

General Terms of Sale – Podemcrane AD

I. Applicability of Terms

These Terms of Sale apply to all deliveries, offers and sales of Podemcrane AD (referred to hereinafter as “Podem”), unless otherwise agreed upon in writing. The Client is considered to agree with these Terms upon order acceptance but not later than delivery acceptance. These Terms apply to all long-term business relations with the Buyer, even if not explicitly agreed upon for such future periods.

II. Offers and Contract Conclusion

1. Offers are not binding. Until an order is confirmed in writing a contract is not deemed to be concluded. Podem’s written order confirmation is final regarding the scope of delivery.
2. All modifications and alterations of an order shall be valid only after written confirmation from Podem. Only written orders shall be accepted.

III. Technical documentation and Data

1. Technical documentation and information provided regarding operating costs, calculations, drawings, etc., shall be binding only when explicitly indicated in writing. Podem reserves the exclusive title and copyrights over all such documents submitted. Such documentation shall not be submitted to third parties without the prior written consent of Podem, and is subject to immediate return upon request.

IV. Production Standards

1. As a standard, the delivery shall be in accordance with the technical standards and regulations for safety applicable in Bulgaria and in countries within the European Union. In case the delivery is not for Bulgaria or a country within the European Union, it shall be in compliance with the applicable laws and regulations in the country where the goods, subject of the delivery, shall be used. The Buyer shall notify Podem about such laws and regulations in writing, and shall bear the additional costs, related to the adaptation of the goods to the requirements of the relevant country.

V. Price

1. Unless otherwise agreed upon in writing, the applicable prices are ex-works Podem plant, Gabrovo, VAT excluded. Costs for packing, transport, insurance on customer’s request, or other additional expenses, shall be charged separately.
2. Podem reserves the right to modify prices in case of changes of main parameters in the cost structure of the products.
3. The Buyer bears responsibility for all liabilities to the state (taxes, duties, fees, etc) arising outside Bulgaria in relation to the contract.

VI. Terms of Payment

1. Payments shall be effected through bank transfers in accordance with the agreed upon terms of payment. Payment shall be considered effected after Podem’s bank account has been accredited with the relevant amount.
2. In case of payment via letter of credit, section VII shall apply.
3. After the due date for payment the Buyer shall be considered in default without notification and reminder.

4. In case of overdue payment, notwithstanding other legal claims, Podem shall be entitled to a penalty payment for the days overdue based on an annual interest rate 10% over the base interest of the European Central Bank, or on the maximum admissible rate under the applicable law.
5. In case the Buyer does not fulfill its payment obligations, or if it is established that the Buyer does not fulfill its other contract obligations, Podem shall be entitled to terminate the contractual relations and to negotiate different or additional terms and conditions as well.

VII. Letter of Credit

1. The letter of credit shall be irrevocable and non-transferrable; partial shipments, bill of lading rent and transshipments shall be allowed.
2. The letter of credit shall be opened in a form acceptable to Podem not later than 30 days after date of contract conclusion with Podem, and shall be valid at least 30 days after the date of last shipment.
3. The letter of credit shall be opened and confirmed by an international bank, acceptable to Podem, and the amounts under it shall be released against presentation of suitable transport documents and commercial invoice.
4. In case Podem is unable to deliver the goods for reasons beyond Podem's control, the letter of credit shall become payable against presentation of commercial invoice and transport agency receipt or warehouse dispatch protocol.
5. The Buyer shall bear all costs related to opening, confirmation and elongation of the letter of credit, unless the contract stipulates otherwise.

VIII. Retention of Title

1. Podem retains title of ownership over the goods delivered until all obligations arising in relation to the contract with the Buyer are fulfilled
2. The Buyer shall immediately inform Podem in writing in case of confiscation or intervention of third parties concerning deliveries still in Podem's ownership.
3. The Buyer is entitled to resell the delivery within the normal course of business. However, the obligation to provide to Podem the amount invoiced endures.
4. In case of the contract being violated by the Buyer, Podem, subject to notification, shall be entitled to require the Buyer to restore the delivered goods, and the Buyer is obligated to restore them. The Buyer shall be responsible for all damages arising from the return of goods.

IX. Terms of Delivery, Transfer of Risk, Acceptance

1. All negotiated terms of delivery shall be interpreted in accordance with Incoterms 2010, unless otherwise explicitly agreed upon. In case different delivery terms are not negotiated, deliveries shall be ex-works Podem.
2. The risk of damage or ruin of goods shall pass from Podem to the Buyer in accordance with the negotiated terms of delivery. If such terms of delivery have not been agreed upon, the risk shall pass to the Buyer on the terms of ex-works Podem basis. This shall also apply to partial deliveries and to other additional activities as negotiated between the parties.
3. Podem shall be entitled to perform partial deliveries of orders provided they are reasonable from the Buyer's point of view.
4. The Buyer shall accept deliveries even in the presence of minor defects and these defects shall not infringe upon the right of warranty.

X. Delivery Time and Delays

1. The written order confirmation by Podem shall be conclusive regarding the delivery date. The delivery date shall be considered to have been met if prior to that date the goods have left the production plant or notice for readiness to ship has been issued.
2. Meeting the delivery date is subject to Podem receiving on time all documents from the Buyer, including the required approvals, official notifications, clarifications, confirmations of drawings and plans, advance payments, and other preliminary conditions as agreed upon by the parties.
3. Podem reserves the right to cease the performance of its obligations in the event of Force Majeure circumstances, such as mobilization, war, insurrection, strike, blockade, natural disasters, and other unpredictable events. This right shall be applicable

even in cases where the delivery period has begun. Podem shall immediately notify the Buyer of such circumstances and of their estimated duration.

4. In case Podem is responsible for the delay, and said delay has caused damages to the Buyer, the Buyer shall be entitled to compensation for the damages incurred, excluding further claims arising from the delay. The indemnity for damages incurred shall be 0,5% of the delayed delivery value for each full week of delay, but no more than 5% of said delivery value. Buyer's right to terminate the contract after reasonable prolongation of the delivery time remains unimpaired.

5. In case Podem is not responsible for the delay, the risk on the delivery shall pass to the Buyer and the Buyer shall pay storage costs amounting to 0,5% of the invoice value for each month or partial month, beginning 14 days after issuance of notification for readiness to ship. The storage charges are limited to 5% of invoiced value unless greater costs are proven. In addition, after providing the Buyer a reasonable postponement of the shipment date, Podem shall have the right to deliver the goods to the Buyer.

XI. Warranty

The warranty period shall be 24 (twenty four) months after the date of transfer of risk on the delivery. The warranty period for spare parts shall be 12 (twelve) months as of the date of transfer of risk on the delivery.

1. Podem is liable for product defects that show themselves within the warranty period as a result of circumstances that have existed prior to transferring the risk on the delivery, and reserves the right to analyze the reasons for the defect and the ensuing thereof level of responsibility. Upon identifying defects the Buyer shall immediately notify Podem in writing, indicating the serial number of the product, or the invoice number, as well as an adequate written description of the defect.

2. Damages arising during transportation shall be noted on the consignment note of the shipping company; a copy thereof shall be attached to the defect notification.

3. Podem shall bear the direct costs for additional deliveries or replacement deliveries within the warranty period, including cost of spare parts and transport, when required.

4. All parts replaced become property of Podem and shall be returned to the supplier for inspection. Goods shall be returned with detailed description and via standard transport at Podem's expense as follows:

- Europe: parts shall be collected in a container/carton and shall be sent once a quarter.

- Other countries: parts shall be collected in a container/carton and shall be sent after recommendation/approval from Podem.

5. If the technical department of Podem establishes that the parts are not defective or that there are no justifications to acknowledge the warranty claim, Podem shall notify the client thereof. The parts sent for replacement shall be invoiced to the client. If the part can be recovered/repared, Podem shall invoice the amount for the repair and shall sell the part later.

6. The warranty period for replaced or repaired parts is 12 months from the date of repair or replacement.

7. Excluded from warranty coverage are:

- parts subject to natural wear and accelerated wear due to material properties or usage (in particular see 8.1, 8.2, 8.3);
- damages from improper storage, improper or negligent handling or usage, improper assembly before operation, overloading, wrong installation, abnormal temperature conditions, defective construction works, chemical, electromechanical or electrical influences (in particular see 9);

- improper operation, service, and maintenance not in accordance with Podem instructions;

- repairs, modifications, and adjustments without Podem consent;

- using spare parts from other suppliers, not from Podem.

8.1. Parts subject to natural wear and accelerated wear in the chain hoists are:

- chain guide, lifting chain, rubber buffer, friction and brake disks, travel wheels, wheel flanges, pendant.

8.2. Parts subject to natural wear and accelerated wear in the rope hoists are:

- rope guide, rope, rubber buffer, rope roller, hook block, friction and brake disks, travel wheels, wheel flanges, pendant.

8.3. Parts subject to natural wear and accelerated wear in the end carriages and double rail crane trolleys are:-rubber buffer, brake disks, travel wheels, wheel flanges.

9. In case the products of Podem are installed and operated without original electrical equipment, frequency inverters or other control systems from Podem, Podem shall not be liable for the functionality of such components, for direct and indirect damages, losses, or physical injuries arising from the usage of nonoriginal control systems. The same applies in cases where Podem components are being installed without the knowledge of Podem on the actual usage of the components, differing from the standard industry usage.

XII. Buyer's Right of Termination

The Buyer shall be entitled to terminate the contract with written notification provided that:

1. Contract fulfillment becomes impossible for Podem. In case of partial impossibility, the Buyer is entitled to terminate the contract if the Buyer can prove that there are reasonable reasons to reject partial delivery; moreover, the Buyer shall be entitled to a justified price reduction. If such impossibility arises by fault of Podem, Podem remains bound to pay the contractual penalty for non-performance. If none of the parties bear responsibility for the impossibility, Podem is entitled to partial payment corresponding to the delivery performed by Podem.
2. The Buyer has stated in writing the intention to terminate the contract due to Podem's failure to perform timely its obligations, where the fault lies with Podem.

XIII. Podem's Right of Termination

Podem shall be entitled to terminate the contract at any time with written notification should unpredictable circumstances substantially affect the commercial aim or contents of the delivery, or should the financial status of the Buyer deteriorate considerably. In case Podem terminates the contract, Podem shall inform the Buyer immediately after the events, substantiating the termination, become known.

XIV. Limitation of Liability

1. The liability of Podem shall be limited to the value of the actual direct damages incurred by the Buyer, or to the price paid by the Buyer to Podem for the delivery or the replacement of the delivery – whichever is less. Any other liabilities or claims for damages over the above mentioned, based on any legal grounds, shall be excluded. In no case shall Podem be liable for special, penal, indirect or collateral damages including, but not limited to loss of production, financial losses, loss due to impossibility of usage, or loss of contracts.
2. The limitation of liability shall not apply in case of deliberate wrongful action, gross negligence, threat of health and life, or wrongful non-performance of significant contractual obligations by Podem. In case of non-performance of significant contractual obligations Podem shall be liable only for predictable damages, typical for the type of contract, in the absence of wrongful actions, gross negligence, threat of health and life.

XV. Transfer of Contractual Rights

The Buyer shall not be entitled to transfer contractual rights to third parties without the prior written consent of Podem.

XVI. Settlement of Disputes. Jurisdiction

1. All disputes arising from or in connection with these terms or the contract shall be settled by the Court of Arbitration with the Bulgarian Chamber of Commerce and Industry in compliance with its Regulations regarding contracts with arbitration clauses.
2. In addition, Podem shall be entitled to initiate legal actions in the domicile of the Buyer.



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