

PRELIMINARY SALE OF GOODS CONTRACT

14 September, 2017 No. KPS- 285

Lietuvos kariuomenė, code 188732677, 8 Šv. Ignoto St., LT-01144 Vilnius, represented by the Logistics Command Commander of the Lithuanian Armed Forces col. Lt. Ramūnas Baronas acting in accordance with the official powers awarded by the order No. V-409 issued on the April 1, 2015 by the Chief of Defence of Lithuanian Armed Forces, (hereinafter referred to as the **Seller**), and Prabos Plus a.s., the legal entity code 26272857, Komenskeho 9, 763 21 Slavičín, The Czech Republic represented by the director Juraj Vozar, acting in accordance with the laws of the company (hereinafter referred to as the **Seller**), hereinafter in the present preliminary contract together referred to as "Parties", and each separately as "a Party" concluded the present Preliminary Sale Contract, hereinafter referred to as "the Preliminary Contract" according to the Law of the Republic of Lithuania on Public Procurement, and agreed upon the following conditions.

1. DEFINITIONS

1.1. Definitions employed in the present contract:

1.1.1. The "**Sale Contract**" is a sale of goods contract that is concluded between **the Buyer** and **the Seller** in accordance with the provisions of the present Preliminary Contract.

1.1.2. The "**Preliminary Contract**" is a contract between **the Buyer** and **the Seller** aiming at defining the conditions to be applied for **Sale Contracts** that will be concluded within the validity period of the Preliminary Contract.

1.1.3. The "Prices of Products" are prices of products suggested by the **Seller** and indicated in the Appendix 1 "Prices of Products and Preliminary Quantities" (hereinafter referred to as Appendix 1) that cannot be increased while submitting proposals for a specific quantity of goods.

2. SCOPE OF APPLICATION AND THE OBJECT OF THE PRELIMINARY CONTRACT

2.1. By means of the Preliminary Contract, **the Buyer** and **the Seller** agree to define the conditions in accordance to which **the Parties** will be able to conclude **Sale Contracts** regarding **uniform footwear (fem.)** (hereinafter referred to as goods) specified in the Appendix 1 of the Preliminary Contract that satisfy the technical requirements laid out in the Appendix 2 of the Preliminary Contract "The Technical Specification for Female Uniform Footwear" within the validity period of the Preliminary Contract in the manner prescribed by the Preliminary Contract.

2.2. **The Buyer** is under no obligation to purchase the whole quantity of goods indicated in the Appendix 1 of the Preliminary Contract.

2.3. **The Seller** undertakes the following obligations:

2.3.1. to conclude **the Sale Contract** with **the Buyer** within the validity period of the Preliminary Contract in accordance with the present Preliminary Contract and its appendices and to perform the present Preliminary Contract and concluded **Sale Contracts** properly;

2.3.2. upon the conclusion of the first **Sale Contract** for respected goods, to coordinate and confirm working examples of goods (2 specimens, one for **the Buyer**, one for **the Seller**) that would correspond to the conditions of the respective **Sale Contract** and its appendices and to provide the user's manual/maintenance instructions together with a quality assurance plan prepared in accordance with AQAP 2105 or ISO 10005 or an equivalent standard. Working examples, the user's manual/maintenance instructions and a quality assurance plan are valid within the whole validity period of the Preliminary Contract and are applicable for each **Sale Contract** concluded in accordance with the present Preliminary Contract. Working examples of goods may be reconfirmed within the validity period of the Preliminary Contract.

2.3.3. To maintain organizational and technical abilities and capacity no worse than at the signing day of the Preliminary Contract within the whole validity period of the Preliminary Contract. In the event of **the Buyer** receiving information that **the Seller's** qualifications may not satisfy the minimal

qualification requirements laid out in the conditions of the open contest within the validity period of the Preliminary Contract, **the Buyer** may request **the Seller** to provide documents proving the conformity with qualification requirements laid out in the conditions of the open contest. If, upon the evaluation of the provided documents, it is established that **the Seller** does not satisfy the aforementioned qualification requirements, **the Buyer** has the right to terminate the Preliminary Contract.

3. PRICES OF PRODUCTS

3.1. The prices of products are provided in the Appendix 1 of the Preliminary Contract. All expenses and taxes related to the sale of goods are included into the prices of products. The prices of products provided in the Appendix 1 of the Preliminary Contract are fixed for the whole validity period of the Preliminary Contract, except for one case outlined in the paragraph 3.2 of the Preliminary Contract.

3.2. In accordance with the **Sale Contract** concluded within the validity period of the Preliminary Contract, goods shall be provided at the prices specified in the Appendix 2 of **the Sale Contract** that shall be no higher than indicated in the Appendix 1 of the Preliminary Contract.

4. PROCEDURE FOR THE CONCLUSION OF THE SALE CONTRACT

4.1. Within the validity period of the Preliminary Contract, **the Buyer** has the right to place an order with **the Seller** for goods and to conclude a **Sale of Goods Contract** with **the Seller**. The following information shall be included in the order: the name of goods, the quantity of goods, the date of the order, other information that is requested to be submitted by **the Seller**.

4.2. **The Buyer** undertakes the obligation to place an order with **the Seller** by the means of CVP IS messenger systems.

4.3. **The Seller** undertakes the obligation no later than within 3 (three) business days to confirm by the means of CVP IS messenger systems the agreement to conclude the **Sale Contract** in accordance with the order placed by **the Seller**.

4.4. **The Seller** undertakes the obligation to arrive for the conclusion of the **Sale Contract** on the date specified by **the Seller**.

4.5. In the event of **the Seller** refusing to conclude the **Sale Contract** of ordered goods by the means of CVP IS systems, **the Buyer** has the right to terminate the Preliminary Contract.

5. COMMUNICATION

5.1. Unless stated otherwise, **the Parties** to the Preliminary Contract communicate with each other in writing.

5.2. The communication of **the Parties** to the Contract is considered to be in writing, if it is by post, fax, e-mail, is personally handed in at the addresses indicated in the contract by **the Parties** to the Preliminary Contract. If the addressee informs about another address, the documents shall be delivered to the new address. If the addressee did not specify another address in their communication, the reply is to be sent to the same address, the previous communication was received from.

5.3. If the sender requires a receipt confirmation, they indicate this request in the sent communication.

6. VALIDITY OF THE PRELIMINARY CONTRACT

6.1. The Preliminary Contract comes into force upon its signing by **the Parties**.

6.2. The Preliminary Contract is valid for **36 (thirty six) months** if it is not terminated on the grounds of events outlined in the paragraph 7 of the Preliminary Contract.

7. TERMINATION OF THE PRELIMINARY CONTRACT

7.1. The Preliminary Contract may be terminated in the following circumstances:



7.1.1. by a written agreement of the Parties;

7.1.2. if force majeure circumstances last longer than 1 (one) month and **the Parties** have not signed a supplementary agreement regarding the amendment of the present Preliminary Contract that would allow **the Parties** to continue fulfilling their contractual obligations.

7.2. **The Buyer**, provided they informed **the Seller** in writing no later than within 5 (five) days, has the right to unilaterally terminate the Preliminary Contract in the following circumstances:

7.2.1. **The Seller**, within the validity period of the Preliminary Contract, refuses in writing or does not arrive within the term specified to conclude at least one of **Sale Contracts** in accordance with the conditions laid out in the Appendix 3 "The Draft of a Procurement of Goods Contract" of the Preliminary Contract;

7.2.2. any of **Sale Contracts** is terminated due to reasons laid out in paragraphs 9.2.1 – 9.2.7 of the General Conditions of the **Sale Contract**, within the validity period of the Preliminary Contract;

7.2.3. **The Seller** does not fulfil the obligations outlined in the paragraph 2.3 of the Preliminary Contract;

7.2.4. **The Seller** offers prices of goods that are higher than the prices indicated in the Appendix 1 of the Preliminary Contract.

7.2.5. any of **Sale Contracts** is terminated due to reasons laid out in paragraphs 9.2.8. and 9.2.9 of the General Conditions of the **Sale Contract**, within the validity period of the Preliminary Contract;

7.3. In the event of the termination of the Preliminary Contract due to any of the reasons laid out in paragraphs 7.2.1, 7.2.2, 7.2.3 and 7.2.4 of the Preliminary Contract, **the Seller** shall pay **2000.00 Euro (two thousands Euro 00 ct)** of minimal losses agreed upon in advance by **the Parties** but no more than the value of all obligations that have not been fulfilled under the Preliminary Contract within 7 (seven) business days from the termination of the Preliminary Contract.

7.4. The settlement of the minimal losses agreed upon in advance by **the Parties** does not release **the Seller** from an obligation to fully reimburse **the Buyer** for the suffered losses in the event of an improper performance of the Preliminary Contract by **the Seller**.

7.5. The termination of the Preliminary Contract does not affect the performance of any of **Sale Contracts** in force concluded prior to the termination of the Preliminary Contract.

8. FORCE MAJEURE CIRCUMSTANCES

8.1. None of **the Parties** is responsible for a partial or full non-fulfilment of the undertaken obligations if they prove that they did not fulfil the obligations due to force majeure circumstances.

8.2. **The Party** to the Contract that cannot fulfil their obligations due to force majeure circumstances shall immediately but no later than within 10 (ten) days from the emergence or the detection of the circumstances inform the other **Party** about them in writing.

8.3. Force majeure circumstances are considered to be circumstances outlined in the Article 6.212 of the Civil Code of the Republic of Lithuania and the Rules of Exemption from Liability in the Case of Force Majeure approved by the resolution No. 840 issued by the Government of the Republic of Lithuania on the July 15, 1996.

9. DISPUTE SETTLEMENT PROCEDURE

9.1. The Contract shall be concluded and explained in accordance with the laws of the Republic of Lithuania.

9.2. All disputes and disagreements related to the Preliminary Contract and arisen between **the Buyer** and **the Seller** shall be settled by mediation, and if a settlement is not reached, the dispute shall be resolved in court in accordance with the procedure established by the laws of the Republic of Lithuania and the location of **the Buyer's** main office.

10. INFORMATION ON SUBSUPPLIERS

The Seller shall not employ subsuppliers.

11. FINAL PROVISIONS

11.1. The Preliminary Contract is concluded in four copies in Lithuanian and English languages - two for each **Party**. In the event of differences in the interpretation of the Preliminary Contract, the preference shall be granted to the English text of the Preliminary Contract.

11.2. None of **the Parties** has the right to transfer the rights and obligations under this Preliminary Contract to a third person without a prior written consent of another **Party**.

11.3. During the performance of the Preliminary Contract, the manufacturer of goods indicated in the Appendix 1 of the Preliminary Contract may be replaced (if they differ from the supplier). The change is formalized in writing after **the Seller** provides **the Buyer** with the documents proving that the goods will fulfil the requirements outlined in the technical specification of respective goods provided in the Appendix 2 of the Preliminary Contract and after the coordination of the working example of the goods.

11.4. The conditions of the Preliminary Contract cannot be changed within the validity period except for such conditions of the contract the change of which would not violate the principles and goals laid out in the Article 3 of the Public Procurement Law. The adjustment of conditions of the contract in circumstances outlined therein are not considered to be changes of the conditions of the Preliminary Contract, if these conditions are defined clearly and unambiguously as well as if they were included into the conditions of the contest.

11.5. If, during the validity period of the Preliminary Contract, Parties notice technical errors, spelling mistakes (provisions incorrectly transferred from a proposal, procurement conditions, etc.), persons responsible for the performance of the Preliminary Contract indicated in the Preliminary Contract, the requisites of the Parties to the Preliminary Contract are changed, the Parties to the Preliminary Contract may adjust the conditions of the Preliminary Contract by the means of a written agreement. Such an adjustment of contractual conditions shall not be considered as a change of the conditions of the Contract.

11.6. All appendices of the present Preliminary Contract are an integral part of the Preliminary Contract:

Appendix 1 "Prices of Products and Preliminary Quantities", 1 page;

Appendix 2, "The Technical Specification for Female Uniform Footwear", 4 pages,

Appendix 3 "The Draft of a Procurement of Goods Contract", 15 pages.

12. Requisites of the Buyer

Lietuvos kariuomenė

The code 188732677

VAT payer code LT887326716

8 Šv. Ignato g. St., LT-01144 Vilnius

S. a. LT48 7300 0100 0246 0179

Bank "Swedbank", AB

The correspondence, documentation are to be sent to the following address:

LK Materialinių resursų departamentas 8

Savanorių pr., LT-03116 Vilnius

13. The requisites of the Seller

Prabos Plus a.s.

The code 26272857

VAT payer code CZ26272857

Komenskeho 9, 763 21 Slavičín, The Czech Republic

e-mail prabos@prabos.cz, vozar.juraj@prabos.cz

The bank:

KB, a. s.

Komerční banka Zlín pobočka Slavičín

EUR IBAN:CZ93 0100 0000 3542 8606 0217

SWIFT/BIC: KOMBCZPPXXX

The contact person - Juraj Vozar

tel. +420 577 303 111

fax +420 577 343 712

THE BUYER

Lietuvos kariuomenė

The Logistics command commander
of the Lithuanian armed forces

Col. Lt. Ramūnas Baronas

THE SELLER

Prabos Plus a.s.

The Director a.s.

Komenskeho 9, 763 21 Slavičín
IČO: 26272857 BIC: CZ26272857

Juraj Vozar

14 September 2017

Annex 1 to the

Preliminary Sale of the Goods Contract No. KPS- 285

PRODUCTS PRICES AND PRELIMINARY AMOUNTS

No.	Product name	Unit of measurement pcs.	Preliminary amount of the products for 3 years* Units of measurement	Price of the unit of measurement (without 21% VAT)	Manufacturer of the product (country, company)
1	Uniform footwear (fem.)	pair	12 000	50,00	Prabos plus. a.s. Czechia

* The specified numbers of the products are preliminary, the Buyer shall be under no obligation to purchase them throughout the entire period of validity of the Preliminary Contract.

THE BUYER

Lietuvos kariuomenė

The Logistics command commander
of the Lithuanian armed forces

Col. Lt. Ramūnas Baronas



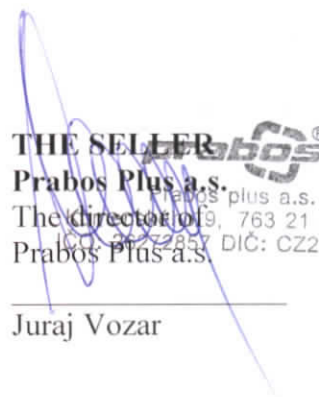
THE SELLER

Prabos Plus a.s.

The director of
Prabos Plus a.s.

Juraj Vozar

Prabos plus a.s.
9, 763 21 Slavičín
IČO: 0172857 DIČ: CZ26272857



14 September, 2017

Appendix 2 of the

Preliminary Sale of Goods Contract No. KPS - 285

TECHNICAL SPECIFICATION FOR FEMALE UNIFORM footwear

1. GENERAL REQUIREMENTS

- 1.1. The model of female uniform footwear is provided in the appendix.
- 1.2. The warranty period of the goods - no less than 12 (twelve) months in conditions of active exploitation that starts from the day of their issuance from a warehouse of the Buyer and 24 (twenty four) months from the signing day of the documents on the receipt of goods in a warehouse.

2. TECHNICAL REQUIREMENTS

- 2.1. Physical and mechanical characteristics of female uniform footwear must correspond to the ones indicated in the Table 1.
- 2.2. The vamp must be from black, soft, flexible chrome-tanned natural cattle leather with natural grain. Dyeing must be of equal intensity, durable during the exploitation. The main vamp pieces of the footwear must be cut from the best (butt/bend) part of the hide (it is not permitted to use side or head hide). It is not permitted to use hide with defects: polished, spongy, cracked or with other defects, that would worsen the appearance or features.
- 2.3. The sewing thread must be impregnated, polyester or polyamide, moisture-resistant.
- 2.4. Each pair of the footwear is to be complemented with 2 pairs of removable orthopaedic insoles that properly absorb and evaporate moisture from the foot. Insoles must not lose their features upon washing at 30°C. Their resistance to the depreciation must not be lower than that of the lining.
- 2.5. Up to 2% of the footwear of the ordered quantity may be requested to be manufactured for a non-standard size foot.

PHYSICAL AND MECHANICAL CHARACTERISTICS OF THE FOOTWEAR AND ITS MAIN MATERIALS

Table 1

Seq. No.	Name of a characteristic, measurement unit	Value of a characteristic	Indicator of a test method
Footwear characteristics			
1.	Attachment strength of the vamp and the welt, N/mm	$\geq 4,0$	LST EN ISO 20344 or equivalent
2.	Bending resistance of soles (30000 cycles), mm	≤ 4	LST EN ISO 20344 or equivalent
3.	Thread strength, N/mm	≥ 11	LST EN 13572 (B method) or equivalent
4.	Attachment strength of a heel, N	≥ 850	LST EN 12785 or equivalent
5.	*Hide ph	≥ 3.2	LST EN ISO 4045 or equivalent
6.	Water vapour permeability of a vamp, mg/cm ² h	≥ 2	LST EN ISO 20344 or equivalent

Characteristics of the vamp hide			
7.	Thickness, mm	1,0 (+0,2; - 0,1)	LST EN ISO 2589 or equivalent
8.	Longitudinal strength, N/mm ²	≥ 20	LST EN 3376 or equivalent
9.	Relative elongation at break, %	≤ 65	LST EN 3376 or equivalent
Characteristics of the lining hide			
10.	Thickness, mm	0,8 (±0,1)	LST EN ISO 2589 or equivalent
11.	Longitudinal strength, N/mm ²	≥ 15	LST EN 3376 or equivalent
12.	Relative elongation at break, %	≤ 65	LST EN 3376 or equivalent
13.	Water absorption during 2 h, %	≥ 60	LST EN ISO 2417 or equivalent
14.	Depreciation resistance, cycles		
14.1.	in dry conditions	≥ 25 600	LST EN ISO 20344 or equivalent
14.2.	in wet conditions	≥ 12 800	LST EN ISO 20344 or equivalent
Insole			
15.	Thickness, mm	1,6 (+0,2; -0,1)	LST EN ISO 2589 or equivalent
16.	Water absorption during 2 h, %	≥ 40	LST EN ISO 2417 or equivalent

The note: *the marked characteristics are applicable for the hide used for all parts of the footwear.

2. DESCRIPTION OF THE UNIFORM FOOTWEAR MODEL

- 2.1. Uniform classic style female footwear (see sketch 1), black, round-toe, softening in the curved part, with a separate straight heel of a medium height (45 – 50 mm) and a hard plastic heeltap.
- 2.2. The vamp must be from black, soft, flexible leather with natural grain, the thickness and parameters of which are outlined in the Table 1.
- 2.3. The lining must be of sheep, goat or cattle hide, the thickness and parameters of which are outlined in the Table 1. The lining in the heel part may be from suede leather.
- 2.4. A half sole and a formed heel part must be made from shank board or equivalent material not worse in quality. The material of the toe of the shoe - thermoplastic.
- 2.5. A sole from natural leather, the thickness and parameters of which are outlined in the Table 1.
- 2.6. Double insoles: depreciation-resistant upper layer - from natural lining hide, doubled with cork layer, with no less than 1.0 mm thickness.
- 2.7. The outsole - elastomer or equivalent material, the width 4-5 mm.

3. FOOTWEAR MARKINGS

3.1. Footwear sizes must comply with the requirements of LST ISO 9407. The size of the ordered footwear may vary from 230 to 280 according to the provided table of sizes (see Table 2). Each size is manufactured of two volumes in accordance with the table 5.4 of LST 1624:2003 (the difference between volumes is 5 mm) and the following initial proportion (may be adjusted during the conclusion of the contract):

- Volume I (normal) – 70 %;
- Volume II (wider) – 30 %.

TABLE OF FEMALE FOOTWEAR SIZES

Table 2

Length of a foot, mm	Volume of a foot I, mm	Volume of a foot II, mm
230	215	220
235	220	225
240	225	230
245	230	235
250	235	240
255	240	245
260	240	245
265	245	250
270	250	255
280	255	260

The note: Volume of a foot I is intended for a standard foot, Volume of a foot II - for a wider foot.

4. PACKAGING AND MARKING OF THE FOOTWEAR

4.1. The marking of each pair must correspond to the established procedure with indicated length and volume in millimetres in accordance with the requirements of the paragraph 6.1 of LST ISO 9407 or equivalent (e. g. 280 - 265). On the inner side of the footwear the following information must be indicated:

- the name of the supplier or the trademark;
- the name of the manufacturer or the trademark (if they differ from the supplier);
- the composition of materials;
- the size (foot length, mm);
- the foot volume, mm;
- the contract number and date;
- the item batch and lot index;
- the manufacturing date;

The chosen means of marking must ensure that the specified information will be easily legible throughout the whole time of use;

4.2. The footwear is packed by individual pairs into boxes. The boxes must be resistant to long-term storage and multiple transportation with ventilation holes (at least 3). Each box must be marked with a label, wherein the following information is to be indicated:

- The name of the supplier or the trademark
- the name of the manufacturer or the trademark;
- the country of origin for imported goods, if it differs from the country where the main office of the manufacturer is registered;
- The name of the manufacturer that is employed in LK records and planning;
- the size (foot length, mm);
- the foot volume, mm;
- the contract date and number;
- the item batch and lot index
- the manufacturing date;
- the NSN code provided by the Lithuanian Armed Forces.

The label must be securely attached, marking requisites must be of a sufficient size in order to easily read and understand the provided information.

4.3. A Lithuanian manual must be enclosed to each pair, wherein recommendations regarding the footwear maintenance would be provided.

4.4. Boxes are put into larger cardboard boxes, 5 or 10 into each. The boxes must be resistant to long-term storage and multiple transportation. In each box, there must be footwear of only one size. Cardboard boxes are marked by labels wherein the following information is to be indicated:

- the name of the manufacturer, the address (for goods manufactured in Lithuania);
- the country of origin for imported goods, if it differs from the country where the main office of the manufacturer is registered;
- the name of the importer or the trademark and the address - for imported goods;
- The name of the manufacturer employed in LK records and planning;
- the contract date and number;
- the item batch and lot index;
- the size (the foot length, mm);
- the foot volume, mm;
- quantity;
- the date of the manufacture;
- the NSN code provided by the Lithuanian Armed Forces.

5. ACCEPTANCE OF GOODS

5.1. The footwear is accepted in accordance with the coordinated and approved working example.

5.2. The following is to be provided for the approval of a working example:

5.2.1. 2 footwear pairs (240 - 225 sizes);

5.2.2. laboratory test records of used materials proving their conformity with requirements provided in the technical specification. The records must be confirmed by the manufacturer or the laboratory and provided in the original language with a Lithuanian translation (upon a request);

5.2.3. examples of materials employed in the manufacturing process (upon a request);

5.3. The footwear manufacturing process shall not be started before the working example is coordinated.

5.4. Goods shall be accepted in batches and lots. Each batch of goods shall be marked with a contractual mark; and a conformity declaration of goods in accordance with the A.2 form of LST EN ISO/IEC 17050 or equivalent must be provided.

5.5. The client examines the quality of the goods from a chosen batch in accordance with the terms of the contract and may perform laboratory tests. In the event of results not corresponding to the technical requirements, the whole batch of goods delivered at that time is blocked.

THE BUYER

Lietuvos kariuomenė

The Logistics command commander
of the Lithuanian armed forces

Col. Lt. Ramūnas Baronas



THE SELLER

Prabos Plus a.s.

The director of
Prabos Plus a.s.

Juraj Vozar

14 September, 2017

Appendix 3 of the

Preliminary Sale of Goods Contract No. KPS - 285

THE DRAFT OF PROCUREMENT OF GOODS CONTRACT

I. SPECIAL CONDITIONS

, 2017 No.

Vilnius

Lietuvos kariuomenė, the legal entity code 188732677, 8 Šv. Ignoto St., LT-01144 Vilnius, represented by (*division, position, name, surname*) acting in accordance with (*the document on the grounds of which the person is acting*), (hereinafter referred to as the **Buyer**) and (*the seller*), represented by (*position, name, surname*) acting in accordance with (*the document on the grounds of which the person is acting*) (hereinafter referred to as the **Seller**) (*if it is a group of entities - the corresponding data regarding each of the partners*) hereinafter in the present sale of goods contract together referred to as "Parties", and each separately as "a Party" concluded the present Sale of Goods Contract, hereinafter referred to as "the Contract" according to the Law of the Republic of Lithuania on Public Procurement and the Preliminary Sale of Goods Contract (*the number of the Preliminary Sale Contract*) concluded between Lietuvos Kariuomenė and (*the Seller*) (*the date*), and agreed upon the following conditions.

1. Subject of the Contract

The Seller undertakes the obligation to sell and deliver to **the Buyer uniform footwear (fem.)** (hereinafter referred to as goods) that satisfies the technical requirements laid out in the Appendix 1 of the Contract "The Technical Specification for Female Uniform Footwear" (hereinafter referred to as Appendix 1) and in accordance to quantities and prices indicated in the Appendix 2 "Prices and Quantities of Goods" (hereinafter referred to as Appendix 2).

1.2. **The Buyer** undertakes the obligation to accept the goods satisfying the requirements laid out in the Appendix 1 of the Contract and pay for them in accordance with the procedure established by the Contract.

2. Contract Value

The Contract value is _____ **EUR** (_____ Euro _____ ct), without the value added tax (hereinafter referred to as VAT). The price of goods includes all taxes (except for VAT) and all expenses of **the Seller** (storing, packing, transportation, delivery and all other expenses that may affect the price and may appear during the performance of the Contract).

3. Place, Terms and Conditions of Delivery of Goods:

3.1. **The Seller** undertakes the obligation to deliver to **the Buyer** the goods specified in the Appendix 2 of the Contract within 6 (six) months after the Contract came into force.

3.2. **The Seller** undertakes the obligation to perform the duties outlined in paragraphs 3.5.1, 3.5.2 and 3.5.3 of the General conditions of the Contract not later than within 150 (one hundred and fifty) days after the Contract came into force. The goods quality assurance plan must be prepared in accordance with LKS AQAP 2105 or ISO 10005 or an equivalent standard. (*Applicable when the Contract is concluded for goods indicated in the Appendix 1 of the Preliminary Contract for the first time*).

3.3. **The Seller** shall provide a manufacturer's conformity declaration of goods in accordance with the

A.2 form of LST EN ISO/IEC 17050-1 or an equivalent standard together with documents proving that the goods fulfil the requirements outlined in the technical specification provided in the Appendix 1 of the Contract with each batch of goods.

3.4. **The Seller** shall provide the batch and lot indexes on the packaging and in invoices. Each shipment of the same batch of goods shall be marked in an ascending order.

3.5. Goods shall be delivered in accordance with the terms and conditions of international trade (contracts) INCOTERMS 2015 DDP

to **the Buyer's** warehouses to the following address: Depų tarnyba, 8 Savanorių pr., Vilnius, Lithuania.

4. Payment procedure:

4.1. The payment procedure between **the Seller** and **the Buyer** is established in the paragraph 4 of the General Conditions of the Contract. The Delivery-Acceptance Act shall not be signed.

4.2. Upon **the Buyer's** decision, an advance payment may be made in the amount of up to 30 (thirty) percent of the amount indicated in the paragraph 2 of the Special Conditions of the Contract. In such an event, conditions established by paragraphs 4.3 – 4.6 of the General Conditions of the Contract shall be applied.

5. Buyer's Right to Unilaterally Terminate the Contract

5.1. In the event of **the Seller** being late to deliver the goods for more than 30 (thirty) days from the date indicated in the Contract, **the Buyer** has the right to terminate the Contract in accordance with the procedure established in the General Conditions of the Contract.

5.2. Other cases of a unilateral termination of the Contract are outlined in the paragraph 9.2 of the General Conditions of the Contract.

6. Quality of Goods

6.1. The quality of goods shall correspond to the requirements established by the Appendix 1 of the Contract and the approved working example.

6.2. **The Seller** guarantees that the goods as well as the materials they are manufactured from have no defects and comply with the requirements established by the paragraph 6.1 of the Special Conditions of the Contract.

6.3. **The Seller** (if they are not the manufacturer of the goods) shall ensure that the manufacturer of the goods, during the manufacturing process of the goods, complies with the requirements established by the Contract for the goods and their quality. **The Seller** is responsible for the compliance with the requirements and the monitoring. **The Seller** is responsible for the quality control during the manufacturing process and the delivery of only those goods to **the Buyer** that are of high-quality and comply with the contractual requirements.

6.4 The compliance with the requirements outlined in the Appendix 1 of the Contract shall be evaluated and the acceptance of goods shall be performed after their delivery to **the Buyer**. In the event of a non-compliance with the requirements established by the Contract, the goods shall not be accepted and shall be not considered be delivered.

6.5 Laboratory testing of the goods may be performed in accordance with the procedure established in the paragraphs 4.2, 5.5-5.7 of the General Conditions of the Contract. The quantity of goods taken for laboratory testing is no more than 5 (five) pairs of footwear from the chosen batch of goods.

7. Warranty Obligations

7.1. The warranty period of goods delivered by **the Seller** shall be no less than 12 (twelve) months in conditions of active exploitation that starts from the day of their issuance from a warehouse of **the Buyer** and 24 (twenty four) months from the signing day of the documents on the receipt of goods to a warehouse.

7.2. The paragraph 6.3 of the General Conditions of the Contract is applicable. Obligations established in the paragraph 6.3 of the General Conditions of the Contract shall be fulfilled within 30 (thirty) days from the written **Buyer's** message.

7.3 The paragraph 6.5 of the General Conditions of the Contract is applicable. The quantity of goods

taken for laboratory testing is no more than 5 (five) pairs of footwear from the chosen batch of goods. The replacement of goods non-compliant with the established requirements with the high-quality ones shall be carried out in accordance with the provisions of the paragraph 6.3 of the General Conditions of the Contract within the time limits established in the paragraph 7.2 of the Special Conditions of the Contract.

8. Additional Enforcement of the Fulfilment of the Obligations

8.1. An amount guaranteed by a bank guarantee or a written surety provided by an insurance company (*the guaranteed amount – 7 (seven) % from the Contract value specified in the paragraph 2 of the Special Conditions of the Contract, VAT excluded*). The validity period of the bank guarantee or the written surety provided by an insurance company shall not be shorter than two months over the goods delivery period established by the paragraph 3.1 of the Special Conditions of the Contract. The bank guarantee or the written surety provided by an insurance company must comply with the requirements outlined in paragraphs 12.1, 12.2 and 12.3 of the General Conditions of the Contract. (*applicable, if the Contract value is equal to or higher than 50 thousands Euro*);

8.2. If the Contract value is lesser than 50 thousands Euro, a bank guarantee or a written surety provided by an insurance company for the enforcement of the Contract performance shall not be requested.

9. Other conditions:

9.1. To provide data necessary for the performance of the obligations established by the paragraph 8 of the General Conditions of the Contract and the identification of a signed copy of the Contract as well as goods to be purchased in accordance with Appendix 4 “Document Forms Necessary for the Codification” of the Contract to the National Codification Bureau of the Material Resources Department of the Lithuanian Armed Forces (tel. (8 5) 278 5250, fax (8 5) 210 3793, e-mail ncb.lt@mil.lt);

9.2. The amount of minimal losses agreed upon in advance by the Parties in the paragraph 11.1 of the General Conditions of the Contract is 0,1% of the undelivered goods price, VAT excluded, for each delayed day.

9.3. The amount of minimal losses agreed upon in advance by the Parties in the paragraph 11.2 of the General Conditions of the Contract is 0,1% of price of the goods that have not been replaced, VAT excluded, for each delayed day.

9.4. The amount of minimal losses agreed upon in advance by the Parties in the paragraph 11.3 of the General Conditions of the Contract is 0,1% of price of the goods whose defects have not been eliminated or the goods that have not been replaced, VAT excluded, for each delayed day.

9.5. The amount of minimal losses agreed upon in advance by the Parties in the paragraph 11.4 of the General Conditions of the Contract is _____ Eur (7 (seven) percent from the Contract value, *specified in the paragraph 2 of the Special Conditions of the Contract, VAT excluded*).

9.6. **Subsuppliers** (*applicable if the Seller plans on hiring them*):

9.6.1. The name of a subsupplier(s), the part of the work to be performed by them (*applicable if the Seller plans on hiring them*).

9.6.2. In the event of a bankruptcy of a subsupplier(s) or a refusal to supply the goods indicated in the contract they can be replaced by other subsuppliers. The request regarding the replacement of a supplier is submitted to **the Buyer** in writing with the indication of reasons for the replacement. A new subsupplier shall comply with all qualification requirements for a subsupplier established by the public procurement documents on the grounds of which the present contract has been concluded. The replacement of a subsupplier shall be formalized in writing.

9.6.3. The manufacturer, specified in the Appendix 2 of the Contract, may be replaced. The request regarding the replacement of a manufacturer is submitted to **the Buyer** in writing with the indication of reasons for the replacement and the provision of documents proving the compliance of the other manufacturer's products with the requirements outlined in the technical specification of respective goods provided in the Appendix 1 of the Contract and after the coordination of the working example of the product. The replacement of a manufacturer shall be formalized in writing.

9.7. The duration of force majeure circumstances is 30 (thirty) days in accordance with the terms of the paragraph 9.1.2 of the General Conditions of the Contract.

9.8. The representative of **the Seller** – Juraj Vozar, the director of Prabos Plus a.s., tel.

+420 577 303 111, el-mail vozar.juraj@prabos.cz

9.9. The representative(s) of **the Buyer** - Vida Pošiūnienė, the head of the Clothing and Equipment Division of the Lithuanian Armed Forces, tel. +370 5 278 5226, e-mail: Vida.Posiuniene@mil.lt.

9.10. The Appendices to the Contract:

Appendix 1 “The Technical Specification for Female Uniform Footwear”, *(will be included during the conclusion of the Public Procurement of Goods Contract)*;

Appendix 2 “Prices and Quantities of Goods” *(will be included during the conclusion of Public Procurement of Goods Contract)*;

Appendix 3 “The Supply of Products in Accordance with Sizes” *(will be included during the conclusion of Public Procurement of Goods Contract)*;

Appendix 4 “Document Forms Necessary for the Codification” (an example for filling in).

10. Contract Validity

The Contract is valid for 12 (twelve) months after coming into force, and regarding the fulfilment of financial and warranty obligations - until their full performance).

11. Requisites of the Buyer

Lietuvos kariuomenė

The code 188732677

VAT payer code LT887326716

8 Šv. Ignato g. St., LT-01144 Vilnius

S. a. LT48 7300 0100 0246 0179

Bank “Swedbank”, AB

The correspondence, documentation are to be sent to the following address:

LK Materialinių resursų departamentas 8

Savanorių pr., LT-03116 Vilnius

12. The requisites of the Seller

Prabos Plus a.s.

The code 26272857

VAT payer code CZ26272857

Komenského 9, 763 21 Slavičín, The Czech Republic

e-mail prabos@prabos.cz, vozar.juraj@prabos.cz

The bank:

KB, a. s.

Komerční banka Zlín pobočka Slavičín

EUR IBAN:CZ93 0100 0000 3542 8606 0217

SWIFT/BIC: KOMBCZPPXXX

The contact person - Juraj Vozar

tel. +420 577 303 111

fax +420 577 343 712

THE BUYER

Lietuvos kariuomenė

The Logistics command commander
of the Lithuanian armed forces

Col. Lt. Ramūnas Baronas

THE SELLER

Prabos Plus a.s.

The director of
Prabos Plus a.s.

Juraj Vozar



Prabos plus a.s.
Komenského 9, 763 21 Slavičín
IČO: 26272857 DIČ: CZ26272857

MAIN TERMS AND CONDITIONS OF THE PURCHASE AND SALE CONTRACT

II. GENERAL PART

2017..... No.
(place of conclusion)

1. Definitions

1.1. For the purposes hereof, the following main definitions shall apply:

1.1.1. Contract shall mean the General Part and the Special Part of this Contract for Purchase and Sale of Goods, annexes to the Contract for Purchase and Sale of Goods.

1.1.2. Parties hereto shall mean **the Buyer** and **the Seller**:

1.1.2.1. **Buyer** shall mean a party hereto with its details specified herein which purchases the Goods under the terms and conditions set out herein;

1.1.2.2. **Seller** shall mean a party hereto with its details specified herein which sells the Goods under the terms and conditions set out herein.

1.1.3. **Recipient** shall mean a unit of the Buyer, which is specified in the Special Part hereof or in the annex hereto, to which the goods are delivered.

1.1.4. Third Party shall mean any natural person or legal entity (including the state, public authorities, municipality, municipal authorities) that is not a party hereto.

1.1.5. Licences shall mean all the necessary licences and/or permits required for the performance hereof.

1.1.6. Object of the Contract shall mean goods and all services related to sale of the goods (personnel training, installation, implementation, delivery, etc.) on which the Parties hereto have agreed in the Special Part hereof and which comply with the requirements set by the Buyer.

1.1.7. Liquidated Damages shall mean an undisputed amount of money set by the Contract or calculated in accordance with the procedure laid down herein, which **the Seller** shall pay to **the Buyer** in the event of the non-performance or improper performance of the obligation.

1.1.8. Pricing Rules shall mean the price set herein or the rules of calculation and adjustment of the Contract price.

1.1.9. Consignment of the Goods shall mean the quantity of goods delivered at one time.

1.1.10. Lot of the Goods shall mean the consignments of goods produced from the same lot of material.

1.1.11. Lot of Materials shall mean a certain amount of material produced from the same raw materials obtained from the same **Seller** following the same technology and under the same terms and conditions. A certificate of conformity shall be deemed evidence of the quality of the lot of material concerned.

1.2. Calculation of the liquidated damages shall begin on the day following the last day of the time limit for the performance of obligations hereunder and shall end upon the performance of obligations by the Party hereto (the day of the performance of obligations shall be deemed the last day of calculation).

1.3. Headings of parts and articles hereof are for convenience of reference only and may be used in the interpretation hereof only as an additional tool.

1.4. Unless otherwise provided herein, the duration and other time limits hereof shall be calculated in calendar days.

1.5. If a deadline for payments or for the performance of obligations coincides with a public holiday and a non-working day in the Republic of Lithuania, the deadline for the performance of the obligation and for payments hereunder shall be the following working day.

1.6. In the Contract, where the context so requires, words in the singular may include the plural and vice versa.

1.7. Where a certain meaning expressed in words differs from the one expressed in figures, the verbal meaning shall prevail.

2. Contract price/unit prices of goods/pricing rules

2.1. The Contract price/unit prices shall mean the amount of money that **the Buyer** undertakes to pay to **the Seller** in accordance with the procedure and within the time limits laid down herein.

2.2. The Contract price/unit prices shall be fixed and not be changed throughout the period of validity hereof, except in cases where the rate of VAT/excise duties applicable to the goods changes after signing the Contract. The recalculated price/unit prices shall be formalised by a written agreement of the Parties and apply to the goods delivered after the date of entry into force of such agreement signed by the Parties.

2.3. Unit prices of the goods shall be changed in accordance with the pricing rules set out in the annex hereto. The recalculated unit prices shall be formalised by a written agreement of the Parties and apply to the goods delivered after the date of entry into force of such agreement signed by the Parties (*if the Special Part states that this condition applies*).

2.4. The Contract price shall include the price of the goods, all costs and taxes. Unit prices of the goods shall include all costs and taxes related to sale of the goods (*applicable if the contract does not state the Contract price*). **The Seller** shall include all the costs related to the supply of the goods in the Contract price/unit prices of the goods, including, but not limited to:

2.4.1. costs of logistics (transport);

2.4.2. packing, loading, transit, unloading, unpacking, check, insurance costs and other costs related to the supply of the goods;

2.4.3. all the costs related to the preparation and the submission of the documents required by **the Buyer**;

2.4.4. costs of on-site assembly and/or start-up, and/or maintenance of the delivered goods;

2.4.5. costs of the provision of tools necessary for assembly and/or maintenance of the delivered goods;

2.4.6. costs of the submission of operating and maintenance instructions provided for in the Technical Specification;

2.4.7. costs of warranty repair of the goods.

2.5. The risk of foreign currency fluctuations and changes in manufacturers' prices shall be assumed by **the Seller**.

3. Terms and conditions of the supply of the goods

3.1. The goods shall be delivered in accordance with the time limits and the procedure provided for in the Special Part hereof (or the annex(es) hereto).

3.2. **The Seller** shall deliver the goods at its own risk without any additional payment. **The Buyer** shall acquire the right of ownership to the goods upon signing of the delivery and acceptance certificate by both Parties, which shall be signed only if the goods are of high quality and comply with the requirements set for them herein and in the annex(es) hereto (*if signed*). When the delivered goods are of high quality and comply with the requirements set for them herein and in the annex(es) hereto, (*if signed*) the delivery and acceptance certificate shall be signed within 30 days, except where laboratory tests are carried out on the goods.

3.3. **The Buyer** shall not pay for the goods supplied in excess of the quantities indicated in the Contract/applications/orders.

3.4. If **the Seller** delivers a consignment of the goods that is smaller than the one indicated in the Contract/applications/orders, **the Buyer** shall return the delivered consignment of the goods to **the Seller**, and it shall be deemed that the goods have not been delivered, and **the Seller** (if the time limit for the delivery of the goods is exceeded for this reason) shall be subject to the sanctions provided for in Clause 11.1 of the General Part hereof.

3.5. After entry into force of the Contract, **the Seller**, within the time limits specified in the Special Part hereof, shall:

3.5.1. prepare, produce, coordinate with **the Buyer** and approve working reference samples of the goods purchased (2 items, one item for **the Buyer** and one item for **the Seller**) that would comply with the requirements set herein and in the annex(es) hereto (*if the Special Part states that this condition applies*);

3.5.2. coordinate with **the Buyer** and submit a deliverable plan on quality assurance for the goods prepared in accordance with the Recommendations on Preparation of the Deliverable Quality Assurance Plan or with the standards referred to in the Special Part hereof (*if the Special Part states that this condition applies*);

3.5.3. coordinate with **the Buyer** the operating (maintenance) instruction for the goods to be provided with each item of the goods (*if the Special Part states that this condition applies*).

3.6. The working reference samples of the goods referred to in Clause 3.5.1 of the General Part hereof and samples of basic and auxiliary materials used for production of the goods provided with these working reference samples shall be returned to **the Seller** by **the Buyer** only after the performance of all contractual obligations, including warranty obligations, by **the Seller**.

3.7. If, during the validity hereof, the manufacturer of the goods changes/updates the model/name of the goods purchased hereunder which is specified herein, **the Seller** shall have the right, having coordinated this with **the Buyer** and signed an additional agreement with **the Buyer**, to supply the goods of the new model/name. The goods of the new model/name shall comply with the requirements set herein and in the annex(es) hereto for the goods purchased, shall have the same price, and their technical data may not be worse than the technical data of the goods for which the Contract has been awarded. The goods of the new model shall be compatible with other goods purchased hereunder and goods already possessed by **the Buyer**.

4. Terms and conditions of payment

4.1. **The Seller** shall be paid, when the object of the contract complying with the requirements set herein and in the annex(es) hereto is transferred to **the Buyer** upon signing of the delivery and acceptance certificate by both Parties (*if signed*), within 30 (thirty) days from the date of signing of the delivery and acceptance certificate (*if signed*) and of receipt of the invoice (the invoice shall also be sent by electronic means). If other terms and conditions of payment are set, they shall be laid down in the Special Part hereof. If **the Buyer** delays payment beyond the time limit provided for in this clause, **the Buyer** shall, at **the Seller's** request (within 30 (thirty) days from receipt of the request), pay interest in accordance with the Law of the Republic of Lithuania on the Prevention of Late Payment in Commercial Transactions.

4.2. After the delivery of the goods by **the Seller**, **the Buyer** shall decide within 3 (three) days whether laboratory tests will be carried out on the goods delivered by **the Seller** (on the lot and/or consignment of the goods concerned) to make sure that the goods comply with the requirements set herein and in the annex(es) hereto. If **the Buyer** decides that laboratory tests will not be carried out on the goods, the goods complying with the requirements set herein and in the annex(es) shall be accepted and **the Buyer** shall pay **the Seller** for the accepted goods within 30 (thirty) days from the date of receipt of the invoice. If **the Buyer** decides that laboratory tests will be carried out on the goods, payment for the goods shall be made within 30 (thirty) days following receipt of the results of the laboratory tests and confirmation that the goods comply with the requirements set herein and in the annex(es) hereto (*if the Special Part states that this condition applies*).

4.3. If the advance payment of the amount indicated in the Special Part hereof is to be made for the goods, **the Seller** shall, within 5 (five) working days from the date of receipt of the notice, submit the advance payment bank guarantee or surety bond of an insurance company (the validity period of which shall be 2 (two) months longer than the time limit for the delivery of the goods) for the amount of **the Buyer's** advance payment. **The Seller** shall also submit the confirmation of an insurance company (evidence of payment, etc.) that the surety bond is valid (*if the performance of the contract will be secured by surety*).

4.4. The bank guarantee or the surety bond shall state that the guarantor/surety is irrevocably and unconditionally undertakes to pay **the Buyer** the amount, up to the limit of the surety/guarantee amount, by transferring money to **the Buyer's** account within 14 (fourteen) days following receipt of **the Buyer's** written notice confirming termination hereof due to **the Seller's** fault.

4.5. It may not be stated that the guarantor or the surety is liable only for indemnification of direct damages. It may not include provisions or conditions that would oblige **the Buyer** to prove to the company which issued the guarantee or the surety bond that the Contract with **the Seller** has been terminated lawfully, or would otherwise allow the company which issued the guarantee or the surety bond not to pay (or delay payment of) the amount secured (guaranteed) by the guarantee or surety.

4.6. The advance payment bank guarantee or surety bond of an insurance company not complying with the requirements set in Clauses 4.3-4.5. of the General Part hereof shall not be accepted. In this case, it shall be deemed that **the Seller** has not submitted the advance payment bank guarantee or surety bond of an insurance company to **the Buyer**, and payment shall be made in accordance with Clause 4.1 of the General Part hereof.

4.7. **The Buyer** shall make the advance payment within 10 (ten) days from the date of receipt of the advance payment bank guarantee or surety bond of an insurance company and of the advance payment invoice *(if the Special Part states that the advance payment will be made)*.

4.8. The Parties shall have the right to make additional agreements on reduction of the amount provided for in the advance payment bank guarantee or surety bond of an insurance company after the Seller has properly performed part of the obligations.

5. Quality of the goods

5.1. The goods shall comply with the requirements set out herein and in the annex(es) hereto.

5.2. **The Seller** agrees that, in accordance with the requirements of LKS STANAG 4107, the Government Quality Assurance Representative in Lithuania may request the relevant Government Quality Assurance Authority of a NATO country or organisation in the country of **the Seller** that supervision of the Government Quality Assurance is implemented during the contract performance period *(if the Special Part states that this condition applies)*. If **the Seller** is not the manufacturer, this requirement shall be included in **the Seller's** contract with the supplier that produced the goods for **the Seller**, and **the Buyer** shall be notified thereof *(if the Special Part states that this condition applies)*.

5.3. If the non-compliance of the goods with the requirements set herein and in the annex(es) hereto is identified at the time of acceptance of the goods, **the Seller's** representatives shall be invited immediately and a report shall be drawn up in their presence, the goods shall not be accepted, and **the Seller** shall be subject to contractual liability (in this case, contractual liability shall apply if the time limit for the delivery of the goods has already ended).

5.4. If a conflict over the quality of the goods and their compliance with the requirements set herein and in the annex(es) hereto cannot be resolved by agreement of the Parties hereto, the Parties shall have the right to invite independent experts. All the costs related to work of the experts shall be borne by the non-prevailing Party.

5.5. If, in accordance with Clause 4.2 of the General Part hereof, **the Buyer** decides to carry out laboratory tests on the goods, the quantity of the goods indicated in the Special Part hereof shall be taken from the chosen consignment of the goods in the presence of **the Seller's** representative for verification of the compliance with the requirements set herein and in the annex(es) *(if the Special Part states that this condition applies)*.

5.6. If the laboratory tests carried out on the goods to verify their compliance with the requirements set herein and in the annex(es) show that the goods do not comply with these requirements, a report shall be drawn up, the remaining goods (lot and/or consignment) shall not be accepted and the whole quantity of the goods shall be returned to **the Seller**. No payment shall be made for the goods, and it shall be deemed that the goods have not been delivered, and **the Seller** shall be subject to the sanctions provided for in Clause 11.1 of the General Part hereof. In the event of the non-compliance of the goods with the requirements set herein and in the annex(es), **the Buyer** shall not pay for the goods used for the tests, and **the Seller** shall bear the cost of the laboratory tests and pay **the Buyer** the liquidated damages amounting to 10% of the price of the non-compliant lot excluding VAT, which shall be intended to cover administrative costs incurred by **the Buyer** in organising procedures for the laboratory tests on the goods. In this case, **the Seller** shall deliver new goods complying with the requirements set herein and in the annex(es) instead of the returned goods not complying with the requirements set herein and in the annex(es). The goods shall be replaced within the time limit set in the Special Part hereof *(if the Special Part states that this condition applies)*.

5.7. If the laboratory tests carried out on the goods to verify their compliance with the requirements set herein and in the annex(es) hereto show that the goods comply with these requirements, **the Buyer** shall cover the cost of the laboratory tests, and **the Seller** shall replace the goods used for the laboratory tests with new goods free of charge.

6. Warranty of quality of the goods

6.1. The period of warranty of quality/period of fitness for use indicated in the Special Part hereof (or in the annex hereto) shall be provided for the goods.

6.2. During the period of warranty of quality/period of fitness for use, **the Seller** shall, within the time limit set in the Special Part hereof and at its own expense, provide (instead of the defective goods) other analogous goods that could be used during the period of elimination of defects in the goods purchased hereunder and that comply with the requirements set herein and in the annex(es) hereto (*if the Special Part states that this condition applies*).

6.3. During the period of warranty of quality, **the Seller** shall, within the time limit set in the Special Part hereof and at its own expense, eliminate defects in the goods or, in the event of failure to eliminate them, replace the defective goods at its own expense with new goods complying with the requirements set herein and in the annex(es) hereto and compensate for the losses incurred by **the Buyer** (if any) in the amount not exceeding the total value of the Contract. During the period of fitness for use, **the Seller** shall, within the time limit set in the Special Part hereof and at its own expense, replace the goods with the goods complying with the requirements set herein and in the annex(es) hereto and compensate for the losses incurred by **the Buyer** (if any).

6.4. **The Seller** shall be notified in writing (by fax or mail) of defects identified in the goods during the warranty period/period of fitness for use. A claim regarding the quality of the goods may be made throughout the warranty period/period of fitness for use.

6.5. During the period of warranty of quality of the goods, **the Buyer** may decide to carry out laboratory tests by taking the quantity of the goods indicated in the Special Part hereof from the chosen consignment of the goods or from each lot (if the consignment consists of several lots) in the presence of **the Seller's** representative for verification of the compliance with the requirements set herein and in the annex(es). In the event that the results of the laboratory tests show the non-compliance with the requirements set for the goods in the annex(es) hereto, the whole delivered consignment/lot of the goods shall be rejected as non-compliant, and the cost of the laboratory tests shall be borne by **the Seller**. The goods not complying with the requirements set shall be replaced with the high-quality goods in accordance with the provisions of Clause 6.3 of the General Part hereof (*if the Special Part states that this condition applies*).

6.6. If the goods are replaced with new goods, the new goods shall have the same warranty period indicated in the Special Part hereof which shall begin from the date of signing of the delivery and acceptance certificate for the new goods.

6.7. The period of warranty of quality of the goods that could not be used by **the Buyer** during elimination of defects shall be extended for the period equal to the period of elimination of defects in the goods.

6.8. The warranty of quality referred to in the Special Part hereof (or in the annex hereto) shall not apply if **the Seller** proves that defects in the goods have been caused by incorrect or improper treatment of the goods by **the Buyer** or by activities of third parties, or by force majeure.

7. Force majeure

7.1. The Party shall not be held liable for the non-performance of any obligations hereunder if it proves that this non-performance was due to unusual circumstances that were beyond control of the Parties and could not be reasonably foreseen by them, and the emergence of these circumstances or consequences thereof could not be prevented by the Parties. For the purposes hereof, force majeure shall be considered to be the circumstances referred to in Article 6.212 of the Civil Code of the Republic of Lithuania and the Rules Governing the Release from Liability in the Event of Force Majeure approved by Resolution No. 840 of the Government of the Republic of Lithuania of 15 July 1996. In determining force majeure, the Parties shall be guided by Resolution No. 222 "On Approval of the Procedure for Issuing Certificates Attesting to the Existence of Force Majeure" of the Government of the Republic of Lithuania of 13 March 1997 or the regulatory legislation replacing it. In the event of force majeure, the Parties hereto shall, in accordance with the procedure laid down in the legislation of the Republic of Lithuania, be exempted from liability for the non-performance, partial non-performance or improper performance of the obligations provided for herein, and the time limit for the performance of the obligations shall be extended.

7.2. The Party requesting exemption from liability shall notify the other Party of force majeure in writing immediately but no later than within 10 (ten) working days from the occurrence or discovery of existence of force majeure and provide evidence that it has taken all reasonable precautions and made all efforts to

reduce costs or negative consequences, as well as communicate the possible time limit for the performance of the obligations. The notice shall also be required when grounds for the non-performance of the obligations cease to exist.

8. Codification

8.1. **The Seller** shall, within 5 (five) days after entry into force of the Contract, submit to **the Buyer** at the address specified by **the Buyer** a copy of the signed Contract and the data necessary for identification of the purchased goods in accordance with forms "List of Materiel for Codification" and "Information about the Manufacturer or Supplier" provided in the annex hereto. **The Seller** shall submit the completed and signed forms in electronic form or paper copies thereof (*if the Special Part states that this condition applies*).

8.2. At **the Buyer's** request, **the Seller** shall, within 5 (five) days and free of charge, submit the additional technical documentation necessary for codification (e.g. technical characteristics, drawings, photographs, catalogues, links, etc.)

9. Termination of the Contract

9.1. This Contract may be terminated:

9.1.1. by written agreement of the Parties;

9.1.2. if force majeure lasts longer than the number of days indicated in the Special Part hereof (depending on the contract performance specifics, the specific period indicated in the Special Part may be from 14 to 60 days) and both Parties do not make agreements on amendments hereto allowing the Parties to continue the performance of their obligations, each Party hereto may terminate the Contract unilaterally by notifying the other Party thereof in writing at least 7 (seven) days in advance.

9.2. **The Buyer** shall have the right to terminate the Contract unilaterally due to a material breach hereof by notifying **the Seller** in writing at least 7 (seven) days in advance (*unless other period is indicated in the Special Part hereof*). The following shall be deemed a material breach hereof:

9.2.1. **the Seller** delays the delivery of the goods beyond the time limit indicated in the Special Part hereof;

9.2.2. **the Seller** fails to perform (or notifies of the inability to perform) the contractual obligation to supply the goods;

9.2.3. **the Seller** increases prices/unit prices of the goods, except in the case provided for in Clause 2.2 of the General Part hereof;

9.2.4. **the Seller** fails to perform or improperly performs the warranty obligations provided for in Clause 6 of the General Part hereof;

9.2.5. **the Seller** fails to perform the obligation provided for in Clause 12.4 of the General Part hereof (*if the performance of the contract will be secured by surety or a bank guarantee*);

9.2.6. the goods supplied by **the Seller** or the quality of these goods fails to comply with the requirements set herein and in the annex(es) hereto;

9.2.7. **the Seller** fails to submit the advance payment bank guarantee valid for a period not shorter than the period indicated in Clause 4.3. of the General Part hereof in due time (*if the terms and conditions of the contract provide for the advance payment*);

9.2.8. **the Seller** is included in the List of Unreliable Suppliers during the period of validity hereof;

9.2.9. If it turns out that **the Seller** is unreliable and poses a threat to national security.

9.3. **The Buyer** shall have the right to terminate the Contract unilaterally by notifying **the Seller** in writing at least 7 (seven) days in advance (*unless other period is indicated in the Special Part hereof*) if **the Seller** is being wound up or it is applied to the court for bankruptcy or restructuring proceedings, or **the Seller** is the subject of bankruptcy or restructuring proceedings, or a decision on the initiation of out-of-court bankruptcy proceedings is adopted.

9.4. Upon termination hereof, **the Seller** shall, within 10 (ten) days from the date of termination hereof, return to **the Buyer** the advance payment made by **the Buyer** for the goods that were not delivered (if such advance payment was made).

10. Dispute settlement procedure

10.1. The Contract has been concluded and shall be interpreted in accordance with law of the Republic of Lithuania.

10.2. All disputes or disagreements arising between the Parties hereto in relation to the Contract shall be settled by negotiations, and in the event of failure to settle a dispute in this manner, the dispute shall be examined in accordance with the procedure laid down by the legislation of the Republic of Lithuania in courts of the Republic of Lithuania having jurisdiction in the place of the registered office of **the Buyer** (or "*of the legal entity - the Lithuanian Armed Forces*" if **the Buyer** is not a legal entity, but a unit of the Lithuanian Armed Forces).

11. Liability

11.1. If **the Seller** fails to deliver the goods within the time limit indicated in the Special Part hereof, **the Seller** shall pay **the Buyer** the liquidated damages of 0.05 to 0.2 % (the specific value shall be indicated in the Special Part hereof) of the price of the non-delivered goods excluding VAT for each day/hour of delay (*application depends on how the time limit for the obligation is calculated in the Special Part hereof*), payment of which shall not release **the Seller** from the obligation to cover all the losses incurred by **the Buyer** due to the non-performance or improper performance hereof by **the Seller**. **The Seller** shall pay the liquidated damages within the time limit specified in the invoice or the claim.

11.2. If, during the quality warranty period, **the Seller** fails to perform the obligations laid down in Clause 6.2 of the General Part hereof within the time limit set in the Special Part hereof, **the Seller** shall pay **the Buyer** the liquidated damages of 0.05 to 0.2 % (the specific value shall be indicated in the Special Part hereof) of the price of the non-replaced goods excluding VAT for each day/hour of delay, payment of which shall not release **the Seller** from the obligation to cover all the losses incurred by **the Buyer** due to **the Seller's** non-performance or improper performance of **the Seller's** obligations related to the warranty/period of fitness for use of the goods.

11.3. If, during the warranty period/period of fitness for use, **the Seller** fails to perform the obligations laid down in Clause 6.3 of the General Part hereof within the time limit set in the Special Part hereof, **the Seller** shall pay **the Buyer** the liquidated damages of 0.05 to 0.2 % (the specific value shall be indicated in the Special Part hereof) of the price of the goods, defects of which have not been eliminated, or of the non-replaced goods excluding VAT for each day/hour of delay, payment of which shall not release **the Seller** from the obligation to cover all the losses incurred by **the Buyer** due to **the Seller's** non-performance or improper performance of **the Seller's** obligations related to the warranty/period of fitness for use of the goods.

11.4. Where the Contract is terminated on the grounds referred to in Clauses 9.2.1, 9.2.2, 9.2.3, 9.2.5, 9.2.6, (9.2.7 (*if the terms and conditions of the contract provide for the advance payment*)) 9.3 of the General Part hereof or on other grounds referred to in the Special Part hereof, **the Seller** shall, within 14 (fourteen) days (from the date of termination hereof), pay **the Buyer** the liquidated damages of no less than 7 (seven) % of the contract price excluding VAT (or of the total proposal price) (the specific percentage or the specific fixed amount shall be indicated in the Special Part hereof), but no more than the prices of all the outstanding obligations hereunder excluding VAT. Payment of the liquidated damages shall not release **the Seller** from the obligation to cover all the losses incurred by **the Buyer** due to the non-performance or improper performance hereof by **the Seller**.

11.5. Where the Contract is terminated on the grounds referred to in Clause 9.2.4 of the General Part hereof, **the Seller** shall, within 7 (seven) days (from the date of termination hereof), pay **the Buyer** the liquidated damages equal to the acquisition price of the defective goods excluding VAT, but no more than the prices of all the outstanding obligations hereunder excluding VAT. Payment of the liquidated damages shall not release **the Seller** from the obligation to cover all the losses incurred by **the Buyer** due to the non-performance or improper performance hereof by **the Seller**.

11.6. Other cases of application of contractual liability to **the Seller** are specified in the Special Part hereof.

11.7. Delayed financing from the budget shall be the grounds for absolute release of **the Buyer** from civil liability and payment of interest for late payment.

12. Validity of the Contract

12.1. The Contract shall enter into force upon its signature by both Parties and the submission of the bank guarantee or the surety bond of an insurance company for the Contract performance security to **the Buyer** by **the Seller** (*the condition applies if the performance of the contract will be secured by surety or a bank guarantee*) securing payment of the amount indicated in Clause 11.4 of the General Part hereof (in the bank guarantee or the surety bond of an insurance company, the guarantor/surety shall undertake to pay **the Buyer** the amount indicated in Clause 11.4 of the General Part hereof in the event of termination hereof on at least one of the grounds referred to in Clauses 9.2.1 - 9.2.7, 9.3 or other grounds referred to in the Special Part hereof). The guarantee or the surety bond stating that the guarantor or the surety is liable only for indemnification of direct damages shall not be accepted as the guarantor or the surety must undertake to indemnify the specific amount of the Contract performance security indicated in Clause 11.4 hereof (*if the performance of the contract will be secured by surety or a bank guarantee*).

12.2. The guarantor/surety shall irrevocably and unconditionally undertake to perform the obligation and pay the undertaken amount by transferring money to the account of **the Buyer** within 14 (fourteen) days of a written notice confirming termination hereof at **the Seller's** fault on the grounds provided for herein (*if the performance of the contract will be secured by surety or a bank guarantee*).

12.3. **The Seller** shall, within 5 (five) working days after signing the Contract, submit to **the Buyer** the bank guarantee or the surety bond of an insurance company for the Contract performance security indicated in Clause 12.1 of the General Part hereof, which shall be valid two months longer than the time limit for the supply of the goods indicated in the Special Part hereof or than the period of validity hereof. **The Seller** shall also submit the confirmation of an insurance company (evidence of payment, etc.) that the surety bond is valid (*if the performance of the contract will be secured by surety*). Payment of the amount indicated in the bank guarantee or the surety bond of an insurance company for the Contract performance security shall not be deemed to constitute full compensation for damages incurred by **the Buyer** and shall not release **the Seller** from the obligation to cover such damages in full (*if the performance of the contract will be secured by surety or a bank guarantee*).

12.4. If, during the performance hereof, the legal entity that issued the Contract performance security (a bank or an insurance company) is unable to perform its obligations (due to suspension of activities, declaration of a moratorium, etc.), **the Seller** shall, within 10 (ten) days, submit a new Contract performance security under the same terms and conditions. If **the Seller** fails to submit a new Contract performance security, **the Buyer** shall have the right to terminate the Contract in accordance with the procedure laid down in Clause 9.2.5 of the General Part hereof.

12.5. The Contract performance security shall be returned within 10 (ten) days from the date of the expiry of this security upon a written request of **the Seller** (*if the performance of the contract will be secured by surety or a bank guarantee*).

12.6. The terms and conditions hereof may not be amended during the period of validity of the procurement contract, except for the terms and conditions hereof which, if amended, would not constitute a breach of the principles and objectives laid down in Article 3 of the Law on Public Procurement/Article 6 of the Law on Public Procurement in the Field of Defence and Security and provided that such amendments to the terms and conditions hereof have been authorised by the Public Procurement Office (*when the authorisation is required under laws*). Correction of the terms and conditions hereof under the circumstances provided for herein shall not be deemed to constitute amendments to the terms and conditions hereof if these circumstances are clearly and unequivocally defined and stated in the contract documents.

12.7. If the Parties identify technical oversights, spelling mistakes (incorrect transfer of provisions from a proposal or the procurement terms and conditions, etc.), the persons responsible for the performance hereof or the details of the Parties hereto specified herein change during the validity hereof, the Parties hereto may revise the terms and conditions hereof by a written agreement without applying to the Public Procurement Office. Such revision of the terms and conditions hereof shall not be deemed to constitute amendments to the terms and conditions hereof.

12.8. The Contract may be extended under the terms and conditions laid down in the Special Part hereof.

12.9. The expiry hereof provided for in the Special Part hereof shall not mean termination of the obligations of the Parties hereunder and shall not release the Parties from civil liability for breach hereof.

13. Correspondence

13.1. The notices in Lithuanian/English (*applicable where the contract is executed in English*) delivered between **the Buyer** and **the Seller** shall be executed in writing. The notices between the Parties shall be sent by mail, e-mail, fax or delivered in person. The notices shall be sent to the addresses and numbers specified in the details of the Parties in the Special Part hereof. If the sender needs an acknowledgement of receipt, the sender shall include such a requirement in its notice. If a deadline for receipt of a reply to a written notice is set, the requirement of an acknowledgement of receipt of a written notice should be included in the sender's notice.

13.2. The Parties shall, within 3 (three) working days, notify each other in writing of the change in the details of the Party specified in the Special Part hereof. The Party hereto failing to notify of the change in its details in a timely manner may not make claims regarding actions of the other Party performed in accordance with the details of the Party provided herein.

14. Confidentiality

14.1. The Parties shall ensure that the information communicated by them to each other will be used for the performance hereof only and will not be used in a manner detrimental to the Party which communicated the information.

14.2. During the validity hereof and after the expiry or termination hereof, the Parties shall ensure the confidentiality of all information known and/or entrusted to them.

14.3. **The Seller** shall not use the information provided to it by **the Buyer** either for its own benefit or for the benefit of any third parties, disclose such information to other parties without a prior written consent of **the Buyer**, except in the cases provided for in the legislation of the Republic of Lithuania.

15. Final provisions

15.1. The Contract has been executed in Lithuanian/English, Lithuanian and English in two/four counterpart copies (one/two copies for each Party) (*application depends on the languages in which the contract will be executed*). Both texts are equally authentic and legally binding. In the event of any discrepancies between the texts in Lithuanian and English, the text in English shall prevail (*applicable where the contract is concluded with a foreign seller in Lithuanian and English*).

15.2. This Contract consists of the General Part and the Special Part of the Contract and the annex(es) to the Contract. All the annexes hereto shall be an integral part hereof.

15.3. Neither Party shall have the right to assign rights and obligations hereunder to a third party without a prior written consent of the other Party.

15.4. **The Seller**, having violated the obligation specified in Clause 15.3 of this part hereof, shall pay the Buyer the liquidated damages of 5 per cent of the contract/proposal price excluding VAT, unless the Special Part hereof provides otherwise.

15.5. **The Seller** warrants that it has all licences required for the performance hereof. **The Seller** shall cover losses of **the Buyer** in the event of any claims or proceedings against **the Buyer** due to patent or licence violations arising from the Contract or committed during the performance hereof.

15.6. The Parties hereto confirm that they did not exceed or breach their competence (articles of association, regulations, statute, any resolution, decision, order of the managing body of the Party hereto (owner, founder or other competent entity), any binding legal act (including local, individual), transaction, court decision (ruling, judgement), etc.) by concluding the Contract.

15.7. The performance hereof may be clarified by written agreement of the Parties without amending the terms and conditions hereof.

15.8. The name of the subcontractor(s), the part of contractual obligations performed by the subcontractor(s) shall be indicated in the Special Part hereof.

15.9. Replacement of the subcontractor(s) specified herein with other subcontractor(s) shall be formalised by a written amendment hereto (*applicable if **the Seller** is planning to hire them*).

15.10. The person(s) appointed by **the Seller** to represent **the Seller**, receive and approve orders for the goods placed by **the Buyer**, the estimate of the supplied goods submitted by **the Buyer**, participate in meetings with **the Buyer** and perform other actions necessary for the proper performance hereof shall be specified in the Special Part hereof.

15.11. The person(s) appointed by **the Buyer** to represent **the Buyer**, place orders for the goods with the Seller, submit the estimate of the goods to **the Seller**, participate in meetings with **the Seller** and perform other actions necessary for the proper performance hereof shall be specified in the Special Part hereof.

THE BUYER

Lietuvos kariuomenė

The Logistics command commander
of the Lithuanian armed forces

Col. Lt. Ramūnas Baronas



THE SELLER

Prabos Plus a.s.

The director of Prabos plus a.s.,
Prabos Plus a.s. Komenského 9, 753 21 Slavice
ICO: 26272857 DIC: CZ26272857



Juraj Vozar

[Handwritten signature]

FORMS OF THE DOCUMENTS REQUIRED FOR THE CODIFICATION (AN EXAMPLE FOR FILLING)

List of Codified Tangible Assets

Presenter of the list and date:

Contract number:

Date of Contract:

Attached documents:

No.	Supplier	NCAGE	Actual manufacturer	NCAGE	Factory number or other identification code	NSN code (if available)	Name	Price

Instructions for filling-in of the list of codified tangible assets

Column	Instruction
Presenter of the list and date	Enter the service that is submitting the list and date when the list is filled in
Contract number	Enter the Contract number.
Contract date	Enter the date of the Contract that includes provisions regarding codification.
Attached documents	Indicate what documents (or electronic files) are attached (description, drawings, etc.), number of pages of documents.
Supplier	Indicate the supplier of tangible assets.
NCAGE	Enter the supplier's NCAGE code, if available.
Actual manufacturer	If supplier is not the actual manufacturer of tangible assets, indicate the actual manufacturer.
NCAGE	Enter the NCAGE code of the actual manufacturer, if available
Factory number of other identification code	Indicate the factory number (article) given by the actual manufacturer or other unique identification number of the tangible assets.
NSN code	This column is be filled in, if foreign tangible assets are purchased and NSN code is available.
Name	Indicate name of tangible assets offered by the manufacturer
Price	Indicate price for tangible assets.

, 2017

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Preliminary Sale of Contract No. KPS-

INFORMATION ON MANUFACTURER OR SUPPLIER

No.	NCAGE	Name	Address	Phone No.	Fax No.	E-mail address	Company code	Supplier	Manufacturer

Instructions for filling-in of form „Information on the Manufacturer or Supplier”

Column	Instruction
NCAGE *	Enter the supplier's or manufacturer's NCAGE code (if it is granted and available).
Name	Indicate exact name of the supplier.
Address	Indicate exact address of supplier or manufacturer (and zip code).
Phone No.	Enter the phone number of the supplier or manufacturer (city code is necessary).
Fax No.	Enter the fax number of the supplier or manufacturer (city code is necessary).
E-mail address	Enter the e-mail address of the supplier or manufacturer.
Company code	Enter the company number of the supplier or manufacturer.
Supplier (manufacturer)	Mark the right variant (XX) (i.e. whether the supplier is the actual manufacturer of tangible assets or it acts only as a distributor of products of other manufacturers).

* fields marked with asterisk are not obligatory. Other fields, not marked with asterisk, are obligatory.

THE BUYER

Lietuvos kariuomenė

The Logistics command commander
of the Lithuanian armed forces

Col. Lt. Ramūnas Baronas

THE SELLER

Prabos Plus a.s.



The director of
Prabos Plus a.s.
Komenskėlio g. 763 21 Slavičėn
CO: 26272857 DIČ: CZ26272857

Juraj Vozar

