



M+S HYDRAULIC

General Terms and Conditions of Sales

Preamble:

These General Conditions shall apply when the parties agree in writing. When the General Conditions apply to a specific contract, modifications of or deviations from them must be agreed in writing.

* In such case a party does not agree, this shall be declared in written form as well.

Wherever these General Conditions use the term in writing, this shall mean by document signed by the parties, or by letter, fax, electronic mail and by such other means as are agreed by the parties.

How to order:

All of the orders placed in M+S Hydraulic are follow to be in written form. M+S Hydraulic shall send a purchase order confirmation within 5 (five) days from the date of reception of the order. Any objections on the purchase order confirmation(s) sent to the customer are follow to be send back within 5 (five) days from the date of its receiving. After this period the Purchase order confirmation(s) will be considered for accepted. All of our customers are welcome to use our **24-hour fax service at +359 431 64114 or +359 431 64087** as well as our e-mail **msh@ms-hydraulic.com**. Please feel free to direct all of your inquiries and requests to the references given above.

Product availability:

We build our hydraulic products as they are ordered, so there is manufacturing time to be added to all product orders. Please feel free to contact with us for estimated delivery times.

Payment policy:

Our usual terms of payment are remittance in advance by telegraphic (wire) transfer or money order transfer in advance to our bank accounts.

Unless otherwise agreed all the payment shall be made in the currency stipulated previously in the contract and mentioned in our Pro Forma Invoice (Invoice).

Payment by bills of exchange or cheques shall not be accepted.

The Customer has no right to require Original Invoice before the payment and or shipment of the goods is done. For advanced payments M+S follows to issue a Pro Forma Invoice to the customer.

In case there is a delay of payment (full or partial) from customer, M+S has the right to claim a compensation and respectively the customer shall be charged with penalty interest.

The customer has no right to deduct a certain amounts payable to M+S Hydraulic unless it is stipulated in written between both parties.

Prices & Specifications Policy:

All prices are FCA Kazanlak (free carrier), Bulgaria (Incoterms 2010) unless otherwise clearly indicated in written form. As we continually work to improve our production and service, our prices, terms of sale and product specification are subject to change without prior notice.

For purchase orders with production time less than 4 (four) calendar weeks after the date of receiving the order +5% should be added on the net price of the goods.

Delivery/Shipping/Policy:

All shipments are FCA Kazanlak, Bulgaria;

Shipping (freight) costs for all items will be billed to the customer unless otherwise noted. These charges will be paid by the customer. We are not responsible for items damaged during shipping. It is the customer's responsibility to fill a claim with the carrier. We will, however assist and support you in filling a claim and getting a settlement;

Two shipping addresses are allowed per order;

Unless previously agreed in written any and all additional charges, such as, but not limited to, freight charges, insurance premiums, fees for export, transit, import and other permits, as well as for certifications, shall be paid by the customer.

Likewise the customer shall bear any and all taxes, fees, levies, custom duties as well as those which are levied out of or in connection with the contract, or shall refund them to the supplier against adequate evidence in case the supplier is liable for them.

While M+S Hydraulic will do everything possible to meet acceptable delivery dates, such as may have been quoted or acknowledged by our sales representatives, these are only estimated dates of shipment because they can sometimes take longer due to unexpected shortages in raw materials, available cargo space on airlines and custom clearance delays;

In the event a client fails to pay within 30 days for any work completed, M+S Hydraulic has the right to sell, dispose of, or use any such material on hand in any way the company chooses. M+S Hydraulic preserves its legal property right over the delivered goods until the payment due for those goods is settled by the customer.

Force Majeure:

Either party shall be entitled to suspend performance of his obligations to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive

military mobilisation, insurrection, requisition, seizure, embargo, restrictions in the use of power and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this Clause.

A circumstance referred to in this Clause whether occurring prior to or after the formation of the contract shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the formation of the contract.

The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

Withdrawal from the obligation:

The unforeseen circumstances quoted in Force Majeure section above shall give us the right to unilateral suspension from a contract without preliminary notice in case that leads to considerable negative effects to M+S Hydraulic as well.

The right to unilateral suspension from a contract remains always in such case that M+S Hydraulic finds impossible to perform further deliveries owing to circumstances beyond its control.

In case of unilateral suspension from a contract due to unforeseen circumstances or circumstances beyond of our control, the customer has no right to compensation or remedy for any kind of damages, harms, consequential or indirect losses due to the contract suspension.

Warranties:

All of the goods sold by M+S Hydraulic are covered by the following product warranties.

M+S Hydraulic warrants, that its products are free of defects in material or workmanship. This warranty will apply only to defects appearing within 2 years after the date of production of product. If Customer notify M+S Hydraulic within the above period about any defects, M+S, at its sole option will replace or repair the defective products.

When a defect in a part of the Product has been remedied, the Supplier shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of two years. For the remaining parts of the Product the period mentioned above shall be extended only by a period equal to the period during which the Product has been out of operation as a result of the defect.

The Purchaser shall without undue delay notify the Supplier in writing of any defect which appears.

Such notice shall under no circumstance be given later than two weeks after the expiry of the two years warranty period mentioned above. The notice shall contain a description of the defect. If the Purchaser fails to notify the Supplier in writing of a defect within the time limits, he loses his right to have the defect remedied. Where the defect is such that it may cause damage, the Purchaser shall immediately inform the Supplier in writing. The Purchaser shall bear the risk of damage resulting from his failure so to notify.

If the Purchaser has given such notice as mentioned and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he has incurred as a result of the notice.

The Purchaser shall at his own expense arrange for any dismantling and reassembly of equipment other than the Product, to the extent that this is necessary to remedy the defect.

Defective parts which have been replaced shall be made available to the Supplier and shall be his property.

The Supplier is not liable for defects arising out of materials provided, or a design stipulated or specified by the Purchaser.

The Supplier is liable only for defects which appear under the proper conditions of operation and under proper use of the Product.

The Supplier's liability does not cover defects which are caused by improper maintenance, incorrect installation or faulty repair by the Purchaser or his agent, or by alterations carried out without the Supplier's consent in writing.

The Supplier's liability does not cover normal wear and tear or deterioration.

M+S shall not be liable for defects in any part of the Product for more than two years from the beginning of the period.

THE FOREGOING LIMITED WARRANTY IS AVAILABLE ONLY IF "M+S HYDRAULIC" IS PROMPTLY NOTIFIED IN WRITING OF THE ALLEGED DEFECT AND DOES NOT COVER FAILURE TO FUNCTION CAUSED BY DAMAGE TO THE PRODUCT, IMPROPER INSTALATION, UNREASONABLE USE OR ABUSE OF THE PRODUCT DUE TO THE PHYSICAL ENVIRONMENTS OF AN USUAL NATURE. THE FOREGOING REMEDIES ARE THE SOLE AND EXCLUSIVE REMEDIES AVAILABLE TO CUSTOMER.

Limitation of liability:

M+S Hydraulic's liability for any claim of any kind, for any loss or damage arising out of, connected with or resulting from an order, or from the performance or branch thereof, or from the design, manufacture, sale delivery, operation or use of any of its products shall be limited to, at M+S sole option, replacement, repair of any defective product or the issuance of a credit to Customer against any future purchases. Cash refunds will not be entitled to recover any damages of any kind against M+S Hydraulic, including but not limited to incidental or consequential damages, whether direct or indirect, known or unknown, foreseen or unforeseen.

M+S Hydraulic shall not be liable for any damage to property caused by its products after they have been delivered and whilst they are in possession of the Customer. M+S Hydraulic shall not be liable for any damage manufactured by the Customer as well, or to products of which the Customer's product form a part.

In such occasions if M+S Hydraulic incurs liability towards any third party for such damage to property as described in the previous paragraph, the Customer shall indemnify, defend and keep M+S Hydraulic harmless. If a claim for damage as described above is lodged by a third party against one

of the parties, the respective party shall forthwith inform the other party thereof in writing.

Both parties (M+S Hydraulic and Customer) shall be mutually obliged to let themselves be summoned to the arbitral court examining claims concerning damages lodged against one of them on the basis of damage allegedly caused by the use of our product.

Returned material policy:

We will normally accept returned material under the conditions mentioned in "Warranties" section and accompanied with the following relevant documentation required:

A/ In case of returning back claimed goods for repairing

Pro-forma invoice, as the applicated for customs use price should be the same as the price in the export invoice of M+S Hydraulic.

Claim protocol, where must be fixed exact faults of the returned products, as well as the number of M+S's export invoices with which the goods had been delivered. It is necessary to be written also the term /period/ of returning of repaired goods as well as must be written, that the goods must be received back.

It is necessary the claimed products to be accompanied by Certificate of Movement EUR.1, or declaration in the pro-forma invoice, that the goods are of Bulgarian origin.

B/ In case of returning back goods, which will not be repaired:

Invoice, as the applicated price must be the same as the price in the export invoice of M+S Hydraulic.

It is necessary the claimed products to be accompanied by Certificate of Movement EUR.1, or declaration in the pro-forma invoice, that the goods are of Bulgarian origin.

Please NOTE that ALL of the above follows to be observed when you send back claimed goods.

Consequential losses:

Unless otherwise stated in these General Conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever.

Jurisdiction, disputes and applicable law:

All disputes between the parties including those arising out of or in connection with the contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules.

All contracts shall be governed by Bulgarian law.

NOTES:

All of the above terms and Conditions could be changed upon written agreement between M+S Hydraulic and the customer.