

Nerudova 3, 118 50 Prague 1 tel.: +420 251 108 130, fax: +420 251 108 225

CONTRACT

Ref. No. 280175/2017-ČRA

BETWEEN

ContractOwner: Czech Republic - Czech Development Agency

Represented by: Mr. Michal Kaplan, Director Residence: Nerudova 3, 118 50 Praha 1

Contract owner's contact person: Štěpán Šantrůček Phone.: +420 251 108 118 E-mail: santrucek@czda.cz

Bank connection: Czech National Bank, Na Příkopě 28, Prague 1

Account Number: 0000 - 72929011/0710

(hereafter "CzDA")

and

Supplier: ZEMLJORADNIČKA ZADRUGA BRKA

Represented: Šaćir Rahman, director

Residence: Brka bb

76206 Brčko, District of Brčko

Bosnia and Herzegovina

Supplier's contact person:

Phone.:
+387 61 263 455

E-mail: adis.rahman@live.com Account No.: OF BENEFICIARY: 1863011200015343

IBAN: BA391863011200015343

SWIFT: TZBBBA22

(hereafter "Supplier")





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ON PROVISION OF GOODS

1. Subject of the Contract

1.1. The CzDA and the Supplier have agreed to cooperate on the extension of the CzDA's project called "Increasing the quality and quantity of milk in Brčko region" (hereafter "project"). In order to implement the project the Supplier will purchase goods specified in Annex 1 to this Contract forming "Contract Performance Description" and the CzDA will reimburse the Supplier for the goods.

Period of performance:

from 30th June 2017 to 30th October 2017

2. TERMS OF PAYMENT

- 2.1. The CzDA shall reimburse the Supplier for the goods specified in Article 1 of this Contract. The maximum amount to be paid by the CzDA under this specific Contract for the goods listed in Article 1 of this Contract shall not exceed the amount of 19 065,- EUR, price excluding VAT.
 The request for the payment shall be admissible only if accompanied by the relevant invoice issued by the Supplier and in accordance with Article 1. The invoice should be annexed by respective documents proving the costs of purchased goods specified in Annex 1 of this Contract. The request for the payment shall be submitted to the CzDA on 30th October 2017 at the latest. The request shall be sent to the CzDA email address stated above.
- 2.2. The payments will only be done in EUR.
- 2.3. Figures in the Supplier's invoices will be in EUR.
- 2.4. The above mentioned amounts will be paid only by bank transfer to the following account opened in the name of the Supplier:

Name of Beneficiary: Zamljoradnička Zadruga Brka Adress: Brka bb, 76206 Brčko ACCOUNT No. OF BENEFICIARY: 1863011200015343 IBAN: BA391863011200015343 SWIFT: TZBBBA22

FULL INSTRUCTIONS FOR INCOMING PAYMENTS AS FOLLOW:

F57:Account with Institution: SWIFT: TZBBBA22

ZIRAATBANK BH DD SARAJEVO

SARAJEVO, BIH



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59:Beneficiary Customer: 1863011200015343

ZZ BRKA BRČKO

BRKA BB BRČKO 1

BOSNA I HERCEGOVINA

IBAN CODE: BA391863011200015343

Note: Usage of the field 70 is mandatory

LIST OF MAIN EUR CORRESPONDENTS OF ZIRAATBANK BH DD SARAJEVO				
CURR-				ACCOUNT
ENCY	BANK	COUNTRY	SWIFT/BIC	NUMBER
EUR	Deutsche Bank AG	Germany	DEUTDEFF	936276510
	KBC BANK NV	BELGIUM	KREDBEBB	480 9587921 61
	COMMERZBANK AG	Germany	COBADEFF	400 8769523
	TC ZIRAAT BANKASI AS	TURKEY	TCZBTR2A	999000185002

2.5. The CzDA shall reimburse the invoice to the Supplier within 21 days of the date on which the request for payment was approved by the CzDA.

3. OBLIGATIONS OF THE SUPPLIER

The Supplier undertakes:

- 3.1. To ensure purchase of goods and utilize the money paid by the CzDA exclusively for the purpose of the project and in accordance with the terms and conditions set out in this Contract.
- 3.2. To observe any applicable laws in the execution of this Contract, and to hold the CzDA harmless of any claims from third parties (including State authorities) related to the execution of this Contract.
- 3.3. To provide the final report in English until 30th October 2017. The final report will include description and photos of purchased goods listed in Annex 1 to this Contract.

4. PATENTS, LICENSES AND INTELLECTUAL PROPERTY

4.1. The Supplier undertakes to protect the CzDA against all third-party actions for breach of copyright or other intellectual property rights, which might arise out of this Contract.





- 4.2. The Supplier declares that it is the rightful owner of the intellectual rights to all information supplied by virtue of this Contract, and that it is entitled to sell or transfer those rights in accordance with the terms of this Contract. If intellectual rights are the property of third parties, the Supplier shall request those third parties to confirm to the CzDA, in writing and within four weeks following signature of the Contract, that the Supplier is indeed entitled to sell or dispose of those rights in accordance with the terms of this Contract.
- 4.3. When the provision of goods involves the use of a patent, certificate of utility (utility model), trademark, industrial drawing or model belonging to a third party, the Supplier shall indemnify the CzDA against infringement proceedings brought by that party.
- 4.4. The CzDA and the Supplier shall exchange all information on any industrial property right that could impede the performance of the Contract.

5. DOCUMENTATION

- 5.1. Thereafter, the Supplier shall provide free of charge to the CzDA any update of the documentation provided.
- 5.2. The Supplier shall permit the CzDA to reproduce all or part of the documentation provided, for its internal needs, directly connected with use by its personnel. The CzDA shall ensure that any indication concerning the intellectual property rights appearing on the original copies is reproduced.

6. QUALITY AND STANDARDS

- 6.1. The Supplier undertakes to perform the Contract to the highest professional standards. The Supplier shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from employment, tax and social legislation.
- 6.2. The Supplier shall have sole responsibility for taking the necessary steps to obtain any permit or license required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.
- 6.3. The Supplier must ensure, that the goods specified in Article 1 of this Contract will be covered by warranty in the minimal length of 2 years, and provide such warranty to the CzDA.





- 6.4. The Supplier must ensure that any member of the staff performing the Contract has the professional qualifications and experience required for the execution of the tasks assigned to him.
- 6.5. The Supplier shall neither represent the CzDA nor behave in any way that would give such an impression. The Supplier shall inform third parties that he does not belong to the Czech public service.
- 6.6. The Supplier shall have sole responsibility for the member of the staff that executes the tasks assigned to him.
- 6.7. Should the Supplier fail to perform his obligations under the Contract in accordance with the provisions laid down therein, the CzDA may without prejudice to its right to terminate the Contract reduce or recover payments in proportion to the scale of the failure. The CzDA can only exercise this right after the Supplier does not repair such failure within 15 days from notification by the CzDA.
- 6.8. The CzDA can monitor compliance with the standards.
- 6.9. Supplier must communicate and share all serious, important or relevant information with representatives of the embassy of the Czech Development Agency concerning this project.
- 6.10. Supplier is committed to state that the project was financed from the state budget of the Czech Republic within the framework of the Czech Development Cooperation when using the results of the project (delivery concerning this agreement) for scientific, research and publication reasons, same as when providing any information concerning the project to the third parties. All published materials and outcomes connected to the project during its implementation and after its conclusion will be stamped by the logo of the Czech Development Cooperation of the Czech Republic. This logo will be provided to the supplier by the CzDA in electronic form. Anytime, when Supplier uses his logo, Supplier must next to it use the logo of the Czech Development Cooperation at least of the same size.

7. LIABILITY

- 7.1. The CzDA shall not be liable for damage sustained by the Supplier in performance of the Contract except in the event of willful misconduct or gross negligence on the part of the CzDA.
- 7.2. The Supplier shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of sub-Contracting. The





CzDA shall not be liable for any act or default on the part of the Supplier in performance of the Contract.

- 7.3. The Supplier shall provide compensation in the event of any action, claim or proceeding brought against the CzDA by a third party as a result of damage caused by the Supplier in performance of the Contract.
- 7.4. The Supplier shall take out insurance against risks and damage relating to performance of the Contract if required by the relevant applicable legislation. He shall take out supplementary insurance as reasonably required by standard practice in the field. A copy of all the relevant insurance Contracts shall be sent to the CzDA should it so request.

7.5. The Supplier declares:

- that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract,
- that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

8. TAXATION

The Supplier shall have sole responsibility for compliance with the tax laws, which apply to him. Failure to comply shall make the relevant invoices invalid.

9. FORCE MAIEURE

- 9.1. Force majeure shall mean any unforeseeable and exceptional situation or event beyond the control of the Contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a Supplier, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.
- 9.2. If either Contracting party is faced with *force majeure*, it shall notify the other party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects.
- 9.3. Neither Contracting party shall be held in breach of its Contractual obligations if it has been prevented from performing them by *force majeure*. Where the



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Supplier is unable to perform his Contractual obligations owing to *force majeure*, he shall have the right to remuneration only for tasks actually executed.

9.4. The Contracting parties shall take the necessary measures to reduce damage to a minimum.

10. TERMINATION OF THE CONTRACT

- 10.1. The CzDA reserves the right to terminate this Contract and the Supplier undertakes to repay the expenses in the following cases:
 - If the Supplier fails to deliver any of the goods under the terms of this Contract, or
 - If the Supplier fails to fulfill any of the terms of this Contract, or
 - Where the CzDA seriously suspects the Supplier of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the CzDA' financial interests.

With the exception of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the CzDA' financial interests, this right can only be exercised by the CzDA after such failure is not repaired by the Supplier within 15 days from notification by the CzDA.

10.2. In case of *force majeure*, notified in accordance with Article 9.2., either Contracting party may terminate the Contract, where performance of Contracted goods cannot be ensured until 30th October 2017.

11. SUSPENSION OF THE CONTRACT

Without prejudice to the CzDA's right to terminate the Contract, the CzDA may at any time and for any reason suspend execution of the Contract, pending orders or specific Contracts or any part thereof. Suspension shall take effect on the day the Supplier receives notification by registered letter with acknowledgment of receipt or equivalent, or at a later date where the notification so provides. The CzDA may at any time following suspension give notice to the Supplier to resume the work suspended. The Supplier shall not be entitled to claim compensation on account of suspension of the Contract, of the orders or specific Contracts, or of part thereof.

12. AMENDMENTS





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Any amendment to this Contract must be in writing, signed by the parties hereto; failing which such amendment shall have no effect and be void.

13. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

- 13.1. The Contract shall be governed by the national substantive and procedural law of the Czech Republic.
- 13.2. Any dispute between the parties resulting from the interpretation or application of the Contract, which cannot be settled amicably, shall be brought before the courts of the Czech Republic.

14. FINAL PROVISIONS

- 14.1. This Contract becomes effective upon the signing of the Contract by duly authorized representatives of both parties and will remain in effect until the date of the last money transfer from the account of the CzDA to the account of the Supplier (see Article 2.5. of this Contract).
- 14.2. The Parties agree with publication of this Contract in the register of contracts, which was established according to Act. No. 340/2015 Coll. The CzDA undertakes to publish the Contract in the register of contracts within thirty (30) days from the signature of this Contract.
- 14.3. Done in Prague and Brčko in four original counterparts in the English language.

List of Annexes:

Annex 1. – Contract Performance Description

For and on behalf of the CzDA Date:

For and on behalf of the Supplier Date:

Mr. Michal Kaplan, Director

Mr. Šaćir Rahman, Director

