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European Structural and Investing Funds
Operational Programme Research,
Development and Education



PURCHASE CONTRACT

*This purchase contract ("**Contract**") was concluded pursuant to section 2079 et seq. of the act no. 89/2012 Coll., Civil Code ("**Civil Code**"), on the day, month and year stated below by and between:*

Institute o Geophysics of the CAS, v. v. i.

Registered office: Boční II/1401, 141 31 Prague 4
Company identification No: 67985530
Tax identification No.: CZ67985530
Represented by: RNDr. Aleš Špičák, CSc., director
Bank details: [REDACTED]
Bank account No.: [REDACTED]
IBAN: [REDACTED]
BIC/ SWIFT [REDACTED]
on the one side as the buyer ("**Buyer**")

and

ScienceTech s.r.o.

Registered office: Dolní konec 24, 696 06 Vacenovice, Czech Republic
Company identification No: 02103621
Tax identification No.: CZ02103621
Represented by: Ing. Juraj Kravec
Registered in: Regional court in Brno, enclosure C 80895
Bank details: [REDACTED]
Bank account No.: [REDACTED]
IBAN: [REDACTED]
BIC/ SWIFT [REDACTED]
on the other side as the seller ("**Seller**")

(The Buyer and the Seller are hereinafter jointly referred to as "**Parties**" and individually as "**Party**").

WHEREAS

- (A) The Buyer is a public contracting authority and the beneficiary of a grant of the Ministry of Education, Youth and Sports of the Czech Republic for a project reg. number: CZ.02.1.01/0.0./0.0./16_013/0001800 ("**Project**"), within the Operational Programme Research, Development and Education.
- (B) For the successful realization of the Project it is necessary to purchase the Object of Purchase (as defined below) in accordance with the act No. 134/2016 Coll., on Public Procurement Awarding and the Rules for the Selection of Suppliers within the Operational Programme Research, Development and Education.



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(C) The Seller wishes to provide the Object of Purchase to the Buyer for consideration.

(D) The Seller's bid for the public procurement entitled "**Delivery of gravimeter**", and whose purpose was to procure the Object of Purchase ("**Public Procurement**"), was selected by the Buyer as the most suitable.

IT WAS AGREED AS FOLLOWS:

I. BASIC PROVISIONS

- 1.1 Under this Contract the Seller shall hand over to the Buyer a **Gravimeter**, which shall meet requirements listed in Annex 1 (*Technical Description of the Offered Performance*) to this Contract ("Object of Purchase") and shall transfer to the Buyer ownership right to the Object of Purchase, and the Buyer shall take over the Object of Purchase and shall pay the Seller the Purchase Price (as defined below), all under the terms and conditions stipulated in this Contract.
- 1.2 Under this Contract the Seller shall also carry out following activities ("Related Activities"):
 - a) to verify that the Object of Purchase meets all requirements stipulated in this Contract and adjust the Object of Purchase to the place of delivery, if necessary;
 - b) to elaborate and hand over to the Buyer operational, installation and maintenance manuals of the Object of Purchase and other documents that are necessary for the proper takeover and use of the Object of Purchase in English language in electronic form
 - c) to handover the declaration of conformity of the Object of Purchase with the approved standards, if there are any;
 - d) to elaborate a list of particular items of the Object of Purchase for the purposes of control;
 - e) to set the basic functions of the Object of Purchase
 - f) to test device functionality before delivery
 - g) cooperate with the Buyer during the performance of this Contract
- 1.3 The Seller promises to the Buyer that if for the fulfilment of the requirements of the Buyer under this Contract or the proper operation of the Object of Purchase are necessary other deliveries and activities not mentioned in this Contract, the Seller shall procure such deliveries or shall carry out such activities at its own expense without any effect on the Purchase Price.

II. TIME AND PLACE OF DELIVERY

- 2.1. The Seller shall deliver the Object of Purchase and shall carry out Related Activities within four (4) months from the effectiveness of this Contract.
- 2.2. The Seller is responsible for shipping the Object of Purchase to the Place of delivery. The Seller shall bear all costs associated with the transport of the subject of purchase until its delivery to



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the Buyer as a complete and faultless until at the agreed place. The Seller shall bear the costs of insurance of the subject of purchase to the time of handover to the Buyer, and shall declare that this cost is included in the purchase price.

- 2.3. The place of delivery is the following address: Institute of Geophysics of the CAS, v. v. i., Boční II/1401 141 31, Prague - Spořilov, Czech Republic.

III.

THE OWNERSHIP RIGHT

- 3.1 The ownership right to the Object of Purchase shall be transferred to the Buyer upon the signature of the Handover Protocol (as defined below) by both Parties.

IV.

PRICE AND PAYMENT TERMS

- 4.1. The purchase price for the Object of Purchase is 116 750,- USD without value added tax (“VAT”), and with the VAT rate 21 % (if applicable in this case) is 141 267.5,- USD (“Purchase Price”).
- 4.2. The Purchase Price cannot be exceeded and includes all costs and expenses of the Seller related to the performance of this Contract. The Purchase Price includes, among others, all expenses related to the handover of the Object of Purchase and execution of Related Activities, costs of copyright, insurance, shipping costs, warranty service and any other costs and expenses connected with the performance of this Contract.
- 4.3. The Purchase Price may be changed only if:
- in the period between the conclusion of this Contract and the signature of the Handover Protocol the rates of VAT are changed (in such a case the new price for the Object of Purchase shall only reflect the new rate of VAT) or if
 - the change is done in accordance with the act No. 134/2016 Coll., on Public Procurement Awarding.
- 4.4. The Purchase Price for the Object of Purchase shall be paid in USD on the basis of a tax documents – invoices, to the account of the Seller designated in the invoice.
- 4.5. The Buyer shall realize payments on the basis of duly issued invoices within 15 days from their receipt. The invoice shall be considered to be paid for on the day when the invoiced amount is deducted from the Buyer’s account on behalf of the Seller’s account.
- 4.6. The invoice issued by the Seller as a tax document must contain all information required by the applicable laws of the Czech Republic. Invoices issued by the Seller in accordance with this Contract shall contain in particular following information:
- name and registered office of the Buyer,
 - tax identification number of the Buyer,
 - name and registered office of the Seller,



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- d) tax identification number of the Seller,
- e) registration number of the tax document,
- f) scope of the performance (including the reference to this Contract),
- g) the date of the issue of the tax document,
- h) the date of the fulfilment of the Contract,
- i) Purchase Price,
- j) declaration that the performance of the Contract is for the purposes of a project number of the project: CZ.02.1.01/0.0./0.0./16_013/0001800

and must comply with the double tax avoidance agreements, if applicable.

The client will provide a prepayment to the contractor on the basis of a prepayment invoice. The sum of the provided prepayment invoices must not exceed 50% of the price of the work referred to in Article IV. Paragraph 4.1 of the Contract.

- 4.7. In case that the invoice shall not contain the above mentioned information, the Buyer is entitled to return it to the Seller during its maturity period and this shall not be considered as a default. The new maturity period shall begin from the receipt of the supplemented or corrected invoice to the Buyer.

V.

SELLER'S DUTIES

- 5.1. The Seller shall ensure that the Object of Purchase and Related Activities are in compliance with this Contract including all its annexes and applicable legal (e.g. safety), technical and quality norms.
- 5.2. During the performance of this Contract the Seller proceeds independently. If the Seller receives instructions from the Buyer, the Seller shall follow such instructions unless these are against the law or in contradiction to this Contract. If the Seller finds out or should have found out if professional care was exercised that the instructions are for any reason inappropriate or illegal or in contradiction to this Contract, then the Seller must notify the Buyer.
- 5.3. All things necessary for the performance of this Contract shall procure the Seller, unless this Contract stipulates otherwise.
- 5.4. The Seller is aware that the Buyer does not have at its disposal premises for the storage of packaging and, therefore, shall not store packaging of the Object of Purchase. The absence of original packaging cannot be an excuse for refusal of elimination of defects of the Object of Purchase.

VI.

WARRANTY



- 6.1 The Seller shall provide a warranty of quality of the Object of Purchase for the period of 12 months. If on the warranty list or other document is the warranty period of longer duration, then this longer warranty period shall have priority over the period stated in this Contract.
- 6.2 The warranty period shall begin on the day of the signature of the Handover Protocol by both Parties. If the Handover Protocol lists any deficiencies, the warranty period shall begin on the day, which follows the day, in which the last deficiency was removed.
- 6.3 The Seller shall remove defects that occur during the warranty period free of charge and in the terms stipulated in this Contract.
- 6.4 If the Buyer ascertains a defect of the Object of Purchase during the warranty period, the Buyer shall notify such defect without undue delay to the Seller. Defects may be notified on the last day of warranty period, at the latest.
- 6.5 The Buyer notifies defects in writing via e-mail. The Seller shall accept notifications of defects on the following e-mail address: [REDACTED]. The Seller shall confirm within 72 hours from the receipt of the notification.
- 6.6 In the notification the Buyer shall describe the defect and the manner of removal of the defect. The Buyer has the right to:
- a) ask for the removal of the defect by the delivery of a new Object of Purchase or its individual parts, or
 - b) ask for the removal of the defect by repair, or
 - c) ask for the reasonable reduction of the Purchase Price.
- The choice among the above mentioned rights belongs to the Buyer. The Buyer is also entitled to withdraw from this Contract, if by delivering the Object of Purchase with defects this Contract is substantially breached.
- 6.7 The Seller shall remove the defect within 4 months from its notification, unless Parties agree otherwise.
- 6.8 The Seller shall remove the defect within terms stipulated in this Contract even if the notification of the defect is in his opinion unjustified. In such a case the Seller is entitled to ask for reimbursement of the costs of removal of the defect. If Parties disagree on whether the notification of the defect is justified or not, the Buyer shall ask an expert for the expert's opinion, which shall determine whether the notification of the defect was justified or not. In the case that the expert considers the notification as justified, then the Seller shall bear costs of the expert's opinion. If the expert considers the notification to be unjustified, then the Buyer shall reimburse the Seller for verifiably and effectively incurred costs of removal of the defect.
- 6.9 Parties shall execute a protocol on the removal of the defect, which shall contain the description of the defect and the confirmation that the defect was removed. The warranty period shall be extended by a period of time that elapses between the notification of the defect until its removal.



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- 6.10 In case that the Seller does not remove the defect within stipulated time or if the Seller refuses to remove the defect, then the Buyer is entitled to remove the defect at his own costs and the Seller shall reimburse these costs within 10 days after the Buyer's request to do so.
- 6.11 The warranty does not cover defects caused by unprofessional manipulation or by the failure to follow Seller's instructions for the operation and maintenance of the Object of Purchase.
- 6.12 The seller will guarantee availability of spare parts for at least 5 years from the signing of the agreement.
- 6.13 Parties exclude the application of Section 1925 of the Civil Code.

VII.

REPRESENTATIONS AND WARRANTIES OF THE SELLER

- 7.1. The Seller represents and warrants to the Buyer that
- a) has all the professional prerequisites necessary for the proper fulfilment of this Contract,
 - b) is fully authorized to perform this Contract, and
 - c) there are no obstacles on the Seller's side that would preclude him from the due performance of this Contract.

VIII.

PENALTIES

- 8.1. If the Seller is in default regarding the delivery of the Object of Purchase, i.e. the Seller breaches its duty to perform this Contract in time and due manner, the Seller shall pay to the Buyer a contractual penalty in the amount of 0,05% of the Purchase Price for every (even commenced) day of default.
- 8.2. The Seller shall pay contractual penalties within fifteen (15) days from the day, on which the Buyer enumerated its claims. The payment of contractual penalties shall not affect the right of the Buyer to damages even to the extent to which such damages exceeds the contractual penalty.
- 8.3. Total amount of contractual penalties that the Buyer is entitled to claim shall not exceed 30 % of the Purchase Price.
- 8.4. The Buyer is entitled to unilaterally set off claims arising from the contractual penalties against the claim of the Seller for the payment of the Purchase Price.
- 8.5. Parties exclude the Section 2050 of the Civil Code.

IX.

RIGHT OF WITHDRAWAL

- 9.1. The Buyer is entitled to withdraw from this Contract without any penalties, if any of the following circumstances occur:



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- a) the Seller shall be in delay with the fulfilment of this Contract and such delay lasts more than two (2) months;
- b) the Object of Purchase shall not fulfil the requirements stipulated in this Contract, in particular in Annex 1 (Technical Specification);
- c) the insolvency proceeding is initiated against the Seller; or
- d) the Buyer ascertains that the Seller provided in its bid for the Public Procurement information or documents that do not correspond to the reality and that had or could have had impact on the result of the tendering procedure, which preceded the conclusion of this Contract.

X.

SUBCONTRACTORS

- 10.1. The Contractor is authorized to authorized a third party, that is, a subcontractor, by executing a part of the activity. In this case, however, the contractor is responsible for the activity of the subcontractor as if he did the work himself. The change of the subcontractor by means of which the contractor demonstrated in the tender procedure part of his qualification is possible only after prior written approval by the Buyer and only if the new subcontractor submits before the subcontracting agreement with the contractor the relevant part of the qualification of the subcontractor. The Buyer does not resign without a valid reason. The list of subcontractors is specified in Annex 2 to this contract.

XI.

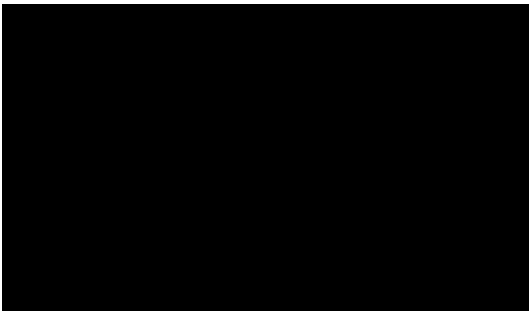
CONFIDENTIALITY

- 10.1. Parties shall not disclose information that shall become available to them in connection with this Contract and its performance and whose disclosure could harm the other Party. Duties of the Buyer ensuing from the applicable legal regulations remain unaffected.

XII.

REPRESENTATIVES OF THE PARTIES

- 11.1 The Seller appoints following representatives for the communication with the Buyer:



- 11.2 The Buyer appoints following representatives for the communication with the Seller:





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XII. FINAL PROVISIONS

- 12.1 This Contract is governed by the laws of the Czech Republic, especially by the Civil Code.
- 12.2 All disputes arising out of this Contract or out of legal relations connected with this Contract shall be preferable settled by a mutual negotiation. In case that the dispute is not settled within sixty (60) days, such dispute shall be decided by courts of the Czech Republic in the procedure initiated by one of the Parties.
- 12.3 The Seller bears the risk of changed circumstances within the meaning of Section 1765 of the Civil Code.
- 12.4 The Seller takes into account that the Buyer is not in relation to this Contract an entrepreneur, nor the subject matter of this Contract is connected with the business activities of the Buyer.
- 12.5 The Seller is not entitled to set off any of its claims or his debtor's claims against the Buyer's claims. The Seller is not entitled to transfer its claims against Buyer that arose on the basis or in connection with this Contract on third parties. The Seller is not entitled to transfer rights and duties from this Contract or its part on third parties.
- 12.6 All modifications and supplements of this Contract must be in writing.
- 12.7 If any of provisions of this Contract are invalid or ineffective, the Parties are bound to change this Contract in such a way that the invalid or ineffective provision is replaced by a new provision that is valid and effective and to the maximum possible extent correspond to the original invalid or ineffective provision.
- 12.8 If any Party breaches any duty under this Contract and knows or should have known about such breach, it shall notify it to the other Party and shall warn such Party of possible consequences of the breach.
- 12.9 This Contract is executed in four (4) counterparts and every Party shall receive two (2) counterparts.
- 12.10 An integral part of this Contract is Annex 1 (Technical Description of the Offered Performance). In case of any discrepancy between the provisions of this Contract and the provisions of Annex 1 (Technical Description of the Offered Performance) the provisions of this Contract shall prevail.
- 12.11 This Contract shall be valid on the date of the signature of both Parties and effective on the day, on which it was published in the register of contracts within the meaning of the act no. 340/2015 Coll., on the register of contracts. Both parties are aware of this legal obligation to publish this Contract pursuant to Act. No 340/2015 Coll., on the register of contracts, and by signing this Contract agree to it. The publishing of the Contract shall ensure the Buyer.



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XIII. SPECIAL PROVISIONS

13.1 By signing this Contract, the Seller becomes a person that must cooperate during the finance control within the meaning of Section 2 letter e) of the act no. 320/2001 Coll., on finance control in the public administration, and shall provide to the Directing Body of the Operational Programme Research, Development and Education or other control bodies access to all parts of the bid, Contract or other documents that are related to the legal relationship formed by this Contract. This duty also covers documents that are subject to the protection in accordance with other acts (business secrets, secret information, etc.) provided that control bodies fulfil requirements stipulated by these acts. The Seller shall secure that all its subcontractors are also obliged to cooperate with control bodies in the above stipulated extent. The possibility of effective control must be preserved until the year 2028.

In Prague, on

In Vacenovice, on 12.12.2017

.....

for the Buyer
RNDr. Aleš Špičák, CSc.,
director

.....

for the Seller
Ing. Juraj Kravec
executioner ScienceTech s.r.o.



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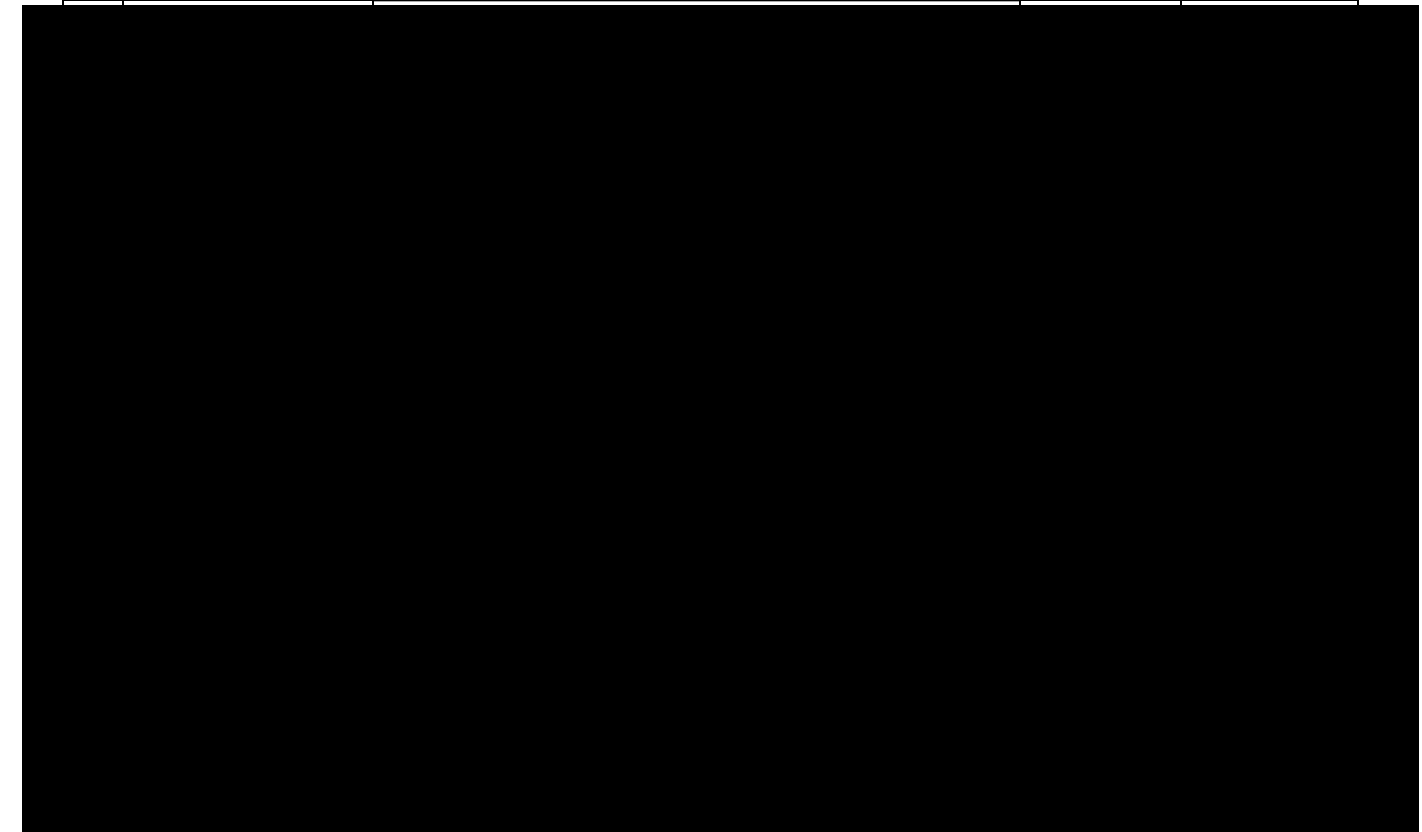
ANNEX 1
TECHNICAL DESCRIPTION OF THE OFFERED PERFORMANCE

Quoted items

We are pleased to submit a quotation for Scintrex CG-6 Gravity Meter.

Price calculation/list of items:

N.	Model	Description	Pcs	Price without VAT (USD)
		CG-6 AUTOGRAV GRAVITY METER	1	116,750.00



	Total without VAT			116,750.00
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Payment conditions

- stated in purchase contract

Delivery and warranty conditions

- stated in purchase contract



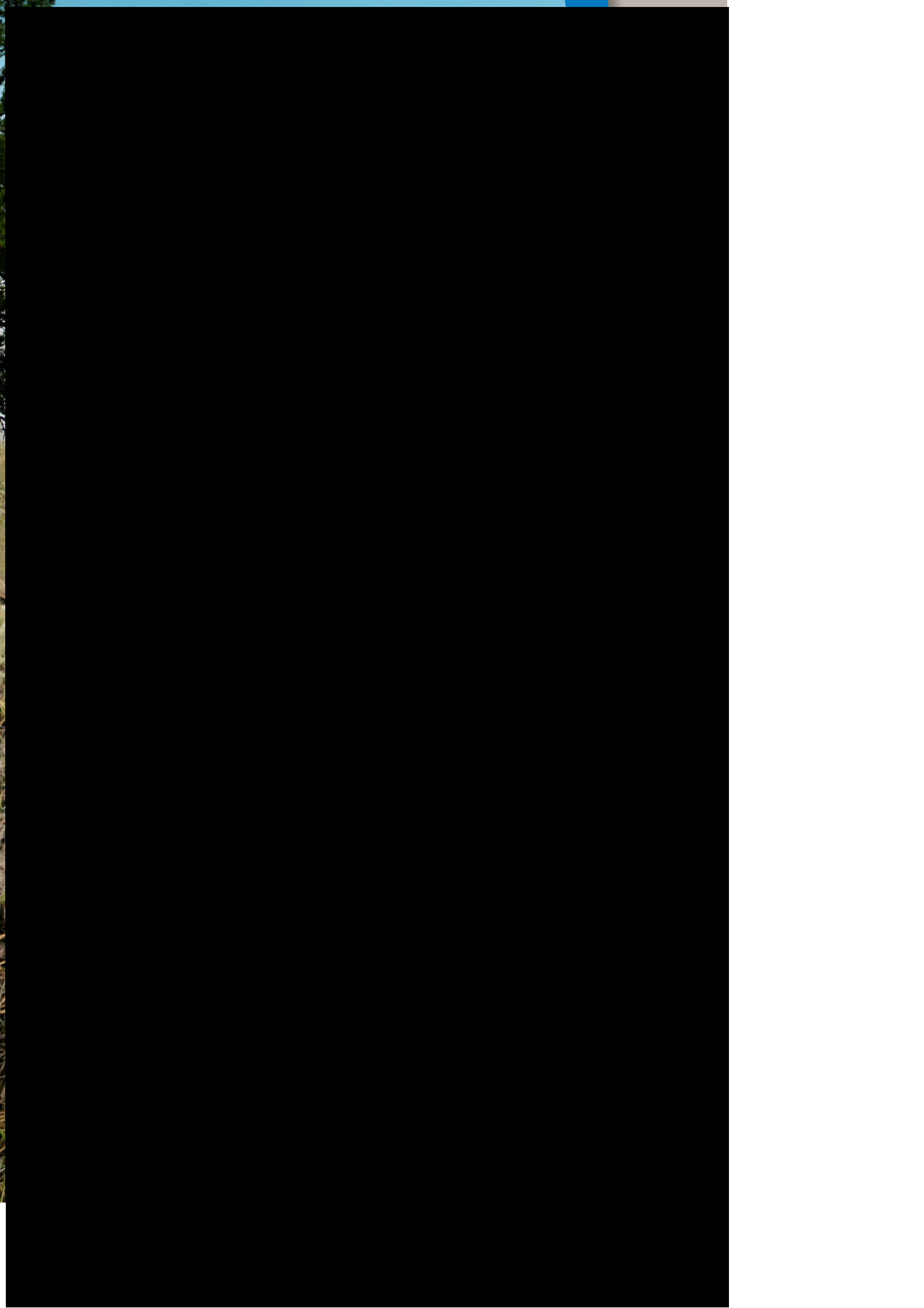
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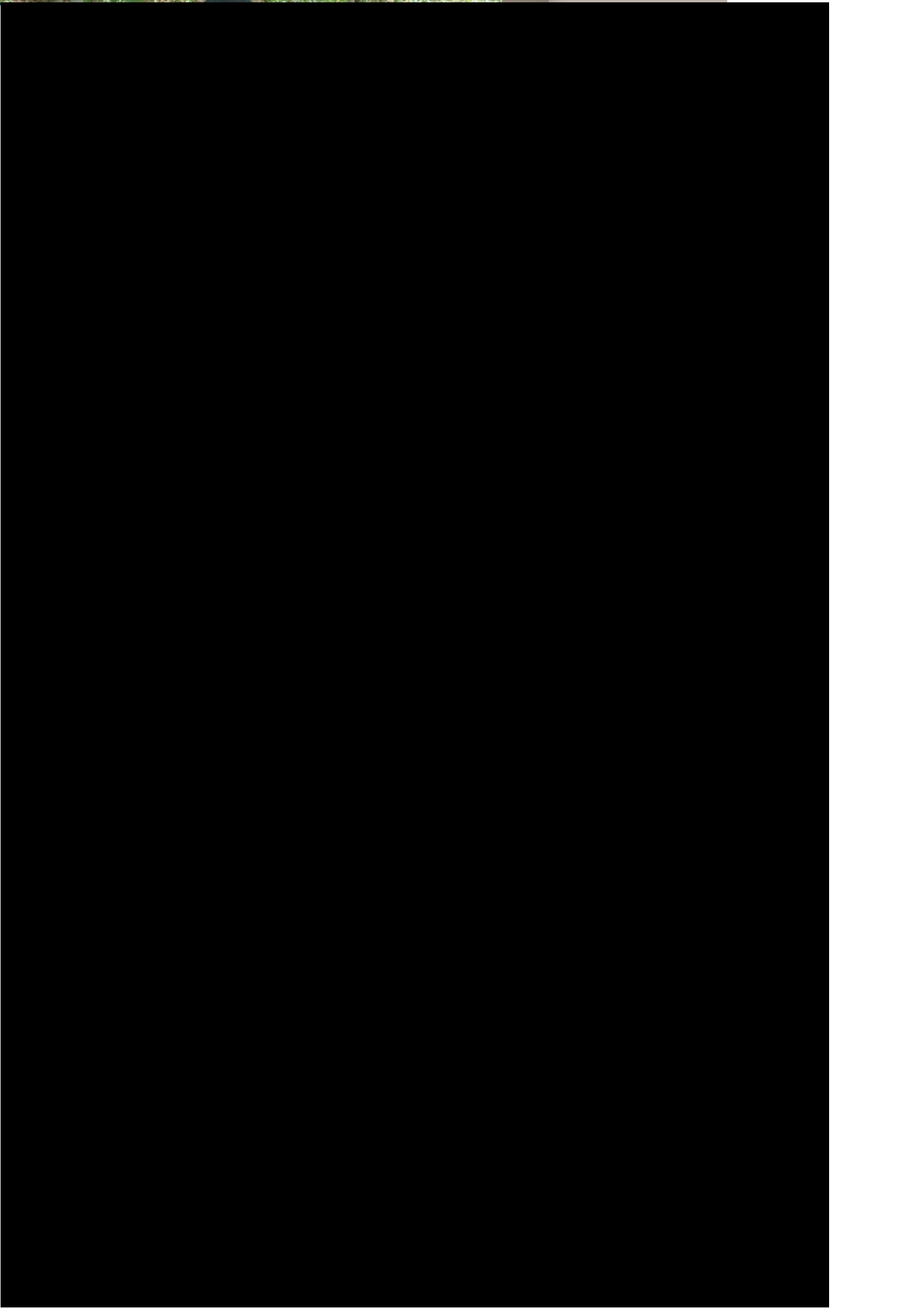


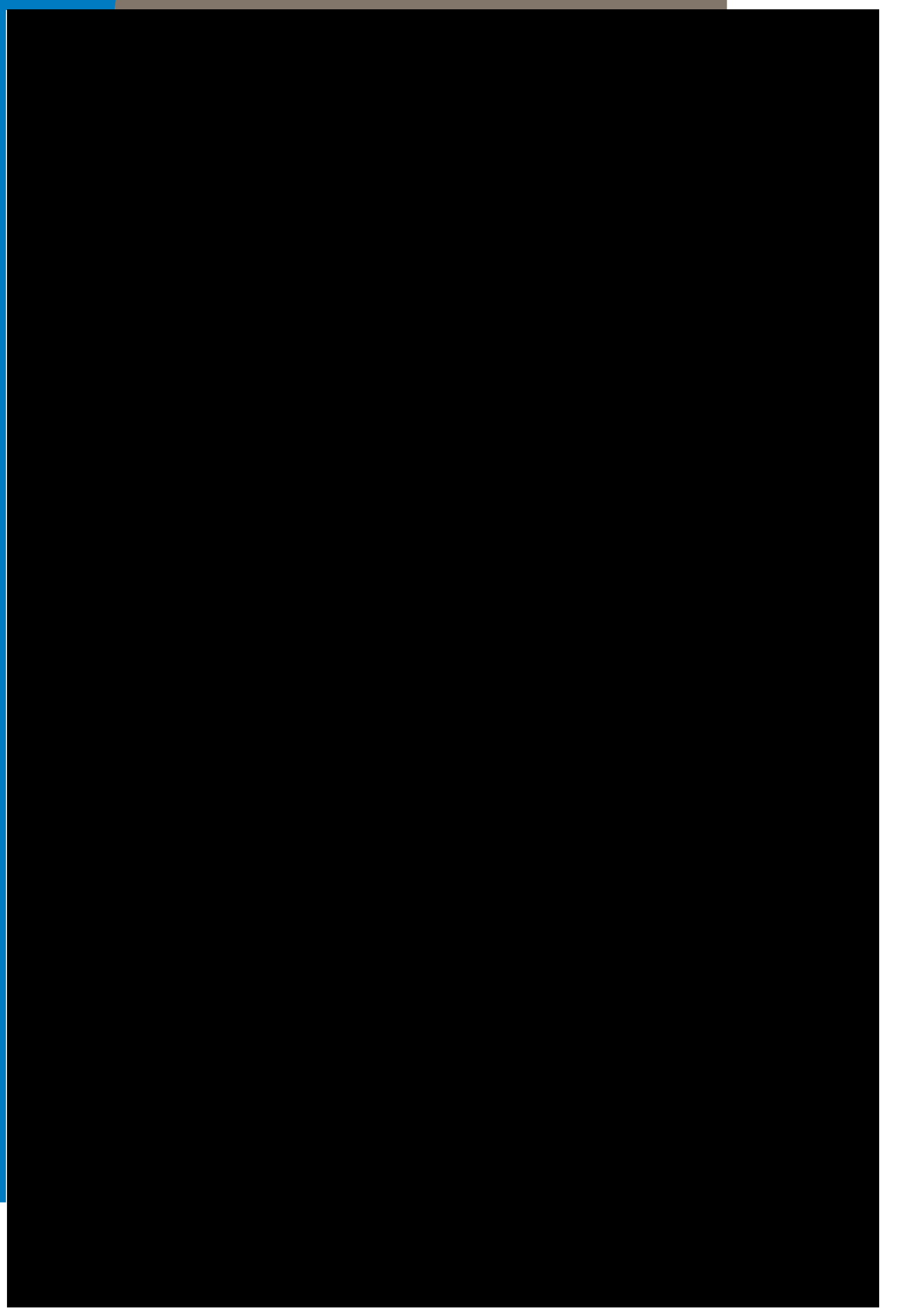
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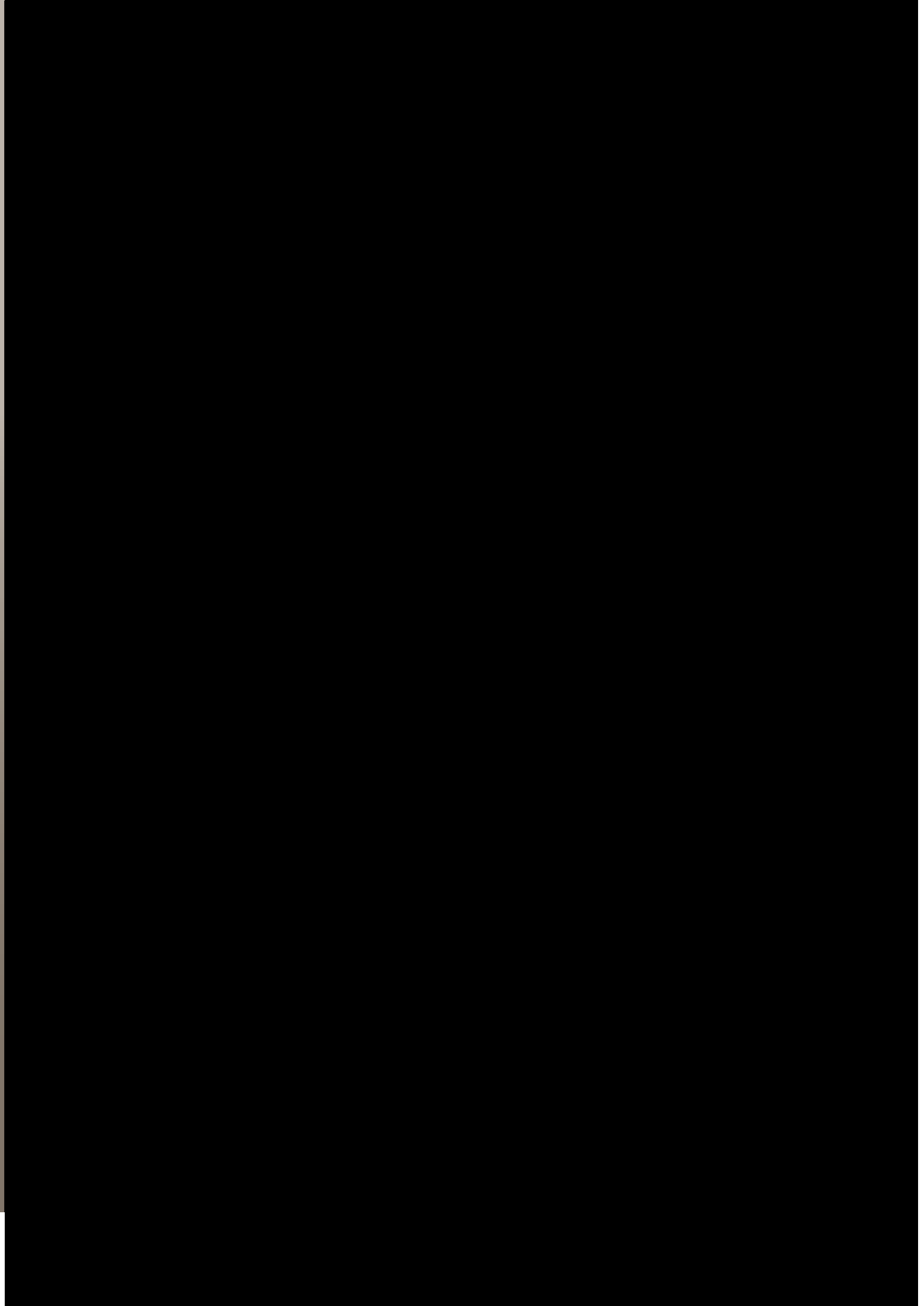
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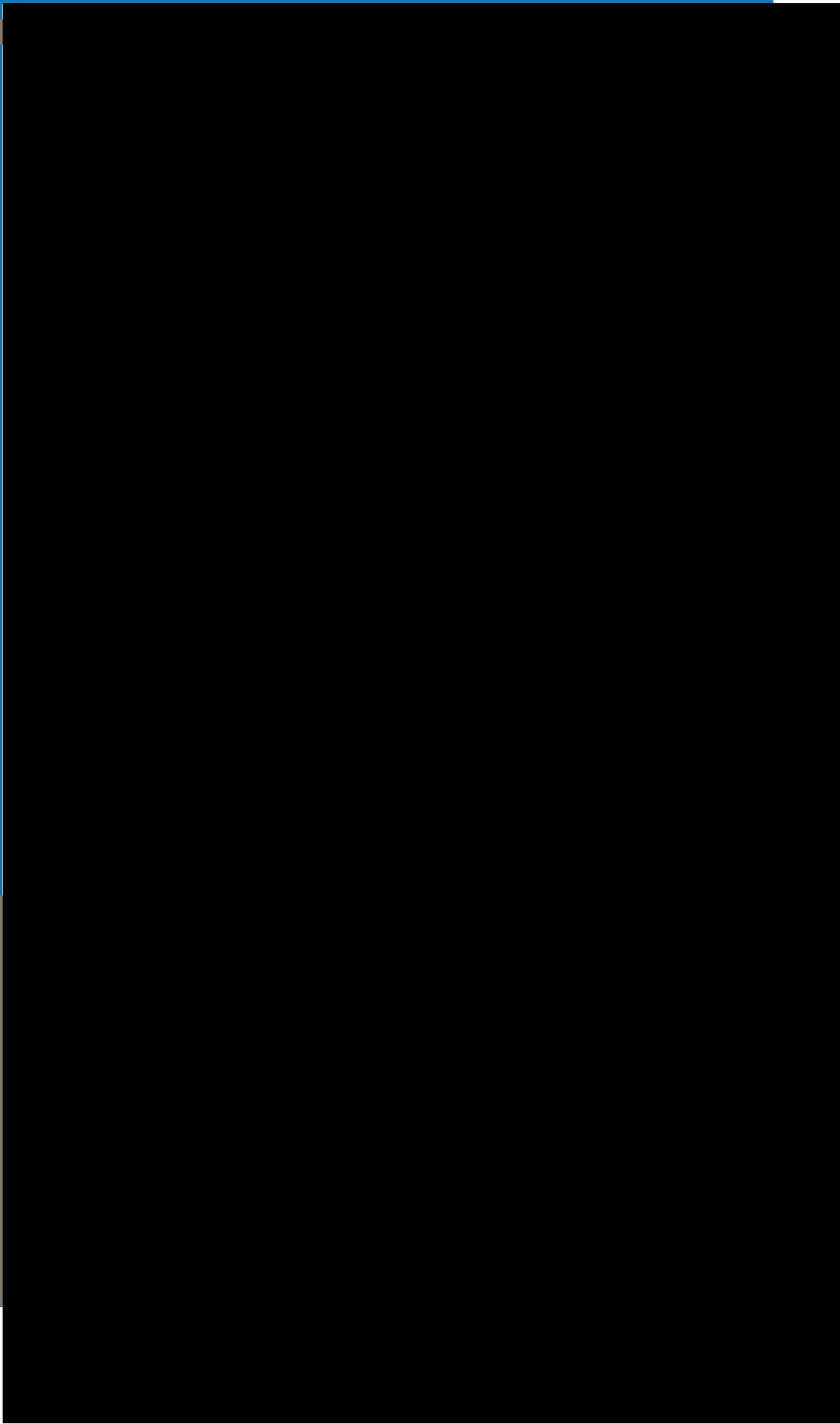
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ANNEX 2 LIST OF SUBCONTRACTORS

Company name: Scintrex
Address: 222 Snidercroft Road
Concord, Ontario
L4K 2K1, Canada
[REDACTED]

Function of subcontract: Gravity meter production and testing