to implement the written instructions given by the **Client** (the written form shall also be considered complied with when provided by fax or e-mail);

- notify the **Client** if the instructions provided are insufficient or unenforceable;

- notify the **Client** if they consider that the condition of the packaging or the goods is not suitable for transportation;

- accept the goods for transportation and carry out the transportation, in accordance with the agreed conditions. The acceptance and handover of the goods shall take place according to external marks (number; type and condition of the packaging) and according to the documents provided to them, and they shall not be responsible for its contents, unless this is expressly agreed in a relevant Offer Contract / Contract Request under Art. 1.2.

Art. 2.3. In cases where the Recipient/Sender of the goods cannot be found at the specified address or when they refuse to accept/handover the cargo, the **Freight Forwarder** shall notify the **Client** within a reasonable time, their rights and obligations for storage, management and disposal of the goods, which has not been received/delivered due to such reasons being in accordance with Art. 39 and Art. 40 of the General Freight Forwarding Terms and Conditions, for which the **Client** shall give their express consent and shall authorize the **Freight Forwarder** to perform all the actions specified in the cited regulations.

Art. 2.4. The **Freight Forwarder** shall be responsible for the (entire or partial) loss, destruction or damage of the cargo (goods) being transported, unless the loss/damage is due to force majeure, the qualities or characteristics of the cargo (goods), or clearly unsuitable packaging, for which the **Freight Forwarder** has warned the **Client** or which could not have been noticed by the **Freight Forwarder**.

Art. 2.5. The **Freight Forwarder** shall not be responsible for any damages due to a delay in the execution of the transportation when the latter is caused by the incorrect performance of the **Client's** obligations regarding delivery, loading, provision of documentation or by the performance of other actions due under the Contract.

Art. 2.6. In case of complete or partial shortages, damage to the cargo (goods) or delay of the **Freight Forwarder**, the responsibility of the latter can only be engaged in the event that, within three days of receiving the goods, the **Client** sends them an invitation containing the reason for the responsibility of the **Freight Forwarder** and the amount of damages, and it is accompanied by copies of the documents that prove the claim for compensation.

Art. 2.7. The **Freight Forwarder** shall be entitled to receive remuneration for the services performed by them, in accordance with section IV of these General Terms and Conditions.

III. OBLIGATIONS OF THE CLIENT

Art. 3.1. The **Client** shall undertake, personally or through their representative, to load/provide the cargo (goods) to the **Freight Forwarder** in a condition suitable for transportation, depending on its type and the specifics of the transportation. The cargo (goods) should be properly

prepared, packed, marked and stabilized by and at the expense of the **Client**, in compliance with the standards for axle and gross load, to ensure its integrity and protection during the entire transportation and all accompanying customary handling and loading and unloading activities.

Art. 3.2. By entrusting the performance of a given service to the **Freight Forwarder**, the **Client** shall declare:

- that they are the legal disposer of the goods or their agent
- that they have the necessary information about the transactions for the execution of which they engage the services of the **Freight Forwarder**, including the terms of delivery of the goods;

- that they know the goods and their properties and that the given description is complete and accurate for the purposes for which the goods are handed over to the **Freight Forwarder**;

- that the goods are not the subject of transactions prohibited in the countries of departure, destination and transit, that they do not constitute dangerous or oversized cargo;

- that the goods are properly prepared, packaged and marked for the purposes for which they are handed over to the **Freight Forwarder** (unless the preparation, packaging and marking of the goods is the responsibility of the **Freight Forwarder**), as well as all other circumstances specified in Art. 17 of the General Freight Forwarding Terms and Conditions.

Art. 3.3. The **Client** shall undertake to provide, through their representative/proxy, the entire documentation for customs clearance, in cases where this is necessary, as well as all documents that must accompany the goods during transportation. In cases where the cargo (goods) is transported outside the border of the Republic of Bulgaria, the **Client** shall undertake to complete the transportation documents in the relevant foreign language and to indicate all the necessary details required by the relevant international legal agreements.

Art. 3.4. All costs caused by improperly completed transportation documents by the **Client** shall be at their expense.

Art. 3.5. The **Client** shall undertake to ensure, through their representative/proxy, the safe, unimpeded and timely loading/unloading of the goods on or from the vehicle sent by the **Freight Forwarder** according to the **Client's** written instructions. In connection with the delivery and loading of the cargo (goods), the **Client** shall be responsible for declaring incorrect data about the cargo in the accompanying documents, for any damage to the vehicle during loading, for any delay in loading, for any underloading, overloading and loading the vehicle contrary to the established technical requirements, and for any damage caused by any other actions that have not been carried out in accordance with what has been agreed, with regulatory requirements, or with the nature of the cargo (goods).

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

IV. PRICES AND TERMS OF PAYMENT

Art. 4.1. The remuneration for performing the assigned services shall be agreed in writing for each specific shipment in accordance with the provisions of Article 1.2. of the General Terms and Conditions, namely: in the **Freight Forwarder's** Offer in the presence of a Contract Request not withdrawn by the **Client** and, respectively, in the presence of **Freight Forwarder's** Contract Offer confirmed by the **Client**.

Art. 4.2. The Freight Forwarder shall reserve the right to apply differentiated additional charges in the event of any special circumstances in connection with the specifics of the services provided and/or other components of the services, such as: significant changes in fuel prices, deliveries to remote locations not covered by the network, subsequent rerouting of cargo, etc. For any change in the agreed prices, the **Freight Forwarder** shall notify the **Client** in writing, and the written form shall be deemed to have been complied with in case of notification by fax or e-mail.

Art. 4.3. The **Freight Forwarder** shall reserve the right to ask the **Client** for reimbursement of additional costs that are not included in the price under Article 4.1 of these General Terms and Conditions, and shall undertake to notify the **Client** of the existence of such costs.

Art. 4.4. The cost of transportation shall be determined and paid in respect of the greater of the values determined on the basis of volumetric weight or gross weight.

Art. 4.5. The **Freight Forwarder** shall perform the service assigned by the **Client** in exchange for a fee, payable as a deferred payment (with an agreed Credit Limit) or as an advance payment before carrying out the transportation, depending on what is specified in the Contract.

Art. 4.6. Provided that a Credit Limit has been agreed upon, the parties shall agree that during the term of the Contract, the **Freight Forwarder** may provide the **Client** with the opportunity to request transportation and receive services up to the specified Credit Limit amount. The amount and the term for payment of the services when using a Credit Limit shall be determined and changed by the **Freight Forwarder** with a written notification to the **Client**, and as of the date of signing the Contract, the same shall be fixed as indicated therein. The **Client** shall undertake to make all payments to the **Freight Forwarder** within the deadline set by the **Freight Forwarder**, starting from the date of issue of the relevant invoice. The Parties shall accept the following terms and conditions under the granted Credit Limit, namely:

- at no time during the validity of the Contract, the value excluding VAT of the services requested to be performed, but not paid for by the **Client**, regardless of whether the due date for payment on the relevant invoices has occurred, may not exceed the amount of the Credit Limit;

- if the amount of the Credit Limit has been reached, when assigning the performance of the next service with which the total cost of the assigned but unpaid services by the **Client** will exceed the maximum amount of the Credit Limit, the **Client** shall pay the **Freight Forwarder** at least such an amount as to reduce the debt up to the amount of the Credit Limit. Repayment of obligations shall be carried out in chronological order, depending on the date of issue of unpaid invoices, regardless of whether they are due for payment, starting from the oldest one;

- if the maximum amount of the Credit Limit is exceeded, the **Freight Forwarder** shall be entitled to refuse services or to demand an advance payment for the performance of services assigned by the **Client**, as well as to demand immediate payment of all or part of the obligations, at their discretion.

Art. 4.7. In cases where the **Client** assigns the **Freight Forwarder** a service for sending shipments at the Recipient's expense, the **Client** shall agree and guarantee that they will pay for the delivery of the relevant shipment in the event that the Recipient refuses payment or such payment does not follow within 3 (three) days from the date of acceptance of the shipment, regardless of the reason therefor. In all cases, the **Freight Forwarder** may refuse to deliver the shipment to the Recipient if the Recipient refuses to make the payment. The **Client** shall undertake to pay the costs of the return delivery as well as all other costs of the **Freight Forwarder** incurred due to the non-delivery/non-acceptance of the goods.

Art. 4.8. The **Client** shall undertake to pay the **Freight Forwarder** all amounts due on their due date, without deduction or set-off, regardless of whether these amounts represent due remuneration for services rendered or are expenses and damages incurred by the **Freight Forwarder**, which by virtue of these General Terms and Conditions or the General Freight Forwarding Terms and Conditions should be at expense the **Client** and/or any third parties having rights to the cargo (goods).

Art. 4.9. In case the **Client** does not pay the amounts due within **30 (thirty) days after** the due date specified in the invoice, the **Client** shall undertake to pay a penalty in the amount of 0.1 (zero point one tenth) % per day on the overdue amount for each day of delay until its final payment.

Art. 4.10. For the additional costs incurred for any lost time, fines, etc. related to the goods, the **Freight Forwarder** shall issue additional invoices for immediate payment, accompanied by a copy of the documents for the incurred costs.

Art. 4.11. In each Contract Offer / Contract Request within the meaning of Article 1.2 of these General Terms and Conditions, the parties may agree on different types and amounts of compensation for the relevant transport.

Art. 4.12. In the event that the damages exceed the amount of the agreed penalty, the **Freight Forwarder** shall be entitled to claim compensation for the damages actually suffered in court.

Art. 4.13. The **Freight Forwarder** shall be entitled to retain the cargo/goods until full payment of all obligations of the **Client** /recipient.

Art. 4.14. The **Freight Forwarder** shall issue invoices to the **Client** for each service provided under the Contract, which also states the due date of the corresponding obligation. Issued invoices shall be sent by e-mail or delivered by courier.

The Parties accept that as of the date of sending by e-mail or delivery by courier, the invoices shall be considered duly delivered to the **Client** and binds the latter to fulfill the monetary obligations for which it has been issued, including in relation to the payment maturity specified therein.

The Parties shall agree that the delivery of the issued invoices shall be carried out by a courier with a return receipt to the address specified by the Client.

The **Freight Forwarder** shall send invoices to the **Client** by e-mail, in the event that the latter has specified a valid e-mail for correspondence in the Contract.

Art. 4.15. In the event that the **Freight Forwarder** has provided the **Client** with a payment deadline, after issuing the invoice or performing the service, the **Client** shall lose their right to deferred payment if they default on any of their monetary obligations more than 10 days after their due date. For the avoidance of any doubt, all subsequent and prior obligations of the **Client** shall automatically become due on the date of issue of the invoice for payment due, at the latest. A new deferred payment is only possible after a written agreement between the parties.

Art. 4.16. The **Freight Forwarder** shall provide the **Client** with a store-free period (a period of time during which the goods can remain in the **Freight Forwarder**'s warehouse without payment of a fee) of 5 (five) calendar days, starting from the date of unloading the shipment.

Art. 4.17. Starting from the 6th (sixth) calendar day from the date of unloading the shipment, the **Freight Forwarder** shall charge and the **Client** shall owe storage fees in amounts as follows:

- Price for stay per 1 euro pallet with dimensions 120x80 cm - 0.5 euro, excluding VAT, for each day started;
- Demurrage price for a shipment smaller than 120x80 cm - 0.5 euro,

excluding VAT, for each day started;

- Demurrage price for a shipment larger than 120x80 cm - the dimensions

of the shipment shall be equated to the dimensions of a euro pallet with dimensions of 120x80 cm, and the fee shall be determined at a price of 0.5 euro, excluding VAT, for each starting day per 1 euro pallet when rounding up the amount (for example, a shipment with dimensions of 3x180 cm equals 6 euro pallets);

- Minimum price for a shipment to stay in a temporary warehouse - 5 euro,

excluding VAT.

Art. 4.18. In the event that the **Client** does not wish to receive transportation documents electronically and has expressly stated that they wish to receive the documents only by courier at the address specified by them, the **Freight Forwarder** shall charge and the **Client** shall owe an administrative service fee in the amount of BGN 15 (fifteen leva), excluding VAT, for each processed shipment.

V. CLAIMS

Art. 5.1. Claims shall be submitted and considered on the basis of the Convention on the Contract for the International Carriage of Goods by Road (CMR) and the rules in the General Freight Forwarding Terms and Conditions.

Art. 5.2. The right to make claims arising from the performance of services regulated in these General Terms and Conditions and the concluded Contract, which fall under the regulation of the CMR Convention, shall be extinguished with a one-year limitation period, pursuant to Article 32 of the CMR Convention.

Art. 5.3. The submission of claims shall not release the **Client** from their obligation to pay the freight for the transport carried out.

VI. TERM OF THE CONTRACT

Art. 6.1. The Contract shall enter into force as of the date of its signature by both parties with a period of validity of one year.

Art. 6.2. If within 30 (thirty) days before the expiration of the term under Art. 6.1. of these General Terms and Conditions none of the parties has made a written statement that they wish to terminate the Contract, it shall be automatically extended for a period of 1 (one) year. The rule for the automatic extension of the term of the Contract shall be applied multiple times.

VII. TERMINATION OF THE CONTRACT

Art. 7.1. The Contract can be terminated in the following cases:

- at any time, early, by either party upon one month's written notice of termination by either party sent by registered mail or by other appropriate means to the other party's address. Upon termination of the Contract on this basis, the party to whom the notice has been sent shall not be entitled to claim damages, lost profits, or incur any liability of the other party in connection with the termination;

- in the event of any delay in the performance of obligations under the Contract, these General Terms and Conditions and any subsequent agreements, which are an integral part thereof, lasting more than 15 (fifteen) days, or

in the event of any other significant violation of the clauses of the Contract, the General Terms and Conditions, the General Freight Forwarding Terms and Conditions and/or the applicable regulations, the defaulting party may terminate the Contract with a written notice sent to the defaulting party, representing at the same time an invitation for voluntary compliance with a deadline for remedying the violation of not less than 5 (five) days. Termination of the Contract on this basis shall not deprive the party in good standing of their right to seek compensation for all damages due under it and pursuant to it and by law.

VIII. OTHER PROVISIONS

Art. 8.1. The contents of the Contract shall be strictly confidential and may not be disclosed to any third parties without the express written consent of both parties.

Art. 8.2. The parties accept that the conclusion and execution of the Contract for the duration of its validity will be considered as a trade secret and as such will not be disclosed.

Art. 8.3. In the event that individual clauses of the General Terms and Conditions become entirely or partially invalid, their invalidity shall not affect the validity of the remaining terms or their binding force. The **Parties** will renegotiate, in good faith, the terms of any invalid clause, and in the event of an inability to reach an agreement, the same will be superseded by right by the relevant mandatory legal norm.

Art. 9.1. The Parties shall define and indicate in the Contract the persons, addresses and contact telephone numbers in connection with the execution of the Contract, to whom offers, confirmations, notifications, correspondence and instructions shall be addressed.

Art. 9.2. The Parties shall declare that the contact persons indicated by them in accordance with the previous paragraph are their authorized representatives to sign the documents provided for in the Contract, including the authority to conduct all correspondence and assume obligations on behalf of the relevant party under the Contract, in connection with the fulfillment of the obligations thereunder. Each of the Parties shall be obliged to promptly notify the other Party in writing of any changes in their addresses, fax numbers and e-mail addresses and/or contact persons, and if this obligation is not fulfilled, all written correspondence addressed in accordance with the previous article shall be considered duly sent and received.

Art. 10. All outstanding issues or disagreements between the parties arising out of or in connection with the Contract, including those relating to its interpretation, invalidity, non-performance or termination, shall be resolved by the parties through negotiations, in a spirit of good will and understanding. If it is impossible to reach an out-of-court settlement, the dispute, if it is up to BGN 25,000, can be referred, at the choice of the party in good standing, to the competent court for conducting the relevant proceedings or to the Arbitration Court at the Bulgarian Chamber of Commerce and Industry, in accordance with the arbitration rules in internal affairs of that Court of Arbitration. All cases with material interest of more than BGN 25,000 shall be considered by the Arbitration Court at the Bulgarian Chamber of Commerce and Industry. In the event that the material interest of the claim does not exceed BGN 25,000 and the party in good standing has chosen the Arbitration Court, the case shall be considered by one arbitrator.

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

Art. 12. The provisions of the Convention on the Contract for the International Carriage of Goods by Road (CMR), the European Convention on the International Carriage of Dangerous Goods by Road (ADR), the Customs Convention on the International Carriage of Goods under cover of TIR Carnets, the Obligations and Contracts Act, the General Freight Forwarding Terms and Conditions of NSBS, the Commercial Act and other normative acts relating to domestic and international transport, shall apply for the issues not settled in the Contract and in these General Terms and Conditions.