

General Terms and Conditions of Sale of YURI GAGARIN PLC PLOVDIV

1. Preamble

Yuri Gagarin PLC (the “Company”) concludes contracts for the production and supply of goods solely in compliance with these Terms and Conditions of “Yuri Gagarin” PLC for Sale (“Terms”) under document “Order Confirmation” of the Company together with the Price Proposal/Offer, as any person (“Buyer”) who wishes to be supplied with goods by the Company accepts these Terms. The conditions and the contracts for production and supply govern all relations between it and the Company and supersede all other documents which define that the conditions of the Buyer prevail. Annexes, Appendices and amendments to these Terms will be valid only if in writing and signed by authorized representatives of the Company.

2. Orders

The acceptance of the price offer submitted to the Company shall be in writing. No contract between the Company and the Buyer shall be deemed to be concluded unless the Company confirms in writing the acceptance of the written order deposited by the Buyer, prepared on the basis of the Company’s price offer, or deliver the goods and/or services. Price offers by the Company may be withdrawn or amended at any time prior to the issuance of the written confirmation from the Company that it approves the Buyer’s order. The written order of the Buyer shall be made on the basis of the price offer of the Company within the period specified in the offer, and if such has not been specified, within a period of 30 days following the date of issue of the offer. The acceptance of the Company’s price offer and the placing of the order for the delivery are deemed as acceptance of these Terms and Conditions by the Buyer. Upon acceptance of a price offer under this article, these Terms become part of the contract between the Buyer and the Company (the “Contract”), while during their acceptance the Buyer (i) has not relied on assurances, guarantees and declarations of the Company other than those explicitly mentioned in the Contract and (ii) has assessed and evaluated the suitability of the products for its purposes and for each of their individual applications.

3. Terms of Payment

The terms of payment are set out in the price offer of the Company and can not be changed unless changes are agreed by the parties in writing. Late payments shall bear interest of 0.1% per day after the due date until their full payment. The Company (without prejudice to any other rights or remedies available to it) also has the right to terminate all contracts with the Buyer, to stop any goods in transit or temporarily suspend deliveries and to charge a fee for storage for all undelivered goods in the event that the Buyer fails to make payment on the due date. Unless otherwise agreed by Company in writing, all prices are given by the Company on an ex-works the Company’s factory and do not include costs for packaging and applicable value added tax or other sales taxes which the Buyer shall be liable to pay.

4. Price Change

If prior to the delivery of the goods to the Buyer, the price/value of goods increases due to taxes, customs duties and/or other obligations, changes in prices of raw materials or energy sources that are charged or paid, the Company reserves the right to increase the price of goods specified in the price offer by giving reasonable notice of the amount of the extra costs or expenses to the Company. Yuri Gagarin reserves the right to charge and invoice all extra costs, which have been contributed to changes due to the client's will and his presence during print approval or incorrectly sent file. Such costs would be the production of new printing plates, additional time for production and preparation and others.

5. Delivery

The terms of delivery are under Incoterms 2010 and shall be indicated in the price offer of the to in writing by the parties. The Company reserves the right, at its sole discretion to make partial deliveries of goods and/or services. In this case, any such partial delivery will be paid separately by the Buyer.

6. Force Majeure

The Company will use all reasonable endeavors to ensure compliance with delivery dates, but the delivery period will not be considered as an essential condition of this contract. If somehow the Company is hindered or is prevented, due to causes beyond its reasonable control (including, but not limited to natural disasters – earthquake, flood, explosion, implosion, strikes, lockout or other collective protests by employees/workers embargo on imports or exports, government intervention, change of foreign exchange rates and delays in shipment) from meeting these delivery dates, the Company is not required to make delivery of the goods and/or services for which a contract for production, sale and/or supply has been concluded and the Company shall not be liable for any loss or damage suffered by the Buyer as a result of such failure to supply or delay in delivery, when it was hindered or prevented, as indicated above. The existence of force majeure circumstances shall be certified by a Protocol issued by the relevant Chamber of Commerce (for Bulgaria this is the Bulgarian Chamber of Commerce and Industry) or other competent authority.

7. Risk

The risk of loss or damage to the goods passes to the Buyer when they are handed over to its representative, respectively when handed over to a transport organization or upon expiry of 7 days from the date of the written notice of the Company that the goods are ready for shipment. In the latter case the Company has the right to ask for reimbursement of the cost for storage of the goods.

8. Possession and Ownership

The Company retains ownership over all goods delivered to the Buyer until the Company receives the full payment, and all other amounts due in respect of goods sold by the Company to the Buyer under the contract between the Company and the Buyer, unless otherwise agreed in writing between the parties.

9. Prepress Tools

File transfer:

- e-mail addresses: marketing@gagarin.eu and studio@gagarin.eu – for files up to 10 MB;

- upload on FTP server;
 - on electronic media (CD, DVD, USB Flash, SD, etc.).
- 9.1. Working files from an order to be archived in a ZIP format file, no password. If a working file corresponds to a order – also ZIP archive.
 - 9.2. All raster images are at least 300 dpi resolution in the final format.
 - 9.3. All texts are converted in the working files to curves. Files in a version with fonts are also allowed in case of need for subsequent adjustments.
 - 9.4. Working files should not contain elements in RGB, LAB or other scale outside PANTONE, CMYK.
 - 9.5. When printing with inks from CMYK scale the working files must be in PDF format.
 - 9.6. For orders containing vector and raster images and the latter only contain inks from the CMYK scale – the working files must be in PDF format.
 - 9.7. For orders containing inks outside the CMYK scale – the working files must be in multi-channel PSD format (if the whole design is in one rasterized file) or AI format with linked, not embedded raster images, and as PSD files. Any ink must be in clearly indicated and separate channel from the PSD files.
 - 9.8. In the presence of elements in “extras” (such as hot stamping, embossing, partial varnishing, etc.) - for every extra there must be a separate colour (swatch). Although these elements are repeated, they must be indicated in the colours for printing and the colours of the relevant extras.
 - 9.9. For working files with special effects (blend, lens, envelope, mesh, etc.) - the elements together with the effects must be rasterized at a resolution at least 300 dpi at final format.
 - 9.10. If your order includes stamp-form - it must be positioned in the correct place relative to the other design elements of the drawing in a separate colour (swatch). When in the working file straight cutting is set - signs for cutting must be put, again in additional colour.
 - 9.11. In the working file the design elements to be lengthened “live” of not less than 2 mm from the drawing of the stamp or cutting marks.
 - 9.12. When only working files of drawings are sent, they must be in DXF format, with clearly indicated structural lines - knives, creases, etc.
 - 9.13. In need of minor adjustments made by the Company on already received working files: send an e- mail with the most concise and accurate explanation of the necessary changes. Instructions over the phone are unacceptable - in order to avoid mistakes and misunderstandings on both sides (contracting authority and contractor).
 - 9.14. Whenever possible, images of a lower resolution may be sent, but they must give a good idea of the look of the final design of the order.
 - 9.15. If the Company should provide special tooling equipment for the production of the goods ordered by the Buyer, and unless otherwise agreed in writing, the same will be used exclusively for the production of the orders of the Buyer and part of the cost of this tooling equipment will be borne by the Buyer.

10. Drawings, Specifications, etc.

The Company reserves the right, in consultation with the Client, to make any changes in the specifications of the goods and/or services that are necessary to ensure compliance with applicable laws regarding the safety or other statutory requirements or when the changes will not significantly affect the quality or performance of the goods and/or services. In the absence of consent by the Client for such changes, the Company has the right to cancel the order without being liable for it.

11. Trade Names and Trademarks of the Buyer

The Buyer declares and warrants that is authorized to use or to authorize third parties to use any trademarks or trade names, which orders the Company to be labeled on the products.

12. Quality, Storage and Claims

12.1. The Company guarantees that its production is certified for quality and origin, that it meets the requirements of the quality standard ISO 9001 and the requirements of the Buyer set out in the order accepted for implementation.

12.2. The Buyer must store the goods received - printed materials - in closed, clean and dry storage areas - BDS 8950-76, 50% relative humidity (with a maximum tolerance of 10%) and air temperature +20 ° C (with a maximum tolerance of 2° C), according to EN ISO 2233, and for filter rods - in closed, clean and dry storage areas, 50% relative humidity and air temperature +23 ° C, must not be stored near aromatic substances;

12.3. Upon receipt of the goods the Buyer must examine the same. In determining quantity discrepancies and/or obvious quality defects, the Buyer shall immediately notify in writing (letter, fax or email) the Company within 3 days of receipt of the goods, as at the same time shall send samples of the goods, accompanied by a card/label with the package data and photos or footage.

12.4. In case of detection of latent defects the Buyer shall immediately notify in writing (letter, fax, email) the Company and send samples of the goods, accompanied with a card/label with the product data and photos or footage of the claimed defect and the process in which they become defective, within a period not longer than 30 calendar days from the date of acceptance of the goods in the Buyer's warehouse.

12.5. In case of failure to meet the above storage and procedures for placing a claim, the Company is not responsible for the quality of the goods and will not accept claims. Compliance with the storage conditions is to be proven by the Buyer.

12.6. At the Company's discretion, a representative may determine the claim at the buyer's premises. In such case, a bilateral protocol shall be drawn up, one for both parties. All claimed quantity, in the event that the claim is accepted, is to be returned to the warehouse of the Company at Company's own account.

12.7. The warranty of the Company with regards to any claim is limited to replacing the claimed goods with new. The Company shall under no circumstances be liable (to the extent permitted by law) for any loss or damage of any kind suffered by the Buyer or any third parties, regardless of how they were caused.

13. Liability

The Company or its suppliers shall in any circumstances whatsoever and to the full extent permitted by law be liable for all damages being direct and immediate consequence of non-fulfilment of the Terms or any contract suffered by the Buyer or any third party howsoever caused involving any person, property or interest, directly or indirectly in connection with the delivery, use, functioning or state of the goods and/or services, appeared in result of the Company's wilful misconduct or negligence, which liability value cannot exceed the value of the respective order confirmation that is the subject of the claim.

14. Limitation of Liability

The Seller total liability for any breach of this Terms or any contract shall be limited to the value of the respective order confirmation that is the subject of the claim.

The Company shall under no circumstances be liable to the Buyer for any indirect or consequential loss or damage (whether for loss of profit, loss of business, depletion of good will or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the Terms or any contract.

15. Quantities

As far as reasonably practicable, the quantity ordered by the Buyer will be delivered, but the Company reserves the right to vary its quantity by a maximum of plus or minus [10%]. The invoice for the goods will be based on the actual quantity delivered in accordance with the normal price.

16. Partial Implementation

In the case of partial completion of an order for any reason, the Company shall be entitled to a payment on a quantum merit basis in respect of all goods supplied/services performed by it without prejudice to its rights should non-compliance be occasioned by the Buyer. Notwithstanding any other right of the Company, if the Buyer cancels any order then the Buyer shall indemnify the Company for all losses and costs incurred by the Company (including loss of profit).

17. Patents

17.1. The Company assumes no obligation to produce and deliver goods bearing trademarks and symbols if the Buyer has no duly authenticated and granted rights of ownership or use of such. The Buyer certifies its trademarks' rights with documents defined by certain legal standards or signs a "Responsibility Declaration" that the goods or designs, drawings/designs or specifications provided in connection with them, shall not violate or cause infringement of patent certificates, patents, registered design, trade mark or other rights of industrial or intellectual property. The Buyer is liable for any design or instructions provided or given by it if they infringe or lead to infringement by the Company of any patent, registered design, trade mark or other rights of industrial or intellectual property of third parties in implementation of the Contract. The Buyer shall indemnify the Company for any losses, claims, damages, penalties and expenses for which the Company may be liable in connection with the work required to be carried out in accordance with such design or instructions.

17.2. Selling the goods by the Company does not give the Buyer any license or right to use inventions, patents, registered designs, trademarks or other rights of industrial or intellectual property owned or controlled by the Company or its related person, except for the rights on such

inventions, patents, registered designs, trademarks or other rights of industrial and intellectual property, the use of which is required for the normal use of the goods.

18. Termination

In the following cases:

18.1. If the Buyer transfers, sells, assigns, mortgages, establishes encumbrances or pledges, or make other disposal actions with all or almost all of its assets, or there is a change in the ownership of the controlling interest of its shares;

18.2. If the Buyer merges into or joins another company or another person, or if it allows one or more companies or other persons to join or merge into it;

18.3. If the Buyer becomes subject to the order, bankruptcy, insolvency, reorganization, liquidation, dissolution or transfer/assignment for the benefit of creditors, or if any act or event occurs (including, but not limited to an arrangement with creditors), which (under applicable law) has the same effect as that of the foregoing acts or events.;

18.4. If there is a judgment delivered against the Buyer for garnishment of funds or the latter is imposed enforcement on production facilities or assets owned or occupied by the Buyer, or

18.5. If the Buyer ceases or is likely to cease to carry on business, the Company has the right to terminate any Contract without prejudice to any other rights or remedies available to it, or to immediately suspend any further deliveries under the Contract without incurring any liability to the Buyer, and if the goods are delivered but not paid, their price shall become immediately due and payable notwithstanding any previous agreements or arrangements between the parties to the contrary.

19. Errors

Printed and technical errors and omissions in the documents (including in the price offers) issued by the Company may be corrected by the Company.

20. Applicable Law

In terms of the Contract, these Terms and all price offers, orders and order acceptance Bulgarian law shall be applicable. All disputes arising from this contract or related to it, including disputes arising from or in respect to its interpretation, invalidity, performance or termination, as well as disputes about filling gaps in this contract or its adaptation to newly arisen circumstances, shall be resolved by the competent Bulgarian court, as the applicable law will be the Bulgarian substantive and procedural law.

21. Notifications

All notifications, requests, notices, requests or other documents under this Contract shall be:

21.1. In writing and should be handed personally, by prepaid mail (or by courier, if sent to an address outside Bulgaria) or by fax;

21.2. Will be deemed to have been received, unless otherwise specified in the Contract, as follows: in the case of faxing - upon receipt of confirmation from the sender that the fax has been received by the recipient, in the case of a letter - on delivery by hand or within 5 working days if the letter is sent by prepaid mail or courier;



21.3. Should be sent to the following address of the Company:

1 Rogoshko Shosse St. Plovdiv 4003, Bulgaria

or to any other address or fax of which the recipient has notified the sender, provided that a notice of default immediate/accelerated performance or termination shall be considered to have been duly given if delivered by registered mail (prepaid registered mail), telegram, registered e-mail with a unique electronic signature or by a notary public.

22. Transfer and Assignment

The Buyer shall not assign or otherwise transfer its rights and/or obligations under this or any other Contract with the Company without the prior written consent of the Company.

