

“SAPONIA kemijska, prehrambena i farmaceutska industrija d.d.“, having its registered office at Matije Gupca 2, 31000 Osijek, Croatia, here represented by Ms Dajana Mrčela, as Chairman of the Board of Management (hereinafter referred to as Saponia)

And

“.....” having its registered office at, here represented by, as *Managing Director* (hereinafter supplier referred to as “.....”).

Concluded on ... 2022

CONTRACT OF PROCUREMENT no. 1/22
of the manufacture, delivery and put into operation fully automatic
Filling machine and Capping machine with Sorter for cosmetics products

I. SUBJECT AND SCOPE OF CONTRACT

Article 1

Subject of this contract is procurement, delivery, mounting and putting into operation of fully automatic Filling and Capping machines with Sorter and associated equipment on the production line G1 as follows:

1. Infeed conveyor for empty bottles length min 2500 mm (1 piece)

2. Fully automatic linear Filling machine type equipped with:

- Filling station with no. (....) dosing positions, expandable for 2 additional positions
- Mass flow meters type no. (....) to provide filling of different cosmetics products and dosing ranges 30 ml - 3000 ml (accuracy +/-0,2%)
- Filling pipes with diving nozzles into bottles no. (....), easily exchanged
- Product buffer tank 100 L as pressure vessel max 5 bar with safety valve and level control
- Control unit, PLCoperator panel touch screen, multilingual, display of all machine operation modes, setting for filling process and parameters, setting the dose for each individual filling position, saving up to 200 filling programs
- Servo motor drives and complete pneumatic and electric controls
- Automatic CIP cleaning process, cleaning cups, spraying nozzle, drain/nozzle valves
- All metal components into contact with products made of AISI 316 L, filling hoses inter core made of PTFE (Teflon), hygienic fittings
- Electricity supply max 4 kW
- Remote diagnosis and maintenance access with router
- Housing of safety glass with doors secured by switches
- Operation direction from Left to Right, working height 950 +/- 50 mm, signal exchange
- One (1) format set for one bottle
- The complete line operate without of use of pucks for bottle stability and transport

3. Fully automatic rotary Capping machine typeequipped with:

- Capping station with no. (....) capping heads for plastic screw/press on caps and trigger/dosing/spray pumps with (deep) tube
- Capping spindles equipped with servo drives



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- Quick change of grippers without tools
- Centering device for automatic straightening and inserting of the deep tube into bottle neck
- Control unit, PLCoperator panel touch screen, multilingual, display of all machine operation modes, setting the torque and rotation speed, setting for capping parameters, saving 200 programs
- Electricity supply max 5 kW (including Sorter)
- Remote diagnosis and maintenance access with router
- Housing of safety glass with doors secured by switches
- Operation direction from Left to Right, working height 950 +/- 50 mm, signal exchange
- One (1) format set for bottle and cap

4. Cap Sorter typewith elevator (1 piece)

- For automatic sorting/orienting of plastic screw/press on caps and trigger/dosing/spray pumps with (deep) tube
- Sorting bowl AISI 304, noise protection hood
- Cap track/conveyor for automatic leading of all caps from the Sorter to the Capper
- Supply bin volume app. 300 L
- One (1) format set for cap

5. Bottle conveyors between filler and capper length min 2000 mm (2 pieces)

- Lateral (side) interconnection, belt housing AISI 304

6. Feed-out station for incorrectly and not capped bottles length min 1800 mm (1 piece)

7. Exit capper conveyor length min 1800 mm (1 piece)

- Prepared for lateral (side) connection with downstream machine in the line

8. Additional format (Filler/Capper/Sorter) parts consist of:

- One (1) bottle format parts; bottle 500 ml
- Two (2) caps format parts; trigger pump and dosing pump

9. Packing and delivery

- DAP Saponia, Matije Gupca 2, 31000 Osijek, CROATIA.

10. Installation, commissioning and SAT

- Two (2) technicians during 7 days. Transport cost, air ticket, internal transfers, meals and accommodation - all included.

All according to the Offer no.....from ... 2022 and Layout no..... from ... 2022.

Equipment has to be equal or better than characteristics in this contract and aforementioned documentation.

II. PRICE AND METHOD OF PAYMENT

Article 2

“.....” undertakes to manufacture, deliver, mount and put into operation Filling machine and Capping machine with Sorter and all associated equipment at price of € (in writing:EUR).

The aforementioned price includes an DAP Saponia (Matije Gupca 2, 31000 Osijek, Croatia), FAT, delivery, mounting, as well as final checks/commissioning (SAT) and start up at “Saponia” and all costs for trip, working hours and accommodation of “.....”s technicians.



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The contract price is fixed and unchangeable. "....." waives the right to ask for a price increase for any reason whatsoever - including the change of price of material, equipment, services, employees, wages etc.

All bank charges outside Croatia will be at the account of supplier ".....".

Article 3

"Saponia" shall pay the contract price of **EUR** as follows:

- % of the contract price i.e.**EUR** shall be paid after signing of present contract, upon receipt of a written request for advance payment and issuing an advance payment guarantee in favour of Saponia.

The payment shall have form of an advance payment. As security for possible claim for the refund of advance payment "....." has obligation to transfer to "Saponia" a Bank guarantee, issued by swift and forwarded to Saponia through „BANK“.

Bank guarantee must be unconditional, irrevocable and payable on first written demand and must be valid minimum 30 days longer than agreed time of delivery of equipment.

For advance payment, "....." will issue „Proforma Invoice“.

- % of the contract price i.e. **EUR** shall be paid by irrevocable Letter of Credit issued by „BANK“ as follows:

- % of the contract price i.e. **EUR** payable against presentation to the Bank of the following documents:

- One (1) original Commercial Invoice and three (3) copies,
- CMR - copy for sender,
- Packaging List (3 copies),
- Factory Acceptance Test Protocol (FAT) handwritten signed by both parties.

- % of the contract price i.e. **EUR** payable against presentation to the Bank of the Site Acceptance Testing Protocol (SAT) handwritten signed by both parties.

If "Saponia" fails to provide a carrying out of the Site Acceptance Testing Protocol (SAT), (whether equipment are not positioned on its place, electrical connections are not prepared, no bottles for testing..) longer than 60 days from the shipping date (CMR date), "....." is entitled to charge last part of payment against presentation to the Bank of the "Statement about the impossibility of testing equipment" signed in handwritten signature by both parties.

„Statement about impossibility of testing equipment" must not be issued before expiration of sixty (60) days after the shipping date (CMR date).

III. TIME OF DELIVERY AND MOUNTING OF EQUIPMENT

Article 4

"....." undertakes to start the manufacture of the stipulated machines forthwith after signing this Contract. Advance payment will be covered by supplier "....." by means of "Bank guarantee" as security for possible claim for the refund of advance payment.

A period which is needed for issuing bank guarantee cannot prolong a time of manufacture and delivery stipulated in this Contract.

Before delivery, "....." undertakes to execute Factory Acceptance Test (FAT) of the Filling machine and Capping machine with Sorter at their factory in the presence of "Saponia's" representatives.

"....." guarantees to manufacture, pack and deliver the Filling machine and Capping machine with Sorter and associated equipment **no later than eleven (11) months from the signing of this contract.**

The deadline for the completion of commissioning (SAT) and start up of equipment at "Saponia", i.e. deadline for the implementation of the Contract is **twelve (12) months from the signing of this contract**.

Article 5

Factory Acceptance Test (FAT) in "....." includes:

- Functionality all the parts of the machine
- Test runs of the all defined formats
- Good quality of filling and closing bottles and cap sorting
- Feeding accuracy
- Signalization
- Documentation
- Readiness for delivery.

FAT will be run with "Saponia's" bottles, caps and the least three different products.

The representatives of contracting parties shall sign a **Factory Acceptance Test Protocol** after successful testing.

Article 6

Upon delivery of units "....." undertakes to start mounting of the Filling machine and Capping machine with Sorter within 5 days period following the receipt of notice that the preparation for mounting at "Saponia" have been finished.

The price of mounting and all costs of trip and stay technicians at the price writing in Article 2 of this contract.

The Filling machine and Capping machine with Sorter will be tested at "Saponia" plant (SAT) in continuous work during 8 hours for each format.

The representatives of contracting parties shall sign a **Site Acceptance Testing Protocol** after successful acceptance testing.

Article 7

Site Acceptance Testing (SAT) in "Saponia" includes checking of:

- Functionality of all equipment in continuous work
- Testing with all formats in continuous work
- Capacity with all formats
- Time for changing formats
- Frequency intervention of the technicians
- Waste bottles, caps and products.
- Documentation
- List of spare parts.

IV. GUARANTEE

Article 8

"....." gives guarantee for a proper working of the Filling machine type and Capping machine with Sorter type..... and quality of parts and material of used parts for a period of **12 months following the signing of the Site Acceptance Testing Protocol (SAT)**.

"....." undertakes to react - during the guarantee period - at any and all unit troubles within three (3) days following the notice of defect.

If "....." shall be in default with the repair of the defect within 30 days following the notice, "Saponia" is entitled to - at the cost of supplier "....." - hire a third party the repair of the unit. This

does not apply to defects caused by improper handling or negligence of the employees of "Saponia".

If the delivery time of a particular spare needed to solve the defects, should be more than 30 days "....." apply itself to communicate immediately the delivery time of the spare required by "Saponia".

Article 9

Filling line will be manufactured in order to handle with different cosmetics products foamy/non-foamy, standard/highly dens and standard/highly viscous products as liquid soaps, shampoos, shower gels, sun protection milks, oils, gels and creams.

"....." **gives guarantee for Filling machine type**:

- Filling range: **30 ml – 3000 ml**, accuracy of dosing: **+/- 0.2 %**
- Filling capacity:
 - **70 bpm**, volume 330 ml, product shampoo
 - **80 bpm**, volume 330 ml, products sun protection cream and after-sun gel
- Work with products specified characteristics:
 - Density: **0,84 - 1,15 g/cm³**
 - Viscosity: **up to 120 000 m Pa s**
- Work with bottle specified dimensions:
 - Length: **40 mm – 300 mm**
 - Width/diam.: **25 mm – 120 mm**
 - Height: **50 mm – 300 mm**

"....." **gives guarantee for Capping machine type and Sorting machine type** :

- Screw and press on caps: **70 – 80 cpm**
- Trigger, doping, spray (dip tube) pumps: **40 – 70 cpm**
- Proper operation of all specified types of caps and pumps on one Sorting machine.

Waste bottles, caps and products below 1% for Filling, Capping and Sorting machines.

All according to the Offer no.....from 2022 and Layout no..... from 2022.

V. CONTRACTUAL PENALTY AND TERMINATION OF CONTRACT

Article 10

If "....." shall be in default with the delivery of the units, "....." must pay to "Saponia" a contractual penalty to the amount of 0.5% per day of the total contract price. However, the total amount of penalty may not exceed 10% of the contract price.

If "....." shall be in default with delivery of the Filling /Capping/Sorting machines and associated equipment, and /or in default with the mounting of the machine more than 30 days, or if the equipment is not fulfilling the performances and functionality stipulated in this Contract, "Saponia" is entitled to terminate the Contract or to ask for a reduction on the price.

VI. DOCUMENTATION

Article 11

"....." shall supply the following technical documentation in English and Croatian language with the stipulated machine complete on two (2) paper and one (1) CD-ROM version:



- Mechanical drawings of the equipment with main dimension (dwg format)
- Installation, Operation and Maintenance manual (plus 1 copy on CD)
- Drawing of electrical and pneumatic installation and connection (dwg format)
- Material certificates, complies EU regulations
- List of spare parts.

All aforementioned requirements are part and already included in the service hand book (manual).

VII. FINAL PROVISIONS

Article 12

Components of the present contract is the Offer no.....from ... 2022 and Layout no..... from ... 2022.

Article 13

All disputes arising out of this contract or related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by one arbitrator appointed in accordance with these Rules.

The contracting parties agreed as follows:

- The number of arbitrators shall be one.
- The substantive law of Austria shall be applicable.
- The language to be used in the arbitral proceedings shall be English.
- The place of arbitration shall be Vienna, Austria
- The appointing authority shall be the International Arbitral Centre.

Article 14

The present Contract is executed in four (4) identical copies and in English, two (2) of which for each contracting party.

“Saponia” d.d.

“

**Chairman of the board of
Management**

Managing Director

Dr. sci. Dajana Mrčela, dipl. oec.

.....



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