

AGREEMENT FOR SUPPLY OF MODULES
on record with the Client under Ref No. **189/2018**

This agreement (the "Agreement") is entered into pursuant to the provision under Section 29(b) of Act No. 134/2016 Coll. of Czech Republic, on public procurement, as amended (hereinafter referred to as the "PPA") and pursuant to Act No. 89/2012 Coll., Civil Code, as amended (hereinafter referred to as the "Civil Code"), and shall be effective as of.....

by and between:

GEMALTO SA, a company incorporated and organized under the laws of France, with its registered office at 6 rue de la Verrerie, 92197 Meudon, France (hereinafter referred to as the "GEMALTO")

duly represented by,

and

STÁTNÍ TISKÁRNA CENIN, státní podnik, a company incorporated and organized under the laws of Czech Republic with its registered office at Růžová 6/943, postal code 11000, Czech Republic (hereinafter referred to as the "Client")

duly represented by **Tomáš Hebelka, MSc, General Director**

(hereinafter referred to individually as "Party" and collectively as "Parties")

TABLE OF CONTENTS

1.	SCOPE OF AGREEMENT	3
2.	ORDERING PROCEDURE	4
3.	QUANTITIES AND PRICES	4
4.	TERMS OF PAYMENT	4
5.	DELIVERY	5
6.	TRANSFER OF TITLE AND RISK	5
7.	ACCEPTANCE ON DELIVERY.....	5
8.	WARRANTY	6
9.	LIABILITY	7
10.	INTELLECTUAL PROPERTY RIGHTS	7
11.	RIGHT TO USE THE SOFTWARE	8
12.	EMBEDDING – PERSONALISING	9
13.	EXPORT/RE-EXPORT.....	9
14.	GOVERNING LAW AND ARBITRATION.....	9
15.	FORCE MAJEURE.....	9
16.	CONFIDENTIALITY	9
17.	DURATION – TERMINATION.....	10
18.	ASSIGNMENT	11
19.	NOTICES.....	11
20.	FINAL PROVISIONS.....	11
	APPENDIX 1 - PRODUCTS / SPECIFICATIONS / PROJECT/ TERRITORY	13
	APPENDIX 2 - PRICES AND PAYMENT TERMS	14
	APPENDIX 3 - VALIDATIONS	16
	APPENDIX 4 - LEAD TIMES AND FORECASTING	17
	APPENDIX 5 - STANDARD CONDITIONS OF USE AND STORAGE CONDITIONS	18

DEFINITIONS and ABBREVIATIONS

Agreement:	the Agreement including its attached appendices;
AQL:	Acceptable Quality Levels;
Corporate Income Tax:	includes all domestic and foreign taxes which are based on taxable profits of companies but excludes Withholding Tax (in the scope of this Agreement);
Effective Date: in	the date of publication of the Agreement in the Register of Contracts accordance with Act No. 340/2015 Coll., on Special Conditions of Efficiency of some Contracts, Disclosure of such Contracts and the Contracts Register (the Contracts Register Act), as amended;
Smart Cards	polycarbonate cards supplied by the Client in which Modules will be embedded;
Embedding:	shall mean inserting and fixing a Module into a plastic card;
Indirect Tax:	all taxes, rates, tariffs, levies, duties or similar charges levied by taxing authorities on the sale, consumption or movement of goods and services, such as VAT, GST, Consumption tax, Excise, Sales tax, Import or Customs Duties and any similar taxes. Indirect Tax shall however exclude Corporate Income Tax, Withholding Tax and any Personal Income tax in relation to the remuneration paid to any person employed by GEMALTO or the Client as the case may be;
Module/Product:	GEMALTO product as defined in Appendix 1 of this Agreement;
Personalisation:	shall mean loading or recording data and, if applicable, program into the Module before issuing the Smart Card to its holder;
Project:	shall mean production and delivery of the Smart Cards with integrated Modules to the relevant entities from the Territory defined in Appendix 1;
Specifications:	the specifications set out in Appendix 1;
Tax Treaty:	a bilateral double taxation avoidance agreement signed, and remaining in force, between the governments of the countries in which the Client and GEMALTO are respectively tax resident. Tax Treaty shall also include all the relevant protocols that are signed between the said two governments;
Territory:	shall mean the countries listed in the Appendix 1 of this Agreement where the Client shall be entitled to resell the Modules as integrated part of the Smart Cards.

1. SCOPE OF AGREEMENT

1.1. This Agreement sets out the terms and conditions under which the Client shall purchase from GEMALTO and GEMALTO shall deliver to the Client, on a non-exclusive basis, the non-personalized Modules, including its testing version, for the sole purpose of the Client to perform the Modules' Personalisation and Embedding into the Client's Smart Cards, for the Client to sell the Smart Cards solely in the Territory and in the frame of the Project.

1.2. The Client shall not be authorised, without prior written consent of GEMALTO, to commercialise the Modules (i) as a product not integrated into Smart Cards and (ii) outside the Territory.

1.3. This Agreement consists of the present conditions and Appendices 1-5 as attached hereto. In case of any discrepancies the present conditions shall prevail over the appendices except with regard to technical descriptions and time lines

1.4. All orders placed by the Client shall be governed exclusively by the terms and conditions of this Agreement whether or not the Agreement is referred to in the purchase order.

1.5. The Technical specification on record with the Client under Ref. No. XXX/XXX/XXX, which form an integral part of this Agreement, contains classified information with the secrecy level "RESTRICTED" in compliance with applicable internal legislation of the Czech Republic, including but not limited to the Act no. 412/2005 Coll., on the protection of classified information and security capacity, as amended.

1.6. GEMALTO declares by concluding the Agreement that GEMALTO has and for a duration of the Agreement will have National Facility Security Clearance in secrecy level "CONFIDENTIAL" ("DŮVĚRNĚ") or higher. GEMALTO is obliged to notify the Client any changes of this clearance without delay. GEMALTO further declares that GEMALTO will handle any classified information in accordance with the above Article 1.5 of this Agreement which is in line with Article 4 paragraph 2 the Agreement between the Government of the Czech Republic and the Government of the French Republic on Mutual Transmission and Protection of Classified Information, signed in Paris on the 15 February 2005, which requires for the information labelled as "VYHRAZENE" the same level of protection as for the information labelled "DIFFUSION RESTREINTE".

2. ORDERING PROCEDURE

2.1. Ordering shall be through purchase orders placed in writing and signed by the Client in accordance with the order process as described herein.

2.2. Each order shall contain the name of the legal entity of the Client, a unique order reference, date of order, Module designation, quantity, unit price without VAT, total price without VAT, terms of payment, expected delivery date, delivery address, invoicing address and incoterm.

2.3. Orders are accepted by GEMALTO only upon GEMALTO's written confirmation through an order acknowledgement within five (5) days from receipt of the order.

2.4. Should any difference exist between the purchase order and the order acknowledgement, the written acknowledgment of the order shall prevail, unless the Client refuses it in writing within five (5) calendar days following the date of the order acknowledgement.

2.5. No order shall be cancelled or modified after issue of order acceptance by GEMALTO except with GEMALTO's prior written consent and provided that all resulting costs shall be borne by the Client.

3. QUANTITIES AND PRICES

3.1. Minimum quantities, minimum guaranteed volume and prices of the Modules are set forth in Appendix 2.

3.2. Unless expressly stated otherwise in Appendix 2 all prices are DAP – Delivered At Place at Client Manufacturing Plant III, Na Vápence 14, Building No. 915, 130 00 Prague 3, Czech Republic, (as defined by ICC Incoterms 2010) and firm for a period of validity of this Agreement.

4. TERMS OF PAYMENT

4.1. GEMALTO shall invoice Modules at its delivery. Payment shall be made in accordance with the provisions of Appendix 2 hereof. If no payment term is stated, payment shall be made thirty (30) days from date of invoice issuance.

4.2. For the purposes of this Agreement, an invoice shall be deemed paid once the respective amount has been received into GEMALTO's account stated in Appendix 2 hereof.

4.3. The Client may return an invoice to GEMALTO during the payment period if it contains incorrect price information, or incorrect or incomplete requirements as per this Agreement. In

this case, the Client shall be bound to send the invoice back to GEMALTO with a covering letter motivating the reason for the return, without being in default of payment. A new payment period shall commence on the date of receipt of a new or corrected invoice.

4.4. In the event that an entire partial delivery is found to be defective through the fault of GEMALTO and the Client successfully proves that the defect has been caused solely by GEMALTO, the Parties agree that the payment period of the relevant invoice shall be extended until the claim is demonstrably resolved.

4.5. All prices mentioned in this Agreement are exclusive of Corporate Income Tax and Indirect Tax that may be imposed by any public authority in respect of the Agreement.

4.6. The Client and GEMALTO will bear their respective Corporate Income Tax liability.

4.7. In case payment is delayed for a reason not attributable to GEMALTO, GEMALTO may elect to defer the execution of its obligations until the overdue amounts have been paid in full. In this case the lead time for any deferred order shall be extended proportionally to the delay in paying.

4.8. GEMALTO shall have the right to apply late payment interest on any overdue amount at the annual rate corresponding to EURIBOR 12 months applicable the first day of the overdue increased by XXX. EURIBOR 12 months being a weighted interbank average rate published daily by the European Central Bank.

5. DELIVERY

5.1. GEMALTO shall deliver the Modules in accordance with the Incoterm set forth in Article 3.2 above.

5.2. The Client shall take delivery of the Modules as soon as they have been delivered in accordance with the Incoterm and shall pay for all additional costs due to any delay in taking delivery. GEMALTO will notify to the Client at least five (5) working days in advance announcing the day when the Modules will be dispatched from the GEMALTO's premises and anticipated date of delivery to the Client to the email address XXX.

5.3. The delivery of the Modules is possible only on business days i.e. between 6:00 a.m. and 2:00 p.m., unless stipulated otherwise by the Client. Beyond this stipulated time is the delivery of the Modules possible only on the grounds of previous telephone agreement between GEMALTO and authorized person of the Client, which is stated in the order.

5.4. The delivery of the Modules shall be in line with the provisions of Appendix 4, including without limitation with regards to the lead times.

6. TRANSFER OF TITLE AND RISK

6.1 Risks in the Modules and the title to the Modules shall transfer from GEMALTO to the Client at the time of delivery.

7. ACCEPTANCE ON DELIVERY

7.1. Upon receipt of volume deliveries, the Client will perform a quantitative verification of the packaging labels and delivery note. In case of mismatching, GEMALTO pledges to deliver the missing quantity or reimburse the purchase price of missing Modules already invoiced.

7.2. The Client may also perform a qualitative verification procedure based on the AQL (Acceptable Quality Levels). AQL represents the maximum percentage of defective products, identified during an inspection, that are considered acceptable. Inspections using AQLs offer a statistical cost-effective method to ensure that quality expectations are defined and met. AQL inspections are performed in accordance with statistical standards ISO 2859-1 on a representative sample of a production run, not on an entire shipment.

7.3. The quantitative verification as indicated in section 7.1 and the eventual AQL verification as indicated in section 7.2 shall be performed during a period of no more than 15 calendar days after receipt of volume deliveries. Should the Client discover defects in the Modules at a rate exceeding the AQL the Client shall be authorized to return the alleged non-

conforming batch to GEMALTO for counter-analysis and replacement of proven defective Modules. At the end of the aforementioned 15-day period, the Modules shall be deemed accepted if the Client has notified no defect to GEMALTO. Without prejudice to the right of the Client to claim the defects within the provided warranty for quality.

8. WARRANTY

8.1. GEMALTO warrants that the Modules supplied shall comply with their Specifications for a period of six (6) years starting from the date of delivery to the Client. Termination of the Agreement does not release GEMALTO from its warranty obligations of the Modules delivered to the Client prior the date of termination of the Agreement.

8.2. The warranty shall not be applicable to defects arising from or connected with:

8.2.1 Defective maintenance of storage of the Modules after delivery to the Client; or

8.2.2 Any combination or integration of the Modules with equipment, material, products, software or systems not furnished, not approved or not specifically recommended and qualified by GEMALTO; or

8.2.3 Any accident, vandalism, negligence or handling errors causing damage to the Modules made by the Client or any third party; or

8.2.4 Technical maintenance or interventions on the Modules other than those deemed necessary by GEMALTO; or

8.2.5 Any damages caused to the Modules during their Personalization; or

8.2.6 Normal wear and tear.

8.3. Standard conditions of use and storage conditions are given in the Appendix 5 hereof.

8.4. Process applicable to claims for defective Modules

8.4.1 Client shall notify a defect in writing within seven (7) calendar days after the defect is discovered, and will forward, free of charge:

- The defective Modules to GEMALTO;
- A report stating the complete details of the alleged defect.

8.4.2 When, (i) upon review and analysis of the defective Modules, GEMALTO acknowledges that said Modules are defective due to GEMALTO's failure in performing its obligations arising out of the Agreement and thus covered by the terms of their warranty, and (ii) the quantity of acknowledged defective Modules is above XXX of the quantity of Modules delivered under this Agreement per year, then GEMALTO's liability and Client's exclusive remedy shall be strictly limited to (at GEMALTO's sole discretion):

- The replacement of the defective Modules, or
- A credit note corresponding to the Modules' prices and the transportation costs paid for the Modules' return.

8.5. GEMALTO shall have no liability to the Client under the warranties defined in Article 8 if payments are overdue.

8.6. GEMALTO disclaims all other warranty not expressly provided herein and any implied warranty, whether by law, statutory or otherwise, guaranty or representation as to performance, integration feasibility, quality, including implied warranties of merchantability and fitness for a particular purpose.

8.7. GEMALTO does not and shall not warrant that Module will be resistant to all possible attacks and shall not incur, and disclaims, any liability in this respect. Even if each Module is compliant with current security standards in force on the date of their design, Client acknowledges that the resistance of the security mechanisms necessarily evolves according to the state of the art in security and notably under the emergence of new attacks. Under no circumstances, shall GEMALTO be held liable for any third party actions or claims and, in

particular, in case of any successful attack against systems or equipment incorporating the Modules

9. LIABILITY

9.1. Neither Party limits its liability for death or personal injury caused by its negligence or the negligence of its employees.

9.2. To the maximum extent permitted by applicable law, neither Party or its sub-contractors, agents, officers, employees or distributors shall be, in any case whatsoever, liable to the other, its officers, agents, employees, successors and/or assignees for any indirect, special, consequential or incidental damages of whatsoever kind or nature arising out of or in connection with the Agreement, including but not limited to any loss, cost, damage, loss of revenue, loss of profit or loss of use, incurred or suffered by the victim Party or any third party resulting from a defect, an incident, the failure of the Modules in accordance with the terms of the Agreement even if the other Party was advised of the possibility of such damages.

9.3. In no case shall GEMALTO be liable for any damages resulting from or arising out of any illegal and/or fraudulent use of the Modules by the Client, any third party or the end-user.

9.4. The foregoing shall not affect the Client's right to claim compensation against GEMALTO for damages suffered by the Client arising directly from the performance, bad performance or non-performance of GEMALTO's duties and/or obligations under the Agreement, provided however that the total liability of GEMALTO and its sub-contractors, officers, employees, agents or distributors in connection therewith shall not exceed in aggregate the total sums paid to GEMALTO during the last twelve (12) months preceding the event leading to the claim for damages.

10. PENALTIES FOR DELAY

10.1. In the event of failure to comply with the delivery period agreed under this Agreement, GEMALTO shall be obliged to pay the Client a penalty of delay of XXX (XXX) of the price of the late delivery for each commenced calendar day of the delay. However, the penalties shall not exceed XXX (XXX) of the price of the late delivery of the Modules. The payment of the penalties shall not exempt the Parties from their obligations assumed under this Agreement.

10.2. A contractual penalty shall be due within 30 (thirty) calendar days from the date issuance of the invoice with quantification of the penalty by the entitled Party.

11. INTELLECTUAL PROPERTY RIGHTS

11.1. No right, title or interest is transferred to the Client by the Agreement in the names, trademarks, patents, pending patents, expertise, copyright and other intellectual property rights relating to the Modules.

11.2. Subject to the provisions of this clause 11, GEMALTO shall hold the Client harmless against the damages caused by infringement the Client is condemned to pay pursuant to a final decision of a tribunal, excluding any other costs. GEMALTO will assume responsibility for the damages defined above to the extent that such damages are the result of a condemnation relating solely to the Modules for direct infringement of a patent or copyright pursuant to the utilization of the Modules in the territory where they are delivered to the Client.

11.3. The present clause is applicable on condition that:

11.3.1. The Client promptly notifies GEMALTO in writing of the writ of summons or any other claim which may have preceded this summons;

11.3.2. The Client enables GEMALTO to assume by itself and under its responsibility the defense of this action, the conclusion of a settlement, or any negotiation concerning this claim;

11.3.3. The Client provides necessary information and assistance concerning the claim or action, provided that such information or assistance may be reasonably required.

11.4. The Client will inform GEMALTO as soon as possible of any infringement of trademark, patent, copyright or other intellectual property right concerning the Modules which the Client may become aware of during the duration of the Agreement.

11.5. In the event that any Module is considered as infringing any intellectual property rights of third party, making its use illegal or impossible, GEMALTO shall, at its own cost and its option, either procure for the Client the right to continue the use of the Module, or replace or modify the same to become non-infringing but functionally equivalent.

11.6. GEMALTO shall also have the option to grant the Client a credit for such infringing Module, equal to the price paid by the Client to GEMALTO.

11.7. The Client's rights with respect to the Modules shall at all times be subject to the copy, use, and disclosure restrictions contained in this Agreement.

11.8. GEMALTO shall not be liable to the Client under any provision of this clause if any patent or copyright infringement or claim thereof is based upon the use of the Modules in conjunction with Client's products or other devices not delivered by GEMALTO, or in any manner for which the Modules were not designed or in case of Modules which have been modified or altered either by Client or at its request and/or by its Clients or by any third party without GEMALTO's prior approval or in case that infringement stems from any data or information or program loaded on the Modules or from any request of Client.

11.9. On equal terms as set out above, the Client shall hold GEMALTO harmless against actual or claimed damages caused by infringement arising from material or instructions (e.g. artwork designs and technical specifications) given to GEMALTO by the Client.

12. RIGHT TO USE THE SOFTWARE

12.1. GEMALTO is and remain the sole owner of all intellectual and industrial rights pertaining to the Modules (including their documentation), including without limitation, software (whether already loaded in the Modules delivered or delivered separately for being loaded in such Modules), patents, patents applications, copyrights, and more generally pertaining to all services or works to be procured to Client hereunder.

12.2. GEMALTO does not grant the Client any patent rights or patent licenses on the Modules.

12.3. Client has only the right and license to use the software already loaded in the Modules, solely for all necessary production steps up to the finished Personalization of the Modules.

12.4. The Client agrees to license the Modules software to its customers, as an integral part of the Modules, and only under the conditions that such customers do not:

- a. reproduce it
- b. modify it;
- c. reverse assemble, reverse compile or decode it for any purposes whatsoever;
- d. operate it on any other system than that for which it was intended;
- e. communicate it and the corresponding knowledge to any third party.

12.5. The Client shall not without the prior written consent of GEMALTO :

- a. reproduce any software included in the Modules;
- b. modify it;
- c. reverse assemble, reverse compile or decode it for any purposes whatsoever;
- d. operate it on any other system than for which it was intended;
- e. communicate this software and the corresponding knowledge to any third party, save to the customers as an integral part of the Smart Cards and under the conditions described above.

12.6. Client has only the right to use, on a non-transferable basis, the software included in the Modules solely for the purpose of this Agreement and only in combination with the Modules.

12.7. Unless otherwise stipulated by law, any modification, recompilation, reverse engineering to the software or compilation of derived software based on the software is explicitly forbidden, together with any modification to security mechanisms in the software and the decomposition of the software by the Client or one of the Client's own customers in turn.

12.8. The Client is not entitled to remove or change any references to the copyright and industrial property rights affixed to the software.

13. EMBEDDING – PERSONALISING

13.1. Modules are supplied by GEMALTO for the sole purpose of their Personalisation and Embedding into the Client's Smart Cards to be destined solely to the Territory listed in the Appendix 1 and solely in the frame of the relevant Project. The Client shall not have the right to dispose, in any way whatsoever, of the Modules for any other purpose.

13.2. Embedding and personalizing shall be performed by the Client himself in the Territory, and the Client shall not have the right to sub contract or to use the services of any third party to perform all or part of such tasks without having beforehand obtained written consent of GEMALTO.

14. EXPORT/RE-EXPORT

14.1. Should the Modules be subject to export restrictions, the Client hereby undertakes not to sell, lend or deliver to any third party under any conditions whatsoever, with or without compensation, temporarily or permanently, the Modules (including supplies and spares delivered in connection with the after sales support), documentation, operating manuals and information in any way whatsoever related to the Modules, without the prior written consent of GEMALTO and/or the relevant competent authorities.

15. GOVERNING LAW AND ARBITRATION

15.1. This Agreement shall be governed by and construed in accordance with the laws of Czech Republic excluding its conflict of law provisions.

15.2. The Parties shall endeavour to reach an amicable settlement of any disputes that may arise out of or in connection with this Agreement. Any dispute which may arise out of or in connection with this Agreement between the Parties, which is not settled amicably within thirty (30) days from the date that either Party notifies the other that such dispute exists, shall be submitted to the exclusive jurisdiction of the relevant court of law from Prague.

16. FORCE MAJEURE

16.1. Neither Party shall be liable for any delay or failure to meet its obligations hereunder (other than a payment obligation) insofar as such failure is due to any cause outside its reasonable control. The Party affected by such an event shall immediately notify the other as to the occurrence and cessation of the event and the Parties shall use reasonable endeavours to agree an appropriate course of action to mitigate the effect of the event. The effects excluding the liability for damages are limited to the duration of the Force Majeure event to which these effects are connected.

17. CONFIDENTIALITY

17.1. Each Party shall consider the commercial and technical documents and any and all information, such as but not limited to data, facts (hereinafter the "Confidential Information") made available by the other Party as the exclusive property of the disclosing Party. The receiving Party undertakes (i) to use the Confidential Information only for the purpose of performing this Agreement and in compliance with its terms, and (ii) not to disclose nor allow or facilitate said Confidential Information to be disclosed to any third party without the prior

written consent of the disclosing Party; (iii) to disclose the Confidential Information exclusively to its own employees who have a need to know the Confidential Information solely for the purpose of this Agreement.

17.2. The receiving Party shall not be under any obligation to treat information as Confidential Information if it can prove that such information:

- a. was already legally in the possession of the receiving Party prior to the disclosure thereof by the disclosing Party and is not subject to any obligation of confidentiality ; or
- b. at the time of its disclosure to the receiving Party is public knowledge or subsequently becomes public knowledge other than as a result of some act or omission on the part of the receiving Party in breach of the terms of this Agreement ; or
- c. at any time after the date of this Agreement is disclosed to the receiving Party by a third party who is not under any duty of confidentiality or secrecy to the disclosing Party in relation thereto; or
- d. is developed by employees of the receiving Party to whom no disclosure of the Confidential Information has been made.

17.3. Disclosure of Confidential Information shall in no case be construed as granting to the receiving Party, expressly or implicitly, any license, proprietary rights, title or interest whatsoever with respect to the Confidential Information.

17.4. The Parties agree that default caused by an unauthorized disclosure or use of the Confidential Information by any Party could cause to the disclosing Party irreparable harm and damage. Each Party acknowledges that the Confidential Information is valuable and that damages may not be an adequate remedy for any breach by the receiving Party of this Agreement. Accordingly, the Parties agree that the disclosing Party will be entitled to seek equitable remedies (such as injunctive relief) to prevent any unauthorized disclosure or use. These remedies are without prejudice to any other rights and remedies that the disclosing Party may have hereunder or at law.

17.5. Notwithstanding termination or expiry of this Agreement, the provisions of this clause 17 shall survive and remain valid for a period of five (5) years following such expiration or termination

18. DURATION – TERMINATION

18.1. This Agreement shall be valid on the date on which it is signed by the authorised representatives of the contracting parties and effective on the Effective Date and shall continue to be in force for until 31. 12. 2024.

18.2. If either Party ceases to operate for any reason, including but not limited to bankruptcy, insolvency, or dissolution, the other Party shall have the right to withdraw this Agreement with immediate effect by written notice.

18.3. In addition, either Party may terminate this Agreement with not less than six (6) month notice, through registered letter (i.e. notice of termination), in the event that the other Party is in material breach of its obligations under this Agreement and does not rectify such breach within the notice period.

18.4. In addition, the Client may terminate this Agreement with not less than two (2) month notice, through registered letter (i.e. notice of termination), in the event that the contract no.17/2018 between the Client and the Czech Republic - Ministry of Transportation as the end customer of the Client (hereinafter as the "Contract") shall be terminated. In such a case the Client shall deliver to GEMALTO the notice of termination without undue delay once the Client disposes of all the relevant information regarding the Contract termination.

18.5. Notwithstanding the above, termination of the Agreement does not release the Client from its obligations of payment for the materials and components which have been allocated to the Client's orders accepted by GEMALTO prior to the date of termination of the Agreement, or to the Modules delivered up to the date of the termination of the Agreement.

18.6. All termination periods shall start running on the day following the day when the written notice of termination was delivered to the other Party.

19. ASSIGNMENT

19.1. Neither this Agreement in its whole, nor the rights and obligations herein shall be assigned by either Party without the prior written consent of the other Party.

19.2. Notwithstanding the above, GEMALTO shall have the right to transfer or assign this Agreement to an affiliated Company of GEMALTO's group.

20. NOTICES

20.1. All notices, consents, waivers or demands of any kind which may be required or served on any Party in connection with this Agreement shall be in writing and shall be delivered by personal service, or sent by registered or certified mail, return receipt requested, with postage fully prepaid. All such communications shall be addressed as follows:

To GEMALTO:

For contractual and economic matters:	For Technical matters:	For Orders and invoices
Name: Petri Lahonen Phone: XXX Mobile: XXX E-mail: XXX CC: XXX	Name: XXX Phone : XXX Mobile : XXX E-mail : XXX	Name : Phone : Mobile : E-mail : XXX

To Client:

For contractual and economic matters:	For Technical matters:	For Orders and invoices
Name: Tomáš Hebelka, MSc (General Manager) Phone: +420 236 031 201 Mobile: -- E-mail: XXX	Name: XXX, (XXX) Phone : XXX Mobile : -- E-mail : XXX	Name : XXX, (XXX) Phone : XXX Mobile : -- E-mail : XXX

20.2 Except as may otherwise be provided in this Agreement, all such communications shall be deemed to have been duly given when personally delivered, two (2) days after being delivered to an air courier upon proof of delivery, in the case of a mailed notice, three (3) days after being deposited certified or registered mail, postage prepaid or if delivered by fax, any such notice shall be considered to have been given the same day it was sent.

20.3 Each Party may change its address for such communications by giving notice to the other as provided for in this Article.

21. FINAL PROVISIONS

21.1. Appendices attached hereto form an integral part of this Agreement.

21.2. Any modification to this Agreement will become binding only upon written amendment signed by the duly authorized representatives of each of the two Parties.

21.3. This Agreement constitutes the entire understanding between the Parties in respect of the subject matter hereof. It supersedes and replaces all previous agreements between the Parties in respect of the subject matter hereof. Neither Party will be bound by any condition, definition, guarantee or representative other than those set forth in this Agreement

21.4. Nothing herein contained shall be deemed to be construed as creating any exclusive relationship between the Parties.

21.5. If any article, provision, or clause of this Agreement is held invalid or unenforceable by any competent jurisdiction, all other articles, provisions, or clauses shall nevertheless remain valid.

21.6. Failure by either Party to exercise or enforce any rights under this Agreement or at law shall not be deemed to be a waiver of any such right.

21.7. This Agreement has been drawn up in 2 (two) counterparts in English, each with the validity of an original, of which each Party shall receive one counterpart.

21.8. The Parties acknowledge that, in accordance with Section 219 (1) (d) of the PPA, this Framework Contract shall be published in the Register of Contracts pursuant to Act No. 340/2015 Coll., on Special Conditions for the Effectiveness of Certain Contracts, the Disclosure of these Contracts and the Register of Contracts (the Act on the Register of Contracts), as amended. The Client shall arrange for the publication.

21.9. The Parties declare they have read this Agreement and agree with its content, that it has been drawn up in a clear and intelligible manner, that it is a reflection of their own true, free and earnest will, and that it has been written up without either Party being exposed to duress. In witness of the above, the Parties append their signatures below.

IN WITNESS THEREOF, both Parties duly represented have signed this Agreement, in two originals

For GEMALTO

For Client

Signature:

Signature:

.....

Tomáš Hebelka, MSc

.....

General Director

Date:

Date:

APPENDIX 1 - PRODUCTS / SPECIFICATIONS / PROJECT/ TERRITORY

1.1. PRODUCT NAME

Gemalto Tachograph G2 v 2.0

1.2 SPECIFICATIONS

The product is a contact chip module equipped with the operating system and it can support the applications and features as included here below in Schedule 1 to this Appendix.

1.3 PROJECT

➤ Personalization of the 2nd generation Digital Tachograph Card of Czech Republic by the Client for the Ministry of Transportation

1.4 TERRITORY

- Czech Republic

SCHEDULE 1. PRODUCT: MODULE DATA SHEET

(continues on the following page)

APPENDIX 1 - SCHEDULE 1. PRODUCT: MODULE DATA SHEET

XXX

APPENDIX 2 - PRICES AND PAYMENT TERMS

2.1 PRICING

2.1.1. Charges applicable to Modules

	Prices in Euro per unit
Price per type of Module	XXX

2.1.2 Specific conditions:

- Minimum batch size shall be: 10.000 ±10%

INCOTERM: DAP – Delivered At Place at Client Manufacturing Plant III, Na Vápence 14, Building No. 915, 130 00 Prague 3, Czech Republic (as defined by ICC Incoterms 2010).

2.1.3 Minimum guaranteed volume

The minimum guaranteed volume of Modules purchased and supplied over the contract duration to be 230 000 Modules. The distribution of the volumes per year to be as per the table below:

YEAR	2019	2020	2021	2022	2023	2024	TOTAL	
Volume (thousands)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

2.2 PAYMENT TERMS

The Client shall settle invoices via bank transfer within thirty (30) days from date of invoice to: Gemalto Bank account at CALYON/CREDIT AGRICOLE CIB

IBAN							BIC
FR76	3148	9000	5000	1853	0686	029	BSUIFRPP

APPENDIX 3 - VALIDATIONS

Process for electrical profile proof

For each card type and profile the Client will provide a Key Requirement Specification (KRS) to GEMALTO. This KRS will contain all the necessary information about the requested card. Based on the KRS, that has been commonly clarified by the two Parties, GEMALTO will issue five (5) test cards.

After the Client has received the test cards from GEMALTO, it shall test them and approve them or request modifications. If no modification is requested GEMALTO will then issue five (5) final test cards for testing and approval (using GEMALTO's Pre-Personalisation Approval Form) before mass production can commence.

Lead-times are therefore dependent upon time required for the Client to sign and approve the Specifications and test cards.

If a software development is part of the project, a dedicated project plan will be discussed and approved by GEMALTO and the Client and, in particular, the test cards delivery milestones will be scheduled specifically.

APPENDIX 4 - LEAD TIMES AND FORECASTING

4.1 LEAD TIMES

Delivery terms are DAP – Delivered At Place at Client Manufacturing Plant III, Na Vápence 14, Building No. 915, 130 00 Prague 3, Czech Republic, (as defined by ICC Incoterms 2010)

First order (see T0 defined below):

T0 + XXX weeks

Subsequent orders (see T0 defined below)

T0 + XXX weeks

The above lead times are subject to the Client providing forecasts within the tolerances set out below (Rolling Forecast).

4.2: VALIDATION OF THE ORDER (T0)

T0 is the time when GEMALTO has received all commercial, technical and financial information necessary to launch the order to manufacture the Modules.

For the 1st order, the T0 date shall be on the last to occur of the following conditions.

1. Signature of the contract by the authorized representatives of both Parties
2. Receipt of the original purchase order in accordance with the Agreement
3. Client's approval on the electrical profiles through validation of the test modules

For subsequent orders (with no change in the Specifications), the T0 date shall be on the occurrence of item 2. Note that in certain cases third party approval of artwork may also be required.

In case of any change in the Specifications and/or artwork(s), the approval corresponding to the new artwork or new electrical profile will be required in addition to the above mentioned conditions.

4.3 ROLLING FORECAST

In order to help GEMALTO in its manufacturing planning process and to have the quantity of chips booked for its anticipated needs, the Client will issue and disclose to at the end of each month a forecast on its potential needs in terms of Modules delivery for the following 6 to 12 months.

GEMALTO's commitment to the lead times stated in Article 4. 1 above is contingent on the Client's adherence to the forecast accuracy set out in the table below.

1-2 months	Variation of +/- 5%
3-4 months	Variation of +/- 10 %
5-6 months	Variation of +/- 25 %

ANNEX NO. 5 - STANDARD CONDITIONS OF USE AND STORAGE CONDITIONS

1 Standard conditions of use

- 1.1 The standard conditions of use or handling of the electronic identity cards are defined as the appropriate use or handling by an attentive and reasonable user, such that can be expected in order to preserve the quality, nature or substance of the electronic identity cards from potentially damaging external constraints.
- 1.2 The standard conditions of use of an electronic identity card can be, among others, described in detail as follows: the purpose of an electronic identity card is that of a document that will be used for visual and electronic identification of its holder. It is supposed to be carried in a protected environment, and not be bent or folded under mechanical stress.
- 1.3 It will be necessary to issue a notice to users to recommend a particular care of electronic identity cards, listing examples of abnormal conditions of use that may damage the integrated circuit (folding, strong pressure, tearing, extreme temperatures, magnetic fields, microwaves...)
- 1.4 The following is a non-exhaustive list of conditions of use that will be interpreted as evidence of inappropriate electronic identity card use or handling:
 - any unnatural folding of the electronic identity card
 - any evidence of damage by means of a cutting object
 - any deformation caused by strong hitting on a surface
 - any attempt to extract an electronic identity card component or any other visible damage to the electronic identity card or its parts
 - any attempt of electrical attacks or disturbance the electrical behavior of the electronic identity card
 - any evidence of soaking in a liquid or semi-liquid substance

2 Storage Conditions

- 2.1 Delivered modules must be stored under the following conditions:
 - Products to remain packaged in the original packaging provided by Supplier or will be used to produce eID cards without any substantial delay
 - It is strongly recommended to store the modules according to the following conditions:
 - Temperature: 20°C ± 5°C
 - Relative humidity: 55% max
 - Recommended storage conditions:
 - within dry bag filled with nitrogen gas, if storage duration higher than 6 months
 - 6 months in standard conditions and up to 1 year within a dry box filled with nitrogen gas
 - No rapid modification of the ambient temperature (no more than 5°C/min) and/or humidity, to avoid water condensation on the product

3 Normal wear and tear

- 3.1 Normal wear and tear is the expected decline in the condition of a property due to normal everyday use. It is deterioration that occurs in the course of living in a property. It is not caused by abuse or neglect.