

TERMS AND CONDITIONS

Article 1: Scope.

(1) These Terms and Conditions (hereinafter referred to as “Terms & Conditions”) shall apply to any and all types of legal relationship (hereinafter referred to as “Assignment”) between RAD Shipbrokers Ltd (hereinafter referred to as the “Ship Broker”, independent of the legal nature of the Assignment) and any other contractual partner which calls upon the services of the Ship Broker (hereinafter referred to as the “Client”), regardless of whether the Assignment of the Ship Broker is non-recurring or continuous.

(2) These Terms & Conditions shall apply specifically, but without limitation, to the Assignment of a Ship Broker as sale and purchase broker or chartering broker.

Article 2: Characteristics of Services.

(1) In all cases, the Ship Broker shall act on behalf, and for the account, of the Client unless otherwise agreed in writing.

(2) The Ship Broker is entitled and authorized to take any and all measures which appear to him to be necessary in order to meet the obligations of the Assignment, including, without limitation, to entering into market standard contracts with third parties in the name, and for the account of the Client.

(3) Unless otherwise agreed in writing, any and all offers submitted by the Ship Broker shall not be binding until the Assignment has become finalized.

(4) In his function as sale and purchase broker (S&P) or chartering broker, the Ship Broker shall have the authority to conclude contracts on behalf of the Client unless the Client has explicitly excluded same in writing.

(5) The Ship Broker is exempted from the restrictions of Article 38 of the Bulgarian Obligations and Contracts Act (Закон за задълженията и договорите - ЗЗД) or similar restrictions regarding self-dealing and double representation under any other applicable law.

(6) The Ship Broker is authorized, but not obligated, to collect sums due to the Client from third parties and to accept payments from third parties for the Client. The Ship Broker has the right to pay out to the Client any foreign-currency amounts he has collected for the Client in Euros (EUR) or Bulgarian Leva (BGN) at the official exchange rate of the Bulgarian National Bank (BNB) valid on the date of payment.

(7) The Ship Broker is under no obligation to provide financial guarantees or contracts of surety to third parties for the Client or to make any payments for which the Client has not provided sufficient cover to the Ship Broker in advance, or for which the Client has not provided collateral which the Ship Broker, in his fair judgment, considers to be sufficient.

Article 3: Remuneration and Expenses.

(1) The Ship Broker shall receive as remuneration for his services an amount to be agreed upon between the Parties.

(2) For any and all financial guarantees, sureties or disbursements made by the Ship Broker on behalf of the Client, the Ship Broker shall be entitled to additionally receive a commission fee of at least 2.5% of the nominal value of the security or disbursement provided.

(3) All costs and bank charges incurred in connection with bank transfers made by, to or for the Client (including intermediary bank fees) shall be borne exclusively by the Client.

(4) In addition to his entitlement to remuneration and commission, the Ship Broker shall be entitled to demand from the Client the reimbursement of any and all expenses (including but not limited to travel, communication, and official fees) which he has reasonably incurred during the performance of the Assignment.

(5) The Ship Broker has the right to demand that a 100% advance be paid for the expenses set forth in Clause 4 or any anticipated disbursements before taking any action.

(6) In the event that a specific currency has not been agreed regarding the Ship Broker's remuneration, the Ship Broker can, at his option, demand payment in the currency of the transaction upon which his remuneration is based, or in Euros (EUR) at the official exchange rate of the Bulgarian National Bank valid on the date of the invoice.

(7) The Ship Broker's claims for payment shall be deemed due and payable immediately upon the receipt of the Ship Broker's invoice by the Client. Receipt through electronic channels (e-mail) is sufficient and deemed as original.

(8) Any payment claims of the Ship Broker which are not settled by the Client within 14 days (fourteen days) of the invoice date shall be subject to interest from the date of the invoice at the maximum rate permitted by Bulgarian law for commercial transactions (statutory interest plus 10 percentage points) or 1% per month, whichever is higher.

Article 4: Offsetting, Right of Retention, Lien.

(1) The Ship Broker is entitled to satisfy his claims at any time from their due date onwards by offsetting these against counterclaims of the Client.

(2) The Ship Broker is also entitled to satisfy due and payable claims against the Client, or companies in which the Client directly or indirectly holds a majority share, or against companies which directly or indirectly hold a majority share in the Client, doing so from any amounts collected by him for the Client (e.g., freight charges, sale proceeds, or deposits). In addition, the Ship Broker has a right of retention (право на задържане) under the conditions of the Bulgarian Commercial Act (Търговски закон).

(3) Notwithstanding any rights of retention or lien to which the Ship Broker is entitled on other legal grounds, the parties hereby agree that, in relation to all claims of the Ship Broker against the Client, the Ship Broker shall have a contractual lien (договорен залог) on any and all assets and documents of the Client which are in, or come into, the possession of the Ship Broker, independent of the legal basis for same and independent of the date upon which such claims have arisen.

(4) At his option, the Ship Broker has, after the due date, the right to enforce the lien by selling the pledged property by way of private sale or public auction. This enforcement can take place if the Client has not made payment in full, or provided other security to the satisfaction of the Ship Broker, within 14 days (fourteen days) of the receipt of a written reminder setting a final date for payment. The parties agree that the Ship Broker may sell the pledged property without court intervention, in accordance with the Bulgarian Registered Pledges Act (Закон за особените залози) or the Commercial Act, where applicable.

Article 5: Liability of the Ship Broker.

(1) The Ship Broker shall perform his services with the diligence of a prudent businessman (грижата на добър търговец) and shall carefully choose the individuals or subcontractors with whom he entrusts the performance of his obligations.

(2) Any and all claims for damages, or reimbursement of expenses, of the Client against the Ship Broker, his employees, or other agents are excluded, unless they arise due to:

- **a.** an intentional (умисъл) or grossly negligent (груба небрежност) breach of duty;
- **b.** a culpable breach of duty resulting in an injury to life, body or health;
- **c.** non-fulfillment of a specifically guaranteed characteristic of the service; or
- **d.** the culpable violation of a fundamental contractual obligation (cardinal obligation).

(3) In the case of a violation of a fundamental contractual obligation (Clause 2 sub-clause d.), the liability of the Ship Broker is limited to the amount of damage that was foreseeable and typical for this type of contract at the time of its conclusion. In no event shall the Ship Broker's liability exceed the total amount of the remuneration (commission) received for the specific Assignment, unless the damage was caused intentionally or by gross negligence.

(4) The risk of incomplete, incorrect or delayed communication of information between Client and Ship Broker (specifically via e-mail, courier, or other electronic channels) shall be borne by the Client. The Ship Broker is not liable for technical failures of third-party communication providers or the Client's IT systems.

(5) The Ship Broker shall not be liable for the acts, omissions, or financial solvency of any third parties, including but not limited to shipyards, surveyors, classification societies, or port authorities, even if the Ship Broker has introduced such parties to the Client.

Article 6: Special Liability for Forwarding Services.

(1) If the Ship Broker provides forwarding or logistics services in conjunction with his Assignment, his liability in this respect shall be governed by the provisions of the Bulgarian Commercial Act (Търговски закон) regarding forwarding and carriage of goods.

(2) In accordance with international maritime standards, the Ship Broker's liability for loss of or damage to goods shall be limited to 2 units of account per kilogram of gross weight of the goods lost or damaged, or 666.67 units of account per package or unit, whichever is the higher.

(3) In the event of multimodal transport including a sea carriage, where the stage of transport during which the loss or damage occurred is unknown, the liability limit shall also be 2 units of account per kilogram.

(4) A unit of account within the meaning of this Article 6 is the Special Drawing Right (SDR) as defined by the International Monetary Fund. The value of the SDR shall be converted into Euros or Bulgarian Leva according to the exchange rate of the Bulgarian National Bank on the date of the claim.

(5) The Ship Broker shall not be liable for any indirect or consequential losses, including loss of profit or market, regardless of whether such forwarding services were performed by the Ship Broker himself or by a third-party carrier engaged on behalf of the Client.

Article 7: Time Bar (Limitation of Actions).

(1) Any and all claims against the Ship Broker, his employees, or his agents, regardless of the legal grounds, shall be time-barred upon the expiry of one year from the date the Client became aware, or should have become aware, of the circumstances giving rise to the claim.

(2) In any event, the limitation period shall begin no later than the completion of the specific Assignment.

(3) This shortened limitation period shall not apply in cases of:

- **a.** Intentional or grossly negligent breach of duty;
- **b.** Culpable breach of duty resulting in an injury to life, body or health.

(4) If the law provides for a mandatory shorter limitation period (for example, in certain maritime or forwarding services), such shorter period shall prevail.

Article 8: Embargoes and Sanctions

(1) The Client warrants and guarantees that the transaction (including the vessel, its beneficial owners, and any related financial flows) performed in connection with the Assignment of the Ship Broker does not violate any statutory rules or regulations, including, without limitation, economic, trade or financial sanctions imposed by the European Union (EU), the United Nations (UN), or other applicable jurisdictions with which the Ship Broker must comply (hereinafter collectively referred to as “Prohibitive Legislation”).

(2) The Ship Broker shall not be under any obligation to perform any Assignments which violate the Prohibitive Legislation or in relation to which the Ship Broker has reasonable grounds to suspect that a violation may occur.

(3) In the event of a refusal to perform the Assignment based on this Article, the Ship Broker shall be entitled to:

- a.** Immediately terminate the Assignment without any liability for compensation or damages to the Client;
- b.** Claim from the Client the full reimbursement of any and all expenses incurred;
- c.** Claim the full amount of the agreed remuneration (commission) if the violation or suspicion arose after the Broker had already performed substantial work on the transaction.

(4) The Client shall indemnify and hold the Ship Broker harmless against any and all claims, fines, or losses incurred by the Ship Broker resulting from the Client’s breach of the warranties provided in this Article.

Article 9: Dangerous Goods and Special Requirements

(1) The Client shall inform the Ship Broker immediately and without delay in writing if the Assignment involves any items or goods which require special handling in regard to their receipt, loading, discharge, storage, transport or delivery, or for which notification or a permit is required by Bulgarian or international authorities.

(2) This shall specifically include, without limitation, dangerous goods as defined under the International Maritime Dangerous Goods Code (IMDG Code), as well as goods subject to strategic trade controls or dual-use regulations.

(3) If the Client fails to provide such information, the Client shall be liable for any and all costs, fines, and damages arising therefrom. The Ship Broker shall have the right to refuse or terminate the Assignment immediately without any liability for compensation to the Client.

Article 10: Confidentiality and Data Protection.

(1) The Ship Broker is required to treat as confidential only such information and data of the Client which the Client has specifically identified as confidential in writing.

(2) Notwithstanding Clause 1, the Ship Broker is authorized to disclose such information to third parties (including port authorities, customs, shipyards, or banks) to the extent necessary for the proper performance of the Assignment.

(3) The parties shall comply with the requirements of the Bulgarian Personal Data Protection Act and the EU General Data Protection Regulation (GDPR) in regard to any personal data processed during the Assignment.

Article 11: Written Form and Amendments.

(1) Any amendments or supplements to these Terms & Conditions or to the specific Contract/Assignment of which these Terms & Conditions are an integral part must be made in writing in order to be valid. This shall also apply to any waiver or amendment of this written form requirement itself.

(2) The parties expressly agree that the "written form" requirement is satisfied by communication via electronic channels, specifically e-mail, provided that the sender and the content of the message can be clearly identified.

(3) No oral collateral agreements have been made. Any prior agreements, whether oral or written, are superseded by the finalized Assignment and these Terms & Conditions.

Article 12: Place of Jurisdiction and Applicable Law.

(1) Any and all disputes between the Ship Broker and the Client arising from or in connection with an Assignment shall be decided exclusively by the competent state court at the location of the Ship Broker's registered office in Bulgaria.

(2) Notwithstanding Clause 1, the Ship Broker shall have the right, at his sole discretion, to bring an action against the Client before the state court within the general jurisdiction of the Client's place of business or residence.

(3) The Assignment of the Ship Broker, including these Terms & Conditions, shall be governed exclusively by Bulgarian Law, notwithstanding that the respective services may have been performed or are to be performed abroad in part or in their entirety.

(4) The Ship Broker does not commit, nor is he obliged to participate in Alternative Dispute Resolution (ADR) proceedings to resolve disputes with consumers, unless mandatory Bulgarian or EU consumer protection laws provide otherwise for a specific case.