

Supply contract
no. _____ date _____

1. Contracting parties

Taking into account the provisions of the financing contract no. 3242/04.07.2012, concluded between the Ministry of Regional Development and Tourism, as Management Authority for the Regional Operational Programme, through the Agency for Regional Development South-West Oltenia, as Intermediate Body for the Regional Operational Programme and SC Plastico SRL, as Beneficiary, for the „Streamline of the production flow at S.C. PLASTICO S.R.L. CRAIOVA, through the purchase of modern machinery and equipments”, co-financed from the European Regional Development Fund 2007-2013, Priority axis 4 – „Strengthening the regional and local business environment”, Key area of intervention 4.3 „Strengthening the development of the micro-enterprises”, the following supply contract was concluded

between

..... *name of the purchaser* address
..... phone/fax registration
number, fiscal code treasury account
..... represented by
.....(name of the administrator),
position..... as **purchaser**, on the one hand,

and

.....name of the economic operator, address
..... phone/fax registration
number fiscal code account (treasury, bank)
..... represented
by..... (name of the administrator),
position..... as **supplier**, on the other hand.

2. Definitions

2.1 - In this contract the following terms shall be interpreted as follows:

- a. **contract** – this contract and all its annexes;
- b. **purchaser and supplier** – the contracting parties, as they are referred to in this contract;
- c. **contract price** – the price to be paid to the supplier by the purchaser ,under the contract, for the full and proper performance of all the obligations under the contract;
- d. **products** – the equipments, machinery, tools, any other goods included in the Annex/Annexes to this contract, which the supplier is obliged, by contract, to provide the purchaser;
- e. **services** – the services related to the delivery of the products, that is the activities related to the provision of products, such as transport, insurance, installation, commissioning, technical assistance during the warranty period and any other such contractual obligations incumbent to the provider by contract;
- f. **origin** – the place where the products were made, manufactured. The products are made when by the product manufacturing, processing or major and essential assembly of its components, a new product appears, recognised commercially, which is different, in its basic characteristics, by

purpose or utility, from its components. The origin of the products and services may be different, depending on the nationality of the supplier.

g. **final destination** – the place where the supplier is obliged to provide the products;

h. **the commercial terms** of delivery will be interpreted according to INCOTERMS 2000 – the International Chamber of Commerce;

i. **force majeure** - is a circumstance of external origin, absolutely extraordinary, unpredictable and inevitable, which is out of the control of any of the parties, which is not due to their mistake or fault, making it impossible to execute and respectively fulfil the contract; such events are considered to be: wars, revolutions, fires, floods, or other natural disasters, restrictions arising due to quarantine, embargo, the list being non-exhaustive, but declarative. An event that, similar to those mentioned above, makes the execution of the obligations of one of the parties extremely expensive, without creating the impossibility of performance is not considered force majeure;

j. **day** – calendar day; **year** - 365 days.

(any other terms that the parties agree to define for the contract, may be added here)

3. Interpretation

3.1 – In this contract, except otherwise provided the words in the singular form shall include the plural and vice versa where the context allows it.

3.2 - The term “day” or “days” or any reference to days represents calendar days if not mentioned otherwise.

Mandatory clauses

4. Object and price of the contract

4.1. - The supplier undertakes to provide and to installin the period / periods
(name of the products and quantities)

agreed to in accordance with the obligations under this contract.

4.2. - The purchaser undertakes to pay the supplier the price agreed on for the fulfilment of the supply contract.....
(name of the products)

4.3. - The price agreed on for the fulfilment of the contract, that is the price of the products delivered and of the additional services provided, payable to the supplier by the purchaser is EURO, from which the VAT is lei.

5. Duration of the contract

5.1 – The duration of this contract is of.....months, that is fromuntil.....

6. Contract documents

6.1 – The documents of the contract are (at least):

a) the specifications;

b) the technical proposal and the financial proposal;

c) the schedule of the delivery;

d) the performance warranty (if it the case).

(as the case may be, all the documents that the parties consider as being part of the contract are listed here)

7. The main obligations of the supplier

7.1 – The supplier undertakes to deliver/provide and as the case may be, install..... (name of the products and quantity), the products defined in this contract.

7.2- The supplier undertakes to supply the products at the standards and / or performances presented in the technical proposal.

7.3 - The supplier undertakes to supply the products in the periods / dates provided in the delivery schedule presented in the technical offer, annexed to the contract.

7.4 - The supplier undertakes to indemnify the purchaser against any:

- i) claims and legal proceedings resulting from the infringement of intellectual property rights (patents, names, trademarks, etc.) related to the equipments, materials, installations or machinery used for or in connection to the products purchased, and
- ii) related damages, costs, charges and expenses of any kind, except where such an infringement results from the compliance with the specifications drawn up by the purchaser.

8. The main obligations of the purchaser

8.1 - The purchaser undertakes to acquire, and respectively to buy and pay, the price agreed in the contract.

8.2 - The purchaser is obliged to receive the products within the agreed time.

8.3 - The purchaser agrees to pay the price for the products to the supplier in the period agreed from the issue of the invoice, respectively 30 days from the reception of the products delivered. The payments in foreign currency will be made respecting the legal provisions.

8.4 - If the purchaser does not pay the invoices in 30 days from the expiry date agreed on, the supplier has the right to cease the delivery of the products. As soon as the purchaser fulfils his obligations, the supplier will continue the delivery of the products as soon as possible.

(a definite term will be indicated)

9. Penalties for culpable failure to execute the obligations

9.1 - In case, by its exclusive fault, the supplier fails to fulfil its obligations, the purchaser is entitled to deduct from the contract price, as penalties, an amount equivalent to a percentage of the contract price, respectively 0,1% for each day of delay, until the actual fulfilment of the obligations.

9.2- If the purchaser fails to honour its obligations within 30 days after the expiration of the agreed period, then he has the obligation to pay, as penalty, an amount equal to a certain percentage of the outstanding payment, respectively 0,1% for each day of delay, until the effective fulfilment of the obligations.

9.3 - The failure to comply with the obligations under this contract by one of the parties, by fault, entitles the injured party to consider the contract lawfully terminated / to request the termination of the contract and to claim the payment of damages.

9.4 - The purchaser has the right to cancel the contract by means of a written notification addressed to the supplier, without any compensation, if the latter goes bankrupt, provided that this termination does not prejudice or affect the right to action or compensation for the supplier. In this case, the supplier has the right to claim only the payment corresponding to the part of the contract that was fulfilled until the date of the unilateral termination of the contract.

Specific provisions

10. Guarantee of the performance of the contract

10.1 - The supplier undertakes to provide the warranty for the performance of the contract.

10.2 - The product warranty is different from the performance warranty of the contract.

11. Reception, inspection and testing

11.1 - The purchaser or his representative has the right to inspect and / or test the products in order to verify their compliance with the specifications in the annex / annexes to the contract.

11.2 - (1) The inspections and tests of the products as well as the conditions for passing the temporary reception and the final (qualitative) reception are described in the Annex/Annexes to the contract.

11.3 - The inspections and tests within the temporary and the final (quality) reception will be made at the final destination of goods, respectively, the headquarters of the purchaser, on Decebal Boulevard, no. 85, Craiova, Dolj County.

11.4 - If any of the products inspected or tested does not meet the specifications, the purchaser has the right to reject it and the provider is required, without changing the contract price:

- a) to replace the rejected products, or
- b) to make all the necessary changes so that the products correspond to the technical specifications.

11.5 - The purchaser's the right to inspect, test and, if necessary, to reject, will not be limited or delayed due to the fact that the products have been inspected and tested by the supplier, with or without the participation of a representative of the purchaser, prior to their delivery to the final destination.

11.6 – The provision from 11.1-11.4 will not exonerate the supplier from the obligation of assuming the warranty or other obligations stipulated in the contract.

12. Packaging and marking

12.1 - (1) The supplier is obliged to pack the products so that they can cope, without limitation, with the rough handling during the transport, transit and exposure to extreme temperatures, sunlight and rainfall that may occur during the transport and storage in the open air, so as to reach the final destination in good conditions.

(2) If the weights and volumes are packed in cartons, the supplier will consider, where appropriate, the greater distance to the final destination of the products and the absence of heavy handling facilities at all points during the transit.

12.2 – Packaging, marking and the documentation within or outside the packages shall strictly respect the requirements that will be especially stipulated in the contract, including additional requirements. *(these requirements, including the additional ones and any other subsequent instructions requested by the purchaser should be mentioned here)*

12.3 - All product packaging materials and all materials necessary for the protection of packages (wooden pallets, protective sheets, etc.) remain in the property of the purchaser.

13. Delivery and documents accompanying the products

13.1 - The supplier is obliged to deliver the products to the final destination indicated by the purchaser, complying with:

- a) the data in the delivery schedule
- and

- b) the trade deadline set.

13.2 - (1) Upon the delivery of the products, the supplier is obliged to notify in writing both the purchaser and, where applicable, the insurance company the delivery data, the contract number, the product description, the quantity, the place of loading and the place of unloading.

(2) The supplier will send the purchaser the documents accompanying the products:

- invoice;
- warranty certificate;
- quality certificate;
- declaration of conformity
- the operation manual, the technical book

(the documents accompanying the products are mentioned here)

13.3 – The certification by the purchaser of the fact that the products were delivered partially or totally, is to be made after the installation and reception, by signing for the receipt by the authorized representative, on the documents issued by the supplier for delivery.

13.4 - The delivery is considered completed when the provisions of the clauses of products receipt are fulfilled.

14. Insurances

14.1 – The supplier must completely insure the products supplied under the contract against unforeseen loss or damage during manufacturing, transport, storage and delivery, depending on the trade deadline agreed on.

(the trade deadline is mentioned here)

15. Services

15.1 - In addition to the effective provision of the products, the supplier must also provide the services ancillary to the supply of products, without changing the contract price.

15.2. - The supplier is obliged to provide the services, for the agreed period, provided such services do not exempt the supplier from any warranty obligation under the contract.

(the period of time agreed for the provision of services is mentioned here)

16. Warranty period for the products

16.1 - The supplier must ensure that the products supplied under the contract are new, unused. Also, the supplier must ensure that all products supplied under this contract will have no defect as a result of the project, materials or workmanship (with the exception of when the project and/or material is specifically asked by the purchaser) or any other act or omission of the supplier and that they will operate at the requested parameters, in normal conditions of operation.

16.2 - (1) The product warranty period granted by the supplier is declared in the technical offer.

(the product warranty period granted to the products is mentioned)

(2) The product warranty period begins with the date of receipt of the products made after the delivery and installation at the final destination.

16.3 - The purchaser has the right to immediately notify the supplier in writing for any claim or complaint which appears under this warranty.

16.4 - Upon the receipt of such notification, the supplier is required to remedy the fault or to replace the product in the conveyed period, with no additional costs for the purchaser. The products that, during the warranty period, are replaced, gain a new warranty period starting with the date of the product replacement.

(the period for troubleshooting or replacing the product is mentioned here)

16.5 - If the supplier, having been notified, fails to remedy the defect within the agreed period, the purchaser has the right to take remedial action at the risk and expense of the supplier and without any prejudice to any other rights that the purchaser might have regarding the provider under the contract.

17. Contract price adjustment

17.1 - For the products delivered and the services rendered, the payments due by the purchaser to the provider are those stated in the financial offer, annexed to the contract

17.2 - The contract price is firm and shall not be adjusted

18. Subcontractors¹

18.1 - The supplier shall, in case he subcontracts parts of the contract, to conclude contracts with the subcontractors appointed, under the same conditions in which he signed the contract with the purchaser.

18.2 - (1) The supplier is obliged to present, upon the conclusion of the contract, all contracts concluded with the designated subcontractors.

(2) The list of subcontractors, with their identification data, and the contracts concluded with them, are presented in the annexes to the contract.

18.3 - (1) The supplier is totally liable to the purchaser for the way in which he performs the contract.

¹ For the contracts that imply services, accessory to the supply

(2) The subcontractor is totally responsible to the supplier for the way in which he performs his part of the contract.

(3) The supplier is entitled to claim damages to the subcontractors if they do not fulfil their part of the contract.

18.4 - The provider may change any subcontractor only if he has not fulfilled his part of the contract. Changing the subcontractor will be notified to the purchaser and will not cause the change of the contract price.

19. Delays in the performance of the contract

19.1 – The supplier is obliged to perform the delivery contract in the period / periods included in the delivery schedule.

19.2 - If during the performance of the contract the supplier does not perform the delivery or provision of services under the schedule, then he must notify the purchaser in time; changing the date / periods of supply assumed in the delivery schedule will be agreed by the parties through an addendum.

19.3 - Unless the purchaser agrees to an extension of the delivery term, any delay in the performance of the contract entitles the purchaser to claim penalties to the provider.

20. Force majeure

20.1 – Force majeure is established by a competent authority.

20.2 – Force majeure relieves the contracting parties from the performance of the obligations assumed under this contract, as long as it exists.

20.3 – The fulfilment of the contract will be suspended during the case of force majeure, but without prejudice to the rights pertaining to the parties until its appearance.

20.4 – The contracting party claiming force majeure must notify the other party immediately and completely, regarding its occurrence and shall take all measures available in order to limit the consequences.

20.5 – The contracting party claiming force majeure shall notify the other party, about its termination within a period of maximum 15 days from the termination.

20.6 - If the case of force majeure acts or is expected to act for more than six months, each party shall be entitled to notify the other party of the termination of this contract, without the other party being entitled to claim damages.

21. Dispute resolution

21.1 – The purchaser and the supplier will make every effort to resolve amicably by direct negotiations any disagreement or dispute that may arise between them under or in connection to the performance of the contract.

21.2 - If, 15 days from the beginning of these negotiations, the purchaser and the supplier fail to resolve amicably a contract dispute, each may require that the dispute be settled either by the court in Romania, localized near the headquarters of the purchaser.

22. Language of the contract

22.1 – The language of the contract is Romanian.

23. Notifications

23.1 - (1) Any notification between the parties, relating to the performance of this contract must be submitted in writing.

(2) Any written document must be recorded both upon the transmission, as well as upon its receipt.

23.2 – The notifications between parties can be made by phone, telegram, fax or e-mail, provided there shall be a written confirmation of receipt of the notification.

24. Law applicable to the contract

24.1 - The contract will be interpreted under the laws in Romania.

The parties agreed to conclude today this contract in 2 (two) copies, one for each party.

(specify the date of signing by the parties)

Purchaser,

.....

(authorized signature)

LS

Supplier,

.....

(authorized signature)

LS