

General Terms and Conditions of KTITOR Co.,Ltd.

I. Applicability of General Terms and Conditions of KTITOR Co.,Ltd.

1. Unless the parties have expressly agreed otherwise, these "General Terms and Conditions of KTITOR Co.,Ltd., Bul. AVNOJ 74/3, Skopje, Macedonia, registered number 6813801, (current as of December 2021)" (hereinafter "Terms and Conditions") govern all supplies of machine or machine parts (hereinafter "Machines") as well as the provision of services by KTITOR Co.,Ltd. (hereinafter "KTITOR").
2. The Customer's order constitutes a binding offer made by the Customer to KTITOR, by which the Customer is bound for a period of four weeks after KTITOR's receipt thereof. The agreement is not concluded unless KTITOR has expressly accepted the Customer's order by issuing a written order confirmation.
3. Any oral commitments made by KTITOR prior to the execution of the agreement are non-binding in a legal sense, and a written agreement supersedes any oral agreement made between the parties that does not specify that it is to continue in full force and effect. Changes and amendments to agreements made, including these Terms and Conditions, must be made in writing – the formal requirement of "in writing" is also satisfied by a transmission via facsimile or transmissions using means of telecommunications, such as electronic mail, but from previously determined electronic mail address in the agreement.
4. KTITOR specifically notes that information supplied about machines (e.g., weight, dimensions, present utilization value, load, tolerance level and technical data) as well as any representation of such information (e.g., drawings and illustrations) are approximations unless a precise match is needed for the machine's fitness for the intended and agreed purpose. Such information shall not constitute guaranteed characteristics but instead serves as a description or characterization. Common deviations and those resulting from legal provisions or technical improvements are permissible, as is the replacement of components by parts of equal value, provided that the fitness for the intended and agreed purpose is not compromised as a result.
5. General terms and conditions of the Customer or third parties do not apply even if KTITOR does not specifically object to them in a given case and provides its services without reservation. Even if KTITOR references a letter containing the general terms and conditions of the Customer or third parties, such reference does not imply KTITOR's agreement with the applicability of such general terms and conditions.

II. Prices, terms of payment

1. Insofar as purchase prices are concerned, they are set out "ex works" (EXW Incoterms®2010). The Customer shall bear any and all costs of packaging (if different than standard, special order), shipping and transport as well as duties, taxes and other public dues (same applies in regard to the provision of services, as far as applicable). KTITOR will not take back shipping and other packaging materials. Instead, with the exception of pallets, such materials become the Customer's property. If the Customer so wishes, the goods may be insured at the Customer's expense against theft, breakage, shipping, fire and water damages as well as any other insurable risk.
2. The prices are exclusive of sales tax in the applicable amount.
3. Unless specifically agreed otherwise with the Customer, the purchase price for any machine is due as follows:
 - 30% upon the signing of the agreement, payable within 10 calendar days;
 - 30% after expiry of half the agreed delivery time, payable within 10 calendar days;
 - 30% prior to the agreed shipment or delivery of the machine to the Customer, its representative or freight carrier, payable within 10 calendar days upon invoice issued, and
 - The balance upon the shipment or delivery of the machine to the Customer, its representative or freight carrier, payable within 30 calendar days.
4. Unless otherwise agreed with the Customer, the agreed remuneration for services shall be paid as follows:
 - in case of a remuneration on an hourly basis ("time and material") after invoicing;

- in case of a remuneration on a fixed price basis, 100% after performance of the services.

KTITOR will issue invoices for the services due, payable within 30 calendar days and without any deductions.

5. All invoiced amounts are payable in full.

6. If the Customer does not wish to receive a contractually agreed service (including goods agreed to be procured for this purpose) with a fixed/determined contract term after conclusion of the agreement but before provision of the service ("cancellation"), despite the absence of a legal right to do so, and KTITOR accepts this cancellation, the Customer shall pay to KTITOR a cancellation fee in the amount of 20% of the net value of the contractually agreed service (including goods to be procured for this purpose).

III. Delivery period and partial deliveries

1. The contractually agreed delivery period or delivery date or the agreed period of performance applies. Insofar as goods are to be shipped or transported, delivery periods and dates refer to the time of delivery to the shipper, freight carrier or other third party entrusted with the transport.

2. In the event of force majeure, including but not limited to business disruptions, transport delays, collective action (especially strike and lock-out), epidemics and pandemics (statements/recommendations by the Foreign Office/WHO are considered indicative, e.g. such as for Corona) including/or governmental orders and the failure of KTITOR's suppliers - upon conclusion of a congruent hedging transaction with the supplier - to effect timely and correct deliveries, irrespective of grounds (provision of proper self-supply), as well as all other impediments to performance which were not foreseeable at the time the agreement was concluded and which arise not through fault of KTITOR, KTITOR may postpone delivery and performance for the duration of such impediment plus a reasonable lead time. Insofar as such events significantly impede – or render impossible – KTITOR's deliveries and performance, and the impediment is not just temporary in nature, KTITOR may withdraw from the agreement. To the extent that, on account of such delays, the Customer cannot reasonably be expected to accept/receive deliveries or performance, it may rescind the agreement by promptly providing KTITOR with written notice to that effect.

3. Partial deliveries are permissible if

- the Customer has use for partial deliveries as part of the agreed purpose of use;
- the supply of all remaining machine components is assured; and
- The Customer does not incur – or KTITOR agrees to bear any – significant added expenditures or costs.

IV. Transfer of risk, acceptance, default

1. The Customer bears any and all risks associated with shipment and transport, which pass to the Customer upon the delivery of the goods (as defined as the beginning of the loading process) or partial delivery to the shipper, freight carrier or other third party entrusted with the transport.

2. Risk shall also pass as set out in Item IV No 1 in the event KTITOR having assumed other services, such as the cost of shipping or transportation and set-up, save for cases subject to Item IV No. 3.

3. In the event that the Customer refuses acceptance of ordered goods in a manner constituting a default in acceptance or if their shipment is delayed for other reasons culpably caused by the Customer, the risk of the machine's accidental demise or deterioration passes to the Customer upon the beginning of such default.

4. In the event that the Customer is in default with acceptance or if it violates other duties of cooperation, it must indemnify KTITOR against any damages incurred to such extent, including but not limited to added expenditures.

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Specifically, the Customer bears the costs of KTITOR's storage of any machine so affected, which KTITOR may invoice at a flat rate of 0.5% of the machine's full agreed purchase price, unless the Customer furnishes proof to the effect that KTITOR did not incur any – or less – damages as a result of storing such machine. KTITOR's other legal rights arising from default in acceptance, if any, are not affected.

5. The Customer must accept delivery of any ordered goods even if the goods have minor defects; the Customer's rights under Item VI are not affected.
6. In the event that KTITOR is in default, causing the Customer to suffer damages, the latter is entitled to demand compensation for default at a flat rate of 0.5% per week of default, the sum of which must not exceed 5% of the value (net) of the part of the entire delivery that cannot be put to timely – or the agreed – use due to default.

V. Retention of title

1. The retention-of-title clause agreed below serves the purpose of securing KTITOR's present and future claims against the Customer under the agreement entered into between the parties.
2. The goods KTITOR supplies to the Customer (in this Item V, hereinafter the "Goods Subject to Retention of Title") remains KTITOR's property until all secured claims from the respective contractual relationship with the Customer have been paid in full.
3. The Customer treats and processes Goods Subject to Retention of Title on behalf of KTITOR as manufacturer within the meaning of the Civil Code (MKD) and to the exclusion of any obligation on KTITOR's part. Goods treated or processed are deemed Goods Subject to Retention of Title according to Item V No. 1. In the event that the Customer treats, processes, combines or mixes Goods Subject to Retention of Title with other goods, creating new or combined goods, KTITOR becomes a co-owner of these new or combined goods, with its share reflecting the proportion of the effective invoice amount of the Goods Subject to Retention of Title at the time of delivery to the value of such processed or combined goods. Co-ownership shares are deemed Goods Subject to Retention of Title according to Item V No. 1.
4. In the event that Goods Subject to Retention of Title are combined with other goods, and if goods belonging to the Customer must be deemed the principal component within the meaning of Civil Code (MKD), the parties hereby already agree that (i) KTITOR will become a co-owner thereof, with its share reflecting the proportion of the effective invoice amount of the Goods Subject to Retention of Title to the value of such principal component, and (ii) the Customer will store the good for KTITOR free of charge. Co-ownership shares are deemed Goods Subject to Retention of Title according to Item V No. 1.
5. The Customer must store Goods Subject to Retention of Title for KTITOR. Upon request, KTITOR must be allowed, at any time, to take inventory of and adequately mark such goods where they are stored. The Customer must promptly notify KTITOR of any third-party attachment or other encumbrance affecting KTITOR's rights, providing such details necessary for KTITOR to take action against such third party using all legal means possible.
6. The Customer may sell Goods Subject to Retention of Title (i) in the regular course of business, (ii) subject to its usual terms as well as to an agreement providing for retention of title and (iii) to the extent determined by KTITOR, provided that the Customer's claims under the resale transaction pass to KTITOR pursuant to Item V Nos. 7-11, except the part of equipment included in End use certificate issued from the Customer previously.
7. The Customer hereby already assigns to KTITOR its claims under the resale transaction of Goods Subject to Retention of Title, including those under contracts for work and services or agreements for the supply of movable goods to be made or manufactured, along with any and all subsidiary rights, such claims serving as security for KTITOR with respect to Goods Subject to Retention of Title to the same extent. The Customer must not assign claims to third parties without KTITOR's prior written consent.
8. In the event that the Customer sells Goods Subject to Retention of Title along with other goods not supplied by KTITOR, the assignment of the claim under the resale transaction is valid only in the sum of the effective amount of KTITOR's invoice for such goods at the time of delivery. In cases of the sale of a machine co-owned by KTITOR pursuant to Item V No. 3 or Item V No.4, the claims' assignment is valid in the amount of such co-ownership share.

9. In the event that the assigned claim is included in a current account, the Customer hereby already assigns to KTITOR the amount of the balance corresponding with such claim, including the final balance under the current account.
10. Until further notice, the Customer is entitled to collect receivables under resale transactions pursuant to Item V Nos. 6-9.
11. In the event that the Customer fails to meet its obligations under these Terms and Conditions,
 - KTITOR may prohibit the resale, treatment and/or processing of Goods Subject to Retention of Title as well as their combination or compounding with other goods;
 - Insofar as such failure constitutes a material breach of these Terms and Conditions, KTITOR may - if necessary, after setting a reasonable grace period - withdraw from the agreement with the Customer, in which case (i) the Customer's right to possess Goods Subject to Retention of Title lapses, (ii) KTITOR may demand that such goods be returned, (iii) KTITOR is entitled to enter the Customer's premises, take possession of Goods Subject to Retention of Title at the Customer's expense and, without prejudice to the Customer's payment and other obligations, put them to the best possible use by either selling them in the open market or auctioning them off, applying the proceeds, as adjusted for related costs, to the Customer's liabilities and disbursing any surplus to the Customer; and
 - The Customer must identify to KTITOR upon request the debtors of the claims assigned to KTITOR to enable KTITOR to disclose the assignment and collect receivables; all proceeds to which KTITOR is entitled under assignments must be disbursed to KTITOR without delay upon receipt once KTITOR's claims against the Customer are due.

VI. Warranty for defects

1. The Customer holds claims based on defects only if and to the extent that it met its duties of examination and defect notification. In the event that a defect is identified upon examination or at a later point in time, KTITOR must be given written notice thereof immediately, which for purposes hereof means that notice must be dispatched within two weeks. If the Customer fails to properly discharge its duties of examination and/or defect notification, it forfeits any claims related to the defect not notified. This shall not apply insofar as such defect was undetectable during proper examination.
2. Defects shall be remedied by KTITOR, at KTITOR's option, through free-of-charge removal of defects (repair) or replacement.
3. If such remedial action fails, the Customer may, at its option, withdraw from the agreement or demand that the purchase price be adequately reduced.
4. Irrespective of circumstances, the Customer holds no claims based on defects if and to the extent that damages resulted from inapt or improper handling, improper installation or commissioning by the Customer or third parties, regular wear and tear, improper or negligent treatment or maintenance, inappropriate operating resources or substitute materials, poor construction work, unsuitable building areas or chemical, electrochemical or electrical interference, provided and to the extent that such circumstances have not been culpably caused by KTITOR.
5. The Customer's claims for damages or indemnification for expenditures incurred in vain are limited as set forth in Item VII and otherwise excluded.
6. The warranty period lapses one (1) year from the delivery, or upon acceptance if acceptance was agreed. This shortening of the statute of limitations shall not apply in case of fraudulent intent or absence of a quality guaranteed by KTITOR. In such cases, solely the statutory limitation periods shall apply.

VII. Liability

1. KTITOR bears unlimited liability for (i) damages resulting from injuries to life, body and health, which were culpably caused by KTITOR, its legal



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representatives or agents, (ii) damages owing to the lack of properties and conditions warranted by KTITOR and (iii) KTITOR's malicious acts.

- KTITOR further bears unlimited liability for damages caused by KTITOR, its legal representatives or agents intentionally or as a result of gross negligence.
- In cases of culpable violations of cardinal contractual obligations owing to slight negligence on the part of KTITOR, its legal representatives or agents, KTITOR's liability is limited to the amount of foreseeable typical damages, save for the cases set forth in Item VII No. 1 or Item VII No. 4. In abstract terms, cardinal contractual obligations are such obligations as may (i) be needed for the agreement's proper fulfilment and (ii) reasonably be relied upon by the parties to the agreement.
- Any liability under the product liability act is not affected.
- Any other liability on the part of KTITOR is expressly excluded.
- The period of limitation for claims for damages against KTITOR equals one (1) year, excluding the cases set forth in Item VII no. 1, Item VII No. 2 or Item VII No. 4.

VIII. Services

- Unless otherwise agreed in an agreement, the amount of remuneration for the services (including for outlays and expenses of KTITOR) is based on KTITOR's price list valid at the time of the order.
- In order to provide the services, KTITOR is dependent on the support and cooperation of the Customer. In particular, the Customer is obligated to provide KTITOR's employees or the third parties commissioned with the provision of the services with all necessary work equipment, information and documents in full, in a timely manner and in the required quantity.
- Insofar as a certain period of time or a certain number of calendar days have been agreed for the provision of the services, both parties are not entitled to ordinary terminate the respective agreement. The statutory rights of both parties to extraordinary termination for good cause shall remain unaffected. Declarations of termination must be in writing. Termination of an agreement for services shall not affect the term and validity of the other agreements for services and other agreements concluded between the parties.

IX. Export Right

KTITOR shall be released from an obligation stemming from and occurring in connection with the contract if and insofar KTITOR is or will be temporarily or permanently hindered from fulfilling such obligations due to the provisions of Macedonian, European or US law and/or fulfilment of such obligations is or will only be possible with risks in law or in fact. At KTITOR's own discretion, KTITOR will undertake reasonable efforts to remove such obstacles or risks. Otherwise, such obstacles and/or risks are to be regarded as force majeure. In such cases, KTITOR shall be entitled to reimbursement of such expenses as KTITOR has undertaken according to reasonable discretion in reliance upon the possibility of and/or absence of risk regarding the fulfilment of its duties. KTITOR shall also be entitled to reimbursement of such disadvantages as KTITOR has incurred due to the obstacles and/or risks of fulfilling such obligations. The parties will strive, to their best ability, to facilitate performance of such reimbursement.

X. Miscellaneous

- Disputes arising from or in connection with the agreement are settled by the courts of Macedonia or, at KTITOR's option, those with jurisdiction over the location of the Customer's registered offices. The Customer's legal claims are settled exclusively by the courts of Skopje.
- Unless agreed otherwise, the place of performance is the location of KTITOR's registered offices.
- Unless agreed otherwise, Macedonian law applies to the exclusion of provisions of international private law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) as well as any other, including future, bilateral or international treaties do not apply, even after being ratified.

- Declarations and notices of legal relevance, which the Customer must issue to KTITOR following the execution of the agreement (e.g., notices to cure default, of defect, rescission or abatement) must be provided in writing.
- The Customer must not set off counter-claims or withhold payments on account of such claims unless its counter-claims are undisputed or have been effectively established.
- The Customer is not entitled to assign to third parties claims against KTITOR under the agreement without KTITOR's prior written consent.

**DECEMBER 2021
KTITOR
SKOPJE, MACEDONIA**