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| Purchase Contract |
| between |
| Continental Automotive Czech Republic, s.r.o.  with registered address in Jičín,  Hradecká 1092, Postal code: 506 01  Company Registration No.: 62024922  VAT number: CZ62024922  entered in the trade register administered by the Regional Court in Hradec Králové,  section C, insert 59118  represented by Alena Zahradníková and Mojmír Šustala, procurists  (hereinafter the “Buyers”) |
| and |
| **[company]**  with registered address [●], Postal code [●]  Company Registration No.: [●]  VAT No.: [●]  entered in the trade register administered by [●] court in [●],  section [●], insert [●]  represented by [name and surname], [position] company / [on the basis of a full power of attorney]  (hereinafter the “Seller”)  (hereinafter the “Contract”) |
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1. Introductory Provisions
   1. Via the performance of this project the Buyer realizes a project that is co-financed from the structural funds of the European Union within the Operational Programme Enterprise and Innovation for Competitiveness, Potential Programme (hereinafter “**Programme**”) realized in compliance with the Rules for selection of suppliers for orders co-financed from the Operational Programme Enterprise and Innovation for Competitiveness.
   2. The subject of this contract is the production and delivery of the **pull shear testing equipment** (hereinafter the “**Order**”), whose scope and detailed specifications are described in the Contract below and in documents for the delivery of the equipment specified in section 2.1 hereof and in annexes to this Contract (hereinafter “**Equipment**”).
2. Subject Matter of the Contract
   1. The Seller hereby commits to manufacture and deliver the subject of the purchase to the Buyer at their expense and risk and to enable the Seller to acquire ownership rights for the equipment, as well as to provide related performances agreed between the parties, and the Buyer commits to accept the equipment and related performances from the Seller and to pay the purchase price, all of which under the conditions negotiated by the parties in:
3. this Contract,
4. tender documentation of the order tender, including all annexes, namely technical specifications of the order, including all later amendments, supplements or specifications of this tender documentation, as it was submitted to the Seller in relation to the tender and which is attached to this Contract as Appendix No. 2 (hereinafter “**Tender Documentation**”),
5. offer of the Seller of [●], submitted to the Buyer within the tender in compliance with the tender documentation; it is attached to this Contract as Appendix No. 1 (hereinafter the “**Seller’s Offer**”),

all together jointly referred to as “**documents for delivery of the equipment**”).

* 1. The Seller commits to duly and timely deliver the equipment and provide related performances in accordance with this Contract and they accept the documents for delivery of the equipment.
  2. The Buyer commits to pay the purchase price as per section 3.1 hereof to the Seller for duly and properly delivered equipment and provision of related performances.
  3. Unless explicitly specified otherwise in this Contract, provisions of this Contract apply as supplementary and not as substituting in relation to documents for delivery of the equipment. In case of a discrepancy between documents for delivery of the equipment, individual documents for delivery of the equipment shall be applied in the order in which they are listed in section 2.1 hereof.

1. Purchase Price
   1. The purchase price is agreed and accepted by the contracting parties as follows:

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| The purchase price (hereinafter the “**Purchase Price**”) without VAT | [●] CZK/EUR/USD |
| VAT | [●] CZK/EUR/USD |
| Total purchase price with VAT | [●] CZK/EUR/USD |

The item budget for individual parts of performance of this Contract is included in the Seller’s Offer, which is attached to this Contract as Appendix No. 1.

* 1. The Purchase Price is determined as a fixed price and includes costs of all performance that are to be provided in accordance with the Tender Documentation. The Purchase Price also includes all auxiliary performances that the Seller is obliged to provide during delivery, installation and commissioning of the equipment. The Seller is not entitled to any compensation for these costs. Later increase of material prices or other increase of costs shall not result in increase of the agreed Purchase Price. The Purchase Price can be increased or decreased only on the basis of a change of the legal VAT rate.

1. Payment Conditions
   1. The Seller becomes entitled to the Purchase Price only upon complete and timely delivery of all performances of the Seller in accordance with this Contract, provided that these performances do not show signs of defects as per section 8.2 hereof and after the Seller documented to the Buyer complete and timely provision of these performance in an undisputed way.
   2. A claim to payment of 90 % of the Purchase Price originates only after the following conditions are met:
      1. the equipment was delivered to the place of delivery specified in section 5.1 hereof;
   3. A claim to the final payment 10 % of the Purchase Price originates only after the following conditions are met:
      1. an acceptance protocol of the equipment was drawn up as per article 7 hereof;
      2. the Seller provided performances related to the delivery of the equipment as per section 7.2 hereof;
      3. the Seller handed over all documents specified in section 7.3 hereof to the Buyer.
   4. The first payment as per section 4.2 hereof and the final payment as per 4.3 hereof shall be made for the benefit of the Seller on the basis of invoices issued by the Seller and properly delivered to the Buyer, using a cashless transfer to the Seller’s bank account specified in the invoice. A list of performed works and deliveries shall be attached to the relevant invoice and shall be signed by an authorized person of the Buyer. Without this list signed by the authorized person of the Buyer the Seller is not authorized to issue the given invoice.
   5. The invoice due date shall be 30 calendar days since the delivery of the invoice to the Buyer.
   6. Any receivables of the Buyer towards the Seller, i.e., originating from responsibility of the Seller for defects, can be offset by the Buyer against any amount invoiced by the Seller.
2. Time and place of delivery
   1. The place of delivery is the Buyer’s plant, address: Continental Automotive Czech Republic s.r.o., BU S&A R&D center, Na Rovince 879, 720 00 Ostrava – Hrabová (hereinafter the “**Place of Delivery**”). The Seller commits to hand over the equipment to the Seller at the Place of Delivery.
   2. The Seller commits to dispatch the equipment to the Buyer without any defects and outstanding work within [●] weeks from obtaining the order, on the basis of conclusion of this Contract. The order may be issued at any time after the date of signature of the Contract (depending on the state of readiness of the premises and related capacities for installation of the subject of the Contract).
   3. The dates of planned and actual start and end of partial works on the equipment shall be recorded in the documentation of the equipment.
3. Subject of Performance and Cooperation of the Buyer
   1. The Seller declares that they are authorized to manufacture and deliver the equipment, namely that they are holders of all necessary statutory permits. The Seller is responsible for the fact that the equipment and its properties are in compliance with this Contract, in the scope of the delivered technical documentation, in compliance with all generally binding legal regulations, technological ČSN and EN standards considered binding by the parties, good technological practice and safety regulations including the latest available scientific and technological findings, and that equipment is suitable for the agreed purpose, that it has contractual parameters and is not burdened by any third party rights.
   2. If the equipment is produced specifically for products of the Buyer, the Seller commits not to deliver the equipment to third parties without consent of the Buyer. The Seller is obliged to place labels or symbols on the equipment in accordance with instructions of the Buyer.
   3. The Buyer has ownership rights to the equipment as of the installation of the equipment or new machines and equipment that constitute equipment at the place of delivery. The Buyer has ownership rights to the technical documentation related to the equipment as of the signature of this Contract. The Seller bears the risk of damage to the equipment until a protocol on the delivery of the equipment to the Seller is drawn up as per section 7.3 and 7.4 hereof. The Seller is not responsible for damage caused to the equipment by the Buyer.
   4. The Buyer is authorized to inspect the performance of the Seller. If the Buyer does not attend an inspection to which they were properly invited or that took place in accordance with the agreed time schedule, the Seller may continue in the performance. However, if attending the inspection by the Buyer was inhibited by an obstacle that the Buyer could not have averted, the Buyer is authorized to request additional inspection without unnecessary delay but is obliged to pay the costs incurred in relation to the delayed inspection. If the Buyer discovers during the inspection that the Seller breaches their obligations, they may require the Seller to ensure remedy and to provide proper performance.
4. Delivery of the equipment
   1. Commitments of the Buyer in accordance with this Contract are met upon complete (proper and timely) delivery of the whole equipment and provision of related performance and acceptance of the equipment by the Buyer without reservations. The acceptance shall be realized in a formal way. The Seller shall deliver and the Buyer shall accept defect-free equipment or its part completed properly and duly in accordance with this Contract. However, the Buyer is not obliged to accept only a part of the equipment. The Seller is obliged to hand over to the Buyer the equipment and documents related to the equipment within the scope of the delivery.
   2. Conditions for acceptance of the equipment by the Buyer:
      1. successful performance of test of the functionality of the equipment;
      2. successful performance of tests that are required by generally binding legal regulations or general requirements determined for the equipment.

The final acceptance shall be carried out in the scope of the regular production or user process, i.e., in the scope necessary to verify the functionality and operability of the equipment by the Tender documentation for the equipment and Seller´s Offer. The Seller is obliged to allow the Buyer to attend the trial operation of the equipment or its part, if a final acceptance is carried out. Results of the trial operation shall be documented and these reports shall be signed by an authorized representative of the Buyer. Successful final acceptance shall be recorded in a protocol by authorized representatives of both parties.

* 1. At the latest as of the acceptance of the equipment, the Seller is obliged to hand over to the Buyer all documents related to the equipment or its parts that are necessary for using the equipment, namely:
     1. all documents necessary for use of the equipment, namely operational regulations and manuals in Czech and English,
     2. certificates for all tests required by generally binding legal regulations, technical regulations, general requirements determined for the equipment, namely all attests,
     3. training certificates for authorized persons of the Buyers to operate the equipment and to training certificates for technicians of the Buyers for maintenance of the equipment.

Otherwise the Buyer is authorized not to accept the equipment.

* 1. The Buyer may accept the equipment even with small defects and outstanding work that do not prevent its safe and proper operation. Acceptance of the equipment shall be recorded in a protocol containing a list of possible defects, specification of methods and deadlines for their removal and statement of the Buyer whether they accept the equipment. If the equipment is not accepted, the protocol shall include the reasons. In such case the Seller is obliged to remove possible defects of the equipment in the deadline specified in section 8.5 hereof. The Seller is obliged to inform the Buyer about any defects of the equipment (including legal defects) that the Seller knows about or must know about as of the acceptance. After the defects for which the Buyer refused to accept the equipment are removed, the acceptance proceedings are repeated in the necessary scope. The acceptance or refusal to accept the equipment by the Buyer does not affect the contractual or legal claims of the Buyer following from the warranty or damage liability of the Seller.

1. Defects and warranty
   1. The Seller is obliged to provide all performances in compliance with this Contract and without defects, so as to deliver the equipment in time and properly so that it can be used for the contractual purpose, it has the contractual properties and is not burdened by third party rights.
   2. Performances of the Seller are considered defective if they do not correspond to the quality, quantity, design or version specified in this Contract or the tender documentation or, if this Contract does not contain the relevant provisions, to generally binding legal regulations or if the equipment has legal defects. The equipment shall also be considered defective if it cannot be used for the contractual purpose or if it can be used only partially.
   3. The Seller is responsible for all defects of the equipment as of its acceptance. The Seller provides a warranty to the Buyer in accordance with § 2113 and following of Act No. 89/2012 Coll., the Civil Code (hereinafter the “**Civil Code**”), for the quality of the Seller’s performance for **24 months** with the exception of wearable parts (hereinafter the “**Warranty Period**”). The warranty period starts as of the creation of the delivery and acceptance protocol for the complete equipment without defects. If the equipment is accepted by the Buyer as per section 7.4 with small defects and outstanding works that do not prevent its safe and proper operation, the warranty period starts as of the signature of the written protocol by both parties, which states that the defects and outstanding works specified in the acceptance protocol have been removed. The specified warranty period also applies to works and parts of the equipment that become part of the equipment as a result of warranty repairs (e.g., replaced spare parts) and starts as of the moment the parts become part of the equipment, which will be recorded in writing by the Seller and the Buyer. If this written record is not created, the warranty period starts as of the moment the Buyer was allowed to operate the equipment without limitations after the warranty repair.
   4. If any defects of the equipment are discovered during the acceptance or the warranty period, the Buyer is authorized to select one of the following claims, regardless of whether the defective performance represents a significant or insignificant breach of the Contract as per § 2106 and § 2107 of the Civil Code:
      1. claim to free removal of the defect by delivery of a new defect-free item or delivery of the missing item by the Seller;
      2. claim to removal of the defect by repair;
      3. claim to a discount from the purchase price;
      4. right to withdraw from the contract.
   5. The Buyer decides which claim shall be applied. The Buyer shall inform the Seller which claim/right they selected as of the notification of the defect or without unnecessary delay after its notification no later than fourteen calendar days after notification of the defect to the Seller. The Buyer is obliged to apply their claim in writing. In case of a defect of the equipment, the Buyer requires a reaction time (reaction time refers either to remove diagnostics of the defect or arrival of a technician and diagnostics of the defect) of 168 hours after reporting the defect on the contact phone number of the Seller, which the Seller is obliged to operate continuously on weekdays from 8:00 to 17:00. Saturdays, Sundays and holidays is not included into this reaction time. The buyers requires a time for starting of repairing of the equipment (i.e. start of service in the place of performance) of 168 hours after reporting the defect. Saturdays, Sundays and holidays is not included into this time. All works performed in relation to the removal of defects of the equipment shall be recorded by the Seller to the service repair protocol and the Buyer shall approve this protocol by signing it.
   6. If the defects cannot be successfully removed or if the defects are not removed within the specified deadline without a justified reason, the Buyer is authorized to appoint a third party to remove the defects. Costs of the Buyer associated with this repair shall be reimbursed by the Seller. This also applies to defects that are discovered before the acceptance of the equipment by the Buyer without reservations.
   7. The warranty period does not run for the duration for which the Buyer cannot use the equipment due to defects for which the Seller is responsible and for the duration of the repair of these defects by the Seller.
   8. Legal claims of the Buyer, namely the claim to damage compensation, are not affected.
2. Contractual penalties
   1. If the Buyer is in default with payment of any invoice issued for the delivered sup-plies and works, the Buyer will pay a contractual penalty corresponding to 0.05 % of the outstanding price for each started day of delay.
   2. If the Seller fails to meet the agreed deadlines for deliveries and works or their parts in accordance with the specified Schedule, the Seller shall pay a contractual penalty to the Buyer amounting to 1,0 % of the Purchase Price for each started day of the delay, yet no more than 10 % of the Purchase Price.
   3. The penalty is due in 14 days after the Buyer receives a written notice. The obligation to pay the contractual penalty does not affect the right of the Buyer to compensation of damage caused by breach of obligations associated with the contractual penalty. The Seller is obliged to pay damage compensation to the Buyer even if it exceeds the amount of the contractual penalty.
3. Early termination of the contractual relationship of the Buyer and Seller
   1. The contractual relationship of the Buyer and the Seller established in relation to this order may be terminated in the following ways:
4. written agreement of the Buyer and Seller; or
5. withdrawal from the Contract due to breach of obligations of the Seller or the Buyer stipulated in this Contract or due to other reasons specified in the Civil Code, under the conditions specified in this article of the Contract.

If the breach of obligations of the Buyer or the Seller can be remedied and the obliged party fails to do so within 14 days after receiving a written call for remedy, then the other party is authorized to withdraw from the Contract by sending a written notification to the party that breached its obligations If the breach of obligations cannot be remedied or if it constitutes a significant breach of obligations, the party that has not breached its obligations is authorized to withdraw from the Contract with immediate effect.

* 1. Significant breach of obligations that entitles the Buyer to withdraw from the Contract with immediate effect refers namely to:

1. delay of the Seller with the start of production of the equipment after receiving all necessary documents;
2. delay of the Seller with delivery of the equipment by more than 10 business days;
3. failure to meet the deadline for removal of discovered defects of the equipment or outstanding works as per section 8.5 hereof by more than 14 days;
4. repeated failure to allow the Buyer to inspect the performance of the Seller and progress of works on the equipment;
5. if the parties cannot reach an agreement within a reasonable deadline regarding the change of scope or method of performance of the equipment, provided that such an agreement is necessary in order to remove obstacles preventing the proper and timely production and delivery of the equipment;
6. if an insolvency court issued a decision regarding the Seller’s property on bankruptcy or imminent bankruptcy as per Act No. 182/2006 Coll., or a different decision on insolvency, or if a proposal for bankruptcy was declined due to insufficient fund, or if a decision on dissolution of the Seller with liquidation was accepted;
7. if the Seller fails to comply with decisions of public bodies or breaches generally binding legal regulations related to the order, e.g., does not comply with regulations for proper storage of hazardous substances or otherwise endangers the environment, breaches regulations on import and export of goods, breaches obligations during a financial inspection as per § 2e of Act No. 320/2001 Coll., on Financial Control in Public Administration;
8. the contractor breaches conditions regarding insurance stipulated in this Contract.
   1. If the Buyer or the Seller are not able to meet their obligations as per this Contract due to an unforeseeable or unsurpassable obstacle created regardless of the will of the given party, the relevant party is obliged to immediately inform the other party of this fact, including a reason. The Buyer and the Seller shall then agree on a change or early termination of the contractual relationship.
   2. In case of withdrawal from the Contract the Seller and the Buyer are not obliged to return mutually provided performances. Application of § 2004 par. 1 of the Civil Code is excluded.
9. Other
   1. The Seller bears the risk of change of circumstances as per § 1765 par. 2 of the Civil Code.
   2. The Seller is authorized to assign or secure any payable towards the Buyer only on the basis of a prior written consent of the Buyer.
   3. Legal relationships between the Seller and the Buyer are governed by the legal system of the Czech Republic, namely relevant provisions of the Civil Code.
   4. The Buyer acknowledges that the Seller plans to co-finance the project from public funds. The Seller shall become a person obliged to cooperate during the performance of a financial inspection as per § 2e of Act No. 320/2001 Coll., on Financial Control in Public Administration, as amended, namely during provision of information and documents related to the realization of the order to relevant inspection bodies . The Seller shall be obliged to provide cooperation during performance of financial auditing to grant providers and EU inspection authorities and/or other authorized inspection authorities.
   5. The Seller is obliged to conclude and maintain a damage liability insurance for the whole duration of this Contract for damage caused during performance of business activities to third parties with the minimum insurance limit of 1,000,000.00 CZK per one harmful event.
10. Final Provisions
    1. The Contract enters into effect and force on the day of its signature by the last party. Amendments or supplements to this Contract may be made only in writing and must be approved by both contracting parties. Written form is also required for changing this section of the Contract.
    2. The Contract is drawn up in 2 copies valid as originals, whereas the Buyer shall receive 1 copy and the Seller shall receive 1 copy.
    3. If one or more provisions of this Contract is or becomes invalid or unenforceable for any reason, the validity and enforceability of the other provisions of this Contract shall not be affected. The contracting parties commit to replace such invalid or unenforceable provision(s) within 14 days after receiving a call from the other party by a valid and enforceable provision whose content corresponds to the original invalid or unenforceable provision as much as possible.
    4. Rights and obligations of the contracting parties that are not explicitly stipulated by this Contract shall be governed by the law of the Czech Republic, namely relevant provisions of the Civil Code, with the exclusion of application of the United Nations Convention on Contracts for the International Sale of Goods.
    5. All disputes originating from this Contract or in relation to it shall be settled amicably upon a written call of the party claiming its rights sent to the other party for negotiations that will be attended by authorized representatives of both parties. This call shall include the type and amount of applied claims, including evidence for the given claim. If the dispute is not settled amicably within 30 calendar days after delivering the written call or if one of the parties obstructs the negotiations, the dispute shall be submitted to a court with jurisdiction in the given matter. The contracting parties agree that the court with territorial jurisdiction shall be determined based on the headquarters of the Buyer.
    6. The following appendices form an integral part of this Contract:

Appendix no. 1: Seller’s Offer (including annexes)

Appendix no. 2: Tender documentation (including annexes)

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| In Ostrava on |  | In [●] on [●] |
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| **Continental Automotive Czech Republic s.r.o.** |  | [company] |
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|  |  |  |
| Alena Zahradníková  company procurist |  | [name and surname] [position] / [on the basis of a full power of attorney] |
|  |  |  |
|  |  |  |
| Mojmír Šustala  company procurist |  |  |