# PURCHASE CONTRACT

*Concluded according to Section 2079 et seq. Act No. 89/2012 Coll., the Civil Code, as amended*

**I.**

**Contracting Parties**

**Buyer: CLASSIC COTTON s.r.o.**

Registered office: Průmyslová 146, 551 02 Jaroměř - Josefov

Company registration number (IČO): 02471949

DIČ: CZ02471949

Statutární zástupce: Vlastimil Kovařík, Ing. Július Szabo, jednatelé

(dále jen kupující)

a

*(to be completed by the participant)*

**Seller:**

Registered office

Commercial Register information:

Company registration number:

Tax identification number:

Bank details:

Account number:

Represented by:

Person authorised  
to act in technical matters:

(dále jen prodávající)

**II.**

**Subject Matter and Scope of the Contract**

1. The Seller undertakes to deliver to the Buyer the goods specified in this Contract and enable it to acquire the title to them and the Buyer undertakes to pay the amount agreed in this Contract for the delivery of the goods.
2. The goods within the meaning of this Contract shall mean a winding machine:

* Manufacturer, designation of the winding: ………………… *(to be completed by the participant)*

1. The detailed specifications of the goods is set out in the Annex to this Contract.
2. The delivery also includes transport, installation, ensuring the full functionality and commissioning of the goods, adjustment and training of the operating personnel in the **Czech or English language** at the Buyer's premises. (accordingly to Incoterms CIP)
3. All technical documents and manuals for all machines must be supplied in the Czech or English language.

**III.**

**Price and Conditions for Changing the Agreed Price**

1. The price for the delivery of the goods within the scope of Article II hereof is determined by agreement of the Contracting Parties on the basis of the quotation of the Seller, prepared according to the specifications given in the Annex to this Contract, and amounts to a total of:

(the amount of the Price shall be completed by the Seller in accordance with the wording of its quotation)

**Price without VAT ……………………………**

**VAT rate ……………………………**

**VAT ……………………………**

**Price including VAT ……………………………**

1. The price referred to in paragraph 1 of this Article is the final price for the complete fulfilment of the subject of performance and the maximum permissible price.
2. The price includes inflationary price increases throughout the proposed implementation period.
3. The price includes all costs of the Seller necessary for the delivery of the goods, including all costs related to the delivery of the goods and the related costs (e.g. transport, assembly and installation costs).
4. The price referred to in paragraph 1 of this Article may be exceeded only in the event of a statutory change of the VAT rate, starting with the effective date of such statutory change, but not more than by the amount corresponding to the increase in the VAT amount.

**IV.**

**Terms of Payment**

1. The total price of the goods is paid to the Seller by the Buyer after delivery and after handover procedure.
2. The price of the goods shall be paid by the Buyer on the basis of a tax document - invoice (hereinafter referred to as the Invoice) in accordance with paragraph 5 of this Article hereof.
3. If no agreement is reached between both Parties when agreeing on the quantity of the delivered goods (accessories), the Seller is entitled to invoice only those in respect of which there is no conflict. If the Seller's invoice also contains goods that have not been approved by the Buyer, the Buyer is entitled to pay only the part of the invoice with which it agrees. The Seller may not apply any property penalties or interest on late payment resulting from the Buyer's monetary debt with respect to the remaining part of the invoice. Section 2093 of the Civil Code shall not apply.
4. The Buyer is entitled to take over the goods in writing that show minor defects. If the Buyer takes over the goods, which are defective, it is entitled to apply reasonable retention, but not more than 5 % (five percent) of the total price. The retention shall be paid only after the removal of the last defect or completion of unfinished work.
5. The price of the goods shall be paid to the Seller by the Buyer in individual parts, i.e.:
6. 70 % of the purchase price of the goods shall be paid at the order confirmation signature
7. 25 % of the purchase price of the goods shall be paid at machine readiness for delivery
8. 5 % of the purchase price of the goods shall be paid after commissioning

1. The Buyer is obliged to pay each invoice of the Seller not later than 14 days from the day following the day of delivery of the invoice..
2. The retention, if applied, shall be paid to the Seller by the Buyer on the basis of a tax document issued by the Seller, stating that it is a final invoice.
3. The Buyer is not in delay if it pays the invoice within 14 days from the day following the day of delivery of the invoice, but is in delay after the deadline stated on the invoice as the due date.
4. The Seller's invoices must have all the requisites of a tax document within the meaning of Act No. 235/2004 Coll. on value added tax. In particular, they must contain:

|  |
| --- |
| * Identification of the accounting document and its serial number |
| * Identification details of the Buyer, including the tax identification number |
| * Identification details of the Seller, including the tax identification number |
| * Description of the content of the accounting document |
| * Date of issue |
| * Due date |
| * Date of taxable supply |
| * Total price without tax |
| * Tax rate |
| * Total amount of tax rounded according to the relevant regulations |
| * Total price including tax |
| * Signature of the Seller's responsible person |
| * Appendix - a list of delivered goods and work performed, valued according to the agreed method |
| * Handover report |

1. The monetary obligation (debt) of the Buyer is considered fulfilled on the day when the amount due is credited to the Seller's account specified on the relevant invoice.

**V.**

**Period and Place of Performance**

1. The Seller is obliged to deliver the goods in full according to the Specification of the Subject of Performance, including ensuring the full functionality and commissioning at the Buyer's premises not later than ……… calendar days **from the date of the Buyer's instruction to start performance (order)**. (*to be completed by the party according to their offer. The contracting authority requires that the delivery date be a minimum of 150 and a maximum of 240 calendar days from the delivery of the written instruction of the contracting authority to start performance.)*
2. The place of delivery of the goods is the premises at Průmyslová 146, 551 02 Jaroměř - Josefov**.**
3. The Parties agree on the proper provision of cooperation agreed in the Contract. The Seller is not in delay in meeting an obligation for the period of the Buyer's delay in providing the agreed cooperation. Unless otherwise agreed between the Parties, the delivery date shall be extended by the same time as the Buyer's delay in providing its cooperation.
4. The Seller's delay in the delivery of the goods for more than 30 days shall be deemed a material breach of the Contract, but only if the Seller's delay is not caused for reasons on the part of the Buyer.

**VI.**

**Contractual penalties**

1. If the Seller is in delay against the date of delivery of the goods, it is obliged to pay the Buyer a Contractual Penalty of 0.05 % of the price of the goods without VAT for each started day of delay. The given Contractual Penalty shall not affect the amount of any damages.
2. The delay of the Seller against the date of delivery and acceptance of the goods longer than thirty days shall be deemed a material breach of the Contract..
3. If the Buyer is in delay with the payment of an invoice against the agreed date, it is obliged to pay the Seller interest on late payment of 0.05 % of the amount due for each started day of delay.
4. The Buyer's delay with the payment of an invoice for more than thirty days shall be deemed a material breach of the Contract..
5. The sanction (Contractual Penalty, interest on late payment) shall be charged by the entitled party to the obligated party in writing. The billing must state the provision of the Contract authorising the charging of the sanction and the method of calculation of the total sanction amount.
6. The obligated party is obliged to pay the charged sanctions not later than fourteen days from the date of receipt of the relevant billing.

**VII.**

**Handover and Acceptance of the Goods**

1. The Buyer's premises is the place of the Handover and Acceptance of the Goods.
2. The Buyer shall prepare a record (report) of the Handover and Acceptance procedure. The obligatory contents of the report are:

* Details of the Seller and the Buyer
* A description of the Goods that are the subject of the Handover and Acceptance

- The date from which the warranty period begins to run

* A declaration of the Buyer as to whether or not it accepts the Goods

1. If the Goods that are the subject of the Handover and Acceptance has a defect or there is any unfinished work in respect thereof, the report must also contain:

* List of detected defects and unfinished work
* An agreement on the manner and dates of their removal and completion, or on another method of settlement
* An agreement on making the Goods or parts thereof available to the Seller for the purpose of removing defects or completing the unfinished work

1. If no agreement is reached between the two Parties on the date of removal of the defects and completing the unfinished work, then the defects and unfinished work must be removed and completed not later than 30 days from the date of the Handover and Acceptance of the Goods.
2. The Seller is obliged to remove the defects or complete the unfinished work within the specified period, even if, in its opinion, it is not responsible for the defects. The costs of the removal in these disputed cases shall be borne by the Seller until the decision of the court.

**VIII.**

**Warranty**

* + 1. The warranty period of the machine is at least 12 months.
    2. The Seller is liable for defects in the Goods at the time of Handover and is also liable for defects in the Goods found during the warranty period.
    3. The Seller is not liable for defects in the Goods caused by the Buyer, a third party or force majeure.
    4. The warranty period does not run for a period during which the Buyer could not use the Goods for defects in the Goods for which the Seller is liable.
    5. The warranty period does not run for a period during which the Buyer could not use the Goods for defects in the Goods for which the Seller is liable.
    6. The Buyer is obliged to claim defects in writing against the Seller without undue delay after finding them. The notification (claim) shall be sent to the address of the Seller and to its e-mail address specified in paragraph 9 of this Article hereof. In the event of an accident preventing the proper use, it shall try to call the contact person by phone at the number specified in paragraph 9. 9 of this Article hereof. Defects must be described in the claim or it is necessary to state how they are manifested. Furthermore, in the claim, the Buyer shall state how it requests to arrange a remedy. The Buyer is entitled to request:

1. Removal of a defect by delivery of a replacement performance (for defects of materials, fixtures, etc.)
2. Removal of a defect by repair, if the defect is repairable,
3. A reasonable discount from the agreed price.
   * 1. The Buyer's right arising from the warranty shall expire if the Buyer does not report defects in the Goods
4. Without undue delay after finding them,
5. Without undue delay after it should have found them out while exercising professional care during the inspection upon the Handover and Acceptance of the Goods,
6. Without undue delay after they may have been found later in the exercise of professional care, but not later than the end of the warranty period.
   * 1. Claims may be submitted not later than the last day of the warranty period; a claim sent by the Buyer on the last day of the warranty period is considered to have been submitted in time.
     2. The claim period is 6 months. The Seller is obliged to notify the Buyer in writing, within 20 days after receiving the claim within the claim period, whether or not it accepts the claim. If it does not do so, the Seller shall be deemed to accept the Buyer's claim. However, the Seller must always rectify the defects in accordance with Article IX of this Contract.
     3. If it is proven in disputed cases that the Buyer made a claim unjustifiably, i.e. that the defect claimed by it did not arise due to a fault of the Seller and that it is not covered by the warranty period or that the defect was caused by the improper use of the Goods by the Buyer, etc., the Buyer is obliged to reimburse the Seller for all costs incurred by it in connection with the removal of the defect.
     4. The Buyer is obliged to allow the workers of the Seller, accompanied by an authorised person of the Buyer, access to the premises necessary to remove the defect. If it fails to do so, the Seller is not in delay with the deadline for the start of removing the defect or with the deadline for removing the defect.
     5. The Buyer shall draw up a report on the removal of the claimed defect, in which it shall confirm the removal of the defect or state the reasons for which it refuses to accept the repair.

**IX.**

**Service Provision**

1. The Seller is obliged to provide free warranty Service for all delivered Goods under the conditions specified in this Article hereof..
2. The Seller is obliged to provide warranty Service for the entire subject of performance according to the Specification of the Subject of Performance, so that all Service and repairs must start not later than 48 hours after the defect (failure) is reported by the Buyer on working days. The Seller must be able to preferentially perform Service and repairs at the place of performance in accordance with Article V (2) of this Contract
3. Phone notification and subsequent sending of a written (electronically via e-mail) notification of a defect to the Seller is considered a report of a defect. This notification shall also mean the submitting of a claim according to Article VIII of this Contract. In the defect notification, the Buyer shall provide a description of the defect or information on how the defect is manifested.
4. The actual start of work on the reported defect is considered a start of a repair.
5. Contact person of the Seller in the matters relating to the Service and repairs::

Name: ……………………………….

Phone: ……………………………….

E-mail: ……………………………….

1. If the Seller does not start repairing the reported defect within the period specified in Article IX (2) hereof, the Buyer is entitled to charge the Seller a Contractual Penalty of € 20 without VAT for each started hour of delay.
2. The payment of the Contractual Penalty shall not affect the Buyer's right to the compensation for damage caused by a breach of an obligation secured by a Contractual Penalty
3. The Contractual Penalty shall be charged by the entitled party within 30 days of the discovery thereof and the other Party shall be obliged to pay the Contractual Penalty within 30 days from the receipt of the billing. The same shall apply to the interest on late payment.
4. If the Seller does not start removing the claimed defect within the period specified in Article IX (2) of this Contract, the Buyer is entitled to entrust the removal of the defect to another professional legal or natural person. All costs so incurred shall be reimbursed to the Buyer by the Seller within 30 days from the receipt of the billing. In the event that the Seller has started the relevant work to remove the defect within the period specified in paragraph 2 of this Article hereof but did not complete the work within the appropriate period necessary for the repair, the Buyer is entitled to have the work performed by a third party. The Seller is also obliged to reimburse the Buyer for the related costs within 10 days from the receipt of a written request for the payment and a tax document. The same shall apply to the interest on late payment.
5. During the warranty period, the Seller is also obliged, at the written request of the Buyer, to carry out a free Service inspection of the subject of performance according to the Specification of the Subject of Performance at least once a year, during which it shall perform the basic Service operations, in particular, the adjustment of the equipment.
6. The Seller is also obliged to perform post-warranty Service for the Buyer for a period of at least 36 months in respect of the entire subject of performance according to the Specification of the Subject of Performance, based on a written order of the Buyer, under the terms and conditions further agreed between the Seller and the Buyer.

**X.**

**Ownership of the Goods and Risk of Damage to the Goods**

* + - 1. The Seller shall be the owner of the Goods until the full payment.
      2. The Risk of Damage to the Goods shall be borne by the Seller from the beginning until the time of the proper Handover and Acceptance of the Goods between the Seller and the Buyer.

**XI.**

**Force Majeure**

1. Circumstances affecting the supply of the Goods that are not dependent on the Contracting Parties and that the Contracting Parties cannot influence shall be considered Force Majeure. These are, for example, war, mobilisation, insurrection, natural disasters, etc.
2. If the delivery of the Goods under the agreed conditions becomes impossible as a result of Force Majeure, the party wishing to invoke Force Majeure shall request the other Party to modify the Contract in relation to the subject matter, price and period of performance. If no agreement is reached, the Party that has reasonably invoked Force Majeure has the right to withdraw from the Contract. In this case, the withdrawal shall take effect on the day of delivery of the notification.

**XII.**

**Withdrawal from the Contract**

1. If facts preventing the proper performance of this Contract occur in respect of any of the Parties, the Party affected is obliged to notify the other Party thereof without undue delay and initiate negotiations of the representatives authorised to sign the Contract.
2. If any of the Parties wishes to withdraw from the Contract on the basis of the provisions arising from the Contract, it is obliged to notify the other Party thereof in writing, stating the date on which it shall withdraw from the Contract. The withdrawal must also include the reason for which the Party withdraws from the Contract and the exact citation of the provision of the Contract that entitles it to do so. Without these requirements, the withdrawal shall be invalid.
3. If any of the Parties does not agree with the reason for the withdrawal of the other Party or if it denies the existence thereof, it is obliged to notify it in writing not later than ten days after the receipt of the notice of withdrawal. If it fails to do so, it shall be deemed to agree with the reason for the withdrawal.
4. The withdrawal from the Contract shall take place on the day following the day on which the written notice of withdrawal was delivered to the other Party, unless the other Party denies the reason for the withdrawal within the specified period. Otherwise, the date agreed between the Parties or resulting from a decision by the competent authority shall be the effective date of withdrawal from the Contract.

**XIII.**

**Final Arrangements**

1. This Contract may be amended or terminated only by a written mutually confirmed contractual arrangement, explicitly called an amendment to the Contract, or by agreement. Other records, reports, etc. shall not be considered an amendment to the Contract.
2. An agreement on the entire content is required for the validity of the amendments to this Contract.
3. If facts preventing the proper performance of this Contract occur in respect of any of the Parties, the Party affected is obliged to notify the other Party thereof without undue delay and initiate negotiations of the representatives authorised to sign the Contract..
4. The Contracting Parties undertake to express their written opinion of the draft changes - amendments to the Contract within 15 days from the delivery of the draft amendment to the other Party. The Party that has submitted the draft shall be bound by the draft for the same period..
5. This Contract is drawn up in two copies, one of which shall be kept by the Seller and one by the Buyer.
6. The Seller is a person obliged to co-operate in the performance of a financial control within the meaning of the provisions of Section 2 (e) of Act No. 320/2001 Coll. on financial control in public administration, as amended.
7. The Seller declares that it is insured for liability for damage caused to third parties by the delivery, installation, or assembly or testing of the subject of performance to other property up to the amount of the purchase price of the Goods.
8. Both Parties declare that an agreement has been reached on the full scope of the Contract.
9. The Contracting Parties agree that all disputes between them shall be primarily settled amicably and that they shall make every effort to resolve them without undue loss of time. If disputes arise regarding the interpretation of the Contract or its individual provisions, the Seller shall present this discrepancy to the Buyer. The Buyer must initiate oral negotiations where the dispute shall be clarified and undertakes to respond to the Seller within one week.
10. Only persons authorised by the statutory bodies to act on the basis of a special power of attorney are entitled to resolve and decide disputes. In the event that the dispute is not resolved in this way, each of the Contracting Parties is entitled to refer the dispute to a decision by the court..
11. After reading the Contract, the Contracting Parties declare that they agree with its content, that the Contract was made definitely and comprehensibly based on true details and their true and free will, not in distress and under unilaterally unfavourable conditions. In witness whereof, they affix their handwritten signatures.

Annexes and integral parts of the Contract:

* *Specification of the Subject of Performance*

In ………………… on ………… 2021 In Jaroměř, on ………… 2021

For the Seller: For the Buyer:

|  |  |
| --- | --- |
| …………………………………. | …………………………………. |
| ……………. | **CLASSIC COTTON s.r.o..**  Vlastimil Kovařík, Ing. Július Szabo |