

GENERAL COMMERCIAL TERMS AND CONDITIONS OF "DAMVENT" LTD

I. SUBJECT MATTER AND GENERAL PROVISIONS.

1. These General Commercial Terms and Conditions (GCTC) execute the commercial contractual relationships between "**DAMVENT**" LTD and any company or person who has assigned "**DAMVENT**" LTD production and supply of ventilation and air-conditioning equipment.
2. For the purposes of these GCTC the specified hereinafter terms have the following meaning:
 - 2.1 "Contractor" - "DAMVENT" LTD, registered in the Commercial Register to the Registry Agency, with UIC 102905523;
 - 2.2 "Equipment" or "facility" : ventilation and air-conditioning equipment, produced by "DAMVENT" LTD.
 - 2.3 "Assignor" – a company or person, who has received an offer and /or has made an order, and/ or has signed a written contract with the Contractor for the construction of a particular facility.
 - 2.4 "Offer" - a proposal of the Contractor, addressed to the client. Contractor's offer shall be valid for thirty (30) calendar days from the date of dispatch to the particular client, unless in the offer itself is not specified another term.
 - 2.5 "Confirmation of order" or "contract" : a written statement of both parties, sent to the other party by fax, e-mail or another way, thus Assignor accepts the made with the offer the proposal to the Contractor, and the Contractor confirms that it will produce and deliver the equipment , according to the specified in the confirmation or in the contract terms. An integral part of the "Confirmation of an order" or "contract" are signed, by the Assignor's side, approved technical schemes of the specific technical equipment, technical descriptions, if any, and prints from the specialized software for selection DV_Select, if the specific equipment is provided for such.
 - 2.6 Transmission of the equipment : providing of the produced equipment in keeping by the Assignor, which shall be certified by handover protocol, signed by both parties or their representatives.
 - 2.7 Force - majeure circumstances: circumstances or events constituting, representing an objective obstacle to fulfill the obligations of the parties, fully dependent on and due to unforeseen or unpredictable events or factors beyond the control or the actions of the parties, and therefore not subject to prevention.
3. The present GCTCs are mandatory both for the Contractor and the Assignor, and are an integral part of the confirmation of the order or specific contract, concluded between them. Amendments and supplements to these Commercial Terms and Conditions may be made by mutual agreement of the parties, expressed in writing.
4. Acceptance of the General Terms and Conditions by the Assignor shall be made after studying them, by signing a specific contract or order confirmation.
5. By accepting the General Terms and Conditions, the Assignor shall be deemed informed and gives its explicit consent, that the personal data within the meaning of the PDPA (Personal Data Protection Act), which he/it provides or has provided, are voluntarily provided and can be used for the purposes set out in these GCTC, in the specific contract, order confirmation and / or addendum thereto.
6. The present General Terms and Conditions are published on the website of "**DAMVENT**" LTD in Internet. (www.damvent.com).

II. EXECUTION OF ORDER FOR MANUFACTURING OF VENTILATION EQUIPMENT

1. The Contractor starts the manufacturing of specific equipment, after signing by the Assignor's side, of a specific contract or "Order Confirmation", with the annexes to them and payment of 60% (sixty percent) of the price of a particular facility. After the execution of these two conditions, starts the time limit for execution of the contract order.
2. In the event, that in the order confirmation the Assignor has registered additional conditions, the same are not binding for the Contractor, unless the latter agrees with them in writing.
3. The Contractor shall develop and deliver within the agreed between the parties period the ordered equipment, which, by type, quantity and quality corresponds to the agreed in the "Contract" or "Confirmation Order" and the approved by the Assignor's side technical schemes of the equipment and prints from the specialized software for selection DV_Select, if the specific equipment is provided for such.
4. THE CONTRACTOR shall not be liable for delays at the manufacturing and/or delivery and transfer of the equipment, due to some force – majeure circumstances. In such cases, the deadline for production and /or transmission of the equipment shall be extended by the time, during which there has been a relevant force majeure circumstance.

III. SUPPLY AND TRANSMITTING OF THE EQUIPMENT

1. The delivery of the equipment shall be performed in the following ways:
 - 1.1 Where the transport is at the expense of the Contractor - in these cases, it shall provide at its own expense and risk for the Assignor, the transport for the agreed equipment to the specified in the contract by the Assignor address / object. In this case, the Assignor is obliged to arrange for their own account, the unloading the equipment at the site. Unless otherwise agreed another in writing and signed by both parties, the Contractor undertakes not to supply equipment to the Assignor's site in a given hour.
 - 1.2 Where transport is at the expense of the Assignor - in these cases, it is obliged to provide for their own risk and expense, the transport for the agreed equipment to its site. All costs, associated with load-handling operations at the transmission of the equipment, shall be borne by the Contractor. Delivery terms are EX Works of Damvent LTD in the town of Burgas.
2. The transmission of the equipment becomes after signing a two-sided handover protocol. Authorized to sign the handover protocol by the side of the Assignor has only it/he, if he is a physical person or his legal representative, if it is a legal entity, and expressly authorized by the Assignor third party/individual, including carriers and forwarders. For signing each packing slip (handover protocol), the Assignor shall, before the agreed delivery date, to notify in writing, including by fax or e-mail the Contractor, which authorized person will receive the equipment. In case that the Assignor does not fulfill its obligation under the preceding sentence, the Contractor has the right to refuse the delivery of the equipment.

3. About his readiness to transmit the ready facility, the Contractor, in writing, by fax, e-mail or another way, notifies the Assignor.

3.1 Where delivery is EX-Works to the Contractor within five (5) days, from the date of receiving the notification under the preceding paragraph, the Assignor is obliged to appear at the Contractor's plant to receive the manufactured facility.

3.2 Where delivery is at the expense of the Contractor, the Assignor, within three (3) days from the receipt of the notification under point 3, is obliged to indicate the day, on which the equipment will be accepted at a given by him address / site. In this case, the parties agree in writing the specific day for delivery. If the delivery is to be made to an address / site on the territory of the Republic of Bulgaria, the particular day for delivery should be within 10 (ten) days from the date of receipt of the notice under p. 3 by the Assignor.

4. If delivery cannot be made, not by fault of the Contractor or its agents, the equipment will be stored with the due diligence, on the territory of the Contractor's plant. Also, in these cases, the Contractor reserves the right, at the risk and expense of the Assignor, to submit the equipment for storage and safekeeping to third person. The Assignor will be responsible for all costs of storage, unloading, loading and delivery.

5. In case, that the Assignor does not accept the equipment within twenty (20) days after receipt of the notice under point 3, then the Contractor, if he does not exercise his right to rescind the contract, has the right, after notifying the Assignor in writing, to sell the manufactured equipment to a third party/person. In this case, the Assignor will have to wait for the whole production process of the desired by him equipment again.

IV. PRICE AND FORM OF PAYMENT

1. The Assignor shall pay the Contractor his/its rightful remuneration under the terms, conditions and time agreed and described in the "Confirmation Order" or in the Contract between the two parties.

2. The cost of the equipment and the form of payment under these conditions are individually negotiated between both parties and duly recorded in the "Order Confirmation", and / or in the contract, if provided to any.

3. At the absence of additional arrangements, all payments shall be made as follows: an advance payment in an amount of 60% of the agreed price - upon signing/concluding the contract, respective signing by the side of the Assignor to the "Confirmation of Order", the remaining 40% of the amount due - not later than 2 (two) days before the date of delivery of the manufactured equipment.

4. Unless otherwise agreed, the price of the equipment is paid in the following currency: for the territory of the Republic of Bulgaria, the prices are in "Bulgarian leva" (BGN), and for all other countries are in the "Euro" (EUR). The relevant currency should be mentioned (recorded) in all related transaction documents (Offers, Proforma Invoice, Order Confirmation, Invoices, Contracts etc.).

5. In the event, that between the parties is agreed a deferred payment of the cost of equipment, then at a delay by the Assignor to pay the installment due in more than ten (10) days from the date on which the obligation had to be paid, then the entire amount is past due, regardless of the maturity of future contributions are not occurring. In this case, the Contractor reserves the right to suspend the operation of the facility, including by activating a predefined setting in the control system of the equipment. Provided that the Contractor suspends the operation of the facility, then it/he will not bear any responsibility for any damages, caused to the Assignor or other third persons / party.

V. OWNERSHIP OF THE EQUIPMENT, RISKS AND COMPENSATION

1. The Assignor becomes a full owner of the equipment, after payment of its full value, regardless of the fact of conveying equipment. Until its full payment, the equipment remains a property of the Contractor.

2. To the payment of the full cost of the equipment, the Assignor has no right to dispose in any way with the received facility, including to sell it, to process/remodel it, or to combine it with other objects.

2.1 In the event, that the Assignor performs any actions, leading to processing, merger or combination of equipment, owned by the Contractor, to other things, then the Contractor shall acquires a joint ownership on the new item, in proportion to the value of equipment, owned by the latter to the other items.

3. If to the equipment, owned by the Contractor, there is a seizure on accounts payable, of the Assignor to third parties/persons, then the contracting Assignor is obliged to notify immediately the Contractor in writing, about the occurrence of that circumstance.

4. From the time of the taking of the facility (whether paid the full value of the equipment or not), the Assignor assumes a full financial liability in case of theft, loss or damage of the equipment, and damages, caused by equipment, to other property or third parties, including when such damages are a result by the behavior of its employees, third parties or due to other objective reasons.

5. Where agreed between the parties suspension price of the equipment, the legal representative of the Assignor – a legal person shall underwrite the obligations of the Assignor to pay the full cost of equipment subject to this Agreement, and all consequences of failure to do so including interest, penalties and costs of the claim by the creditor "DAMVENT" LTD. In this case, the guarantor (the underwriter) will meet jointly with the Assignor for the performance of its obligations under the contract.

VI. CLAIMS AND WARRANTY CONDITIONS

1. Upon receipt of the equipment, the Assignor is obliged to review it and to make any objections for visible defects, which must be noted in the handover protocol. In the event that, within three (3) days of receipt of the equipment, the Assignor fails to notify in writing the Contractor about non-compliance of the equipment with the agreed, it will be considered that the assigned work is accepted without objections, and the order has been carried out as agreed.

2. If the claim is made late, or the equipment is processed or handled in any form without a written consent of the Contractor, then the Contractor's liability for the sale of an item with defects is eliminated.

3. For timely and reasonably incurred returns/claims, the Contractor shall be entitled to choose between a reasonable reduction of the price, correction on his behalf of the equipment, or to replace equipment with a new one.

4. The warranty of the manufactured facility is 24 (twenty four) months from the date of delivery of the same and is valid only on production of legible and properly completed warranty card by the Assignor.

4.1 The guarantee of the facility is 24 (twenty four) months, and applies only at maintenance, performed by service specialists of "Damvent" LTD at the end of the first twelve (12) months, in completed order for prevention by the Assignor or his client. The prevention is paid by the Assignor. The deadline for implementation of the application is 20 days from the date of the receipt. The warranty conditions of the equipment,

subject of this contract/order, are listed on the website of the Contractor: www.damvent.com. With the signing of the Contract, or the "Order Confirmation", the Assignor declares, that he is familiar with them and accepts them.

5. The Contractor shall ensure a normal operation of the equipment supplied by him, under the terms and conditions, described in the Installation Manual and Maintenance Manual. In case of defects, found during the warranty period, the Contractor shall examine each request, and check the equipment, subject to such conditions or additional contract, which is believed to be defective. Any damage, due to faulty material or workmanship defect by the Contractor is removed, or, at the discretion of the Contractor, are provided free new materials (components), instead of the identified by the Contractor defective ones.

6. The Contractor shall remove all damages and deviations from the quality requirements, that have occurred within the warranty period, except where failures and deviations are caused by improper installation, improper operation or unauthorized interference. The Contractor shall not be liable for any damages or costs incurred or suffered in connection with the equipment under this contract in its use by the Assignor or third parties/persons. In these cases, the Assignor owes to the Contractor the cost of the repair, travel and transportation costs.

7. The warranty liability of the Contractor is eliminated also in case, that the equipment is modified by the Assignor, its employees or third persons, in any way and for any reason.

VII. DESCRIPTIVE PART

The Contractor reserves the right to change the technical parameters of the equipment, shown in the correspondent technical documentation, as technical descriptions, drawings with specified dimensions and weight, technical printouts from the software selection DV_Select etc., which changes lead to improved quality of facility, in which case the changes will not be considered for diversion of equipment supplied to the original contract.

The descriptive part illustrations, technical descriptions, technical printouts from the software selection DV_Select, the estimates of the performance, dimensions and weights, contained in the documents, issued by the Contractor, shall be considered as indicative only, and not binding on the Contractor in any way. The policy of "Damvent" LTD aims continuing improvements and may change the design at any time, without prior notice.

VIII. LIABILITY FOR FAILURE, TERMINATION OF THE CONTRACT

1. In case of delay by the Assignor of any payment of the cost of the equipment, as agreed between the parties, the Contractor shall pay the penalty at a rate of 0.5% (zero point five percent) of the delayed payment per day, for each day of delay, but not more than 10% of the facility price.

2. In case the delay in the previous section continues for more than ten (10) calendar days, the Contractor shall be entitled to cancel the contract by sending a written notice to the Assignor, without giving sufficient time for implementation, in which case the Assignor owes to the Contractor a penalty, amounting to 30% of the price of the facility.

3. In the event the Contractor delays the production of the equipment with more than 15 (Fifteen) days, the Contractor due to the Assignor a penalty for delay in the amount of 0.5% of the amounts paid by the Assignor under the contract per day, but not more than 10% of the same.

4. In case the Assignor does not appear to receive the equipment over a period of 15 (Fifteen) days from the date of notification to the Contractor under Section III, point 3 of the present GCTC, the Contractor shall charge to the Assignor a warehousing (costs of keeping and storage of the equipment), amounted to € 50 per day until receiving the equipment.

4.1 In case the Assignor does not appear to receive the equipment, or unreasonably refuses to accept it with more than 30 (Thirty) days after notification under Section III, point 3, the Contractor shall have one of the following options:

4.1.1 To terminate the present contract by sending a written notice to the Assignor, without giving him a sufficient time for implementation, in which case the Assignor shall pay the Contractor a penalty of 30% of the facility and the amounts of guard and storage equipment (warehousing). If the ordered equipment is specific (not standard for the Contractor) and is produced by special assignment of the Assignor for a particular site, at termination of the contract the Assignor owes to the Contractor a penalty in an amount of 50% (fifty) percent of the cost of the equipment, and the amount charged as warehousing.

4.1.2 At a risk and at an expense of the Assignor, to forward the equipment to be kept by a third party.

5. In the event of termination of the contract by the Contractor due to the fault of the obligations of the Assignor, from the amounts, repayable to the Assignor, the Contractor shall be entitled to retain the sums due to him as default and warehousing.

6. In the event of termination of the contract by the Contractor, due to the fault of the obligations of the Assignor to pay the cost of the equipment, provided that the same has been submitted to the Assignor, the Assignor shall, within 3 - days from the termination of the contract, at his own expense, to return the facility in the factory of the Contractor in the form in which it was received. If, within this period, the Assignor does not return the equipment to the Contractor, the same shall pay a penalty at a rate of 0.5% (zero point five percent) of the price of the equipment per day for each day of delay, but not more than 20% of the cost of the same.

7. The Contractor shall be entitled unilaterally to terminate its contract with the Assignor in the event of any of the following circumstances:

7.1 If with regard to the Assignor - a legal entity or other party, there are open bankruptcy proceedings;

7.2 If with regard to the Assignor - a legal entity or other party, there are started proceedings for a declaration of liquidation;

IX. HEALTH AND SAFETY WORKING CONDITIONS

1. Pursuant to the Health and Safety Working Conditions Act, and regulations to which it refers, and to ensure a greater security, safety, and reduce the risk to human health for proper operation, at the request of the Assignor, the Contractor shall provide information about the proper way to install the equipment. Installation of the equipment requires skilled professionals. Liability of the Assignor to take the necessary measures to ensure appropriate information, corresponding to the equipment, and be accessible to anyone, who delivers it to the Assignor.

X. NOTIFICATION

1. Any documents, messages, notifications, etc. between the parties, will be considered valid only and solely if they are in a written form and are sent to the specified addresses in the contract (Order Confirmation), including by fax or e-mail.

2. In case of change of the mentioned addresses for correspondence in the contract (Order Confirmation), each of the parties is obliged to notify in a written form the other party in a seven days term from the change. Otherwise documents, notifications, summonses and others will be deemed to be received with proper proof of their submission.

XI. GENERAL PROVISIONS

1. For all unsettled in these General Terms and Conditions issues, the provisions of the acting Bulgarian legislation are applied.

2. If a dispute arises under a contract or agreement for sale or supply, the parties will settle them voluntarily and in good faith. If a negotiation cannot reach an agreement, all disputes in connection with these "Commercial Terms and Conditions" will be decided by the competent court in Burgas, Bulgaria, using the Bulgarian legislation.

3. In the event that any provision of these Terms and Conditions is invalid, this will not affect the validity of any other.

4. These General Commercial Terms and Conditions may be amended or supplemented by "DAMVENT" LTD. as the relevant amendments enter into force upon the date of their publication on the website of the Contractor – www.damvent.com

5. These General Commercial Terms and Conditions for the delivery of ventilation and air-conditioning equipment are made from "Damvent" LTD, registered in the Commercial Register to the Registry Agency, UIC 102905523, with headquarters in the town of Burgas, Todor Grudov Blvd., and are valid from 01.06.2013.