

“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 byas Managing Director (hereinafter supplier referred to as)

Concluded on ... 2022

**CONTRACT OF PROCUREMENT no. 3/22
of manufacture, delivery and put into operation of an automatic
compact Case packaging machine for cosmetics and care products**

I. SUBJECT AND SCOPE OF CONTRACT

Article 1

Subject of this contract is procurement, delivery, mounting and putting into operation of fully automatic compact Case packer, Top loader Pick&Place machine, for packaging of filled plastic bottles with cosmetics products into cardboard cases (american type) including Check weighing system for the final weight control of a single full case on the production line G1.

Automatic Case packaging machine consists of:

1. Automatic compact Case packer type

- Case packer output 10 -12 cases/min
- Bottle infeed conveyor length 3200 mm, height 950 +/-50 mm, width min 95 mm, conveying speed inverter controlled
- Transferring a product group using a quick exchangeable head with mechanical grippers for picking up and placing bottles into formed case from top, servo drives, frequency converters
- Product conveyor with multiline adjustable guides in the picking area, bottle number control
- Different bottle shape and size min 30x30x100 mm, max 180x100x330 mm (l/w/h)
- Bottle/faces number in the case: 3x10, 2x6, 2x5, 2x4, 2x3, 2x2
- Case size range min 200x110x130 mm, max 500x370x380 mm (l/w/h)
- Integrated horizontal magazine for flat cases, buffering min 1100 mm (L)
- Taping unit for case top and bottom sealing by adhesive tape width 50 mm
- Motorized lifting of the upper case closing section for easier replacing of the bottom tape unit
- Adhesive tape breakage control for top and bottom reel, control for bottom reel low level
- Possibility of orientation of bottles with trigger pumps - all triggers aligned in the case
- Orientation of oval bottles by the 90°rotation for proper faces position in the case
- Machine working height 950 +/- 50 mm, exit conveyor height 500 +/- 50 mm
- Exit conveyor of full cases, before Check weigher, dim. (l/w/h) 650x500x500+/-50 mm
- Exit conveyor of full cases, after Check weigher, dim. (l/w/h) 7500x400x500+/-50 mm with case turner for 90°
- Control unit PLC, HMI, multilingual, touch screen, storage of 100 recipes
- Electricity supply max 10 kW (all equipment, including check weigher)
- Remote diagnosis and maintenance access
- Operation direction from Left to Right, signal exchange with machines upstream/downstream
- One (1) format set for one bottle (330 ml)

- Energy efficiency class of the equipment – minimum IE3

2. Check weigher and Rejecting device

- Check weigher for weight control of filled cases, model, output according to case packer min 12 cases/min, accuracy 10-20 g, max weight 30 kg, counter max 20 g, SS frame
- Single products weight 0,020 kg - 1,5 kg, max 3 kg
- Weigher dimension (l/w/h) 650x500x500+/-50 mm, conveying speed inverter controlled
- Control panel, multilingual software, self-calibration device, storage of recipes
- Roller conveyor after Check weigher dim. (l/w/h) 650x500x500+/-50 mm with Rejecting device to reject full cases out of the set weight range, adjustable speed, min 12 cases/min
- Free roller conveyor for rejected cases dim. (l/w/h) 950x550x500+/-50 mm

3. Size change parts for different bottle/cap formats

- Format set (F1) for bottle 330 ml and standard cap including additional format sets for bottles collations 3x10, 2x6, 2x5, 2x4, 2x3, 2x2, each consists of all needed mechanical size parts and control programs:
 - F2 Bottle + Cap
 - F3 Bottle + Cap
 - F4 Bottle + Cap
 - F5 Bottle + Cap

4. Spare parts set for complete line of Case packer and Check weigher

- Spare parts set for 2 years operation

5. Packing and delivery

- DAP SAPONIA, Matije Gupca 2, 31000 Osijek, CROATIA

6. Installation, commissioning and SAT

- One (1) technician 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, delivery, mount and put into operation Case packer and Check weighing system at a price of €
(writing:.....EUR).

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

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 a 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 the 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 machine 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 Case packer and Check weigher at their factory in the presence of “SAPONIA’s” representatives.

“.....” guarantees to manufacture, pack and deliver the new Case packer and Check weighing system **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 of all parts of the machine
- Test runs of the all defined formats
- Checking of the output of all defined formats
- Quality of filling and closing of cases
- Signalization
- Documentation
- Readiness for delivery.

FAT will be run with "SAPONIA`s" bottle, caps and carton cases.

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 Case packer within five (5) days following the receipt of notice that the preparation for mounting at "SAPONIA" has been finished. "....." will be informed in advance about "SAPONIA" SAT plans in order to have an available technician ready to come.

The price of mounting and all costs of trip and stay technicians are given in the price writing in Article 2 of his Contract.

The Case packer will be tested at "SAPONIA" plant (SAT) in continuous work during 5-8 hours for each format.

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

Article 7

Site Acceptance Test (SAT) in "SAPONIA" includes checking of:

- Functionality of the Case packer, Check weigher and all associated parts in continuous work
- Testing with all formats in continuous work
- Output of all bottle/case formats
- Time for changing format
- Frequency intervention of the technician
- Quantity of waste bottles, caps and carton cases
- Documentation
- List of the spare parts.

IV. GUARANTEE

Article 8

"....." gives guarantee for a proper working of Case packer and Check weigher and associated equipment and quality of parts and material of used parts for a period of **one year 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 “.....” - 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

“.....” gives guarantee for proper work of Case packer and Check weigher:

Outputs with all formats and bottles collations: 10-12 case/min

- Different bottle shape and size min 30x30x100 mm, max 180x100x330 mm (l/w/h)
- Bottle/faces number in the case: 3x10, 2x6, 2x5, 2x4, 2x3, 2x2
- Waste of bottles, caps and cases below 1%.

Machine case range in transport direction through machine:

- Machine case size range min 200x110x130 mm, max 500x370x380 mm (l/w/h)

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

V. CONVENTIONAL PENALTY AND TERMINATION OF CONTRACT

Article 10

If “.....” shall be in default with the delivery of the case packing line, “.....” must be 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 Case packer and Ccheck weigher 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)
- Instruction for 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.

.....