**IT and Development Centre. Ministry of the Interior, Estonia**

# GENERAL TERMS AND CONDITIONS OF CONTRACTS OF SALE

1. **General provisions**
   1. The Contract consists of these General Terms and Conditions (hereinafter the *General Terms and Conditions*) and the Special Terms and Conditions (hereinafter the *Special Terms and Conditions*) and their annexes.
   2. The purpose of the contract is to regulate the legal relationships arising between the purchaser (*customer*) and the seller (*executor*) on the basis of the contract.
   3. The language of performance of the contract is Estonian, unless otherwise provided in the contract.
   4. The parties are independent in their activities and neither party is responsible for fulfilling the obligations assumed by the other party to third parties.
   5. The rights and obligations of the parties are based on the legislation in force in the Republic of Estonia and the contract together with its accompanying documents.
   6. The parties ensure and declare that, by concluding the contract, they have not violated any provision of the law, the articles of association or other legislation applicable to them or any obligations assumed by them under previously concluded contracts and agreements.
   7. The parties confirm and certify that:
      1. they have sufficient passive and active legal capacity (when the party is a natural person) prescribed by law to enter into a contract and to perform the obligations and exercise the rights arising from the contract;
      2. the signatories on their behalf to this contract and its Annexes have been given sufficient authority to conclude this contract in accordance with the articles of association, legislation and other relevant documents.
   8. Upon entry into the contract, all previous contracts and other agreements between the parties shall become invalid in so far as they are in conflict with the contract.

# Object of the Contract

* 1. The goods which are the subject of the contract and their description are specified in the special terms and conditions.
  2. The seller confirms that third parties do not have any rights to the goods delivered under the contract and that third parties have no grounds to apply for such rights.
  3. The quality of the goods must meet the requirements agreed in the contract and in the technical and quality conditions specified in the manufacturer's specification of the goods and the quality conditions normally provided for this type of goods (including on the appearance of the goods), etc.

# Delivery of goods and transfer of the right of ownership

* 1. The goods are handed over from the seller to the purchaser on the date or within the term specified in the contract and at the place specified therein. The seller shall inform the purchaser in advance of the exact time of delivery of the goods, making sure that the buyer receives the relevant notification and that the proposed time is suitable for the purchaser. Along with the goods, the seller also hands over the documentation accompanying the goods to the purchaser.
  2. An instrument of delivery and receipt shall be drawn up for the delivery and receipt of the goods.
  3. The right of ownership of the goods and the risk of accidental destruction and damage are transferred from the seller to the purchaser upon signing the instrument of delivery and receipt of the goods.

# Price of goods and terms of payment

* 1. The purchaser shall pay for the goods in accordance with the conditions and procedure provided for in the contract, either after the parties have signed the instrument of delivery and receipt and the invoice submitted on the basis thereof has been received, or on the basis of the invoice received after receipt of the goods. The payment term of the invoice must be at least 21 (twenty one) calendar days as of its receipt.
  2. The cost of the goods stipulated in the contract includes, among other things, all expenses incurred by the seller under the contract.
  3. If the goods do not meet the requirements set out in the contract, the purchaser may unilaterally reduce the contract value, notifying the seller thereof in a format that can be reproduced in writing. The buyer may also use other legal remedies and possibilities provided by law in the described case.
  4. If the seller is a company registered in Estonia the seller will send the purchaser an e-invoice in accordance with the Estonian e-invoice standard via the e-invoice operator Fitek AS (more detailed information at <http://www.fitek.ee/>). If the seller is not a company registered in Estonia, the seller will send the purchaser an invoice in pdf format to the e-mail address [arved@smit.ee](file:///C:\Users\38705260216\Desktop\ÜLDTINGIMUSED\arved@smit.ee). The e-invoice is considered received from the date of its receipt by Fitek AS.
  5. In addition to the information specified in the standard, the invoice must include the surname of the purchaser's contact person, public procurement reference number (where relevant), procurement and framework agreement number (where relevant) and order reference number (where relevant) and external funding project identifier (in the case of an external funding contract).
  6. The invoice issued by the seller must clearly and unambiguously indicate the contract. An invoice that does not comply with the conditions set out in this clause and clause 4.5 shall not be payable. The deadline for payment of the invoice shall be 21 (twenty-one) calendar days, unless resulting from the terms of the applicable external instruments and provided otherwise in the specific contract.

# Liability of parties. Force majeure

* 1. The parties shall be fully liable to the extent of the direct patrimonial damage caused to the other party by the non-performance or improper performance of the obligations arising from the contract.
  2. The seller is liable for the breach of contract in particular if the goods do not meet the requirements set out in the contract, the goods have not been delivered on time, the seller does not submit the required documentation on the goods upon delivery, etc.
  3. In case of non-compliance with the delivery date or time stipulated in the contract or the term specified in clause 6.1, the purchaser has the right to demand a contractual penalty of 1% (one percent) of the contract price for each day of delay from the seller.
  4. In case of exceeding the terms provided in the contract by the seller or in case of non-performance or improper performance of other obligations provided in the contract by the seller, the purchaser has the right, in addition to the use of other legal remedies, to extraordinarily terminate the contract unilaterally by notifying the seller thereof using a corresponding written statement.
  5. If the purchaser delays the performance of the financial obligations set out in the contract, the seller shall be entitled to charge the purchaser interest on arrears at the rate of 0.05% (zero point zero five per cent) on the overdue amount per day, but not more than 5% (five per cent) of the contract value.
  6. The purchaser has the right to reduce the contract value by the amount of the contractual penalty when paying for the goods. The contractual penalties provided for in the contract have been agreed to enforce the obligations and the demand for the contractual penalty does not affect the right of the purchaser to additionally demand the performance of the obligations and compensation for damage from the seller.
  7. Non-performance or improper performance of the obligations arising from the contract shall not be deemed a breach of contract if it was caused by force majeure. In the event of circumstances of force majeure, the term of the contract shall be extended by the period of occurrence of the said circumstances. Upon termination of the circumstances of force majeure, the party must start performing the contract. If due to force majeure circumstances the performance of the obligations arising from the contract of the party is prevented for more than 60 (sixty) calendar days in a row, either party may terminate the contract.
  8. The total liability of the parties in the performance of the contract is limited to the total value of the contract, except in case of intentional or gross negligence breach of the confidentiality obligation.

# Warranty

* 1. The seller provides a 12-month warranty for the goods, which begins to run as of the delivery of the right of ownership and direct possession of the goods to the purchaser, unless the contract or letter of guarantee or other document provides for a more favourable beginning of the warranty period for the purchaser. With regard to claims about the goods, the seller is obliged to respond to the purchaser's notification as soon as possible, but not later than within 24 (twenty four) hours from the receipt of the notification, unless another term is provided in the special terms and conditions.
  2. During the warranty period, the seller is obliged to repair defects or exchange low-quality goods free of charge, unless the seller proves that the defects arose as a result of the purchaser’s violation of the use or storage rules for the goods and the seller has previously notified the purchaser of such use or storage rules at least in a format which can be reproduced in writing. It is assumed that the warranty covers all defects in the goods that have become apparent during the warranty period.
  3. The warranty period is suspended at a time when the purchaser cannot use the goods due to non-compliance with the terms of the contract, for which the purchaser is not responsible.
  4. If the goods require warranty service, the seller is responsible to the purchaser for monitoring, inspecting and performing the warranty service.
  5. Goods replaced during the warranty period will be covered by a new warranty of the same duration as the original warranty.
  6. If goods are repaired during the warranty period, the warranty is extended by the length of the period of repair.
  7. A warranty does not preclude or restrict the right of the purchaser to use other legal remedies arising from law or the contract.

# Transmission of notifications and contact persons

* 1. Notifications are generally transmitted by telephone, e-mail or mail. If the transmission of a notification has significant legal consequences, notifications to the other party must be given in writing, including, for example, the parties' applications for termination of the contract, as well as the party's claim to the other party that is submitted due to breach of contract, etc.
  2. Notifications related to the contract shall be forwarded to the other party using the contact details specified in the contract. A party is obliged to immediately inform the other party of any change in contact information. If a party has changed its contact details during the term of the contract and has not informed the other party thereof in a format that can be reproduced in writing, the notification shall be deemed to have been received by the party if it has been sent using the most recent contact details provided by the party.
  3. A written notification shall be deemed to have been received by a party if it has been handed over against a signature or if the notification has been sent by registered post by the postal authority to the address notified by the party and 5 (five) calendar days have passed since posting. In the case of sending by e-mail, the notification shall be deemed to have been received at the time indicated in the notice of arrival or at the time of sending indicated in the e-mail.
  4. The contact persons of the parties are appointed in the special conditions of the contract. The contact person of the purchaser has the right to represent the purchaser in all matters related to the performance of the contract, except for amendment of the contract (including increase of the volume of the contract, significant change of the object or term of the contract, etc.), unilateral extraordinary termination of the contract and submission of a claim for contractual penalty, interest on arrears or compensation for damages.

# Confidentiality

* 1. The seller undertakes to keep confidential, for the duration of the contract and for an indefinite period after its expiry, all information which has come to its notice in connection with the performance of the contract. In particular, but not limited to, the seller undertakes to keep confidential the information contained in the contract, the documents handed over for performance of the contract and other documents the content of which the seller has had access to in performance of the contract, in addition to aforementioned any other information, which the purchaser is presumed to have a legitimate interest in keeping confidential.
  2. Disclosure of confidential information to third parties is permitted only with the consent of the purchaser, which has been provided in a format that can be reproduced in writing. The confidentiality requirement provided for in the contract does not extend to the disclosure of information to the parties' auditors, lawyers, banks and in cases where the party is required to disclose information pursuant to legislation. The seller is aware that the contract is public to the extent provided by the Public Information Act.
  3. The seller undertakes to comply with organizational, physical and IT security measures to protect confidential data against accidental or deliberate unauthorized alteration, accidental destruction, deliberate destruction, disclosure, etc.
  4. The seller undertakes not to use the confidential information in any way for personal gain or for the benefit of third parties.
  5. The seller undertakes, inter alia, to ensure that its representative(s), employees, contractual partners and other persons whom it uses in the performance of its duties are aware of the obligation of confidentiality laid down in this contract and to require such persons to fulfil that obligation unconditionally and indefinitely.

1. **Amendment and cancellation of contract**
   1. The contract may be amended pursuant to the procedure and to the extent prescribed in the special terms and conditions of the contract or pursuant to § 123 of the Public Procurement Act.
   2. The purchaser shall have the right to terminate the contract at any time, regardless of the reason, by giving the seller at least 60 (sixty) calendar days' notice. The purchaser also has this right if the parties have agreed on a fixed-term contract. In the event of termination of the contract under this clause, the purchaser undertakes to pay the seller for the items actually delivered or services provided at the time of cancellation, other amounts are not reimbursable.
   3. A party has the right to terminate the contract unilaterally before the prescribed time, by giving prior notice, if:
      1. the other party has breached the contract and has not remedied the breach within a reasonable time specified by the party; or
      2. it is a material breach of contract; or
      3. the breach is repeated.
   4. In the event of cancellation of the contract due to the fault of the seller, the seller shall be entitled to claim payment only for these items actually delivered or services provided at the time of end of the contract, which the purchaser can actually use.
   5. In addition to what is provided elsewhere, a party has the right to cancel the contract at any time if:
      1. the performance of the contract has been impeded by force majeure and that effect has suspended the performance of the contract for more than three months; or
      2. bankrupcy proceedings have been instituted against the other party, bankruptcy has been declared or its assets have been seized or its financial situation has, in the reasonable opinion of the other party, significantly deteriorated and this deterioration makes the proper performance of the contract unlikely.
   6. The purchaser undertakes to make the final settlement in accordance with the contract within two months of the expiry of the contract.
   7. The rights and obligations which, by their nature, do not depend on the validity of the contract, shall remain in force after the expiry of the contract.

# Final provisions

* 1. The contract enters into force upon signing by the parties and is valid until the realization of the rights and fulfilment of the obligations arising from the contract. The terms and conditions of the contract may be amended only by a written or digitally signed agreement between the parties.
  2. The parties may extraordinarily terminate the contract unilaterally and use other legal remedies etc. in addition to the provisions of the contract in cases and pursuant to the procedure provided by law.
  3. The expiry of the contract does not affect the fulfilment of such obligations which, by their nature, remain in force also after the expiry of the contract (e.g. confidentiality obligation etc.).
  4. The parties have agreed that the parties have the right to transfer the rights and obligations arising from and related to the contract to third parties only with the prior consent of the other party in a format that can be reproduced in writing. The transfer of rights and obligations to a third party within the meaning of this provision shall not include the transfer by the seller of rights and obligations arising out of or in connection with the contract to another state authority or to a state company.
  5. The contract is governed by the law of the Republic of Estonia. If any provision of the contract proves to be in conflict with the legislation in force in the Republic of Estonia, it shall not affect the validity of the remaining provisions. If in the described case these are mandatory provisions, which cannot be agreed otherwise, the provisions that are in conflict with the law shall be brought into conformity with the applicable regulations as soon as possible.
  6. If the documents of the contract are in conflict with each other, the following order of priority shall be followed: 1) the contract; 2) general terms and conditions; 3) other contract documents. In the event of a conflict between the procurement contract and the framework contract, the provisions of the procurement contract shall prevail.
  7. Disputes related to the contract, which the parties have not been able to resolve through negotiations, will be referred to the Harju County Court for resolution.