

GENERAL TERMS AND CONDITIONS FOR SALES OF GOODS

These General Terms and Conditions for Sales of Goods (hereinafter referred to as the “GTC”) as from November 1, 2021 shall govern and be incorporated into every Contract made between the Seller and the Buyer, including in circumstances where a Contract is made in any form without reference to any conditions for sale or purchase. In the event of a conflict between the terms of the Contract and these General Terms and Conditions for Sales of Goods, the Contract shall prevail.

The GTC may be amended, revised, restated or supplemented by GEORGIAN IMPORT SERVICE Ltd. from time to time.

1. GENERAL PROVISIONS, CONTRACT FORMATION PROCEDURE

1.1. Execution of the Contract by the Buyer shall (without affecting any other manner in which acceptance of the GTC may otherwise be evidenced) be deemed to constitute unqualified acceptance of the GTC.

1.2. The GTC shall apply to the exclusion of, and shall prevail over, any general terms and conditions of the Buyer, terms or conditions contained in or referred to in the Buyer's acceptance of the Contract, or in any other documentation submitted by the Buyer, or in any correspondence or elsewhere, or implied by trade custom, practice or course of dealing, unless specifically excluded or varied in writing by agreement between an authorized representative of the Parties.

1.3. If the Buyer wishes to buy any Goods from the Seller, the Parties shall negotiate in good faith either: (i) a Term Contract; or (ii) a Spot Contract.

1.4. If notwithstanding clause 1.3., the Parties agree the terms of a Contract by some other method, these GTC for the Goods shall govern that Contract and no other terms, including for the avoidance of doubt any of the Buyer's standard purchasing terms, shall apply to any such Contract. For the avoidance of doubt, the Seller shall not be obliged to accept any Purchase Orders or requests for Goods to be delivered to Buyer where the Buyer does not place a Purchase Order in accordance with the procedures established below.

1.5. All Spot Contracts shall be validly concluded between the Parties at the time where either: (i) the Contract is executed and signed by both of the Parties; and after the Seller has sent a draft of the Contract to the Buyer by email, the Seller receives an email confirmation from the Buyer that the Buyer accepts the Contract without any further modifications.

1.6. All Term Contracts shall be validly concluded between the Parties at the time where the Contract is executed and signed by both of the Parties.

1.7. The Purchase Order, the Sales Order Confirmation and any other communication given or made by the Parties in connection with those documents must be in writing (the "Communications"). Communications may be delivered either: (i) in hard copy which, in the case of Purchase Orders, SOCs and notifications from the Buyer that it accepts an SOC, shall be signed by an authorized representative of the relevant Party; or (ii) through email correspondence from the e-mail addresses and contact persons of the Parties designated by the Parties in the Term Contract or in official confirmation letter from the Buyer.

1.8. If the Buyer wishes to purchase Goods under a Spot Contract, it shall send to the Seller a Purchase Order in accordance with clause 4.5. The Purchase Order shall specify: (i) the type of Goods which the Buyer wishes to purchase, (ii) quantity of the Goods, (iii) delivery location, (iv) price (v) Buyer's order number and (vi) other information concerning the Goods delivery.

1.9. The Seller shall notify the Buyer of its confirmation or proposed amendments to the Purchase Order by sending to the Buyer the Sales Order Confirmation. The Buyer shall consider and accept the Sales Order Confirmation by email within the term provided in the Sales Order Confirmation. If a Sales Order Confirmation is not accepted by the Buyer within the timeframe specified in the Sales Order Confirmation, the Seller's offer to deliver the Goods to the Buyer in accordance with the terms of the Sales Order Confirmation shall be regarded as rescinded and Buyer shall be required to place a new Purchase Order if it wishes to purchase these Goods. Upon the Buyer's acceptance of the Sales Order Confirmation, the Sales Order Confirmation shall constitute a binding Contract for the Seller to sell, and for Buyer to purchase, the Goods specified under the terms and conditions of the SOC.

1.10. The Sales Order Confirmations, Proforma Invoices, Invoices shall be issued by the Seller in Georgian and English languages. In case of discrepancies between the Georgian and English texts, the English text shall prevail.

2. GENERAL DELIVERY TERMS, TRANSFER OF RISK AND TITLE

2.1. The delivery of the Goods shall perform by the Seller in accordance with relevant Incoterms® 2010 subject to the provisions of the relevant Contract.

2.2. The risk and title to the Goods shall transfer from the Seller to the Buyer in the following manner:

2.2.1. In case of delivery of the Goods by railway on FCA, CPT dispatch station – the risk and title to the Goods shall transfer from the Seller to the Buyer on the date of the dispatch station stamp on the railway bill issued;

2.2.2. In case of delivery of the Goods by truck on FCA, CPT dispatch point – the risk and title to the Goods shall transfer from the Seller to the Buyer on the date specified in the column No. 20 in CMR;

2.2.3. In case of delivery of the Goods on DAP, DDP – the risk and title to the Goods shall transfer from the Seller to the Buyer on the date specified in column No. 24 “Cargo received” in CMR;

2.2.4. In case of delivery of the Goods by sea on CIF, CFR, FOB – the risk and title to the Goods shall transfer from the Seller to the Buyer on the date “Shipped on Board” in Bill of Lading.

2.3. The Seller shall use its reasonable endeavors to deliver the Goods on the date or between the dates (as the case may be) as specified in the Contract, but the time of delivery shall not be of the essence.

2.4. Delivery of the Goods shall be immediately followed and witnessed by presentation by the Seller to the Buyer or Carrier, or the Buyer's representative of a valid transportation document. Such documents shall be signed and marked by the Seller and Carrier of the Goods at the place of loading and shall be a non-disputed proof of delivery by the Seller.

3. PAYMENT

3.1. The Price for the Goods shall be paid by the Buyer according to the Contract.

3.2. Time for payment shall be of the essence.

3.3. Bank details of the Seller shall be indicated in the invoice. The Buyer shall effect the payment in accordance within the term specified in the Contract by telegraphic transfer and, unless otherwise follows from the context or specifically provided in the Contract or the GTC, with indicating the number and the date of the Contract/Amendment and the number and the date of the invoice issued by the Seller in the payment reference (the purpose of payment). Funds must be received in the nominated bank account no later than the due date on Seller's invoice document or no later than the last banking day before the due date if that due date on Seller's invoice document falls on a nonbanking day.

3.4. The Buyer shall provide the Seller with a copy of SWIFT confirmation within 1 (one) Business Day after the payment has been effected.

3.5. Unless otherwise expressly defined in the Contract the Price is exclusive of any VAT and the Seller shall have the right to invoice the Buyer for any such VAT in so far as such taxes are not for the account of the Seller according to the Contract.

3.6. The date of payment is considered the date of crediting of the Seller's bank account for 100% (one hundred per cent) of the amount specified in the Seller's invoice.

3.7. Unless otherwise expressly agreed to the contrary in the Contract, all payments due or payable to the Seller under the Contract shall be paid in full, regardless of whether the Buyer is required to withhold or to apply any Taxes on payments made under the Contract. If the Buyer is required to withhold or to apply any Taxes on payments made under the Contract, then Buyer shall gross up such payments so that the Seller receives after the deduction of Tax, the full sum due and payable under the Contract as if no such Taxes had been deducted, regardless of any withholdings or application of any Taxes on payments made under the Contract. The Total Goods Value and all other amounts payable by the Buyer to the Seller under the Contract shall be payable without the right to any discount, deduction, set-off, lien, claim or counterclaim.

3.8. All expenses at the Seller's bank and at the Seller's correspondent bank shall be for the account of the Seller. All expenses outside the Seller's bank and outside the Seller's correspondent bank shall be for the account of the Buyer.

3.9. The Parties hereby agree that in case the currency specified in the invoice is one of the following: USD, EUR all payments of the Buyer under the Contract shall be made strictly in the currency specified in the respective invoice issued by the Seller and according to the bank details (hereinafter the "Bank Details") specified in the respective invoice. The conditions of this clause are of the essence and breach of this clause shall be deemed a material breach for the purposes of the Contract. If the invoice specifies a currency otherwise than the currencies listed above, all payments of the Buyer shall be effected in USD or EUR at the exchange rate of a national bank of a country of incorporation of the Buyer at the Payment Date.

3.10. Payment terms:

3.10.1. Cash on Delivery, which shall be effected as follows: the Buyer shall pay 100 % (One hundred per cent) of the amount specified in the Seller's invoice at the time of delivery of goods before unloading of the transport mean.

3.10.2. Prepayment (advance payment), which shall be effected as follows:

- The Buyer shall pay 100% (one hundred per cent) of the amount specified in the Seller's proforma invoice strictly within the timeframe specified in the proforma invoice.
- The Buyer shall effect the payment in accordance with the Contract by bank transfer and without deduction into the Seller's bank account and the Buyer shall indicate the number and the date of the Contract/Amendment and proforma invoice number in the payment reference (the purpose of payment).

3.10.3. Letter of Credit (LC), which shall be effected in accordance with the rules of The UCP 600 ("Uniform Customs & Practice for Documentary Credits") is the official publication which is issued by the International Chamber of Commerce (ICC).

3.10.4. Post Payment which shall be effected as follows:

- The Buyer shall pay 100% (one hundred per cent) of the amount specified in the Seller's invoice not later than date specified in the Contract. Partial payments shall be allowed.

- The Seller may at its own discretion indemnify the debt under the Clause 7.2.5. in an insurance company.

3.10.5. Documents against Payment (D/P), which shall be effected in accordance with the ICC Uniform Rules for Bank-to-Bank Reimbursements Under Documentary Credits (URC 522). The Buyer shall pay the Goods via Documents against payment at sight (hereinafter referred to as “D/P at sight”) in accordance with the conditions specified below:

- As soon as but not later than ten (10) Business days after the date when the documents stating the right of disposal of the Goods were issued the Seller shall (i) transfer the originals of such documents to the Seller’s Bank and (ii) send the copy of such documents to the Buyer via email.
- Upon receipt of the documents stating the right of disposal of the Goods the Seller’s Bank shall transfer the originals of such documents to the Buyer’s Bank.
- The Buyer shall confirm the Buyer’s Bank his consent for payment for the original documents stating the right of disposal of the Goods and shall pay 100% (one hundred per cent) amount specified in the copy of the commercial invoice provided by the Seller via e-mail or mail or fax or any other type of transfer within 2 (two) calendar days from the date of receipt of such documents by the Buyer’s Bank. In case the Buyer doesn’t pay for the Goods within 2 (two) calendar days from the date of receipt of the documents stating the right of disposal of the Goods by the Buyer’s Bank (as per delivery slip of the express post), the Seller shall be entitled to demand to pay a fine for such delay in the amount equal to 100 USD for each day of delay.
- The Buyer shall (i) ensure the availability of the total amount to be paid pursuant to Sub clause “c” of this Clause on the date of confirmation to the Buyer’s Bank of his consent for payment for the documents stating the right of disposal of the Goods and (ii) effect this payment by telegraphic transfer and without deduction into the Seller’s bank account, and the Buyer shall indicate the number and the date of the Contract and invoice number in the payment reference (the purpose of payments).
- From the date of Buyer’s payment for the documents stating the right of disposal of the Goods the Buyer shall receive the originals of the documents stating the right of disposal of the Goods from the Buyer’s bank.

3.10.6. In the event of delivery of goods by sea on payment terms such as Documents against Payment (D/P), by Letter of Credit or in case of deferred payment the draft Bill of Lading shall be agreed by the Buyer within 2 (two) calendar days from the date of its receipt by e-mail from the Seller. If the Buyer delays agreement of the conditions to the Bill of Lading draft for more than 5 calendar days from the date of its receipt at the e-mail address, the Supplier is entitled to unilaterally withdraw from the delivery contract (terminate it) by notifying the Buyer thereof in writing. In this case, the obligations to supply the goods shall be deemed terminated and the delivery contract shall be terminated. The Seller shall not be liable for any costs and possible losses incurred by the Buyer in connection with the conclusion of the delivery contract.

4. QUALITY, QUANTITY, INSPECTION

4.1. The Quantity specified (as the case may be) in the Contract, unless otherwise agreed by the Parties in the Contract, shall be subject to a tolerance of +/-10% (plus/minus ten per cent) in the Seller’s option.

4.2. The Actual Contract Quantity delivered under the Contract shall be equal to the quantity stated in respective Transport Document issued and duly signed.

4.3. Unless otherwise agreed by the Parties in the Contract, quality and quantity inspection is to be determined at the Place of Shipment (applicable for EXW, FCA, CPT, CIF, FOB, CFR) or the Place of Destination (applicable for DAP, DDP) (as may be applicable in accordance with the Contract or the GTC) by an Inspector such as SGS or similar internationally recognized inspection company mutually agreed between the Parties and in accordance with the standard practice (i) at the

place of the inspection or (ii) of the Inspector if there is no standard practice at the place of inspection, unless the Contract or the GTC provides otherwise.

4.4. The inspection results shall be documented in the Inspector's Report and shall be conclusive and binding on the Parties for invoicing purposes, for quality purposes and/or for quantity purposes and shall be final and binding for both Parties, except in case of fraud or manifest error.

4.5. In the event that (i) the quality of the Goods does not conform with the contractual Specification or (ii) the quantity of the Goods does not conform with the conditions of the Contract, the Parties shall discuss the Buyer's remedies for such non-conforming the Goods. The remedies may include, for example, a price adjustment for the Goods. The outcome of the Parties' discussion shall be documented in a written Amendment, which shall take effect from the Amendment Effective Date agreed between the Parties. The costs of the inspection (as per terms of Clauses a) and b) shall be equally shared between the Seller and the Buyer (and the terminal, if the terminal participates in the inspection). Any other inspections and related services, if required by the Buyer, shall be paid solely by the Buyer; provided, however, that only results of the inspections as provided in Clauses a) and b) will have the final and binding effect on the Parties.

5. CLAIMS

5.1. Claims if any on quality and/or quantity of the Goods to be provided by the Buyer to the Seller within 45 (forty-five) Business Days after the Delivery Date, unless other terms are not specified by the Parties in the relevant clauses of the GTC. If the Buyer fails to make a claim within the agreed period of 45 (forty-five) Business Days after the Delivery Date such claim will automatically be considered as time barred, null and void, and such delivered the Goods shall be deemed accepted by the Buyer and in accordance with all terms and conditions of the GTC and further claims in respect of the quality and/or quantity of the Goods are not permitted and may not be enforced.

5.2. The Buyer shall not be entitled to use a claim in relation to a particular shipment of Goods as a basis for the refusal to accept other shipments of the Goods delivered under the Contract, or the Goods delivered pursuant to any other Contract agreed between the Parties.

5.3. Unless otherwise specified in the Contract and/or the GTC any cause of action and/or claim that Buyer may have against Seller under the Contract shall be brought within two (2) years after the cause of action and/or claim accrues, failing which the Buyer shall be deemed to have waived its rights relating thereto.

6. LIABILITY

6.1. In case the Seller delivers the Goods late, commencing 30 (thirty) days after the latest date of delivery/shipment (whichever provided by the Contract) the Buyer shall be entitled to demand liquidated damages from the Seller for such delivery delay in the amount equal to 0.05% (five one hundredths of one percent) of the price for the late delivered Goods per day, up to a maximum of 10% (ten per cent) of the price for the late delivered Goods per day.

6.2. The Liquidated damages outlined in the sub-clause together with the termination rights shall be the Buyer's sole and exclusive remedies for any late delivery of any Goods or part thereof and the Seller shall have no further liability whatsoever, whether in Contract, tort (including negligence or strict liability, or including deliberate repudiatory breach of Contract).

6.3. In case the Buyer fails to comply with the terms of the payment set put in the Contract the Buyer shall pay to the Seller interest on the outstanding amount for each day of delay until the 60th day at the rate of 10 % (ten per cent) per annum, commencing the 61st day of delay at the rate of 20 % (twenty per cent) per annum.

7. DURATION AND TERMINATION

7.1. The Contract shall come into effect on the date of signing of the Contract and shall continue to be in force until all obligations have been fulfilled (unless earlier terminated hereunder or the Parties agree otherwise in writing) and/or until such time as all payments are made by the Buyer in full.

8. FORCE MAJEURE

8.1. Any Party shall be released from responsibility for a failure to fulfil any of its obligations if it proves:

- that the obligation has not been fulfilled as a result of circumstances beyond its control; and
- that it would not be reasonably expected to take into account these circumstances or consequences thereof for the performance of the Contract at the time of conclusion of the Contract;
- that it could not reasonably avoid or overcome such circumstances, or at least their effects thereafter.

8.2. Circumstances specified in clause 8.1., can occur because of events hereinbelow, which list is not exhaustive:

- declared or undeclared war, civil war, riots and revolutions, acts of piracy, sabotage;
- natural disasters, hurricanes, cyclones, earthquakes, tsunamis, floods, destruction by lightning;
- explosions, fires, destruction of machinery, plants and any installations;) boycotts, strikes and lockouts in any form, slow work, an occupation of enterprises or their premises, stoppages occurring at the company of the Party claiming a waiver of liability;
- actions of the authorities, embargo, a ban on the export or import.

8.3. A Party that claims for exemption from liability shall promptly, as soon as the circumstances and their consequences, affecting the performance of its obligations, become known to it, inform the other Party about these circumstances and about the impact of the same on the performance of its obligations (but not later than three (3) days after they became known to it). A notice shall also be sent by the Party upon cessation of grounds for exemption from liability. The fact of force majeure circumstances must be confirmed in writing by the Chambers of Commerce and Industry and/or by the related administrative authorities of the territories where such circumstances occurred

8.4. If the force majeure circumstances last more than 30 days, the party that is the creditor for obligations that cannot be executed due to force majeure circumstances has the right to terminate the present Contract unilaterally.

9. ARBITRATION, GOVERNING LAW

9.1. Both the Contract and the GTC shall be governed by, interpreted and construed in accordance with the United Nations Convention on Contracts for the International Sale of Goods, the Convention on the Law Applicable to the International Sale of Goods, Principles of International Commercial Contracts (UNIDROIT principles), Incoterms-2010.

9.2. Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. Claiming (pre-judicial) order of dispute settlement is mandatory. The time for consideration and response to a claim is 20 calendar days from the date it was received. The language of the proceedings is English. The decision of the Stockholm Chamber of Commerce is final for both Parties, the court costs are borne by the non-prevailing Party.