



STÁTNÍ TISKÁRNA CENIN,
státní podnik

CONTRACT ON GENERATING AND ISSUANCE OF UNIQUE TOBACCO PRODUCT IDENTIFIERS

registered under the Issuer's reg. no. /DS/20 and under the Ordering Party's reg. no. /2019 and concluded pursuant to the provision of Section 1746 (2) of the Act No. 89/2012 Coll., Civil Code, as amended (hereinafter referred to as "Civil Code")
(hereinafter referred to as "Contract")

Contracting parties

Issuer

STÁTNÍ TISKÁRNA CENIN, state enterprise

registered office at Růžová 6, house no. 943, postcode 110 00, Praha 1
registered in the Commercial Register maintained by the Municipal Court in Prague, Section A LX, Entry 296

represented by: **Tomáš Hebelka, MSc, Managing Director**
Company ID: 00001279
VAT Reg. No.: CZ00001279
Bank details: UniCredit bank Czech Republic and Slovakia, a.s.
Account number: 200210002/2700
(hereinafter referred to as "Issuer" or "STC")

Manufacture des Tabacs Heintz Van Landewyck S.à.r.l.

registered office at 31 rue d'Hollerich, L-1741 Luxembourg, B.P. 2202 L-1022 Luxembourg
registered in the Commercial Register maintained by Luxembourg Business Registers

represented by: **Mr. Hans DE KONINK, Head of Logistics, Taxes and Excises,**
Mr. Jan VANDENNEUCKER, Manager,
Company ID: B87229
VAT Reg. No.: LU 1923 0161
Bank details: Banque et Caisse d'Epargne de l'Etat, Luxembourg
Account number: LU33 0019 1000 3573 3000
(hereinafter referred to as "Ordering Party")

(both parties are hereinafter jointly referred to as "Contracting Parties")

Representatives authorised to act in contractual and economic matters:

On behalf of the Ordering Party: **Mr. Hans DE KONINK, Head of Logistics, Taxes & Excises**
On behalf of the Issuer: **Tomáš Hebelka, MSc, Chief Executive Officer**
Ing. Milan Drahoňovský, PhD., Finance Director



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Representatives authorized to act in material matters:

On behalf of the Ordering Party: **Mr. Geoffrey MONIVAS**, Project Manager
Mr. Markus ZIMMER, Track and Trace Process Manager

On behalf of the Issuer: **PhDr. Radek Muška**, Sales Director
Ondřej Beck, Head of Track and Trace support
Ing. Petr Mikš, Product Manager

Article I
Introductory Provisions

1. Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products (hereinafter referred to as "TPD") determines, besides others, that all unit packets of tobacco products must carry a unique identifier so that their movement is recorded.
2. On the basis of Decree of the Government of the Czech Republic No. 671 of 17 October 2018, the Government of the Czech Republic appointed STC at the issuer of the unique identifiers of tobacco products for the Czech Republic within the meaning of Article 3 of Commission Implementing Regulation (EU) 2018/574 of 15 December 2017 on technical standards for the establishment and operation of a traceability system for tobacco products (hereinafter referred to as "Regulation").
3. In the Decree referred to above, the Government of the Czech Republic also authorised the Ministry of Agriculture (hereinafter referred to as "MoA") to supervise the performance of the activities of STC related to the issuance of unique identifiers of tobacco products; the MoA then delegated certain supervisory functions onto the Czech Agriculture and Food Inspection Authority (hereinafter referred to as "CAFIA").
4. On the basis of the requirement of and decision adopted by the MoA, STC, as an issuer of unique identifiers of tobacco products (hereinafter referred to as "UIs"), shall issue the UIs in the "place of destination" regime within the meaning of Article 4 (1) sentence two of the Regulation. The issuer shall issue the UIs in stated regime referring to the MoA's decision (Opinion on the application of the exception issued by MoA of 2 May 2019); from May 20th 2019 assuming that the Router is put into operation no later than the specified deadline.
5. As an issuer of UIs, STC is responsible for the generating and issuance of UIs in compliance with Articles 8, 9, 11 and 13 of the Regulation.
6. Referring to Articles 14-19 of the Regulation, the Issuer shall also:
 - a) Issue and register identifier codes of economic operators;
 - b) Issue and register identifier codes of facilities;



c) Issue and register identifier codes of machines;

(hereinafter jointly referred to as "Identification Codes").

7. For the purposes of generating and issuance of UIs and Identification Codes, the Issuer operates an electronic system meeting all requirements for the issuance of UIs and Identification Codes pursuant to the Regulation (hereinafter referred to as "System"). With regard to the number of entities that will request the Issuer to issue and register Identification Codes and generate and issue UIs, and with regard to the character of the Issuer's performance, the Issuer determines technical and business terms and conditions of the issuance of Unique Identifiers of tobacco products in the form of indirect contract provisions within the meaning of Section 1751 of the Civil Code specified in the Issuer's System Operating Rules (hereinafter referred to as "Operating Rules") and in the Specification of Public API of STÁTNÍ TISKÁRNA CENIN (hereinafter referred to as "STC API Specification"), the current version of which is available on the Issuer's website www.znacenitabaku.cz.
8. The Ordering Party confirms that it had an opportunity to become familiar with the Operating Rules and the STC API Specification prior to signing this Contract. If this Contract includes any rights or obligations of the Contracting Parties that are different from the terms and conditions included in the Operating Rules or STC API Specification, the provisions of this Contract shall be preferred. The Ordering Party acknowledges that the Issuer may amend the terms and conditions included in the Operating rules or in the STC API Specification in an adequate scope. If the Issuer makes any changes, it shall inform the Ordering Party of the change at least 3 month before the effect date of the amendment and the Ordering Party shall be entitled to reject the changes and terminate the obligations under this Contract for that reason pursuant to Article XI (2) (c) hereof.
9. This Contract only determines terms and conditions for the issuance of UIs within the meaning of Articles 8, 9, 11 and 13 of the Regulation and the related rights and obligations.
10. In addition to the Ordering Party are entitled to order UIs in the sense of Art. III, also entities - any affiliate belonging to the group of the Ordering Party, listed in written authorization of these entities, stating their full identification and scope of authorization pursuant to Article III hereof ("hereinafter called "Affiliates"). Affiliates submit an application for issuance of an UIs on behalf and at expensive of the Ordering Party.
11. The Ordering Party or Affiliates is/are entitled to order UIs after duly registration with the Issuer and while also after confirming that the Ordering Party (Affiliates) successfully completed test environments and after taking over the keys to the System production environment in accordance with the Operating Rules.

Article II

Subject of Performance

1. The Issuer hereby undertakes to ensure, at the Ordering Party's request, the generating and issuance of UIs, specifically



- a) UIs at the unit packet level;
 - b) UIs at the group packet level.
- 2 The Issuer guarantees to deliver to the Ordering Party UIs having 21 characters (without time stamp) and undertakes that the UIs will contain only those data elements that are specified in the Regulation or in Article 8 (1) a), b) and c) for UIs at the unit packet level, or in Article 11 (1) a), b) and c) for UIs at the group packet level.
 - 3 The Issuer undertakes to ensure the operation of technical support and assistance for applicants for UIs in the form of a phone contact centre and provide consultation services as regards the operation of the System and its potential updates or failures (hereinafter referred to as "HelpDesk"). The scope and level of HelpDesk are specified in Article VII (3) hereof and in the Operating Rules.

Article III

Ordering Party's Applications for Issuing of UIs

1. The Ordering Party shall submit an application for issuance of an UIs at the unit packet level or at the group packet level in the manner specified in the Regulation and in the STC API Specification or via a web interface as specified in the Operating Rules, the application must include all required data (hereinafter referred to as "Order").
2. The Ordering Party shall be entitled to cancel the Order within one working day in the form of a cancelling message, which is defined in the Regulation and in the Specification for Connection to Secondary Storage issued by Dentsu Aegis Network (hereinafter referred to as "Application Cancellation").
3. The Ordering Party can apply for the issuance of UIs in a shortened period of time; the Issuer shall process such Orders preferentially referring to Article IV (1) hereof. Shortened period Orders cannot be cancelled.

Article IV

Terms and Conditions of Performance

1. The Issuer shall hand over UIs to the Ordering Party within two working days following the delivery of the Ordering Party's application. The Issuer shall process Ordering Party's shortened period applications automatically after receiving them and issue such UIs preferentially.
2. The Issuer shall hand over UIs to the Ordering Party solely electronically by remote data transmission via the System operated by the Issuer. Issuance of UIs, i.e. realised performance of the Issuer within the meaning hereof shall be considered handover of UIs to the Ordering Party in the form of verifiable handover the UIs to the Router.



Article V
Price for Performance

1. The price for the generating and issuance of UIs was set by the Issuer in the amount of 48,35 CZK/ 1 000 UIs without VAT (hereinafter referred to as "Price"). The total Price shall be invoiced according to the exact number of UIs handed over within the meaning of Article IV (2) hereof.
2. The Price includes all costs of the Issuer related to ensuring of generating and issuance of UIs hereunder.
3. From 2021 on, the Issuer shall be entitled to increase the Price every year by the annual inflation rate expressed as an increment of the average consumer price index in the Czech Republic for the previous calendar year published by the Czech Statistical Office, which expresses a percentage change in the average price level for the period of previous 12 months (hereinafter referred to as "Index"). The amount of the Price as at the day of signing hereof or the amount of the Price as at the day of the last previous Price increase shall be considered the basis. To avoid doubt, the Contracting Parties agree that the Price will never be reduced by the Index as defined above.
4. The Issuer shall deliver to the Ordering Party a written notification of the Price increase by 31 January of the calendar year during which the Price is to be increased. The new Price shall apply to Orders delivered after the delivery of the written notification of the Price increase to the Ordering Party.
5. The Price of UIs was calculated by the Issuer supposing that UIs will be issued in the "place of destination" regime within the meaning of Article I (4) hereof. The Issuer reserves the right to modify the Price if that condition or a similar one which was not known at the moment of signing hereof and which will have a major influence on the number of UIs issued change; the Price can also be modified in the event of an amendment to the applicable European or Czech legislation requiring higher costs of ensuring of the Issuer's activities in compliance with the new legislation as well a related changes in the volume of technical work or changes in the System operated by the Issuer. Referring to Article XII (6), the Contracting Parties undertake to start negotiating about a change modification in that respect.
6. VAT invoicing is governed by legal regulations applicable at the moment of the taxable performance.

Article VI
Payment Term

1. The Contracting Parties agree that the Issuer shall issue an invoice for the performance under this contract by the tenth day of the calendar month following the month during which the performance was realised. The taxable performance date shall always be the



last day of the calendar month during which the taxable performance is realised. A list of UIs issued from the Issuer's System, specified number of UIs in the respective month, (split to UIs by ordering Affiliates), shall be confirmed by the Ordering Party in the form of the Ordering Party's representative's electronic signature or in writing, a copy of this list shall be enclosed to the invoice.

2. The maturity period of every duly issued invoice shall be 45 (fortyfive) days following the date it was issued. An invoice shall be considered settled in a timely manner if the invoiced amount is credited in the Issuer's bank account in full on the last day of the maturity period at the latest.
3. Invoices must include the Contract registration number, Order number ("PO") and all other information required by legal regulations, in particular, by provisions specified in the Act no. 235/2004 Coll., on value added tax, as amended.
4. The Ordering Party is entitled to return an invoice before the due date if it contains:
 - Incorrect or incomplete price data;
 - Incorrect or incomplete particulars.

In such an event, the Ordering Party is obliged to return the invoice with an accompanying letter stating the reason for return. A new maturity period shall start on the day following the delivery of a new or corrected invoice to the Ordering Party.

Article VII

Issuer's Warranties and Liability

1. The Issuer shall be held liable to the Ordering Party for due and timely generating and issuance of UIs and for the validity of UIs for the period of 6 months following their issuance. The Issuer shall be held liable to the Ordering Party also for the fulfilment of all obligations arising from this Contract, the Regulations, the Operating Rules or the STC API Specification.
2. The Issuer guarantees generating of UIs at the unit packet level consisting of the elements specified in Article 8 (1) a), b), c) of the Regulation and generating of UIs at the group packet level in compliance with the structure determined in Article 11 (1) a), b), c) of the Regulation.
3. Within the provision of HelpDesk, the Issuer shall, beyond the scope of HelpDesk services defined in the Operating Rules, ensure a user support service in the 7x24 (non-stop) regime for the purposes of providing solutions to requirements related to the Issuer's performance under Article II (1) hereof for the whole term hereof unless the Issuer can provide the performance in a different manner for reasons caused by the Issuer. The Issuer shall ensure this service on a special phone number reserved for this service and made available only to a limited number of entities.



4. For the purposes of due performance as defined in paragraph 1 of this article, the Issuer guarantees ensuring of operation of the System and its available at the level of 99.5 %.
5. Planned interruptions of the System operation shall be carried out no more than 4 times per month in the total of 24 hours at most.

Article VIII

Cooperation of Contracting Parties

1. The Contracting Parties undertake to cooperate with each other and provide each other with all information and cooperation that will be necessary for due fulfilment of their obligations. The Contracting Parties are obliged to inform each other of all facts which are or may be important for the due performance hereof.
2. If the Ordering Party is provably late with provision of cooperation, the Issuer shall not be considered late with the fulfilment of its obligations under this Contract and all deadlines shall be adequately postponed; this shall not apply if the Ordering Party's delay in provision of cooperation is directly caused by a provable failure to provide cooperation or by a provable delay of the Issuer.
3. Cooperation between the Ordering Party and the Issuer with an aim to remove ambiguities or doubts in their mutual communication while performing this Contract shall be carried out via their authorized persons indicated in the title of this contract Any changes to the contact details and authorized representatives of the contracting parties, the parties are entitled to carry out unilaterally by written notice provably delivered to the other party.
4. If any data subject to a special protection regime according to the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, hereinafter referred to as "GDPR"), and according to the Act No. 110/2019 Coll., on processing personal data, are made available to the Contracting Parties in relation to the performance hereof, the Contracting Parties undertake to ensure the fulfilment of all the obligations that those legislation on protection personal data requires.

Article IX

Compensation for Damage and Circumstances Excluding Liability

1. The liability for damage of the Contracting Parties shall be governed by the provisions of the Contract and of the Civil Code. The Issuer undertakes to compensate the Ordering Party for direct damage (damage occurring as an immediate and commonly expectable consequence of a damage event) or lost profit that the Ordering Party incurs as a



consequence of the Issuer's failure to fulfil the obligations under this Contract, while the maximum amount of such compensation shall not exceed 50% of the total price of the Order (ie 50% of the price of the Order determined pursuant to Article V (1) hereof), that was affected by the Issuer's breach of obligations.

2. Neither Contracting Party shall be held liable for a failure to fulfil its obligation arising out of the Contract if it proves that it was prevented to fulfil the obligation, temporarily or permanently, by an extraordinary, unpredictable and insurmountable obstacle that appeared independently of its will (Section 2913 (2) of the Civil Code).
3. The Contracting Parties undertake to inform the other Contracting Party in writing without undue delay of any and all obstacles occurring according to Section 2913 (2) of the Civil Code preventing them from the due performance hereof.

Article X **Confidentiality Agreement**

1. The Issuer shall not be entitled to disclose to third parties non-public information that it obtains or obtained during the mutual cooperation with the Ordering Party. This shall not apply if the information is to be disclosed to the employees of the Issuer or to other individuals involved in the performance hereof (subcontractors) for the purpose of the performance hereof, always within the minimum scope necessary for the due performance hereof.
2. The Issuer shall be obliged to make sure that the obligations arising out of this Article shall be fulfilled by all persons who became familiar with non-public information according to the previous paragraph. Violation of the confidentiality obligation by those individuals shall be deemed violation by the Issuer.
3. Non-public information shall be considered all information provided to each other in a written oral, visual, electronic or another form, as well as know-how, which has an actual or at least a potential value or which is marked in writing as non-public or confidential, as well as information that the Ordering Party marks as business secret within the meaning of Section 504 of the Act no. 89/2012 Coll., Civil Code.
4. In this respect, the Issuer undertakes:
 - a) Not to disclose non-public information to any third party;
 - b) To ensure the non-public information is not disclosed to third parties;
 - c) To secure the data in any form, including their copies, which include non-public information, against third party misuse and loss.
5. The obligation to protect non-public information shall not apply to the following cases:
 - a) The Issuer proves that the given information is available to the public without this availability being caused by the Issuer;
 - b) The Issuer proves that the given information was available to it before the date of disclosure of the information by the other Contracting Party and that it did not acquire it



- in violation of the law;
- c) The Issuer obtains a written approval from the other Contracting Party to disclose the information further;
 - d) The disclosure of the information is required by the law or a binding decision of the respective state administration authority or self-government authority;
 - e) An auditor performs an audit at the Issuer based on authorisation arising out of applicable legal regulations.
6. The Issuer undertakes, upon the request of the other Contracting Party, to:
- a) Return all non-public information which was handed over to it in a "material form" (especially in writing or electronically) and any other materials containing or implying non-public information;
 - b) Return or destroy copies, abstracts or other entire or partial reproductions or records of non-public information;
 - c) Destroy without undue delay all documents, memoranda, notes and other written materials elaborated on the basis of non-public information;
 - d) Destroy materials stored in computers, text editors, or other devices containing non-public information pursuant to this Contract.
- The Issuer also undertake to ensure that the same shall be performed by any other persons who became familiar with non-public information via either Contracting Party.
7. The employee of the Issuer authorised to destroy the documents within the meaning of the previous paragraph shall confirm the destruction at the request of the Ordering Party in writing.
8. The confidentiality obligation is not time-limited. The obligation to maintain confidentiality of non-public information acquired within the cooperation lasts even after this Contract is terminated or expires. The confidentiality obligation shall pass onto any potential successors in title.
9. The Ordering Party undertakes not to disclose information related to the production activities, security protection of the production and the system of comprehensive protection of the Issuer's premises which it learns in association with this contractual relation. The Issuer hereby warns the Ordering Party that such information is confidential within the meaning of the Act No. 412/2005 Coll., on protection of confidential information and on security qualification, as amended.

Article XI

Contract Term and Termination

1. This Contract is concluded for a definite period of time, namely for the period of validity of the appointment of STC an issuer of unique identifiers.



2. During the period of validity of the appointment of STC an issuer of unique identifiers, the Contract may be terminated as follows:
 - a) By a written agreement of the Contracting Parties according to the provision of Section 1981 of the Civil Code, while the Contract termination shall take effect at the moment determined in the agreement; the agreement shall also include an arrangement on settlement of mutual obligations and liabilities;
 - b) By a written notice of withdrawal from the Contract under the terms and conditions determined in the provision of Section 2002 of the Civil Code in the event either Contracting Party breaches the Contract seriously;
 - c) By a written notice of termination of the Ordering Party with a notice period of 3 months if the Issuer announces a change in the terms and conditions specified in the Operating Rules or STC API Specification, within the meaning of Article I (8) hereof; and the Ordering Party does not agree with such a change;
 - d) By a written notice of termination of the Issuer with a notice period of 3 months if, during the negotiations of the Contracting Parties within the meaning of Article V (5) hereof or Article XII (6) hereof, the Contracting Parties reach no agreement concerning a change in the Price or in other terms and conditions hereof within 3 months following the start of such negotiations.
3. The Contracting Parties are entitled to withdraw from the Contract under the terms and conditions determined hereby. A withdrawal shall take effect on the date of delivery of the written notice of withdrawal to the other Contracting Party. All rights and obligations of the Contracting Parties under this Contract shall expire upon the withdrawal from this Contract except for those the nature of which clearly implies that they should continue. However, a withdrawal from the Contract shall not affect the entitlement to compensation for damage caused by a breach of the Contract and of the confidentiality obligation. The Contracting Parties shall keep the performance that they provided to each other before the effect date of the withdrawal from the Contract.
4. The Contracting Parties agree that the following shall be regarded as fundamental breach of Contract:
 - a) Repeated delay of the Issuer of more than 15 days in the handover of UIs more than three times;
 - b) Delay of the Ordering Party of more than 30 days with payment of two or more invoices;
 - c) Bankruptcy is declared for the assets of the other Contracting Party or a proposal of bankruptcy is rejected for insufficient assets, or the other Contracting Party goes bankrupt, becomes insolvent, enters liquidation, negotiates with creditors concerning terms of a debt settlement, or an insolvency administrator, a trustee in bankruptcy, an administrator appointed in favour of creditors continues in the activity of the other Contracting Party, or a step or event occurs that would have (according to the applicable law) an effect similar to any of the steps or events above;



In other cases and when in doubt, a breach of the Contract shall not be considered fundamental.

Article XII

Common and Final Provisions

1. The rights and obligations resulting from this Contract shall pass onto successors in title of both Contracting Parties.
2. This Contract is not a contract to order; the Contracting Parties are entitled to transfer it onto a third party as well as the rights and obligations arising out of the Contract only following a previous written consent of the other Contracting Party.
3. This Contract represents a complete agreement of the Contracting Parties concerning the subject of the Contract and supersedes all arrangements of the Contracting Parties made before the date of the conclusion hereof. Rights and obligations that are not explicitly regulated hereby shall be governed by the Operating Rules or the STC API Specification, the Regulation, TPD and generally binding legal regulations of the Czech Republic, especially by applicable provisions of the Civil Code and related regulations. As regards the setting of deadlines and the Issuer's registered office the time and calendar valid for the Czech Republic shall be decisive for the purposes of interpretation of all time data.
4. Any and all disputes arising out of the Contract or related to the Contract shall be resolved before general courts of the Czech Republic, and the Contracting Parties hereby explicitly arrange local jurisdiction according to the Issuer's registered office. All legal relations related to this contract are governed by the laws of the Czech Republic.
5. The Contract can only be amended by means of written amendments signed by the authorized representatives of both Contracting Parties, marked and numbered in ascending order following an agreement of both Contracting Parties unless a case regulated by Article V (4) or Article VIII (3) hereof is concerned.
6. The Contracting Parties are aware that the Issuer's performance is dependent on the requirements of the European Commission and they are also aware of the terms determined by the MoA or CAFIA and by European and Czech legislation. If the preconditions known at the moment of the conclusion hereof change, especially if facts having a fundamental influence on the number of the UIs issued occur, the Contracting Parties undertake to modify the terms and conditions of the Issuer's performance so that it corresponds with the new requirements and terms of this Contract to a maximum degree. Similarly, the Contracting Parties undertake to modify other related conditions arranged herein that will be affected by the change.
7. The Ordering Party hereby agrees that the Issuer is obliged to provide information on third party request pursuant to the Act No. 106/1999 Coll., on free access to information, as amended, and the Ordering Party hereby agrees with this requested disclosure of the Contract information to the requesting third parties in cases, where a



STÁTNI TISKÁRNA CENIN,
státní podnik

third party's request for the information cannot be refused under the Act No. 106/1999 Coll. In addition, the Ordering Party acknowledges that this Contract including its potential amendments must be published in the Register of Contracts within the meaning of the Act No. 340/2015 Coll., on special terms of effect of certain contracts, publishing of those contracts and on the Register of Contracts (the Act on Register of Contracts), as amended. The Contracting Parties agree that the Issuer shall send this Contract to the administrator of the Register of Contracts for publishing in the period of time determined by law, immediately after signing the contract by both parties.

8. This Contract shall come into force on the day it is signed by both Contracting Parties and into effect on the day it is published in the Register of Contracts or on the day of fulfilment of the conditions set out in Article I, paragraph 11 hereof; the decisive date is the date on which the last of these facts occurs.
9. This Contract has been executed in 2 (two) original counterparts, of which each Contracting Party shall receive one.
10. The Contracting Parties declare that they concluded the Contract on the basis of their free and true will, not under duress or under obviously unfavourable conditions for either of them and that they have read the Contract, in witness thereof they append their signatures below.
11. With reference to Article I (7) hereof are part of the contract provisions within the meaning of Section 1751 of the Civil Code - the Operating Rules the STC API Specification.

Prague, dated

Luxembourg, April 1st, 2020

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Manufacture des Tabacs Heintz Van Landewyck S.à.r.l.

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Tomáš Hebelka, MSc
Managing Director


.....
Mr. Hans DE KONINK,
Head of Logistics, Taxes and Excises,


Mr. Jan VANDENNEUCKER
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