

# CONTRACT FOR WORK

registered by the Client under no. 005/OS/2020  
(hereinafter the “**Contract**”)

concluded on the basis of the results of the proceeding pursuant to Act No. 134/2016 Sb.,  
The Public Procurement Act, as amended (hereinafter “**PPA**”),  
and  
in compliance with the provisions of Section 2586 et seq. of Act No. 89/2012 Sb., The Civil  
Code, as amended and in effect (hereinafter “**CC**”)  
between:

## **STÁTNI TISKÁRNA CENIN, státní podnik**

with its registered office at Růžová 943/6, 110 00 Prague 1  
registered in the Commercial Register kept by the Municipal Court in Prague, Section ALX,  
File 296

represented by: Tomáš Hebelka, MSc, Chief Executive Officer  
Company ID No.: 00001279  
VAT ID No.: CZ00001279  
Bank details: UniCredit Bank Czech Republic and Slovakia, a.s.  
Account No.: 200210010/2700  
IBAN: CZ44 2700 0000 0002 0021 0010  
BIC/SWIFT: BACX CZPP

(hereinafter the “**Client**”)

**and**

## **KBA-NotaSys SA**

with its registered office at Avenue du Grey 55, CH-1018 Lausanne, Switzerland  
registered in the Commercial Register of the Canton of Vaud, File H970/00998

represented by: Stefan Baumann, Sergei Kuzmitch  
Company ID No.: H970/00998, CH-550-0106681-3  
VAT ID No.: CHE-105.759.995.TVA  
Bank details: Crédit Suisse, Rue du Lion-D’Or 5-7, 1003 Lausanne, Switzerland  
Account No.: 282355-22-58  
IBAN: CH8704835028235522058  
BIC/SWIFT: CRESCHZZ80A

(hereinafter the “**Contractor**”)

(the “**Client**” and the “**Contractor**” are hereinafter collectively referred to as the “**Contracting Parties**”)

### **Representatives authorized to negotiate in contractual and economic matters:**

On behalf of the Client: **Tomáš Hebelka, MSc**, Chief Executive Officer  
On behalf of the Contractor: **Stefan Baumann**, Sales Director

### **Representatives authorized to negotiate in factual and technical matters:**

On behalf of the Client: **XXX, XXX**  
On behalf of the Contractor: **XXX, XXX**

## I. INTRODUCTORY PROVISIONS

1. This Contract is concluded on the basis of the results of an open procedure under the PPA for a public contract titled "*Banknote Press General Overhaul*", order number STC/603/FÚ/2020 (hereinafter the "**Award Procedure**") with the contractor, whose bid has been selected as the most economically advantageous.
2. When interpreting the contents hereof, the Contracting Parties shall take account of procurement documents relating to the award procedure for the public contract titled "*Banknote Press General Overhaul*", the purpose of the award procedure in question and the Contracting Parties' other steps taken during the award procedure as the Contracting Parties' relevant negotiations concerning the contents of this Contract before it was made. The provisions of laws and regulations on interpretation of legal conduct are not affected by this.
3. An essential requirement to conclude this Contract is the bid of the Contractor submitted 22 May 2020, whose content is known to both Contracting Parties.
4. The purpose hereof is the general overhaul of a banknote press.
5. The Supervisory Board of the Client within the meaning of Article VIII (1) of the Statute of STÁTNÍ TISKÁRNA CENIN, státní podnik dated 24 January 2020, Ref. No.: MF-1027/2020/4802-5, as amended by the Amendment No.1 dated 23 April 2020, Ref. No.: MF-10559/2020/4802-7, approved on 1 September 2020 the conclusion of this Contract.

## II. SUBJECT MATTER OF THE CONTRACT

1. The subject matter hereof is the Contractor's obligation to perform the **general overhaul** (hereinafter the "**Work**") of an **Intagliocolor8, v.č. 633.035.01** (hereinafter the "**Machine**") at Client's registered office Růžová 943/6, 110 00, Prague 1, Czech Republic in compliance with technical specifications that form an integral part of this Contract as its Annex 1.
2. The Contractor's obligation pursuant to the previous paragraph includes:
  - a) transportation and insurance during the transportation of all necessary replacement components, parts and consumables to the Client's registered office under DAP Incoterms® 2010,
  - b) installation/replacement of all necessary replacement components, parts and consumables in the Machine and commissioning of the machine by the Contractor's technicians,
  - c) repair of all Machine faults and defects identified during commissioning after the general overhaul,
  - d) training of Machine operators and maintenance workers in the scope of Annex 4 that form an integral part of this Contract (hereinafter the "**Operators training**"),
  - e) Machine printing test before and after the general overhaul in the scope of Annex 4 hereof,
  - f) updates to existing technical documentation and drawings for the Machine, in two copies in English as well as in electronic format on a USB Flash Disc.
3. The subject of this Contract also includes the handover of a list of all installed computers, including the basic parameters, and software, which is part of the delivery hereunder, including identification numbers and software license numbers. The above list must

contain a specific information whether the OEM (Original Equipment Manufacturer) version is used or not. If this SW identification is missing, it is understood that this is not an OEM version.

4. At the same time, the Contractor grants to the Client a perpetual and non-exclusive right, transferable in the event the Machine is subject to resale, to use the computer programmes used as part of the subject hereof for the purpose agreed hereunder. The Client may use all of the software products provided in a manner that respects the Contractor's or Third Party copyright. However, the Client may neither interfere with, nor modify the functions of the computer programmes in any way.
5. The Client undertakes to accept the Work and pay the price for it as specified herein.

### III.

#### TERMS AND PLACE OF PERFORMANCE

1. The Contractor undertakes to perform the Work at the Client's registered office at Růžová 943/6, 110 00, Prague 1, Czech Republic (hereinafter the "**Place of Performance**") unless the nature of individual steps needed to perform the Work hereunder requires otherwise.
2. The Contractor shall deliver to the Place of Performance all replacement components, parts and consumables necessary for performance of the Work within 10 months of the effective date of this Contract within the meaning of Article XV. par.7 hereof.
3. The Contractor undertakes to commence performance of the Work within the meaning of Article II, par. 2 point b) hereof within the deadline specified in the Client's request. The Client's request pursuant to the previous sentence of this paragraph must be made by e-mail to the address [XXX](#) at least 20 working days before the Client's requested date of commencement of performance of the Work provided that implementation of the Work shall commence no later than 5 months after the expiry of the period referred to in paragraph 2 of this Article.
4. The time for execution and handover of the Work, with the exception of the trial operation of the Machine, must not exceed 4 months.
5. The operability of the Machine shall be tested by trial operation lasting for 1 month after the execution date of the steps set out in Article II., par. 2. point b) to e) hereof, which is specified in Protocol No. 1 of the Machine trial operation commencement.

### IV.

#### MANNER OF PERFORMANCE

1. The Contractor represents and warrants that:
  - a) ensure that the activities referred to in Article II. par. 2 hereof are carried out by a person duly qualified for them, in particular the manufacturer or an authorized service organization;
  - b) is aware that the Client is using the Machine referred to in Article II. par. 1 hereof for the production of banknotes and shall ensure that the Machine will be fully functional for this purpose after the performance of the Work;
  - c) When performing this Contract, the Contractor must adhere to the applicable legal regulations and the Client's internal guidelines in the area of occupational safety and health protection, fire safety, environmental safety and environmental disposal of waste, provided that the Client has presented the regulations and guidelines to the Contractor's engineers.
2. The Contractor undertakes to perform the Work with due care so that it meets requirements imposed by the law of the Czech Republic and the European Union.

3. The actual performance of the Work shall take place on working days from 08.00 am to 4.00 pm as a rule, exceptionally outside the stated hours and on non-working days, if the Contracting Parties so agree in advance.
4. The Contractor must hand over the Work to the Client in a due and timely manner and fully functional. Partial handover or arrears preventing the Work from being used for the agreed purpose is not permissible.
5. Any defects or arrears preventing or hampering the Machine use in a normal way shall be a reason for not accepting the Work. A report of the Work non-acceptance shall contain a list of defects and arrears, including periods for elimination thereof. If both Contracting Parties do not agree any period for elimination of the defects and arrears, then it applies that the defects and arrears must be eliminated within 15 days from the date of issuance of the report of the Work non-acceptance.
6. The Contractor shall eliminate the defects and arrears within the specified period even if, in the Contractor's opinion, the Contractor is not responsible for the defects and arrears. In such disputable cases, the costs of elimination of the defects and arrears shall be borne by the Contractor till the issuance of a court decision.
7. The Contractor:
  - a) shall carry out acceptance print testing of the Machine within 0,5 business day (max. 5 hours) before signing **Protocol No. 1 of machine test operation commencement** (hereinafter "**Protocol No. 1**"); part of which will be the performance of satisfactory printing tests using test plates and existing plates for printing banknotes in a denomination specified by the Client, as stated in Annex 4 hereof.
  - b) shall prove that the general overhaul has been performed in excellent quality by successful completion of the machine trial operation before signing **Protocol No. 2 of the successful completion of the one-month machine test operation and putting the machine into regular operation** (hereinafter "**Protocol No. 2**"). Before signing Protocol No. 2, the Contractor shall update the existing technical documentation and Machine drawings within the meaning of Article II. par. 2 point f) of this contract.
8. After installation/replacement of components of the Machine, commissioning of the Machine in trial operation, training of operators and successful completion of printing tests of the Machine, Protocol No. 1 will be signed. In case of defects of the Machine that do not prevent its use in the normal way, these defects shall be described and the deadlines for their removal by the Contractor shall be stated in Protocol No. 1. If both Contracting Parties do not agree any period for elimination of the defects, then it applies that the defects and arrears must be eliminated within 15 days from the date of from the date of preparation of Protocol No. 1.
9. Protocol No. 1 and Protocol No. 2, whose templates constitute Annex 2 and Annex 3 hereto, respectively, shall be executed in two counterparts and signed by the Contracting Parties representatives authorized to negotiate in factual and technical matters; each Contracting Party shall then receive one copy.
10. The Work shall be deemed completed when performed within the scope defined herein and subjected to all required or agreed tests.
11. The Contractor agrees that the Client may use the Machine to print its contracted jobs during the trial operation.

## V.

### COOPERATION BETWEEN THE CONTRACTING PARTIES

1. Due to the specific conditions of production in the Client's premises, the entry and movement of the Contractor's employees must be governed by internal safety rules. The

basic principle of these rules is to identify all persons entering the Client's premises with the Client's right not to grant the right to enter the premises, or to ban a person from the premises if these rules are not observed. As part of ongoing security measures, the Client may also restrict the Contractor's activities for a short time. The Contractor's staff must be demonstrably acquainted with the basic security rules of the Client (in the form of a document "Declaration / Advice") before entering the Client's premises. In the case of longer-term activities in the Client's premises, the Contractor's staff will be issued an entry identification card stating the name and photograph of the holder and the name of the Contractor, which the holders are obliged to visibly wear during the entire activity in the building. The Contractor must endure the fact that work activities can be monitored by CCTV.

2. The Contractor undertakes to submit to the Client no later than 10 working days prior to the commencement of the Work, a list of persons performing the Work including the designation of an employee who is the contact person for Client's security personnel (hereinafter referred to as "**the Contractor's responsible employee**"). The Contractor shall include in the list of persons the name, surname and number of the identity card or passport. The Client shall approve the list of persons within 2 working days from the date of its delivery. Otherwise, the Contractor is obliged to modify this list according to the Client's requirements. The Contractor is obliged to ensure a daily update of the Contractor's employee list.
3. The Client shall ensure for the proper execution of the Work by Contractor:
  - a) accessibility of all areas where the Work referred to in Article II hereof will be performed;
  - b) entry of the Contractor's employees and vehicles into the Client's premises to fulfill the subject of this Contract;
  - c) instructing the Contractor's employees to observe the protective and security measures in the Client's premises during their stay in the Client's premises, in the form of signing the "Declaration / Information" for information protection, occupational health and safety, fire protection and environmental protection. The contractor is responsible for OHS and observance of fire protection regulations when performing the Work. All employees of the Contractor and, where applicable, subcontractors are obliged to wear designated work protective equipment when performing the Work;
  - d) hygienic and safe working conditions complying with EU standards;
  - e) consumption of electricity and water at the Client's expense;
  - f) a statement of the technical employees of the Client on individual problems related to the performance of the Work, at the latest within 3 working days from the delivery of the Contractor's request to provide a statement, resp. from emergence of the need for it.
4. The Contractor's employees are in particular
  - a) authorized to enter only those premises in the Client's premises, which will be agreed between the representatives authorized to negotiate in factual and technical matters of both Contracting Parties; the Contractor's employees are entitled to enter the safety regime zone of the Client's premises (hereinafter referred to as "**BRZ**") only on the basis of an entry identification card authorized to enter the BRZ and accompanied by the responsible employee of the Client;
  - b) obliged to wear visibly entrance identification cards and wear their own yellow reflective vest and a valid identity card throughout their presence in the Client's premises; In the event that the Contractor's employees do not prove their issued identification card, they will not be allowed into the Client's premises. After completion of activities, the Contractor is obliged to return all entrance identification cards. In

case of loss, damage or non-return of the entrance identification card, the Contractor is obliged to pay compensation for the incurred damage in the amount of the purchase price for each entrance identification card;

- c) obliged to refrain from collecting any production-related data, both on data carriers and in writing;
  - d) obliged to comply with all applicable legal regulations (especially the Labor Code and safety regulations);
  - e) obliged to obey the instructions of Client's security personnel.
5. The Client shall take the necessary measures to protect persons and objects at the Place of performance of the subject of this Contract. The Contractor's responsible employee is obliged to report to the security staff of the Client the breach of security rules or defects in the entry and security systems. In the event of a serious breach of the safety regulations by the Contractor's employee, the Client may refuse to continue to participate in the provision of services under this Contract and refuse access to its premises.
6. The Contractor acknowledges that smoking is prohibited throughout the Client's premises, with the exception of the designated smoking areas.
7. The Contractor declares that it has insurance covering any loss it might cause during the performance hereof, amounting to at least double the price of the subject matter hereof as specified in Article VI. par. 1 hereof. The Contractor undertakes to present an insurance certificate (the insurance contract) to the Client when signing this Contract. All the indirect or consequential damages are excluded from the contractor's liabilities.

## VI. PRICE OF THE WORK

1. The price of the Work as specified in Article II. par. 1 and par. 2 hereof is stipulated by agreement of the Contracting Parties in accordance with the Contractor's bid that was submitted for the Award Procedure, and amounts to, exclusive of VAT:

**1.310.000,00 EUR**

(in words: one million three hundred and ten thousand point zero zero Euro).

Of which, for the subject matter hereof:

	amount:
a) Performance of General overhaul including supply of all components, Machine printing test and update of technical documentation	1.092.850,00 EUR
Special discount on a)	– 222.450,00 EUR
b) Transport and insurance of components including packaging	4.100,00 EUR
c) Installation, commissioning, trial operation	426.000,00 EUR
d) Operators training	9.500,00 EUR
<b>Total</b>	<b>1.310.000,00 EUR</b>

2. The price of the subject matter hereof as specified in paragraph 1 of this Article is fixed and may not be changed.
3. The price stipulated in paragraph 1 of this Article already includes all travelling, accommodation and subsistence expenses incurred by the Contractor's engineers

during the performance of the subject matter hereof under Article II. par. 1 and par. 2 hereof, including all incidental expenses.

## VII. PAYMENT TERMS

1. The price of the Work pursuant to Article VI. par. 1 hereof shall be paid by the Client to the Contractor by credit transfer as follows:
  - a) **advance payment of 30% of the Price**, i.e. of **393.000,00 EUR**, upon the effective date of this Contract;
  - b) **payment of 50% of the Price**, i.e. of **655.000,00 EUR**, upon successful commissioning of the Machine in trial operation;
  - c) **payment of 20% of the Price**, i.e. of **262.000,00 EUR**, upon successfully completing the trial operation and putting the Machine into regular operation.
2. The Contractor's right to issue an invoice for the advance payment pursuant to paragraph 1. point a) of this Article shall arise on the day following the effective date of this Contract within the meaning of Article XV par. 7 hereof. The Contractor shall issue and send the invoice for the advance payment to the Client within 1 week of the effective date of this Contract.
3. The Contractor's right to the payment pursuant to paragraph 1. point b) of this Article and to issue the final invoice (tax document) shall arise on the next business day following the signing of Protocol No. 1 by both Contracting Parties. The Contractor shall issue and send the final invoice (tax document) within 10 days from the occurrence of the right to issue it. The final invoice (tax document) shall account for the advance payment of 30% of the price paid pursuant to paragraph 1. point a) of this Article. The date of taxable performance is the date on which the Protocol No. 1 is signed by both Contracting Parties. A copy of Protocol No. 1 shall constitute an annex to this invoice (tax document).
4. The Contractor's right to the payment pursuant to paragraph 1. point c) of this Article shall arise on the next business day following the signing of Protocol No. 2 by both Contracting Parties, i.e. successfully completing the trial operation and putting the Machine into regular operation. A copy of Certificate No. 2 shall constitute an annex to the invoice (tax document) referred to in the preceding paragraph of this Article. The due date of the specified part of the price according to paragraph 1. point c) is 30 days from the signing of the Protocol No. 2.
5. The prices of any extra work shall be paid by the Client on the basis of a separate invoice (tax document) issued by the Contractor. Such invoice (tax document) shall include a copy of a service document evidencing the performance of the extra work and the Client's authorization of the extra work.
6. The due date of each invoice (tax document) shall be 30 calendar days from the date of issue of the invoice (tax document), unless otherwise specified in this Contract. The Contractor is obliged to deliver the advance invoice/invoice (tax document) to the Customer at the email address [podatelna@stc.cz](mailto:podatelna@stc.cz). The advance invoice/invoice (tax document) shall specify the bank account to which the payment is to be effected. The account shall be identical to that specified in the recitals hereof. For the purposes of this Contract, payment shall mean the date on which an appropriate amount is deducted from the Client's account.
7. The invoice (tax document) must contain all the particulars of a proper tax document

according to the relevant legal regulations and this Contract. Each invoice (tax document) must contain at least:

- the Contracting Parties' identification information (i.e. name, registered office, identification number, reference to registration in the relevant register),
  - the Contract registration number specified therein,
  - payment identification by reference to the relevant Article hereof.
8. If any of the aforementioned advance invoice/invoice (tax document) lacks any of the required particulars or contains incorrect price information or if the advance invoice/invoice (tax document) is issued in violation of the payment terms, the Client may return such advance invoice/invoice (tax document) to the Contractor for correction. In such case, the Client shall identify the reason for returning the advance invoice/invoice (tax document) therein or in an accompanying letter thereto. The term of payment of a new (corrected) advance invoice/invoice (tax document) shall commence anew on the date of its demonstrable receipt by the Client.

## **VIII. WARRANTY**

1. The Contractor shall be liable for defects in the Work at the time of handover and acceptance and shall be responsible for performing the Work with quality, functionality and completeness according to the approved technical documentation. The quality of executed work and deliveries shall be in accordance with standards specified in the offer and other submitted documentation by the contractor, codes, regulations and guidelines applicable to the subject matter of the Contract and the customary current level of technology, including the suitability of any materials used.
2. The Contractor shall provide the Client with a warranty of **12 months** covering the delivery of replacement components, parts, and work performed. The warranty period shall commence on the date of signing of Protocol No. 2.
3. The warranty period shall be extended for the duration of any defect that prevents, impairs or impedes the use of the Machine for its intended purpose and cause full stop of production more than 10 working days.
4. The Client may demand that the Contractor rectify a defect at the Contractor's expense at any time during the warranty period. The warranty shall also cover any defects notified no later than 15 calendar days of the expiry of the warranty period provided that such defect manifested itself during the warranty period.
5. Notification of defects (warranty claim) must be given in written form, in each individual case with a clear description of the defects. Any request for repair under warranty shall be send by the Client using the Contractor's e-mail [techsupport@kba-notasys.com](mailto:techsupport@kba-notasys.com). The Client shall describe the defects in a complex manner or specify how they manifest themselves in the complaint.
6. The Contractor undertakes to notify the Client of its opinion on a defect notification at the earliest opportunity if there is danger in delay and **within 24 hours** of a defect notification (warranty claim) in other cases unless otherwise agreed by the Contracting Parties.
7. The Contractor shall begin rectifying a notified defect no later than within 3 business days of the Client's notification of the defect. If the Client states in its warranty claim that the defects may cause harm to the Work, Machine, life, health or other property of the Client or third parties, the Contractor shall begin rectifying such notified defects immediately while taking necessary precautions to prevent any harm arising from such defect unless the Contractor and the Client agree otherwise.



8. Should the Contractor fail to rectify notified defects in a due and timely manner upon repeated written notice, the Client may rectify such defects on its own or have such defects rectified at the Contractor's expense only after confirmation and written approval from Contractor's side. Any and all cases of self-help referred to in this paragraph shall not impair any other of the Client's rights under warranty.
9. The Contractor undertakes to deliver to the Client, on the day of defect rectification, any and all new and/or amended documents concerning the repaired and/or replaced part of the Machine that are required for Machine operation.
10. In addition to the Client's rights stipulated in this Article, the Client shall have the right to claim damages for any loss incurred during the warranty period due to the Contractor's defective performance and relating to the subject matter of the Contract.
11. The Contractor undertakes to have available replacement parts for the Machine or suitable equivalents thereof, as necessary for the continuous operation of the Machine, and to provide service for a period of 10 years after the signing of Protocol No. 2. The Contractor also guarantees that any and all replacement parts that the Contractor uses to rectify a defect will be genuine and new.

## **IX. PENALTIES**

1. If the Contractor is in delay in meeting the deadlines pursuant to Article III. hereof for reasons attributable to the Contractor, the Client shall be entitled to a contractual penalty amounting to 0,05% of the total price of the subject matter of the Contract for each commenced day of delay, such penalty will not exceed 10% of total Price of the Work.
2. If the Contractor is in default on the rectification of defects rightfully claimed during the warranty period pursuant to Article VIII hereof for reasons attributable to the Contractor, the Contractor shall pay the Client a contractual penalty amounting to 0,05% of the total Price of the subject matter of the Contract for each defect and commenced day of delay, such penalty will not exceed 10% of Total price of the Work.
3. Should the Contractor breach obligations specified in Article X hereof, the Client is entitled to issue a contractual penalty in the amount of EUR 10,000.00 for each case of violation of the given obligation.
4. The payment of a contractual penalty does not absolve the Contractor from its obligations assumed hereby.
5. A contractual penalty pursuant to paragraphs 1 to 3 of this Article shall be payable within 30 calendar days of the receipt of the charging tax document (invoice).
6. The payment of a contractual penalty is without prejudice to the affected Contracting Party's right to damages, including damages exceeding the contractual penalty, but it shall not exceed 10% of the total Price of the Work.

## **X. OBLIGATION OF CONFIDENTIALITY**

1. The Contracting Parties are not entitled to disclose to any third party the non-public information they obtained or shall obtain during mutual cooperation, and the information relating to entering into this Contract and its content. This does not apply if the information is disclosed to the employees of the contracting party for the purpose of implementation hereof on the need-to-know basis, or to other individuals (information processors) involved in implementation hereof, under the same terms as laid down for the Parties hereto and always within the minimum scope necessary for due fulfilment hereof.

2. The Contracting Parties are liable to assure compliance with the liability pursuant to this Article of all individuals to whom the non-public information is disclosed pursuant to the previous sentence. Violation of the confidentiality commitment by these individuals shall be deemed violation by the Party disclosing the information to them.
3. Confidential information is any information mutually provided in written, oral, visual, electronic, or other format as well as know-how which has actual or potential value and which is not commonly available in the respective business circles, and further information which is designated in writing as confidential (abbreviation "DIS") or which may be assumed to be confidential information due to the nature of the respective matter.
4. The Contracting Parties undertake that if they come, during mutual cooperation, into contact with personal/sensitive information within the meaning of 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) and the relevant national legislation, they will take all precautions to prevent unauthorized or accidental access to these data, their alteration, destruction or their loss, unauthorized transfers, unauthorized processing, as well as other kinds of their abuse.
5. In this regard, the Contracting Parties undertake:
  - a) Not to disclose confidential information to any third party;
  - b) Ensure that the confidential information is not disclosed to third parties;
  - c) Secure the data in any form, including their copies, which include confidential information, against third party abuse and loss.
6. The obligation to protect confidential information does not apply to the following cases:
  - a) The respective Contracting Party proves that the given information is available to the public without this availability being caused by the same Contracting Party;
  - b) If the Contracting Party is able to demonstrate 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) If the Contracting Party obtains a written approval from the other party to disclose the information further;
  - d) If the law or a binding decision of the respective public authority requires the information to be disclosed;
  - e) An auditor performs audit at one of the contracting parties based on authorization specified in applicable legal regulations.
7. The Contracting Party undertakes, upon the request of the other Contracting Party, to:
  - a) Return all the 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 the non-public information;
  - b) Return or destroy copies, extracts 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 the non-public information;
  - d) Destroy materials stored in computers, text editors, or other devices containing non-public information pursuant to this Contract, unless the relevant regulations governing the Contracting Party determine binding rules of data retention.

The Contracting Parties also undertake to ensure that the same shall be performed by any other individuals, to which the non-public information is disclosed by either Contracting Party.

8. The employee of the liable Contracting Party authorised to destroy the documents in the

sense of the previous paragraph shall confirm the destruction in request of the other Contracting Party in writing.

9. In case that either of the Contracting Parties or their employees of other individuals (information processors) become aware in a credible manner or if they have a reasonable suspicion that the confidential information has been disclosed to an unauthorized party, they shall be bound to inform the other Contracting Party of such a fact without undue delay.
10. The confidentiality obligation is not time-limited. The obligation to maintain confidentiality of non-public information acquired within the framework of cooperation with the other Contracting Party lasts even after this Contract is terminated or expires. The confidentiality commitment shall pass onto any potential successors of the Contracting Parties.

## **XI.**

### **SETTLEMENT OF DISPUTES AND GOVERNING LAW**

1. This Contract and any matters that are not regulated or only partially regulated by this Contract shall be governed solely by and interpreted in compliance with Czech substantive law, in particular Act No. 89/2012 Sb., Civil Code, as amended.
2. The Contracting Parties undertake to settle any disputes arising out of this contractual relation primarily amicably by negotiation. The jurisdiction of Czech courts shall apply to all disputes arising out of or in connection with the present Contract and the jurisdiction of courts in any other state is hereby excluded. The court having local jurisdiction shall be the court having jurisdiction over the place of the Client's registered office.

## **XII.**

### **WITHDRAWAL FROM THE CONTRACT**

1. The Client may withdraw from the Contract if the Work is not performed and handed over to the Client within 1 month after the term of performance lapses to no effect due to circumstances attributable on the Contractor's part. This provision is without prejudice to Article IX. par.1 hereof.
2. Either Contracting Party may withdraw from the present Contract by serving a written notice if the other Contracting Party breaches the provisions hereof in a material way. The withdrawal becomes effective on the date of delivery of a written withdrawal notice to the other Contracting Party.
3. This is without prejudice to the withdrawing Party's entitlement to damages, contractual penalty or interest on late payment, as applicable.

## **XIII.**

### **CONFIDENTIALITY/INTELLECTUAL PROPERTY RIGHTS**

1. Neither party shall disclose any confidential information relating to the other whether during or after terms of this Contract.
2. Nothing herein shall give the Client any right or title to the Intellectual Property Rights and/or know-how of the Contractor.

## **XIV.**

### **FORCE MAJEURE**

1. Neither Contracting Party shall be responsible for any failure of the fulfilment of their obligations if such failure is due to an event beyond the relevant party's control.

2. The Contracting party for which it becomes impossible to meet the obligations under this Contract shall notify within 10 days the other party of the beginning and cessation of the above circumstances. In this case the dates of obligation fulfilment will be prolonged for the Force Majeure duration.
3. The certificates issued by the respective Chamber of Commerce or authorised state authorities of the countries of the Contractor, the Client or the Manufacturer shall be sufficient proof of the existence and duration of the above circumstances.
4. If the Force Majeure event continues beyond a period of 2 months, the Contracting Parties shall hold consultation to resolve the problem satisfactorily.

## **XV. FINAL PROVISIONS**

1. The Contracting Parties have agreed that any modifications and additions hereto may only be made in written amendments identified as such, numbered in ascending order, and agreed upon by the Contracting Parties.
2. The Contracting Parties assume the risk of a change in circumstances and must fulfil their obligations hereunder even if there is such a substantial change in circumstances that the change constitutes an especially gross disproportion in the rights and duties of the Parties by disadvantaging one of them by disproportionately increasing the cost of the performance or disproportionately reducing the value of the subject matter of performance; in particular, the Contracting Parties may not apply to a court for a decision restoring the balance of their rights and obligations or cancelling the Contract. Even if the performance of one of the Contracting Parties is grossly disproportionate to what the other Party has provided, the aggrieved Party may not request that the Contract be cancelled and everything be restored to the original condition.
3. The Contracting Parties expressly declare that they do not wish for any rights or obligations beyond the express provisions hereof to be inferred from a future practice established between the Contracting Parties or customs adhered to in general or in the sector relating to the subject matter hereof unless expressly specified otherwise in this Contract. At the same time, the Contracting Parties declare that they are not aware of any business customs or practice established between them so far.
4. The rights and obligations arising out of the present Contract may not be assigned to a third party without the consent of the other Contracting Party.
5. This Contract is executed in Czech and English in 2 copies having the validity of an original, of which each Contracting Party shall receive 1 copy in each language version. In case of doubt, the English version of the Contract shall prevail.
6. If any provision hereof is or becomes invalid or ineffective, this shall not affect the other provisions hereof, which shall remain valid and effective. In such case, the Contracting Parties undertake to replace the invalid/ineffective provision with a valid/effective provision the effect of which comes as close as possible to the originally intended effect of the invalid/ineffective provision. If any provision hereof is found putative (void), the effect of such defect on the other provisions hereof shall be appraised analogously to Section 576 CC.
7. The Contracting Parties acknowledge that the Contract will be published in the register of contracts pursuant to Act No. 340/2015 Sb., on special conditions for the effect of certain contracts, the disclosure of such contracts and the register of contracts. The publication shall be performed by the Client.
8. In witness of their consent with the entire content of the present Contract, the authorized representatives of the Contracting Parties affix their signatures below.

9. The present Contract becomes valid on the date of its signing by the Contracting Parties and comes into force upon publication in the Register of Contracts within the meaning of paragraph. 7 of this Article.
10. Each Contracting Party shall carry out their obligations in strict compliance with the legislation in force, in particular the legislation on combating bribery and corruption and anti-trust legislation.
11. The following constitutes an integral part of this Contract:
- Annex 1 Technical Specifications
  - Annex 2 Protocol No. 1
  - Annex 3 Protocol No. 2
  - Annex 4 Range of training and Machine testing

Given in Prague, date.....

Given in Lausanne date .....

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Tomáš Hebelka, MSc  
Chief Executive Officer  
STÁTNÍ TISKÁRNA CENIN, státní podnik

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Stefan Baumann  
Sales Director  
KBA-NotaSYS SA

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Sergei Kuzmitch  
Customer Service Manager  
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