Name of the project: "Expansion of the vehicle production capacity"

Name of the business: LOT 14

Supply Contract
no _____ from_____

1. The Contracting Parties

1. Automobile DACIA S.A., Mioveni, No. 1 Uzinei Street, postal code 115400, code of fiscal registration RO 160796, registration number J03/81/1991, bank account RO98BRDE030SV05762610300, opened at BRD, Argeş branch, phone no. 0040248500000, represented by Flavio ALMEIDA, Director of Purchases, Romania, as a purchaser, on the one hand,

and

..... (name of business operator), address ..... telephone/fax……..registration number……, code of fiscal registration ……, account (Treasury, bank)……, represented by…….. (name of the manager), position…….as a supplier, on the other hand.

2. Definitions

2.1 - In this contract the following terms shall mean:

a) contract - this agreement and all its annexes;
b) purchaser and supplier - the contracting parties, as they shall be named in this contract;
c) price of the contract - the price payable to the Supplier by the Purchaser under the contract for the full and proper performance of all obligations under the contract;
d) products - equipment, machines, tools, or any other goods, referenced in the annex/annexes to this contract, which the Supplier is obliged by contract to provide to the Purchaser;
e) services - services related to the delivery of products, i.e. the activities related to the supply of products such as transportation, insurance, installation, commissioning, technical support during the warranty period and any other similar obligation of the Supplier as stipulated by the present contract;
f) origin - the place where the products were made, manufactured. The products are manufactured when from the process of manufacturing, processing or assembling result major and essential components of a new product, commercially acknowledged, which is different from its components, through its basic characteristics, purpose or utility. The origin of products and services can be distinct from the nationality of the Supplier;
g) final destination - the place where the Supplier is obliged to deliver the goods;
h) the commercial terms of delivery shall be interpreted in accordance with INCOTERMS 2010 - International Chamber of Commerce (ICC);

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i) force majeure - is a circumstance of foreign origin, with an extraordinary, absolutely unpredictable and inevitable character, which is outside the control of any party, which is not due to error or fault, and makes impossible the execution and fulfilment of the agreement; such events are: wars, revolutions, fires, floods or other natural disasters, restrictions arising from quarantine, embargo - the list is not exhaustive, but declarative. One shall not consider a force majeure event, similar to the above-mentioned events, the one which, without creating an impossibility of performance, makes the obligations of a party be extremely expensive;

j) day - calendar day, year - 365 days.

3. Interpretation

3.1. - In this contract, unless stated otherwise, the singular shall include the plural and vice versa where the context so permits.

3.2. - The term "day" or "days" or any reference to days means calendar days unless specified differently.

4. Object and price of the contract

4.1.- The Supplier is obliged to deliver, set up and put in place the following:

..... 1 piece to achieve the performances required in the period/periods agreed and in accordance with the obligations under this contract.

4.2. - The Purchaser shall pay the Supplier the price agreed for the performance of the supply contract... -1 piece

4.3. - The price agreed for the fulfilment of the contract, i.e. the price of the products delivered and of the accessory services provided, payable to the Supplier by the Purchaser, is…….lei/euro, excluding VAT.

5. *Delivery terms:*

According to Incoterms 2010, the delivery terms are….

6. *Duration of contract*

6.1 - The duration of this contract is ……. months, i.e. from…….until.....

6.2 - The contract shall commence upon signature by both parties and shall end with the signing of the minutes at the date when the technical performances of the equipment are to be obtained, as required by Annex 1 - Technical Specifications (Specifications) and Annex no. 2 - Other technical requirements, but not before the final payment to the Supplier.

7. The contract documents

7.1. - The contract documents are:

a) Annex no.1 - Technical Specifications (specifications);

b) Annex no. 2 - Other technical requirements, if the case,

c) Supplier's technical and commercial offer;

d) Contract execution schedule

e) Payment milestones

f) Firm commitment of support from a third party, if the case

g) Annex with detailed lot composition (lines, facilities and equipment)

h) Additional contract and other documents, if the case

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Documents are applied in the order of priority indicated above. However, this Agreement, including any changes thereto, shall prevail.

8. The main obligations of the Supplier

8.1 - The Supplier undertakes to deliver/provide to the Purchaser, to assembly, to put into operation: XXX- 1 piece to achieve the required performances, products defined in this contract.

8.2- The Supplier undertakes to supply the products according to the standards and/or performances presented in the tender.

8.3 - The Supplier undertakes to supply the goods in the periods/at the dates specified in the tender annexed to the contract.

8.4 - The Supplier undertakes to indemnify the Purchaser against any:

i) claims and legal actions resulting from infringement of intellectual property rights (patents, names, trademarks, etc.), related to the equipment, materials, facilities or equipment used for or in connection with the products purchased, and

ii) related damages, costs, charges and expenses of any kind, unless such infringement results from compliance with the specification issued by the Purchaser.

8.5- The Supplier commits to supply under 10 days from the signature of the contract the Bank guarantee letter with a value of advance payment (Instalment 1) in the form requested during the request for quotation. The guarantee will be released at the effective end of delivery on customer site.

8.6. The Supplier is liable to the Purchaser and, as the case may be, to third parties under the provisions of the Romanian Civil Code for any non-execution or improper execution of the Contract, especially when it concerns design errors, compliance, production, functioning or performance of means and/or service provision and for any apparent or hidden defects. The Purchaser may provide assistance to the Supplier for the performance of the goods and/or the provision of services, and the checks that the Purchaser reserves to carry out cannot be considered as an acceptance of the quality of the goods and/or services provided by the Supplier who will remain solely responsible for them, it being agreed that the reception by the Purchaser does not exempt the Supplier from its contractual liability. The Supplier bears the risk of non-compliance by the agencies and/or subcontractors with the provisions on the use and security of the means. The Supplier shall be liable for any loss, damage or material, moral or physical damage, whether direct or indirect, resulting from its liability, as defined above, and without prejudice to any other limitation or exclusion clause. However, the Purchaser's claims against the Supplier for loss of production, loss of profits and loss of rights will be limited to 4 million Euros per event.

9. The main obligations of the Purchaser

9.1- The Purchaser commits to purchase, respectively to buy and pay the price agreed in the contract. Currency payments shall be made according to the legal provisions.

9.2- The Purchaser undertakes to receive the products within the agreed time.

9.3 - The Purchaser shall pay the price of the products to the Supplier within 90 days after the end date of the events mentioned below.

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The invoices will be issued in the following steps:

LOT 14	
Milestone	Payment
Purchase Order confirmation (ARC)	20%
Technical End of Study Agreement (ATFE)	10%
Reception at Customer Plant (RCP)	20%
Technical Commissioning Agreement (ATFMR)	30%
Production start-up Technical Approval (ATMP)	15%
Performance Obtaining Statement (COP)	5%

INVOICE AND PAYMENT CALENDAR

MILESTONE 1: 20%
By sending a copy of the order (ARC) addressed to the buyer, signed and stamped by the supplier accompanied by an original advance invoice and the bank guarantee letter.

MILESTONE 2: 10%
The advance invoice will be issued based on Technical end-of-study Agreement (ATFE) signed by the Supplier and the technical and payment manager designated in the contract.

MILESTONE 3: 20%
The final invoice will be issued based on Customer Delivery Agreement (RCP) on the total amount of the contract, of which only 20% will be paid from the RCP milestone, signed by the Supplier and the technical and payment manager designated in the contract.

MILESTONE 4: 30%
It will be paid based on the Technical Commissioning Agreement (ATFMR), signed by the Supplier and the technical and payment manager designated in the contract based on the final invoice issued at **MILESTONE 3**.

MILESTONE 5: 15%
It will be paid based on the Production start-up Technical Approval (ATMP), signed by the Supplier and the technical and payment manager designated in the contract based on the final invoice issued at **MILESTONE 3**.

MILESTONE 6: 5%
It will be paid based on the Performance Obtaining Statement (COP) signed by the Supplier and the technical and payment manager designated in the contract based on the final invoice issued at **MILESTONE 3**.
For this milestone, the payment period is 30 days net.

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The MILENSTONES (2-6) will be signed by:
Technical agreement: Danut CIRSTEA
Payment agreement: Alexandru GIURGESCU

9.4 - If the Purchaser does not pay the invoices within 28 days of the expiry of the agreed period, the Supplier has the right to suspend delivery of the products. Immediately after the Purchaser honours its obligations, the Supplier will resume delivery of products in the shortest time possible.

10. Penalties for non-culpable obligations

10.1 - If, from its own exclusive fault, the Supplier does not fulfil its obligations, the Purchaser shall be entitled to deduct from the contract price, as a penalty, an amount equal to a percentage of the contract price. For each day of delay in the execution of contractual obligations, penalties of 0.1% of the contract shall be applied to the Supplier until the effective fulfilment of obligations, but with a ceiling of 5% of the total net contract value.
10.2 - If, from its own exclusive fault, the Purchaser does not fulfil its obligations, within 28 days of the expiry of the agreed period, the Supplier shall be entitled to deduct from the contract price, as a penalty, an amount equal to a percentage of the contract price. For each day of delay in the execution of contractual obligations, penalties of 0.1% of the contract shall be applied to the Purchaser until the effective fulfilment of obligations, but with a ceiling of 5% of the total net contract value.
10.3 - Failure to comply with the obligations under this agreement by either party, by fault, entitles the injured party to treat the contract as terminated/without court intervention, at the date specified in the notification in this regard, and to claim penalties under art. 10.1. and art. 10.2, as well as the payment of damages.
These damages for delay are the sole and exclusive remedy in case of non-performance under this contract. Any other claims, rights, obligations or liabilities arising from a delay or related to a delay, even if such claims, rights, obligations or responsibilities result from a breach of contract, from a legal obligation or from a third party, an act of negligence that generates an action in common law, shall be excluded.
10.4 - The Purchaser reserves the right to terminate the contract by written notice to the Supplier, without any compensation, if the latter goes bankrupt, provided that such termination will not prejudice or affect the right of action or remedy for the Supplier. In this case, the Supplier has the right to demand payment only for the part of the contract performed till the unilateral termination of the contract.
10.5 - The goods and services already provided by the Supplier shall be paid in accordance with contract prices.
10.6 - The parties waive any other right to terminate the contract unilaterally. In the event of termination or termination by court order, the Purchaser shall retain the goods and services provided prior to such termination and shall bear the costs, including any costs of cancellation of the subcontractors, reasonable expenses, profits loss and any additional costs and reasonable claims verified in writing by the Supplier.

11. Reception

11.1 - The Purchaser has the obligation to notify, in writing, the Supplier as to the identity of its representatives authorized to perform reception.
11.2 - The inspections and tests from within the final (quality) reception

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performed at the final destination of the products: Automobile Dacia SA, Mioveni, No 1 Uzinei Street, Arges County, Romania.
11.3 - If any of the products received does not meet the specifications, the Purchaser is entitled to reject it and the Supplier, without changing the contract price, shall:
a) replace the rejected goods or
b) make any necessary changes for the products to meet the technical specifications.
11.4 - Clause 11.3 does not absolve the Supplier from the obligation of warranty assuming or from any other obligations under the contract.

12. Packing and marking

12.1 - The Supplier is obliged to pack and mark the products so that they could cope, without limitation, to rough handling during transportation, transit and exposure to extreme temperatures, sunlight and precipitation that may occur during transport and storage outdoors, so as to reach the final destination in good condition.
In the case of weights' and volumes' packaging in boxes, the Supplier will consider, where appropriate, the remoteness of the final destination of the products and the absence of heavy handling facilities at all points in transit.
The Purchaser is bound to comply with the site preparation obligations within the agreed deadlines. This is conditional upon delivery and timely execution by the vendor. If the Purchaser fails to meet its obligations, the Supplier may suspend its activity, adjust the program at its discretion, and request additional costs, if applicable.
12.2 - All product packaging materials and all materials necessary for the protection of packages (wooden pallets, protective sheets, etc.) shall remain the property of the Purchaser.

13. Delivery and product accompanying documents

13.1 - The Supplier is obliged to deliver the goods at the final destination indicated by the Purchaser, observing:
a) the delivery deadlines assumed in the tender and
b) the commercial deadlines assumed in the tender
13.2 - When shipping products, the Supplier is required to notify in writing, both to the Purchaser and, if applicable, to the insurance company, the dispatch information, contract number, description of goods, quantity, place of loading and unloading.
The Supplier shall send the Purchaser the documents accompanying the goods. The Supplier is required to accompany all products supplied with accompanying documents that certify the authority, conformity, including but not limited to, instructions for use, maintenance, warranty certificate, certificate of compliance, invoice and certificate/any other documents certifying the age of technology according to international quality standards.
13.3 - The certification by the Purchaser that the products have been supplied wholly or partly is done after installation and reception, by signing of receipt by the authorized representative, on the documents issued by the Supplier for delivery.
13.4 - Product delivery is considered completed when the provisions of the clauses regarding product reception are satisfied.
In general, all intellectual property rights (including patents, copyrights, utility models, etc.) owned by the Supplier, and any improvements or updates made to them during the performance of the contract, are and shall remain the exclusive property of the Supplier. The Purchaser shall be granted a non-exclusive, non-transferable, royalty-free, during the whole operation of the equipment / machine,

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right to use the above-mentioned intellectual property rights incorporated in the documentation provided to the Purchaser solely for the use, maintenance and repair of equipment delivered and installed by the Supplier under this Agreement. The Supplier is required to provide the Purchaser with a non-exclusive, royalty-free, non-royalty royalty, during the whole operation of the equipment / machine, to use the software, including its documentation provided under this Agreement, for the sole purpose of using and maintaining the equipment under the contract.

14. The warranty period granted to the products

14.1 - The Supplier is obliged to ensure that the goods supplied under the contract are new, original, unused. The Supplier is also required to ensure that all products supplied under this contract shall have no defect as a result of the project, materials or workmanship (except when the design and/or material is specifically requested by the Purchaser) or of any other act or omission of the Supplier and that they will operate at the required parameters in normal operating conditions.

14.2 - The warranty period given by the Supplier to the products is the one stated in the tender, i.e. 12 months from the date of signing the ATFMR.

14.3 - The Purchaser has the right to notify the Supplier in writing of any complaint or claim that arises under this warranty.

14.4. - Upon receipt of such notice, the Supplier is required to remedy the defect or replace the product within 48 hours of the claim, without additional cost to the Purchaser.

The warranty period is not prolonged and no new warranty period is granted for the replaced or repaired parts.

14.5. - If the Supplier, having been notified, fails to remedy the defect within the agreed period, the Purchaser has the right to take remedial action at the risk and expense of the Supplier and without any prejudice to any other rights which the Purchaser may have to the Supplier under the contract.

14.6 - If a failure to perform the obligations of which the Supplier is liable is not remedied within a reasonable time or cannot be repaired by the Purchaser in accordance with clause 14.5, the parties may reduce the price of the Contract by mutual agreement to the appropriate amount. Expanded rights are excluded

15. Contract price adjustment

15.1 - For the products delivered and the services rendered, the payments due by the Purchaser to the Supplier are the ones stated in the tender attached to the contract.

15.2 - The contract price shall not be adjusted.

16. Delays in fulfilling the contract

16.1 - The Supplier is obliged to fulfil the supply contract in the period/periods mentioned in the tender.

16.2 - If, throughout the contract, the Supplier does not comply with the period of delivery or of performance, then it shall notify the Purchaser in a timely manner; changing the date/periods of supply assumed in the offer will be made by agreement of the parties, by addendum.

The procurement contract modification is achieved by addenda. Amendments to the contract may be made only during the execution of the contract.

Any amendment that extends the performance of the contract, respectively …… months, must be such that implementation be accomplished before the end of

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the financing agreement and payments be made under the rules of eligibility established through the grant agreement.
The purpose of the addendum must be closely related to the original contract.
The tender which led to the signing of the contract may change, in case of products, if what was tendered is not currently placed on sale on the market (with the presentation of relevant evidence in this sense) and if the products are replaced with some having technically equal or superior characteristics, with no problems of compatibility, without changing the price.
16.3 - Unless the Purchaser agrees to an extension of time for delivery, any delay in performing the contract entitles the Purchaser to claim penalties from the Supplier.

17. Force majeure

17.1 - Force majeure is established by a competent authority
However, strikes outside the Supplier 's sphere of influence are considered to be cases of force majeure for the purposes of this contract
17.2. - Force majeure exempts the contracting parties from the obligations assumed under this contract, as long as it applies.
17.3. - Fulfilment of the contract will be suspended during the force majeure, but without prejudice to the rights to which the parties were entitled until its occurrence.
17.4 - The contracting party invoking force majeure shall notify the other party immediately and completely of the production thereof and shall take all measures at its disposal to limit the consequences.
17.5 - The contracting party invoking force majeure shall notify the other party of the cessation of the cause thereof within 15 days after termination.
17.6 - If the force majeure lasts or is expected to last for more than 6 months, either party shall be entitled to notify the other party of the termination of this contract, without either party being entitled to claim damages from the other.

18. Settlement of disputes

18.1 - The Purchaser and the Supplier shall make every effort to resolve amicably, by direct negotiations, any disagreement or dispute which may arise between them under or in connection with this contract.
18.2 - If the Purchaser and the Supplier fail to resolve amicably a contract dispute, each party may request that the dispute be settled by the courts of Romania.
Recourse to the courts cannot be hampered by failure to file diligence of amicable settlement, which are optional, except for the steps that the law requires as binding.

19. Language of contract

19.1. - The language of the contract is Romanian.
19.2 - In case of differences between Romanian version and French/English version, the Romanian version shall prevail.

20. Communications

20.1 - Any communication between the parties relating to the performance of this contract shall be submitted in writing.
Any written document must be registered when sent and when received.
20.2 - Communications between parties can be made by telephone, telegram, telex, fax or e-mail, on the condition of written confirmation of receipt of the communication.
20.3 For the proper implementation of this agreement the parties designate the following persons:

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For the Purchaser:.....;
For the executant:.....;

21. Conflict of interests

21.1 If during implementation of the contract it is noted that the Purchaser and/or the Supplier has not met the obligations set out in Articles 14 and 15 of Government Emergency Ordinance (GEO) no 66/2011, with the subsequent amendments and completions to it, the contract is justly terminated.

22. Applicable law

22 A - The contract shall be interpreted under the laws of Romania.

The parties agreed to conclude this contract today, ……, in two (2) copies, one for each side.
Purchaser……

Supplier……..

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