

**CONTRACT ON THE PROVISION OF A BAGGAGE RECONCILIATION SYSTEM (BRS) AND RELATED  
SERVICES**

**Letiště Praha, a. s.**

as the Customer

and

**SITA B.V. – organizační složka pro Českou republiku**

as the Contractor

Customer's filing number of the Contract:  
0227007384

Contractor's filing number of the Contract:

**CONTRACT ON THE PROVISION OF A BRS (BAGGAGE RECONCILIATION SYSTEM) AND RELATED SERVICES (hereinafter the “Contract”):**

**Letiště Praha, a. s.**

With its registered office at: Praha 6, K letišti 1019/6, postal code 161 00

incorporated in the Commercial Register administered by the Municipal Court in Prague, Section B, Entry 14003,

registration number: 282 44 532,

VAT No.: CZ699003361,

Bank details: UniCredit Bank Czech Republic and Slovakia, a.s.,

Account number 801812025/2700,

(CZK):

(hereinafter “**Customer**”)

and

**SITA B.V. – organizační složka pro Českou republiku**

With its registered office at:

Heathrowstaat 10, 1043 CH, Amsterdam, The Kingdom of the Netherlands,

Incorporated under laws of the Netherlands with registration number 34123443 and with its branch registered in Czech Republic as SITA B.V. – incorporated in the Commercial Register maintained by the Municipal Court in Prague, Part A, entry 43589, with a registered branch address of: V Parku 2336/22, 148 00 Prague 4, Czech Republic

registration number: 70899061,

VAT No.: 70899061,

Tax registration: N/A,

Bank details: MUFG Bank (Europe) N.V. Prague Branch,

Account number 303327/2020,

(CZK):

(hereinafter “**Contractor**”)

The Contractor and the Customer are hereinafter collectively referred to as “**Parties**” or individually as a “**Party**”.

**Whereas:**

**(A)** The Customer declares that the system defined in the subject matter of the Contract will form part of the Prague Airport Basic Information System (hereinafter referred to as “Z-IS LP”), which has been determined to be a basic service information system in accordance with Act No. 181/2014 Coll., on Cyber Security and on the Amendment to Related Acts (The Cyber Security Act), as amended (hereinafter referred to as the “CSA”).

The Customer regards the Contractor supplying the system defined in the subject matter of the Contract as an important supplier in accordance with Decree No. 82/2018 Coll., on security measures, cyber security incidents, reactive measures, cyber security reporting requirements and data disposal (the Cyber Security Decree) (hereinafter “Decree”).

Pursuant to Act No. 89/2012 Coll., the Civil Code, as amended, the Parties have agreed as follows:

## 1. DEFINITIONS AND INTERPRETATIONS

1.1. The following expressions in this Contract have the meaning defined in this Art. 1.1, it being understood that they are always capitalized in the text of the Contract:

1.1.1. **“Acceptance”** means the moment at which the Parties have signed the Acceptance Protocol hereunder. An Acceptance Protocol template is provided in Annex 6 hereto.

1.1.2. **“Author’s Work”** means any result of the Contractor’s activity created while carrying out Modifications under this Contract, which shows the characteristics of work protected under the Copyright Act.

1.1.3. **“Authorized Acquisition of Package Software License”** means the acquisition of Package Software License by the Customer by accepting a proposal to enter into a contract on the provision of a License to Package Software by which the author of the Package Software or an executor of the author’s property rights refers to an indeterminate circle of persons by

(i) removal of the packaging of the tangible carrier on which the Package Software is recorded or by opening the Package Software Package (a shrink-wrap license); or

(ii) registration of Package Software on the website of the author of the Package Software or of the executor of the author’s property rights (a hyperlink license - browse-wrap license), or

(iii) inserting an activation number or clicking when installing Package Software (a click-wrap license); or

(iv) signing an acceptance form under which Package Software will be delivered to the Customer, or

(v) as described in Annex 2 hereto.

1.1.4. **“Availability”** means the period for which a Category A defect has not been notified to the System.

1.1.5. **“BRS”** means an information system which is part of the subject of matter of the Public Contract. The technical description of the BRS Information System is provided in Annex 2 and in the Documentation. The purpose of BRS baggage reconciliation is to compare data retrieved from baggage tags with data contained in the incoming Baggage Source Message (BSM according to IATA RPC 1745) to aid in the processing and distribution of airport operational data. The BRS technical specifications are provided in Annex 2 and in the Documentation.

1.1.6. **“CAODB”** means the central airport operational database, which is one of the BRS data sources through the Interface. CAODB is administered by the Customer and therefore, it is not subject to the performance hereunder.

- 1.1.7. A “**Category A Defect**” means the most serious defect manifested by the fact that:
- (a) the System contains legal defects, or
  - (b) the System or any part thereof does not have the properties expressly referred to in this Contract or specified in the Documentation, or
  - (c) the System or any part thereof is entirely non-functional or shows such abnormal behaviour that makes it difficult to use the Customer’s system or other operating systems interconnected with any of the System’s components, or
  - (d) The system must be switched to Emergency Operation.
- 1.1.8. A “**Category B Defect**” means a defect manifested by
- (a) the use or functionality of the System, or any part thereof, being limited by the Defect, or
  - (b) any function of the System not being usable.
- 1.1.9. A “**Category C Defect**” means a defect which the Contracting Authority does not classify as either a Category A or B defect and
- (a) does not impede or has only a minimal impact on the normal usage or functionality of BRS, or
  - (b) a request to trace operational information and statuses from the System logo, or,
  - (c) a request to analyse or to create a report on the behaviour of the System or any part thereof.
- 1.1.10. “**Civil Code**” means Act No. 89/2012 Coll., the Civil Code, as amended, or a legal regulation replacing it in full or in part.
- 1.1.11. “**Confidential Information**” has the meaning set forth in Art. 12 hereof.
- 1.1.12. “**Continuous Information Period**” means the frequency of provision of continuous information on the removal of Defects that the Contractor is obliged to provide to the Customer.
- 1.1.13. The “**Copyright Act**” means Act No. 121/2000 Coll., on copyright, on rights related to copyright and on amendments to certain acts, as amended, or a legal regulation replacing this Act in full or in part.
- 1.1.14. “**Defect**” means (i) legal defects in the System, or (ii) a discrepancy between the actual properties of the System and the properties set forth in this Contract and/or in the Documentation, or (iii) any functional deviation of the System from the standard functional properties described in the Contract and/or in the Documentation, which negatively affects its operability or functionality.
- 1.1.15. “**Documentation**” means the documentation related to the System, in particular, (i) a communication scheme including a description of the system's hardware components, IP addresses and communication ports, and (ii) other documentation detailing the

functionality and technical parameters of the System, including in updated form after the Handover of the relevant Ordered Performance.

- 1.1.16. **“Handover”** means the day on which the Parties sign the Handover Report.
- 1.1.17. **“Handover Report”** means the report on the handover and acceptance of the Ordered Performance signed by both Parties.
- 1.1.18. **“Hardware”** means technical equipment defined in Annex 2 hereto, or technical equipment delivered as part of the Ordered Performance under this Contract.
- 1.1.19. **“HHT”** means mobile Hand-Held Terminals that are used by BRS end users to retrieve baggage tags and to enter/obtain information about the reconciliation process, including charging/docking stations (hereinafter referred to as **“HHT Accessories”**). The technical specifications of HHTs and HHT Accessories are provided in Annex 2 hereto.
- 1.1.20. **“Implementation”** means the Installation and Integration of the System at the Place of Performance and its full commissioning and adaptation of the System to the Customer’s specific needs, especially by setting customized parameters.
- 1.1.21. The **“Insolvency Act”** means Act No. 182/2006 Coll., on Bankruptcy and Settlement, as amended, or any other legal regulation under which the bankruptcy and insolvency of one of the Parties is determined.
- 1.1.22. **“Installation”** means
- (i) in the case of hardware performance, all activities necessary to put into operation the relevant hardware equipment, including, but not limited to, its connection to the power network at a location designated by the Customer and its interconnection with other hardware equipment within the System,
  - (ii) in the case of computer program performance, all activities necessary to put them into operation on a platform designated by the Customer or supplied by the Contractor.
- 1.1.23. **“Integration”** means the material and functional interconnection of the Ordered Performance with another element and/or piece of software and/or hardware used by the Customer.
- 1.1.24. **“Intellectual Property rights”** means all patents, copyrights, rights to industrial designs, trademarks, trade names and business names, protected designations of origin, rights related to copyright, special rights of database makers, trade secrets, know-how and all other intellectual property rights of any nature (whether registered or unregistered), including any applications and exclusive rights to apply for protection of any of the above items anywhere in the world.
- 1.1.25. **“Interfaces”** are technical solutions permitting data exchange between the System and other applications and data sources.
- (a) An interface with the central airport operational database CAODB will be used for transmitting information on planned and current flights to BRS and for transmitting statistical data on the reconciliation process from the BRS system to CAODB. The technical and functional specifications of the CAODB interface are provided in the

Documentation and this interface meets the minimum requirements set out in Annex 2 hereto.

- (b) The Bag Message interface is used for transferring operational messages about checked-in and reconciled baggage. These include messages according to IATA RPC 1745; the interface is bidirectional when BSM, BUM, BDM and other messages are transmitted into BRS, and BPM, BMM and other messages are transmitted from BRS to Bag Message. The technical and functional specifications of the Bag Message interface are provided in the Documentation.
- (c) The WorldTracer interface is used to transfer lost baggage information between BRS and WorldTracer. The technical and functional specifications of the WorldTracer interface are provided in the Documentation and this interface meets the minimum requirements specified in Annex 2 hereto.

The technical specifications of each Interface are provided in the Documentation.

- 1.1.26. **“Invoice”** means a tax document issued by the Contractor, the requirements of which are stipulated by Act No. 235/2004 Coll., on value added tax, as amended.
- 1.1.27. **“Label Printers”** means printers for thermal printing of self-adhesive labels with a LAN interface, allowing for the printing of self-adhesive labels that are used to label cargo trucks and containers. The technical specifications of the Label Printers are provided in Annex 2 hereto.
- 1.1.28. **“License”** means the right to use Software, Package Software, or an Author’s Work.
- 1.1.29. **“Migration”** means a process involving the conversion of data into a mutually approved format and structure from the existing Software to an updated Software or Software of a higher version. Data migration can also include preparation and testing.
- 1.1.30. **“Mobile Terminal Application”** means the BRS user interface for HHTs devices that are used by BRS end users to retrieve baggage tags and to enter/obtain information about the reconciliation process. The technical and functional specification of the Application for Mobile Terminals is provided in Annex 2 and further in the Documentation.
- 1.1.31. **“Modification”** has the meaning set forth in Art. 7.1 hereof.
- 1.1.32. **“Normal Operation”** means the use of the System by the Customer where the system does not show any Defects.
- 1.1.33. **“Notification”** means a phone notification made by the Customer to the Contractor’s Support Centre concerning the existence of a Defect. The Customer will also confirm each phone notification by sending an e-mail notification to the Contractor’s e-mail address prg.airport.operations@sit.aero by the end of the following working Day.
- 1.1.34. **“Package Software”** means software created by any third party other than the Contractor,
  - (i) identified as Package software in Annex 2 to the Contract and distributed (i) in a package containing a tangible medium on which a computer program has been recorded, including documentation for the software (hereinafter referred to as **“Package Software Package”**), or (ii) in any way leading to the Lawful Acquisition of

- (ii) Package Software, and
- (iii) the use of which is subject to its own licensing terms, and
- (iv) to which the Contractor is not entitled to grant a License or Sub-License, and
- (v) to which a License may be acquired in one of the manners of the Lawful Acquisition of a Package Software Licence.

1.1.35. A **“PC Terminal”** means workstations on a PC platform, the delivery or use of which is not the subject of this Contract, from which users of the System will access their own BRS through the System user interface. The specifications of these workplaces are provided in Annex 2 to the Contract.

1.1.36. **“Place of Performance”** means the premises designated by the Customer within the area of the Prague/Ruzyně international civil airport.

1.1.37. **“Price for Ordered Performance”** has the meaning set forth in Art. 7.3.4 hereof.

1.1.38. **“Reduced Operation”** means a period of time, beginning the 1st day of a calendar month following a month, when the actual number of loaded departure bags within that month didn't exceed 15,000 loaded departure bags and ending the 1st day of a calendar month following a month, when the actual number loaded departure bags within that month exceeded 15,000 loaded departure bags again.

1.1.39. **“Remuneration”** has the meaning set forth in Art. 10.1 hereof.

1.1.40. **“Service Hours”** means 24 hours a day, 7 days a week, 365 days a year.

1.1.41. **“Service Window”** means the time interval agreed to by the Customer, during which the Contractor performs Software Corrections and service interventions that require a reduction of the System's operability or its total shutdown.

1.1.42. **“Services”** means the set of activities defined in Art. 5 hereof.

1.1.43. **“Software”** means computer programs used to operate the System, listed in Annex 2 hereto and in the Documentation.

1.1.44. **“Software Correction”** means modifications made to the Software in order to correct Defects.

1.1.45. **“Sub-license”** means authorization to exercise the right to use Software derived from the Contractor's License, acquired from the person exercising the property rights of the author, including but not limited to the right of the Contractor to grant the right to use the Software to a third party.

1.1.46. **“Support Centre”** means the Contractor's Service Support Centre located (including staffing and technical support) in the Czech Republic at phone number: +420 220 114 450, e-mail address: prg.airport.operations@sita.aero.

1.1.47. **“System”** means the set of Software, Hardware, Documentation and professional setup further specified in Art. 3.2 hereof,

- (a) that is uniformly managed and used by the Customer and is used to reconcile baggage and distribute data on reconciled baggage that enters and leaves the System via the Interface and
- (b) that includes an application for end workstations connected to the system over a LAN network and applications for mobile terminals connected to the system over a mobile network , or via a Wi-Fi wireless network and an Interface.

1.1.48. **“Term of Delivery of Ordered Performance”** has the meaning set forth in Art. 7.3.4 hereof.

1.1.49. **“Term of the Contract”** has the meaning set forth in Art. 11.1 hereof.

1.1.50. **“Time Limit for Removal”** means the time limit agreed to in this Contract in a binding manner, within which the Contractor is obliged to remove a reported Defect.

1.1.51. **“Time Limit for Response”** means the time limit within which the Contractor is obliged to inform the Customer, by phone at +420 2 2011 3000 (or another phone number designated for this purpose by the Customer) and e-mail at helpdesk@prg.aero (or another e-mail address designated for this purpose by the Customer), about the proper procedure to be taken to remove a reported Defect and which the Contractor’s employees will use to remove the reported Defect.

1.1.52. **“Trial Operation”** means the period of ten Working Days from the Contractor's invitation during which the Customer's environment, under real technical conditions and with actual data, will be tested in terms of the properties of the delivered Ordered Performance and the functionality according to the submitted Documentation.

1.1.53. **“Update”** means the provision of Software updates within one version of the Software (e.g. 1.1, 1.2, etc., containing removal of errors and improvements), including Installation and Migration.

1.1.54. **“Upgrade”** means the provision of new versions of the Software, particularly with expanded functionality, including Installation and Migration.

1.1.55. **“Working Day”** means any calendar day except for Saturdays, Sundays, days off and non-working days within the meaning of the applicable legal regulations of the Czech Republic.

1.1.56. **“Working Hours”** means every Working Day from 7:00 AM to 6:00 PM.

1.1.57. **“WorldTracer”** means the system for recording and tracking lost baggage used by BRS to exchange baggage data through the Interface. WorldTracer is not subject to the performance hereunder.

**1.2. Other Definitions.** Other expressions may be defined directly in the text of the Contract, with the definition of the expression being highlighted in bold and preceded by the words “hereinafter”, and each time it occurs again later in the text of the Contract, it will be capitalized.

**1.3. Interpretation.**



- 1.3.1. Words expressing only the singular include the plural and vice versa, words expressing the masculine gender include the feminine and neutral gender and vice versa, and words expressing persons include natural persons and legal entities and vice versa.
- 1.3.2. The headings of the articles and paragraphs of this Contract are provided for convenience only and will not be taken into account when interpreting this Contract.
- 1.3.3. In the event of any discrepancy between the text of this Contract and its Annexes, the text of this Contract will prevail.

## **2. SUBJECT MATTER OF THE CONTRACT**

**2.1.** Subject Matter of the Contract. Under the terms and conditions agreed to in this Contract, the Contractor undertakes to:

- 2.1.1. implement the System and provide related training,
- 2.1.2. provide the Customer with the System and related Licenses,
- 2.1.3. lease to the Customer HHTs, including HHT Accessories,
- 2.1.4. lease to the Customer Label Printers,
- 2.1.5. provide Services,
- 2.1.6. perform Modifications to the System subject to the Customers' orders,

provide all of the above throughout the duration of the Contract and under the conditions set forth herein. The Customer undertakes to pay the Contractor Remuneration in the amount and under the conditions agreed to in Art. 10 hereof.

## **3. SYSTEM**

**3.1.** The System means the provision of the Baggage Reconciliation System (BRS), allowing baggage to be confirmed for a flight by comparing incoming BSM messages with baggage tags located on the baggage through the use of BRS technical means (HHTs). Incoming BSM messages will fully comply with the current IATA RPC 1745 standard. Information on the baggage tag will be in the form of a 1D barcode (Interleave 2 of 5) or an RFID tag.

**3.2.** The system will consist of the following components:

3.2.1. Hardware:

- (a) A server part, including data storage (specifications provided in Annex 2 hereto),
- (b) HHTs, including HHT Accessories,
- (c) PC terminals,
- (d) Label Printers.

3.2.2. Software:

- (a) A server operating system,

- (b) Own BRS system - a server and database part of the System (hereinafter referred to as the “**Core BRS**”), which is considered a comprehensive license,
- (c) A BRS PC user interface software solution (24 licenses including installation, specifications below, and Annex 2 hereto),
- (d) A BRS interface Software Solution for HHTs (100 licenses including installation, specifications below and in Annex 2 hereto),
- (e) Additional third-party SW licenses for Core BRS, PC terminals (Windows Platform) and HHTs necessary for the System’s operability.

### **3.3. System Implementation**

- 3.3.1. Implementation of the System means the provision and installation of Hardware, including the installation of all Software components (which the Customer will have the right to use hereunder).
- 3.3.2. The Customer will implement the System for its use (to the extent specified in Annex 2 and Annex 7 hereto) in the Place of Performance so that conditions necessary for Acceptance are fulfilled no later than 120 days after the signing of the Contract.
- 3.3.3. System Implementation also includes the training of system administrators (the Customer’s employees), technical representatives of handling companies, and key Users designated by the Customer. The content and specific scope of training is provided in Annex 7, Part 2, hereto. The training must take place before the System starts operating.
- 3.3.4. System Implementation will follow the schedule provided in Annex 7, Part 3, hereto.
- 3.3.5. The Contractor is entitled to implement the System through a third party. The Contractor is liable for all performance provided through such persons to the same extent and quality as if the Contractor provided the performance itself.
- 3.3.6. The Customer will provide the Contractor with necessary cooperation during the System Implementation, in particular:
  - (a) Access to the Customer’s premises and office space where the System will implemented, during Working Hours for a period necessary to perform the Implementation, subject to the conditions referred to in Art. 9.5 hereof.
  - (b) Contacts to the Customer's staff members who have necessary information about the functioning of the computer network and other connecting systems of the Customer.
  - (c) Server location space for the Core BRS, under the conditions provided in Annex 2 hereto, will only be used for on-site solutions as referred to in Article 5.1 of Annex 2 hereto - Functional and Technical Specifications.
  - (d) Cabling, a local area network, and a 230 V power supply under the conditions set out in Annex 2 hereto.
- 3.3.7. When accessing the Customer’s infrastructure and facilities, the Contractor is obligated to follow all safety procedures and rules laid down by the Customer’s internal

regulations. The Contractor is also obligated to follow the Customer's instructions when accessing the Customer's infrastructure and facilities.

3.3.8. The Contractor undertakes to comply with all internal regulations and rules of the Customer that are notified to the Contractor by the Customer when performing System Implementation on the Customer's premises.

### **3.4. Acceptance Tests and Acceptance.**

3.4.1. The handover and acceptance of the System will take place based on the basis of the acceptance procedure consisting of two phases:

- (a) The Trial Operation as referred to in Article 3.4.2 and following of the Contract, and
- (b) Acceptance pursuant to Article 3.4.8 and following of the Contract.

#### **3.4.2. Trial Operation.**

3.4.3. After implementation, the Contractor will invite the Customer to launch the Trial Operation. The time limit for launching the Trial Operation is three (3) Working Days from the Contractor's invitation, unless otherwise agreed to by and between the Parties. The invitation will also contain a design of user tests for comprehensive verification of the System's functionality according to Annex 2.

3.4.4. If the Customer fails to launch the Trial Operation within the time limit reserved for the Trial Operation pursuant to the previous Article hereof and does not remedy the situation within an additional period of three (3) Working Days after a re-invitation by the Contractor, the Trial Operation will be deemed to have ended without any Defects.

3.4.5. The Parties will write a record of the Trial Operation.

3.4.6. If it is ascertained during the Trial Operation that the number of Defects does not exceed the following values:

- (a) Category A Defects ... 0,
- (b) Category B Defects ... 2,

the Contractor will be entitled to invite the Customer to accept the System and the Customer will be obliged to accept the System.

3.4.7. If it results from the record of the performed Trial Operation that the System does not meet the criteria specified in Art. 3.4.6 hereof, the Contractor undertakes to remove any and all detected Defects and, after removing them, to invite the Customer to commence the Trial Operation, Art.3.4.2 hereof being applied *mutatis mutandis*. This process of the testing and subsequent removal of Defects will be repeated until the Contractor meets the acceptance criteria specified in Art. 3.4.6 hereof, but no more than twice and no later than within 20 days after the commencement of the first Trial Operation.

#### **3.4.8. Acceptance.**

3.4.9. If the registration of the Trial Operation indicates that the system meets the criteria referred to in Article 3.4.6 hereof, the Parties agree to prepare up an acceptance

protocol of the System handover and acceptance no later than three (3) working days after the signature of the record of the Trial Operation; the acceptance protocol will include an inventory of the remaining Defects with a time limit for their removal and if the period is not approved, it will be deemed to be seven (7) working days from the date of signature of the acceptance protocol.

#### **4. RENTAL OF HHTS AND LABEL PRINTERS**

- 4.1.** Throughout the duration of the Contract, the Contractor agrees to lease to the Customer one hundred (100) new, unused HHTs , including HHT Accessories for forty (40) HHTs, and fifteen (15) new, unused Label Printers as specified in Annex 2 hereto.
- 4.2.** The Contractor also undertakes to hold another ten (10) HHTs and five (5) Label Printers as backup devices in case of a failure of the primary HHTs and Label Printers.
- 4.3.** If the support of HHTs requires the replacement of a primary device with one of the backup pieces due to a repair or for any other reason, the Contractor must replenish the number of backup pieces specified in Art. 4.2 no later than within three (3) Working Days.
- 4.4.** The price of HHTs rental, including HHT Accessories and Label Printers, is included in the Remuneration for the provision of HHTs and Label Printers.

#### **5. SERVICES**

- 5.1.** Subject Matter of the Services. The Parties have agreed that the Services provided by the Contractor include the following activities:
  - 5.1.1. System support,
  - 5.1.2. Support for HHTs, including HHT Accessories and PC Terminals,
  - 5.1.3. Support for Label Printers.
- 5.2.** System Support. System Support includes the following:
  - 5.2.1. consulting, expert consulting in relation to the System's operation, the preparation and resolution of crisis scenarios,
  - 5.2.2. operative solutions of operational requirements to modify the configuration and sub-functions of the System that are reported by the Customer to the Contractor and recorded as service requirements in the Servicedesk system or a system for facilitating customer communication that is operated by the Contractor.
  - 5.2.3. maintaining the System's compliance with the current version of individual IATA standards and performing System updates at the Customer's request if a new version of the System is available; the Contractor will inform the Customer of system updates at least once every six calendar months.
  - 5.2.4. providing technical and service support for third-party Software and Hardware which are components of the System that the Contractor delivered hereunder, throughout the term of the Contract.

- 5.2.5. providing training on updates to the Customer's employees, including System administrators; the Contractor agrees to provide training after any update and/or Modification.
- 5.2.6. providing those services listed and specified in Annex 2 hereto.
- 5.2.7. ensuring the availability of the Support Centre during Service Hours for the purpose of receiving Defect Notifications and conducting telephone consultations with those Contractor's employees who are sufficiently qualified and experienced in System operations.
- 5.2.8. ensuring that during the Service Hours, telephone and/or e-mail Defect Notifications are responded to at the Customer's contacts listed in Annex 1 hereto by responsible employees of the Contractor who have sufficient qualifications and experience, while maintaining the Time Limits for Response provided under Art. 5.2.18 hereof.
- 5.2.9. restoring settings (configuration) of the relevant part of the System or the System as a whole according to the stored service backup.
- 5.2.10. restoring data of the relevant part of the System as of the date of the last service backup.
- 5.2.11. implementation of service backups of System settings and data, and regularly inspecting service backups of the System's settings and data, performed within the Service Hours, with the following frequency at a minimum: Once per day, once per week and once per month.
- 5.2.12. Localizing and identifying Defects and their causes within the Service Hours.
- 5.2.13. Cooperation in removing Defects in hardware that is part of the System in conjunction with representatives of the Customer and third parties.
- 5.2.14. ensuring the functionality of the System within the Service Hours after a Defect has been notified, for example by transferring the System to backup technology.
- 5.2.15. providing, during Service Hours, information about the state, progress and manner of removing Defects while maintaining the Continuous Information Period.
- 5.2.16. making, during Service Hours, updates to the Documentation in the form of sending change reports so that the Customer continuously has at its disposal up-to-date Documentation for the System that it is using at the given time.
- 5.2.17. removing, during Service Hours, reported Defects within the Time Limits for Removal of Defects as set forth in this Contract (Art. 5.2.18 hereof) by Installation of Software Corrections or in another manner so as to restore Normal Operation. Removal of reported Defects also includes removal of Defects in data that have occurred due to the occurrence of the Defect being removed.
- 5.2.18. compliance with Time Limits for Response and Time Limits for Removal of Defects during Service Hours:

<b>Defect category</b>	<b>Time Limit for Response</b>	<b>Time Limit for Removal of Defects</b>	<b>Continuous Information Period (in full hours)</b>
<b>Category A</b>	30 minutes	1 hour	every 30 minutes until the Defect has been removed
<b>Category B</b>	1 hour	8 hours	every 4 hours until the Defect has been removed
<b>Category C</b>	4 hours	48 hours	every 10 hours until the Defect has been removed

The Time Limit for Response and the Time Limit for Removal of Defects referred to in this Article will start to run the moment the Notification of a Defect is made by the Customer to the Contractor's Support Centre. The same will apply for determining the Continuous Information Period.

**5.3. Support of Terminals** Support will include the following:

- 5.3.1. ensuring the diagnosis and elimination of software defects in HHTs and PC Terminals in the place of performance and the replacement of HHTs with backup devices under the conditions and within the time limit specified in Article 5.14 which begins the moment a report made at the Support Centre.
- 5.3.2. repairing defective or physically damaged HHTs, including HHT Accessories, no later than ten (10) calendar days after the physical damage to an HHT or HHT Accessory has been detected and reported. Upon Customer's request, the Contractor will review the condition of all HHTs and HHT Accessories and provide the results to the Customer.
- 5.3.3. Repairs to HHTs and HHT Accessories will include the following:
  - (a) repairs, including any and all labour costs, including transport to and from and parking at the Place of Performance,
  - (b) delivery of all spare parts, including the replacement of worn parts,
  - (c) the supply of full replacement HHTs for HHTs that show an irreparable Defect,
  - (d) transport of damaged HHTs to/from the repair centre of the HHT manufacturer, if a repair is necessary.
- 5.3.4. the reconfiguration and restoration of HHT settings when the devices return from repair, including the installation of the application and the System's user interface, which also includes verification of the repaired HHT's functionality in the System.

- 5.4.** Support for PC terminals does not include repairs, but only diagnostics in relation to the System's functions, and a possible re-installation of the System's end application and device settings for the System.
- 5.5.** Support referred to in Art. 5.3 of the Contract will be provided for a maximum of 200 HHTs, including HHT Accessories, and a maximum of 30 PC terminals.
- 5.6.** The Customer agrees to provide the Contractor with assistance during the provision of HHT support pursuant to Art. 5.3 of this Contract, which involves especially maintaining a sufficient number of replacement devices in the event of physical damage that prevents their use within the System.
- 5.7.** Support for Label Printers. The support will include the following:
- 5.7.1. the diagnostics and elimination of Label Printer defects in the place of performance or the replacement of Label Printers with backup equipment in case of physical damage to a printer that requires a repair, under the conditions and within the time limit under Article 5.14 of the Contract, which begins the moment when a defect has been reported to the contacts specified in Annex 1 hereto.
- 5.7.2. repairs to physically damaged Label Printers no later than ten (10) days after the physical damage to a Label Printer has been detected and reported.
- 5.7.3. Repairs to Label Printers will include the following:
- (a) repairs, including any and all labour costs, including transport to and from and parking at the Place of Performance,
- (b) delivery of all spare parts, including the replacement of worn parts, (including print heads),
- (c) delivery of error-free replacement Label Printers for any Label Printer that shows an irreparable defect,
- (d) transport of damaged Label Printers to and from the repair centre of the Label Printer manufacturer, if a repair is necessary.
- 5.8.** The Contractor does not have to repair a Label Printer if the Label Printer has been handed over for repair with missing parts, a third party attempted to make a repair, or the printer has not been clearly used in accordance with the manufacturer's written instructions. For Label Printers that show any of the above defects, the Contractor must issue a special review report and submit it for approval to the Customer before starting the repair. In such event, the repair is not covered by the monthly flat rate pursuant to Article 10.1.2 of the Contract.
- 5.9.** Technical support for Label Printers also includes the following at 6-month intervals:
- 5.9.1. regular cleaning of the Label Printers and their components,
- 5.9.2. complete adjustment and setting of Label Printers,
- 5.9.3. firmware upgrades recommended by the manufacturer,
- 5.9.4. inspection and review with the Contractor's software,

- 5.9.5. preparation of a written service status report on each Label Printer,
- 5.9.6. improvement of Label Printers and removal of manufacturing defects that are described in the Contractor's and/or manufacturer's technical reports.
- 5.10. Maintenance will be provided subject to prior agreement and on those dates approved by the Customer.
- 5.11. As part of technical support for Label Printers, the Contractor will ensure the distribution of supplies (labels for the printing of tags to mark baggage trolleys) provided by the Customer. Distribution will follow the requirements of the Label Printer users.
- 5.12. Common conditions of providing technical support for HHTs, including HHT Accessories, PC Terminals and Label Printers.
- 5.13. The Contractor will provide technical support to the extent specified in Art. 5.3 and 5.7 of the Contract, seven (7) days a week from 8 AM to 6 PM. If a defect in a Terminal or a Label Printer is reported outside the above hours, the time limit for removing the reported defect under Article 5.14 will not begin until 8 AM on the day following the day on which the defect was reported (if reported by 11:59 PM) or on 8 am of the same day of the day on which the defect was reported (if reported between 0:01 and 7:59 AM).
- 5.14. The Contractor agrees to provide technical support under Art. 5.3.1 and 5.7.1 hereof within the following time limits:
  - 5.14.1. The time limit for the provision of technical support for Label Printers

The time limit for resolving a reported defect of a Label Printer by repairing or replacing it with a replacement device:	24 hours after the report was made
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5.14.2. Time limit for the provision of technical support for HHTs and PC terminals

The time limit for resolving a reported defect in an HHT and/or PC by repairing it or replacing it with a replacement device:	24 hours after the report was made
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**6. ENSURING THE FUNCTIONALITY AND AVAILABILITY OF THE SYSTEM**

- 6.1. During the Term of the Contract, the Contractor undertakes to ensure the Normal Operation of the System by removing Defects under the terms specified in this Contract.
- 6.2. The Contractor agrees to ensure the Availability of the System so that the total duration of all notified Category A Defects does not exceed 96 hours in any relevant calendar year. The Parties have agreed that for the purposes of determining a total period over which the System is not available, the duration of each notified Category A Defect will be added.



- 6.3.** The Contractor undertakes to remove Defects through remote access. If a Defect cannot be removed through remote access, the Contractor undertakes to come to the Place of Performance and remove the Defect at the Place of Performance. The Customer is obliged to allow the Contractor access to the Place of Performance and to the System.
- 6.4.** The Evaluation of Availability will take place on a monthly basis by comparing reports on registered System Defects both on the part of the Customer and the Contractor. For the purposes of this comparison, the Contractor agrees to send monthly reports of Notified Defects to the contact details specified in Annex 1 hereto, always by the fifteenth (15th) day following the month in which the evaluations took place. Each report will include an inventory of all reported Defects with the identification numbers of the Defects, a time stamp of their solution, and a brief description of the solution.
- 6.5.** Defect Notification. The Customer is obliged to notify each Defect to the Support Centre within such time after its detection that can be reasonably required from the Customer (hereinafter “**Notification**”).
- 6.6.** Support Centre. The Contractor undertakes to ensure during the Service Hours:
- 6.6.1. The availability of the Support Centre for making Notifications of Defects and for conducting phone consultations with those Contractor’s employees having appropriate qualifications (certification) and experience related to the Hardware and/or the Software.
- 6.6.2. Records including the following information with respect to a notified Defect:
- (i) a description of the course of action or conditions which led to the occurrence of the Defect,
  - (ii) at the Contractor’s request, error statements and input data.
  - (iii) the Customer’s contact persons for dealings with the Contractor.
- 6.6.3. Responding to phone or e-mail Notifications of Defects made to the Support Centre by the Contractor’s responsible employees having appropriate qualifications (certification) and experience related to the Hardware and/or the Software, while observing the Time Limit for Response under this Contract.
- 6.6.4. Localizing and identifying Defects and their causes.
- 6.6.5. Providing information about the state, progress and manner of removing Defects while maintaining the Continuous Information Period.
- 6.6.6. Making updates to the Documentation in the form of sending change reports so that the Customer continuously has at its disposal up-to-date Documentation for the Hardware and Software that it is using at the given time.
- 6.7.** General Parameters. Unless otherwise specified by the Customer, the Contractor agrees to comply with the following time limits:

<b>Defect category</b>	<b>Time Limit for Response</b>	<b>Time Limit for Removal of Defects</b>	<b>Continuous Information Period (in full hours)</b>
<b>Category A</b>	30 minutes	1 hour	every 30 minutes until the Defect has been removed
<b>Category B</b>	1 hour	8 hours	every 4 hours until the Defect has been removed
<b>Category C</b>	4 hours	48 hours	every 10 hours until the Defect has been removed

6.7.1. The Time Limit for Response and the Time Limit for Removal referred to in this Article will start to run the moment the Notification was made by the Customer to the Contractor's Support Centre. The same will apply for determining the Continuous Information Period. The Time Limit for Removals and the Time Limit for Response of Category A, Category B, and Category C Defects are doubled during a time of Reduced Operation.

6.7.2. The Parties agree on the procedure for providing continuous information as follows: the Contractor's employee contacts the Customer within the agreed Continuous Information Period and undertakes to inform the Contractor about the current course of the Defect removal process.

**6.8.** The Manner of Removing Hardware Defects. While observing the Time Limit for Removal, the Contractor is entitled to remove reported Defects of the Hardware in order to restore Normal Operation only in any of the following ways:

6.8.1. by replacing the defective Hardware with new Hardware free from any defects, or

6.8.2. by repairing the Hardware, but only provided that a similar Defect has not been the subject matter of a notification more than three times for the relevant Hardware, or

6.8.3. by agreement of the Parties on a manner to secure the removal of the Error other than that described in Art. 6.8.1 or 6.8.2 hereof. The Parties will conclude a written agreement on another manner of removing the Defect if it is agreed to.

**6.9.** Removal of Software Defects. The Contractor undertakes to remove Software Defects without undue delay by Installation of Software Corrections or in another manner so as to restore Normal Operation. Removal of reported Defects includes removal of Defects or defects that have occurred due to the occurrence of the Error being removed or the removal of Errors in data which occurred due to the Defect being removed.

**6.10.** Shutdown. Except for the removal of a reported Defect, the Contractor is entitled to shut the System and/or the Hardware down only during the Service Window.

**6.11.** Disclaimer of Liability for Defects. The Contractor will not be liable under the preceding provisions of this Art. 6 for any Defect if it arises from interventions being undertaken by persons other than the Contractor or its subcontractors or due to the System being used in any way contrary to the Documentation handed over.

## 7. MODIFICATIONS TO THE SYSTEM

- 7.1. Assignment.** Any time throughout the Term of the Contract, the Customer is entitled to send the Contractor an assignment to modify and/or otherwise change the System (hereinafter "**Modification**"), in the form of delivering the assignment by e-mail or in writing to the contact information of the Support Centre (hereinafter "**Assignment**").
- 7.2. Offer.** Unless the Customer specifies a longer time limit, the Contractor undertakes to send to the Customer's contact person specified in Annex 1 hereto, within fifteen (15) Working Days from the receipt of an Assignment, a price offer for the execution of the Assignment (hereinafter "**Offer**") which will minimally include:
- 7.2.1. the method used to determine the price of the Assignment, using price list pursuant to part 2 of Annex 6 hereto,
  - 7.2.2. requirements for cooperation on the part of the Customer,
  - 7.2.3. the time schedule for the execution of the Assignment,
  - 7.2.4. the period of validity of the Offer, which must not be shorter than ninety (90) calendar days.

In the case that the Assignment will not be feasible according to the professional opinion of the Contractor, the Contractor undertakes to send to the Customer's contact person specified in Annex 1 hereto, within fifteen (15) Working Days from the receipt of an Assignment, a written notification of this fact. After receiving this notification, the Customer may or may not send a new Assignment in accordance with Article 7.1.

- 7.3. Order.** The Contractor undertakes to perform the Modification only on the basis of an order delivered to the contact information of the Support Centre. The following items will form an integral part and annex to the order:
- (a) a written specification of the extent of the Modification required by the Customer and prepared with the wording corresponding to the Offer, and the
  - (b) Offer.
- 7.3.2. Within fifteen (15) Working Days from an Order's receipt, the Contractor agrees to accept the order and confirm its acceptance to the Customer. If the Customer does not receive a written rejection of the Order within the time limit according to the previous sentence, the Contractor is deemed to have accepted the Order.
- 7.3.3. The Contractor is not obliged to accept and confirm to the Customer the receipt of an order pursuant to Art. 7.3.2 hereof providing that:
- (a) the Customer delivered to the Contractor an order for performance which is inconsistent with the Assignment or the Offer, or
  - (b) the Customer failed to deliver an order corresponding to the Offer to the Contractor within the period of validity of such Offer.
- 7.3.4. For the avoidance of all doubts, the Parties have expressly agreed that an order received by the Contractor is an individual contract, the subject matter of which is the

delivery of the performance specified in the individual contract (hereinafter “**Ordered Performance**”) for the price determined based on the Offer (hereinafter “**Price for Ordered Performance**”) and in accordance with the time schedule included in the Offer (hereinafter “**Term of Delivery of Ordered Performance**”), and which will be governed by this Contract under all terms and conditions not expressly agreed to in the order. Individual Orders will always refer to the filing number of this Contract in their text and will be numbered in ascending order.

7.3.5. For the avoidance of doubt, the Parties have agreed that the Ordered Performance will always include an amendment to the Documentation containing updates of any changes associated with the Ordered Performance.

7.3.6. The Customer is not entitled to accept any Contractor’s offer containing any amendments or reservations; such acceptance will be considered a rejection of the offer.

**7.4. Handover and Acceptance of Ordered Performance.**

7.4.1. The handover and acceptance of each Ordered Performance will take place on the basis of the acceptance procedure consisting of two phases:

- (a) a Trial Operation, and
- (b) the signing of a Handover Report.

7.4.2. Where the subject matter of Ordered Performance is the provision of expert consultations in relation to modifications made relating to the Hardware and/or the Software, the acceptance procedure will only include the signing of a Handover Report.

7.4.3. Trial Operation.

(a) After the completion of Ordered Performance, the Contractor will invite the Customer in writing to commence a Trial Operation, a proposal for the testing scenario being part of such invitation. The time limit for the commencement of the Trial Operation will be five (5) Working Days after approval of the testing scenario by the Customer, unless otherwise agreed to between the Parties. If carrying out of Installation and/or Implementation and/or Integration forms part of the Ordered Performance, the Contractor will carry out those activities no later than on the day preceding the day of commencement of the Trial Operation.

(b) If the Customer fails to appear for the commencement of the Trial Operation within the deadline set for its carrying out and fails to do so even within an additional period of three (3) Working Days from the Contractor’s repeated written invitation, the Trial Operation will be deemed to have been concluded without any Defects.

(c) The Parties will write a record of the Trial Operation.

(d) If it is ascertained during the Trial Operation that the number of Defects does not exceed the following acceptance criteria:

- (i) Category A Defects ... 0
- (ii) Category B Defects ... 1

the Contractor will be entitled to invite the Customer to accept the Ordered Performance and the Customer will be obliged to accept the Ordered Performance.

- (e) If it results from the record of the performed Trial Operation that the Ordered Performance does not meet the acceptance criteria specified in Art. (d) hereof, the Contractor undertakes to remove detected Defects and, after removing them, to invite the Customer to commence the Trial Operation, Art. 7.4.2 hereof being applied *mutatis mutandis*. This process of testing and subsequent removing of Defects will be repeated until the Contractor meets the acceptance criteria specified in Art. (d), but no more than twice. For the avoidance of doubt, if the Trial reports Category C – Defects, such Defects must not allow Customer to reject or delay acceptance of the Order Performance and Handover. In particular, the Customer agrees that software, by its nature, may have minor defects or errors that do not affect the functionality of such software and therefore, if minor defects in the Software are identified during Trial Operation for acceptance, such defects shall not hinder the acceptance process and Customer shall not be entitled to refuse to sign an acceptance certificate on this basis. Contractor undertakes to correct the said minor defects within a reasonable period of time, unless Contractor determines that such correction should take place in a subsequent release of the Software.

#### 7.4.4. Handover Report.

- (a) The Parties agree to sign a Handover Protocol after:
  - (i) The Parties make a record of a Trial Operation, and
  - (ii) The Customer checks and confirms the completeness of the updated Documentation.
- (b) Each Handover Report will contain a list of remaining Defects with a time limit for their removal, it being understood that if such time limit is not agreed to in writing, it will be deemed to be fourteen (14) Working Days from the day on which the Handover Report was signed.

#### 7.5. Use of Ordered Performance.

##### 7.5.1. If the subject matter of Ordered Performance is

- (a) the purchase of Hardware, the ownership rights and the risk of damage to the Hardware will pass to the Customer on the day of Handover.
- (b) By granting a License to Software (including the Package Software), the Contractor, as the person exercising the property rights of the author, grants the License to the Software to the Customer as of the day of the Handover of the Ordered Performance that includes such Software (including the Package Software) as follows:
  - (i) for the period of duration of the Contract,
  - (ii) territorially limited to the territory of the Czech Republic,
  - (iii) in a quantity range necessary to cover the Performance according to the Technical and Functional Specifications, and
  - (iv) in compliance with the licensing terms specified in the Offer.

- (c) Granting a Sub-license to the Software, the Contractor grants the Sub-license to the Customer as of the day of the Handover of the Ordered Performance that includes such Software, namely:
  - (i) for the period of duration of the Contract
  - (ii) territorially limited to the territory of the Czech Republic,
  - (iii) in a quantity range necessary to cover the Performance according to the Technical and Functional Specifications, and
  - (iv) in compliance with the licensing terms specified in the Offer.

7.5.2. By signing this Contract, the Customer accepts the License and/or the Sub-license with effect as from the day of Handover of the relevant Ordered Performance. The remuneration for the granting of the License or the Sub-license to a Package Software Package forms part of the Price for the Ordered Performance.

7.5.3. In connection with Author's Works created by the Contractor during the implementation of the Ordered Performance, especially in connection with the subject matter of the Modification, the Contractor will provide the Customer with a territorially unlimited License for the duration and scope of the Contract as of the handover date of the Ordered Performance which includes the Author's Work. The Customer accepts the License. To avoid any doubt, the Parties state that

- (i) the Contractor grants to the Customer consent to use the Author's Work under the previous sentence either in its original or in an adapted or otherwise modified form, independently or as a set, or in connection with any other work or elements,
- (ii) the remuneration for the License under this Article is included in the Price for Ordered Performance,

7.5.4. The Contractor agrees that Author's Works created during the performance of the Ordered Performance, Software and Package Software Package in respect of which the Customer acquired the License and/or the Sub-license under this Contract in relation to the implementation of the Ordered Performance can be provided by the Customer for use in the same extent as the Software as defined in Article 8 of the Contract. The consideration for the use of the Software and a Package Software Package by the Customer is included in the Price for the Ordered Performance.

## 7.6. Warranties.

7.6.1. Functionality Guarantee. During the Term of the Contract, the Contractor undertakes to ensure that all parts of the Ordered Performance function without any Defects.

7.6.2. Warranty for Configuration and Other Work. The Contractor provides the Customer with a guarantee of the quality of configuration and other work that are the subject of Ordered Performance and that are performed by the Contractor and/or a person with certification required by the Hardware and/or Software manufacturer for the duration of the Contract.

7.6.3. Assurance. The Contractor hereby assures the Customer that as of the handover date of the Ordered Performance, the Ordered Performance this will not contain any

viruses, malware or other features that would prevent the Customer from using the Hardware and/or Software or cause that the Hardware and/or Software to cease to function or its operation be restricted or otherwise adversely affected.

7.6.4. Declaration. The Contractor declares that it is entitled to grant a Software Licence or Sub-licence to the Customer. The Contractor hereby provides the Customer with a warranty that neither the Ordered Performance nor any other performance by the Contractor under the Contract nor the use of the Ordered Performance by the Customer infringes or results in an infringement of any third-party Intellectual Property Rights. If the Contractor breaches its obligation resulting from the guarantee mentioned herein, the Contractor will be responsible for all consequences resulting therefrom; it is particularly obliged to immediately grant the Customer the right to use the Hardware and/or Software which does not infringe on any third-party Intellectual Property Rights and to compensate the Customer for damage caused to the Customer thereby.

7.6.5. The Terms of Warranty. The Contractor agrees to ensure the functionality of the Ordered Performance, the subject of which is Hardware and/or Software, under the same conditions and subject to the same Time Limit for Removal as agreed to in Art. 6 hereof. For the purpose of this clause 7.6, the Contractor warrants that:

- it will provide the Services with reasonable care and skill that can be expected from a competent communications and information technology services provider operating in the air transport industry; and

- the Services (including any Software or Equipment provided by the Contractor) will, after installation and acceptance by the Contractor, provide to a substantial degree the facilities and functionalities set out in the relevant service schedules/description when used by Customer in accordance with the terms of this Agreement. In case of Defects after handover, Contractor shall be subject to remedies benefitting to Customer under this Agreement, including penalties for breach of service levels/Time to remedy if applicable. Customer agrees that Service levels/Time to remedy, if any are applicable to the Services, are not warranties or guarantees of performance standards.

7.6.6. Disclaimer of Liability for Defects. The Contractor will not be liable under the preceding provisions of this Art. 7.6 hereof for any Defect of Ordered Performance, if it arises from any intervention undertaken by persons other than the Contractor or its subcontractors or due to the use of the Ordered Performance in any way contrary to the Documentation handed over.

## **8. LICENSE**

**8.1.** Under the Contract and to the defined extent, the Contractor will grant to the Customer the right to use all Software that forms part of the System (a License). The remuneration for granting a License under this Article is included in the Remuneration for the System Provision.

**8.2.** Licences will be granted under the following conditions:

8.2.1. Licences will be granted to cover the entire period during which the System is provided

8.2.2. Licences will be granted for the entire territory of the Czech Republic

8.2.3. Licences will be granted for an unlimited number of transactions, unlimited number of users and without limiting the amount of data processed

8.2.4. Licenses for the HHTs will be granted for a minimum of 100 pieces and the remuneration for their provision is to be included in the Remuneration for the System Provision; if necessary, the remuneration for each additional License that the Customer needs will also be included in the Remuneration for the System Provision.

**8.3.** Licences will include the right to use the System to handling companies and airlines operating at the Prague airport during the term of the Contract in accordance with the terms of the Contract.

## **9. OTHER RIGHTS AND OBLIGATIONS OF THE PARTIES**

**9.1.** Other Rights of the Customer. The Customer is entitled

9.1.1. to print and use the documentation concerning the Performance in an unlimited number of copies, but only for the internal needs of the Customer and end users of the System,

9.1.2. to participate in service interventions and to be present during the Installation Implementation, including operating tests of the entire System and any Ordered Performance.

**9.2.** Cooperation Obligation. The Customer undertakes to provide the Contractor with cooperation when carrying out Modifications to the System and service interventions in the case of System Defects; this cooperation consists in securing

9.2.1. access to the Place of Performance during Working Hours,

9.2.2. the provision of information on the functioning of the System in the form of consultations with the Customer's employees,

9.2.3. ensuring access for remote System administration pursuant to Annex 3 hereto,

9.2.4. ensuring access for making System updates pursuant to Annex 3 hereto,

9.2.5. operators' authorization (valid training of the System operators),

9.2.6. informing about modifications made to the System's settings and modifications made to the infrastructure having a direct influence on the functioning of the System.

Additional requirements for cooperation by the Customer are provided in Annex 2 hereto.

**9.3.** A Lack of Cooperation. If the Customer is in default with the fulfilment of its obligations under this Contract, the Contractor undertakes to notify the Customer in writing of this fact and to invite the Customer to fulfil the relevant obligation within an additional period of five (5) business days. If the Customer fails to fulfil its obligation even within the provided additional period of time, the Contractor will not be considered in default with its performance of any obligations relating to the Customer's default.

**9.4.** Other Obligations of the Customer. The Customer undertakes

9.4.1. to take care of the System with due diligence so that no damage is caused to the System and to prevent possible damage for occurring,

9.4.2. not to interfere with the System other than by means of user settings and parameterization,



- 9.4.3. to promptly notify the Contractor, in a manner agreed to in this Contract, of any Defects of the System or Services provided, or any claims made by third parties that prevent the Customer from using the Services,
- 9.4.4. to use the Software and other parts of the Services subject to regulations on the protection of Intellectual Property Rights in accordance with this Contract,
- 9.4.5. to use and secure all documentation obtained as part of the System so that no third party, except for end users of the System, can obtain it without the Contractor's consent.

**9.5. Airport Arrangements. The Contractor undertakes:**

- 9.5.1. to secure for itself and its employees, in a manner specified by the Customer, the relevant permission to enter each specific area (hereinafter **"ID Card"**) in which the Place of Performance is situated, or other permits as needed (e.g. for the entry of motor vehicles). The Contractor is obliged to ensure that such persons are able to be visibly identified via their ID Card or another permit when moving throughout the Praha/Ruzyně civil airport and prove their identity using the permits issued by the Customer in places specified by the Customer. At the same time, the Contractor is obliged to ensure that the entry permits issued to the Contractor and its employees are not misused,
- 9.5.2. Prior to the issuance of an ID Card or another permit allowing movement throughout the Customer's area, the Contractor is obliged to arrange, at its own expense, through the Landlord's security division (BZP) or another accredited organization, security training for itself and its employees, which will correspond to the scope of the given permit.
- 9.5.3. Immediately by e-mail or fax to the Security Division (BZP) Letiště Praha, a.s., to report any loss, theft, or damage to an ID card or another permit issued to the Contractor or its employees, and at the same time, the Contractor is obligated to report the termination of employment with any of its employees. Upon the termination of an employment relationship with its employee, the Contractor is obliged to return to the Customer all ID Cards and/or other permits and cards issued to the Contractor for that employee and/or directly to that employee (e.g. parking cards, meal cards, etc.), it being understood that in the event of the termination of an employee's employment, the Contractor must fulfil this obligation no later than by the fourteenth (14th) day of the month following the termination of the employee's employment; in the event of the termination of the Contract, on the day of its termination by notice or agreement. Likewise, the Contractor is obliged to return permits or other cards issued to the Contractor and its employees if their validity ends.
- 9.5.4. ensure that its staff and the staff of its subcontractors comply with the prohibition on the consumption of alcoholic beverages or the abuse of other addictive substances. If the above prohibition is violated, the Customer is entitled to prohibit such Contractor's staff member from accessing the Place of Performance. If the above causes a delay in the performance of the subject-matter of the Contract, the Contractor will be responsible for such delay.
- 9.5.5. The Parties have agreed that the same procedure will be applied if a staff member of the Contractor or a Contractor's subcontractor commits theft in the Place of Performance or in cases of violent behaviour towards the Customer's employees or towards other Contractors who are operating in the Place of Performance.

**9.6.** Within the framework of preventing pollution and causing damage to the environment and within the established EMS (Environmental Management System) pursuant to ISO 14001 and in accordance with the environmental policy (www.prg.aero) implemented at Prague/Ruzyně Airport, the Contractor agrees to refrain from engaging in any activities that could directly or indirectly cause damage or a threat to individual components of the environment. If an event occurs that may impact the environment, the Contractor agrees to observe all adopted environmental protection principles and in case of any failures or imminent accidents, contact the Customer using the proper contact details, namely the following telephone numbers as of the date hereof:

9.6.1. In case of fire, leakage of an unknown substance or another emergency event:

Operations centre of the FB FP unit: 3333, 2222

9.6.2. Medical ambulance: 3301, 3302

9.6.3. Security control room: 1000

9.6.4. In case of any inquiries or suggestions for making improvements that are directed at individual areas:

(a) Occupational safety: [REDACTED]

(b) Environment: [REDACTED]

(c) Fire prevention: [REDACTED]

(d) Complaints: [REDACTED]

**9.7.** Further Obligations of the Contractor. Furthermore, the Contractor undertakes:

9.7.1. to provide the Services as efficiently as possible, with professional care in accordance with this Contract, and through employees with sufficient education and experience in providing the given performance.

9.7.2. to adhere to generally binding regulations, technical standards and usual business practices relating to the Hardware and the Software.

9.7.3. to update the Documentation after each Modification and hand it over to the Customer immediately after making the relevant Modification, but no later than twenty (20) Working Days from a written invitation by the Customer.

9.7.4. to have all its liability for damage caused to the Customer in connection with the performance under this Contract insured, at its own expense, with a solvent and reliable insurance company, in the extent usual for transactions of this type, but at least with an indemnity limit of CZK 10,000,000, and to maintain the validity of this insurance for the entire term of the Contract. The Contractor undertakes to submit to the Customer at its request a copy of the insurance contract within ten (10) calendar days at the latest.

9.7.5. to ensure that its workers participating in the performance of this Contract adhere, when staying at the Place of Performance, to the internal regulations, instructions and directives, regulations governing the movement of persons, vehicles, material, fire

safety, occupational health and other regulations with which they are acquainted by the Customer, it being understood that a written report must be made of such acquainting.

9.7.6. to inform the Customer about outstanding overdue receivables that have arisen on the basis of this Contract no later than three (3) Working Days after the due date so that the Customer may pay them without any delay.

## **10. REMUNERATION AND PRICE FOR ORDERED PERFORMANCE.**

**10.1. Remuneration.** According to the prices provided in Annex 6 hereto the Customer agrees to pay the Contractor for performance of the subject matter of the Contract the remuneration as follows, effective from the date on which the Customer commences using the System:

10.1.1. Minimum monthly guaranteed Remuneration for Implementation and provisioning of the System including training and System support and for the lease and support of HHTs, including HHT Accessories, and Label Printers, **CZK 228,146.92** excl. VAT per month (hereinafter referred to as "**Remuneration for System Provision Support**"). The Breakdown of the Remuneration for System Provision is provided in Annex 6 hereto. Withholding tax will be applied in compliance with Czech and international tax law.

10.1.2. Minimum guaranteed Remuneration for System Provision and Support, as stated in 10.1.1., will cover processing of total number of **181,250.00** loaded bags on departure per calendar month within the System (hereinafter referred to as "**Monthly Bag Limit**"). If the total number of loaded bags on departure per calendar month within the System exceeds this Monthly Bag Limit, the Remuneration will be increased with the following fee per bag, CZK **0.76** excl. VAT, (hereinafter referred to as "**Bag Fee**"), multiplied with the number of loaded bags exceeding the Monthly Bag Limit.

**10.2.** The Remuneration includes all direct and indirect costs expended necessarily or effectively by the Contractor when providing Performance hereunder, unless the Parties agree otherwise in a specific case. The Remuneration does not include value added tax; this tax will be always added in the amount in accordance with the applicable legal regulations on the date of taxable supply.

**10.3.** The Remuneration will always be paid on the basis of an Invoice which the Contractor is entitled to issue on the last day of the calendar month in which the performance was provided. All payments made under this Contract will be made directly to the Contractor's bank account administered by a bank in the Czech Republic and specified in the relevant Invoice. For the purpose of value added tax, the Services are regarded as delivered continuously. The day of taxable supply is the last day of the month for which an Invoice is issued.

**10.4.** The amount of Remuneration may be changed only if the number of sw licenses required for HHTs and/or HHTs or HHT Accessories or Label Printers changes. In such a case, the remuneration will be adjusted according to the prices provided in Annex 6 hereto.

**10.5. Price for the Ordered Performance.** The price for the Ordered Performance will always be paid on the basis of an Invoice which the Contractor is entitled to issue no earlier than on the day following the Handover of the relevant Ordered Performance. A copy of the Handover Report will form an integral part of the invoice. For the purpose of value added tax, the day of the Handover (signing the Handover Report) is also the day of taxable supply. All payments under this Contract will be made directly to the Contractor's bank account administered by a bank in the Czech Republic and specified in the relevant Invoice.

- 10.6. Maturity.** Each Invoice is payable within thirty (30) days from the day on which it was delivered to the Customer's registered office. If the due date falls on a Saturday, Sunday, another non-working day, on 31 December or on a day which is not a working day pursuant to Act No. 370/2017 Coll., on the payment system, as amended, the due date will be postponed to the nearest following working day. The Customer's obligation will be considered settled once the amount is debited from the Customer's bank account.

If the Customer is in default with the payment of its obligations to the Contractor hereunder, the Contractor is entitled to claim a contractual default interest in the amount of 0.02% of the amount due for each day of default.

- 10.7.** If, in accordance with Act No. 235/2004 Coll., on value added tax, as amended, the Contractor:

10.7.1. is designated by a decision taken by the tax administrator to be an unreliable payer, or

10.7.2. requires payment for a taxable supply provided under this Contract to a bank account which is not published by the tax administrator in a manner allowing for remote access, or to a bank account administered by a provider of payment services outside the territory of the Czech Republic,

the Customer is entitled to pay to the Contractor's bank account only the Price for the provided taxable supply without value added tax (hereinafter "**VAT**"). The Customer is entitled to pay VAT, if it is charged and if it forms part of the payment by the Customer under the Contract, directly to the account of the relevant tax administrator. In such a case, the VAT amount is not regarded as an unpaid obligation vis-à-vis the Contractor; the Contractor is thus not entitled to claim a VAT supplementary payment nor to apply any contractual penalties or default interest. The Customer is obliged to inform the Contractor about this course of action no later than on the date of the payment of the Price.

- 10.8. Electronic Invoices.** The Parties agree that the tax documents issued on the basis of this Contract may be in either paper or electronic form in pdf format.

- 10.9. Currency.** All payments under this Contract will be made in Czech crowns.

- 10.10. Change of currency.** The Parties agree that any changes made to the statutory currency of the Czech Republic have no effect on the validity of the Contract and that they do not entitle either Party to request any changes being made to the Contract, except for possible technical changes directly resulting from regulations relating to the potential change in the statutory currency of the Czech Republic. Furthermore, the Parties declare that any fixation of the exchange rate of the Czech crown (CZK), as the only currency in the Czech Republic, to the Euro (EUR), or conversion of the financial obligations under the Contract from the Czech crown (CZK) to the Euro (EUR) will not be regarded as a reason for early termination of or making a change to the Contract or for the prepayment of any amounts due under the Contract and will not be regarded as a reason for the existence of any liability of one Party towards the other Party for direct or indirect damage incurred on the basis of the facts described above and the exchange rate risks associated therewith, unless the Parties expressly agree otherwise.

- 10.11. Denomination.** The moment the Czech crown (CZK) ceases to be the statutory currency of the Czech Republic, all payment obligations resulting from the Contract will be converted to the Euro (EUR) at the exchange rate fixed by law on the date of the introduction of the Euro (EUR) in the Czech Republic. Should the Euro currency cease to exist, all obligations under the Contract will be denominated in Czech crowns subject to the conditions, particularly using the exchange rate stipulated by the relevant legal regulation.

**10.12. Possibility to Return an Invoice.** The Contractor is obliged to deliver each Invoice to the Customer's registered office by the 15th day following the month for which the invoice is being issued. After receipt of an Invoice, the Customer has 10 days to consider whether the Invoice has been issued without any errors and to return it in case it was not so issued. Upon the return of an incorrectly issued Invoice, the maturity period will be suspended and a new maturity period will start to run after the submission of a corrected Invoice.

**10.13. Delivering Invoices.** The correspondence address for delivering Invoices is as follows:

Letiště Praha, a. s.  
Centrální evidence faktur  
Jana Kašpara 1069/1  
160 08 Praha 6

**10.14.** The Customer is entitled to decrease the Price paid for ordered performance or the Remuneration by any amount of withholding tax paid, the security of a tax or any other similar tax or charge if the payment of the Price for ordered performance or the Remuneration complies with Czech tax regulations subject to withholding tax, tax security or other similar tax or charge. In such case, the amount of withholding tax, tax security, charge or other similar tax is not considered to be Customer's unpaid liability with respect to the Contractor.

## **11. TERM OF THE CONTRACT**

**11.1. Term.** This Contract is being concluded for a fixed period of 6 years from the signature of the acceptance protocol. However, if a mandatory provision of a special legal regulation stipulates that this Contract can take effect not earlier than on a certain day which comes later than the day on which this Contract was signed by the last Party, this Contract will take effect only on the earliest day on which the Contract can take effect pursuant to that mandatory provision of the special legal regulation.

**11.2. Manners of Terminating the Contract.** This Contract will cease to be valid and effective only:

11.2.1. upon expiration of the agreed-to term of the Contract, or

11.2.2. by written agreement of the Parties, or

11.2.3. upon expiration of the period of notice served under the terms and conditions stipulated in Art. 11.3 or in Art. 11.4 or in Art. 11.6 hereof.

**11.3. Notice of Termination by the Customer.** The Customer is entitled to terminate the Contract if:

11.3.1. The Contractor has repeatedly violated its obligations under Art. 6 to 9 hereof despite written notification, or

11.3.2. The Contractor fails to remove a breach of warranties under Art. Article 7.6.3 and 7.6.4 hereof within an additional time limit of 20 (twenty) Working Days from written notification by the Customer, or

11.3.3. The Contractor becomes insolvent. For the purpose of this clause, "insolvent" has the meaning as defined in The Insolvency Act.

**11.4. Notice of Termination by the Contractor.** The Contractor is entitled to terminate the Contract if:

11.4.1. The Customer is late with making payments under the Contract for more than thirty (30) calendar days and the procedure according the Article 15.4. has been used for at least one month , or

11.4.2. The Customer fails to remove a repeated breach of its obligation to provide cooperation under the Contract (including in case of breach of data protection applicable regulations) within the time limit of twenty (20) Working Days from a written notification being sent by the Contractor,

11.4.3. The Customer becomes insolvent. For the purpose of this clause, “insolvent” has the meaning as defined in The Insolvency Act.

**11.5.** Notice Period. The Parties have expressly agreed that following a notice lodged under Art. 11.3 or Art. 11.4, the Contract will terminate upon the expiration of a notice period of six (6) months, calculated from the first day of the calendar month following the service of the notice to the other Party.

**11.6.** Notice of Termination without Giving any Reasons. The Parties have agreed that the Customer is entitled to terminate this Contract by notice without giving any reasons with a twelve-month (12) notice period which starts to run from the first day of the calendar month following delivery of the notice of termination to the other Party. This Article 11.6. may be applied at the earliest after 24 months of the duration of the Contract.

**11.7.** Exclusion of Other Reasons for Terminating the Contract. The Customer and the Contractor agree that the Contract can only be terminated for those reasons expressly specified in this Contract unless mandatory provisions of legal regulations provide the possibility to terminate the Contract for other reasons.

**11.8.** Surviving Provisions. The Parties agree that after the termination of the Contract in one of the manners specified in the Contract, Art. 7.5 hereof, the provisions on contractual fines which form a part of this Contract, including the arrangement contained in the Contract conditioning claims to contractual fines, Art. 12 and Art. 15 hereof, will remain valid and effective.

**11.9.** No later than three (3) days following the termination hereof, the Customer must return all keys, entry cards and/or access codes and documents that have been provided to the Contractor by the Customer for the purpose of providing Services hereunder. The Contractor is also obligated to vacate any and all rooms that were used by the Contractor.

## **12. CONFIDENTIAL INFORMATION**

**12.1.** The Parties have agreed that all information designated by the Customer in writing as “confidential” will remain secret (hereinafter “**Confidential Information**”).

**12.2.** The Parties have agreed that the Contractor will not disclose any Confidential Information to any third party and will take measures making it impossible for third parties to access such Confidential Information. The provisions of the previous sentence do not apply to cases where:

12.2.1. the Contractor’s obligation herein is contrary to what is prescribed by law; and/or

12.2.2. the Contractor has disclosed such information to persons who are obliged by law to maintain confidentiality providing that the Contractor informs the Customer in writing to which third party the Confidential Information was made accessible and has bound

this third party by the same confidentiality obligation by which the Contractor is bound; and/or

12.2.3. such information becomes publicly known or available in any manner other than by a breach of the obligations resulting from this Article; and/or

12.2.4. the Customer agrees in writing to making particular Confidential Information accessible.

### **13. PERSONAL DATA**

**13.1.** The Parties undertake to proceed, while performing this Contract, in compliance with 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), as well as in accordance with Act No. 110/2019 Coll., on personal data protection.

### **14. COMMUNICATION BETWEEN THE PARTIES**

**14.1.** Any notifications or documents which are to be made in writing under this Contract must be delivered in person or sent by registered post to the contact information of the other Party. Contact information is provided in Annex 1 hereto.

**14.2.** Communication other than that specified in Art. 14.1 hereof can be sent by either Party to the other Party by e-mail or fax to the contact information of the other Party.

**14.3.** Either Party is entitled to change its contact information by sending written notification to the other Party.

### **15. OTHER ARRANGEMENTS**

#### **15.1. Circumstances Excluding Liability.**

15.1.1. Neither Party will be considered in default with the fulfilment of their obligations resulting from the Contract due an event excluding liability, if such event makes the fulfilment of the obligations of that Party resulting from the Contract impossible or substantially affects it. The immediately preceding sentence of this Article will only apply for the duration of the existence of such event excluding liability or for the duration of its consequences, and only in relation to the Party's obligation or obligations directly or immediately affected by such event.

15.1.2. An event excluding liability means an event that the Party could not have foreseen at the time of conclusion of this Contract and that objectively prevents the Party from fulfilling its contractual obligations resulting from this Contract. Events excluding liability include, in particular, war, embargoes, state or government interventions, terrorist acts, natural disasters and strikes by the Customer's employees. For the avoidance of doubt, events excluding liability do not include any instances of default with the fulfilment of obligations by any subcontractors or Contractor's partners with respect to the Contractor, strikes by employees of the Contractor or its contractual partners, as well as insolvency, overindebtedness, bankruptcy, settlement, liquidation or any other similar event concerning the Contractor or any of its contractual partners, as well as execution against the property of the Contractor or any of its contractual partners.

15.1.3. Should any event excluding liability under Art. 15.1.2 hereof occur, the Party on whose part it occurred will take all steps that can be reasonably requested from that Party that will lead to the restoration of normal activity in accordance with the Contract, as quickly as possible given the circumstances which caused that circumstance not leading to liability. Each Party undertakes to inform the other Party about the occurrence of an event excluding liability as soon as such communication can be objectively made.

15.1.4. If an event excluding liability lasts for more than ten (10) working days, the Parties undertake to find a suitable solution to the situation that has occurred through mutual negotiations, making every effort that can be reasonably required from the Parties.

**15.2.** A prohibition against setting off, pledging cessation and assignment of claims. The Parties have expressly and irrevocably agreed that:

15.2.1. The Contractor is entitled to set off its due and undue receivables from the Customer only on the basis of a written agreement with the Customer.

15.2.2. The Contractor is not entitled to pledge any of its receivables from the Customer arising from this Contract.

15.2.3. The Contractor is not entitled to assign any of its rights under this Contract, even partially, to a third party without the Customer's prior written consent.

**15.3.** Limitation. This provision shall not apply.

**15.4.** The Contractor may temporarily limit or suspend the provision of Services at any time on thirty (30) days written notice to the Customer if the Customer repeatedly fails to pay the Remuneration or any other amounts due to the Contractor under this Agreement for that Services within the expiry of the payment period specified in this clause, except where the Customer has disputed them in good faith.

**15.5.** Each Party may, upon thirty (30) days notice in writing to the other Party, temporarily limit or suspend its obligations under this Agreement, including the provision of a Service in part, or in whole, as relevant, if:

15.5.1. the other Party commits a material breach of this Agreement (or breaches a material provision of this Service Agreement) that is not capable of remedy;

15.5.2. the other Party commits a material breach of this Agreement (or breaches a material provision of this Agreement) and, if the breach is capable of remedy, the other Party does not remedy the breach within 30 days of its receipt of a notice from the first Party requiring the other Party to rectify that breach; or

15.5.3. The parties acknowledge that a breach of data privacy, anti-bribery, and export control regulations are examples of material provisions for the purposes of this clause 15.5.2.

## **16. CONTRACTUAL PENALTIES AND DAMAGES**

**16.1.** Contractual penalties.

16.1.1. If the Contractor is late with its Implementation in view of the deadline specified in Art. 3.3.2, the Customer is entitled to demand a contractual penalty of CZK 100,000 for each day of delay from the Contractor.



16.1.2. If the Contractor fails to remove any defects specified in the Acceptance Protocol within the time limit under Art. 3.4.9 hereof, the Customer will be entitled to demand that the Contractor pay a contractual penalty of 2 000 CZK for each commenced day of violation.

16.1.3. If the Contractor breaches its obligation to remove a Defect within the Time Limit for Removal agreed to in Art. 6.7 hereof, the Customer will be entitled to claim from the Contractor for each such breach a contractual penalty calculated on the basis of the following table:

Severity of Defect	Contractual Penalty
<b>Category A</b>	10 000 CZK for each, even commenced, hour of delay
<b>Category B</b>	6 500 CZK for each, even commenced, hour of delay
<b>Category C</b>	4 000 CZK for each, even commenced, hour of delay

16.1.4. If the Contractor breaches its obligation under Article 6.2 hereof, the Customer is entitled to demand a contractual penalty from the Contractor according to the following table:

For System failures

Overrun	Contractual Penalty
More than 96 hours per calendar year but less than or equal to 192 hours per year	85 000 CZK
More than 192 hours per calendar year but less than or equal to 324 hours per year	200 000 CZK
More than 324 hours per calendar year	400 000 CZK

16.1.5. If the Contractor fails to meet the time limits for providing technical support for Terminals and/or Label Printers, the Customer is entitled to demand that the Contractor pay a contractual penalty of the following amount:

- (a) CZK **2,500** for each day of delay against the time limit specified in Art. 5.14.1 of the Contract,
- (b) CZK **2,500** for each day of delay against the time limit specified in Article 5.14.2 of the Contract; the right to claim the contractual fine ceases to exist if the Contractor's delay was due to the Customer's failure to fulfil its obligation pursuant to Article 5.6.

16.1.6. If the Contractor breaches any of its obligations pursuant to Annex 8 hereto, the Customer will be entitled to demand that the Contractor pay a contractual penalty of 4 000 CZK for each individual case of violation.

16.1.7. If the Contractor breaches its obligation pursuant to Art. 9.7.3 hereof, the Customer will be entitled to claim from the Contractor a contractual penalty in the amount of 0.1% from the Price for System Modifications for each commenced day of default.

**16.2.** Interest on Late Payment Interest. If the Contractor is to pay to the Customer any amount that is subject to interest, the Parties expressly agree that late payment interest can be required in such case.

**16.3.** The contractual fine is payable within fourteen (14) days from the date of receipt of a written notice to pay a contractual fine to the obligee.

**16.4.** Limitation of the Right to a Contractual Penalty and the right to Damages.

16.4.1. The Customer expressly agrees that the Customer's rights to the damages against the Contractor are limited under the Civil Code to CZK 20,000,000 (twenty million Czech crowns). However, the limitation of the right to compensation does not apply to cases where the damage occurred as a result of an intentional act or gross negligence by the Contractor.

16.4.2. The settlement of any contractual fine hereunder will be without prejudice to the Customer's right to damages exceeding the amount of any contractual fine that has been paid.

16.4.3. The Contractual penalties claimed by the Customer pursuant to this Contract shall not exceed the amount CZK 10,000,000 (ten million Czech crowns).

## **17. FINAL PROVISIONS**

**17.1.** Contractual Amendments. This Contract can be changed and amended only by written, continuously numbered amendments signed by both Parties (any amendment to this provision amending the Contract must also be made in the form of a written amendment signed by both Parties) with the exception of the data under Art. 13 hereof as long as they concern addresses, names, telephone, fax and e-mail connections, where a unilateral notification sent to the other Party is sufficient.

**17.2.** Change of Circumstances. The Parties hereby assume the risk of any change of circumstances within the meaning of Section 1765(2) of the Civil Code.

**17.3.** Entirety of the Contract. This Contract constitutes the entire agreement between the Parties concerning the subject matter of this Contract and replaces all other written or oral agreements made concerning the subject matter of this Contract.

**17.4.** This Contract contains the entire agreement concerning the subject matter of the Contract as well as all facts which the Parties should have or wanted to agree upon in the Contract and which they consider to be important in order to make this Contract binding. No manifestation of the Parties' will made while negotiating or after entering into this Contract may be interpreted in conflict with the express provisions hereof, nor does it establish any obligation for either Party.

- 17.5.** The Parties agree that they do not wish for any rights or obligations to be derived – beyond the express provisions of this Contract – from existing or future practices established between the Parties or any customary practices that are established generally or within the sector relating to the subject matter of this Contract, unless otherwise expressly agreed to in the Contract.
- 17.6.** The Parties have mutually communicated all factual and legal circumstances which they knew or should have known as of the date of signature of this Contract and which are relevant in relation to the conclusion of this Contract. Apart from the assurances that the Parties have provided to each other in this Contract, neither Party will have any other rights or obligations in connection with any facts that become apparent and in respect of which the other Party did not provide information during negotiations on this Contract. One exception is those cases where the given Party intentionally and factually misled the other Party with regard to the subject matter of this Contract.
- 17.7.** Court. Any disputes arising out of or in connection with this Contract will be submitted for decision, within the meaning of the provision of Section 89a of Act No. 99/1963 Coll., the Civil Procedure Code, as amended, to the Customer's general court.
- 17.8.** Jurisdiction. This Contract will be governed by the Czech legal order, especially the Civil Code and the Copyright Act.
- 17.9.** Severability Clause. Should any provision of this Contract be or become invalid, unenforceable or ineffective, such invalidity, unenforceability or ineffectiveness will not affect the remaining provisions of this Contract. The Parties undertake to replace any invalid, unenforceable or ineffective provision within five (5) working days after the delivery of the other Party's invitation with a valid, enforceable and effective provision that has the same or similar commercial and legal meaning, or to enter into a new contract.
- 17.10.** Number of Counterparts. The Contract is made in five (5) counterparts in the Czech language of which the Customer will receive three (3) and the Contractor will receive two (2).
- 17.11.** Annexes. The following annexes form an integral part of this Contract
- 17.11.1. Annex 1 – Contact Information
  - 17.11.2. Annex 2 – Functional and Technical Specifications of the System
  - 17.11.3. Annex 3 - Notification of Defects Template
  - 17.11.4. Annex 4 – Report of Defect Removal Template
  - 17.11.5. Annex 5 – Acceptance Protocol template
  - 17.11.6. Annex 6 – Contractor's Remuneration Breakdown and Price List
  - 17.11.7. Annex 7 – Implementation
  - 17.11.8. Annex 8 – IBE – Security Measures

**THE CONTRACTING PARTIES HEREBY DECLARE THAT THEY HAVE READ THIS CONTRACT AND AGREE WITH ITS CONTENTS, IN WITNESS WHEREOF THEY CONFIRM IT BY AFFIXING THEIR SIGNATURES:**

Date: 12.10.2020

Date:

On behalf of the Customer:

Signature: \_\_\_\_\_  
Name: Ing. Václav Řehoř, Ph.D., MBA  
Chairman of the Board of Directors  
Position:

On behalf of the Contractor:

Signature: \_\_\_\_\_  
Name: Ing. Michal Koscelansky  
Country representative  
Position:

Signature: \_\_\_\_\_  
Name: Ing. Jiří Černík  
Position: Member of the Board of Directors

## Annex 1 – Contact Information

### Address for service.

(a) Customer's address for service:

Letiště Praha, a. s.  
K letišti 1019/6  
161 00 Praha 6  
Czech Republic

(b) Contractor's address for service:

SITA B.V.  
Aviatická 1017/2  
161 00 Praha 6 – Ruzyně  
Czech Republic

### Contact details of the Customer's authorized person.

Customer's authorized person: [REDACTED]  
Tel.: [REDACTED]  
e-mail: [REDACTED]

### Contact details of the Customer's Service Centre

Customer's authorized person: Helpdesk LP  
Tel.: [REDACTED]  
e-mail: [REDACTED]

### Contact details of the Contractor's Service Centre

Tel.: [REDACTED]  
e-mail: [REDACTED]

## Annex 2 – Functional and Technical Specifications of the System

### 1. SITA BAG MANAGER

SITA Bag Manager is used at 200+ airports around the world and along with the WorldTracer, Bag Message and SITA Bag Journey Services, is a key element of SITA's Baggage Portfolio. As part of SITA's commitment to the product, to keeping it up-to-date and to ensure an integrated portfolio of applications, SITA has invested in the technology behind SITA Bag Manager, keeping it up-to-date:

- A Java Enterprise environment (J2EE).
- A web-based application with a web browser User Interface on all devices, including mobile scanners.
- A state-of-the-art “business rules” engine to aid the separation of business logic from data presentation.
- Oracle database
- Compatibility with SOA, ESB and modern IT architectures.
- Extensive use of Java.
- Real-time monitoring, management and capacity data via SNMP.
- Improved Android HHT device management using an advanced mobile device management application.

These technologies provide maximum performance and system availability, while also providing a suitable technology platform for the coming decade.

On the application side, improvements have been in updating and enhancing all the user functionality. Virtually all functions are available on any UI device and they are easy and consistent to use. After 10 years of successful implementations of previous versions of SITA Bag Manager user functionality is second to none. SITA Bag Manager has added:

- Enhanced communications facilities. Reports and print outs may now be sent to downline stations by email as well as via Bag Message.
- Separation of data presentation from the business logic and rules that generates that data. This major enhancement permits the easy adaptation of SITA Bag Manager to use whatever UI devices may be needed in future.
- Arrival bag scanning and monitoring of bag delivery SLAs, allowing any airline to achieve IATA 753 compliance.
- Support for airlines moving to follow RP1800 baggage processes.

- Improvements in the printing of reports and of bag tags which now use standard Windows printing methods.
- Enhancements aimed at airlines looking to manage their entire baggage network through SITA Bag Manager, including additional alerting and control functions for central baggage management staff.
- Enhancements in dealing with BIM messages for re-routed passengers.

## 1.1 System Components

### 1.1.1 SITA Cloud

A connection is made from Prague Airport to the SITA Bag Manager servers in the SITA Cloud. The Cloud connection is made over regular SITA network services using SITA AirportHub connection. A full security infrastructure is provided so that data is securely protected.

### 1.1.2 Application & Database Server

The high availability Application/Database Server is located in the SITA Cloud in Frankfurt datacentre and is the heart of SITA Bag Manager:

- Holds information on bags, flights, ULDs, passengers and users
- Exchanges baggage information messages with airline Departure Control Systems (DCS)
- Receives flight details and updates from a Flight Information System (FIS)
- Provides information to SITA Bag Manager workstations and Hand-Held Terminals (HHTs)

### 1.1.3 Hand-Held Terminals (HHTs)

The HHT is a wireless (802.11a/b/g/n or 3/4G) mobile device with a display, keypad or touch screen, barcode scanner and optional RFID bag tag reader. The baggage handler uses the HHT to scan bags as they are loaded into containers, carts, and aircraft. The HHT is also used to provide real-time information alerts and updates to users.

The HHT communicates with the server to determine whether a bag may be loaded, to answer enquiries, and to display status and detail of the passengers, baggage and flights.

Item	Model	Quantity
HHT	<b>Datalogic MEMOR 10</b> 5" touch screen Dual band Wi-Fi, standards 802.11ac and 802.11r/k Advanced 2D ultra-slim imager Android v8.1	<b>100 + 10 spare units</b>
Accessories	<b>Datalogic MEMOR 10 Charger, 4 Slot Battery</b>	<b>10</b>

#### 1.1.4 Workstations

- Manage the entire baggage reconciliation process
- Print container sheets and reports
- Enquire on the status of baggage
- Match passengers and their bags including lost and found items
- Update the attributes of flights, users and equipment

Workstations will be provided by Prague Airport based on agreed configuration.

#### 1.1.5 Printers

A range of printers are used by SITA Bag Manager: LaserJet type printers for manifests, lists and container sheets. Bag tag printers are used for printing crew bag tags, Rush tags, or for reprinting damaged tags. Label printers are also used where customers want to print overlay stickers for Rush bags. At the boarding gates, a CUTE dot-matrix printer may be used to print certain reports.

Item	Model	Quantity
BTP	Epson TM-L500A	10 + 5 spare units

#### 1.1.6 Wireless Network

Provides the communications link between HHTs and the servers. SITA Bag Manager can operate on its own WLAN, or can use common, airport-provided wireless infrastructure. Data transmission is secured to prevent unauthorised reception.

Wireless infrastructure will be provided by Prague Airport.

#### 1.1.7 Networking

SITA Bag Manager uses a local area network and a wireless network for communication with all the end user devices, a wide area network to receive baggage messages and communications with the servers in the ATI-Cloud.





**Annex 4 — Removal of Defects template**

**Defect Removal Protocol**

**Contract No.: TBD**

**Contractor’s identification:**

Business name: SITA B.V.  
Registered office: V Parku 2336/22, Prague 4, 148 00  
Registration No.: 70899061

**Defect description:**

**Time stamp of Defect removal:**

A description of the activity	Start and end of work	Number of hours

A description of the material used	Number of items

**Specification of changes made by the Contractor to the System:**

**Miscellaneous:**

**Date:** \_\_\_\_\_ **Name and signature of the person authorised to act on behalf of the Contractor**

**Confirmation of the correctness of provided data by the Customer’s Authorized Person**

**Date:** \_\_\_\_\_ **Signature of the Contractor’s authorized person**

**Annex 5: Acceptance protocol**

**18.**

Delivering party:		Accepting party:	
Company:		Company:	<b>Letiště Praha, a. s.</b>

**Date of issue of order No. \_\_\_\_ :**

**Performance date- .....**

<b>Supplied system modifications</b>

**Defects**

Category A:
Category B:
Category C:

I hereby confirm that on ..... performance under Order No.\_\_\_\_ under the BRS Service Contract has been accepted.

-----  
On behalf of .....

-----  
Letiště Praha, a. s.

## Annex 6: Breakdown of the Remuneration and the Price of System Modifications

### 1) Remuneration Breakdown:

Monthly Remuneration for the provision of the System and Services.

		Price in CZK excl. VAT per month
<b>Total minimum monthly Remuneration</b>	<b>Minimum monthly guaranteed Remuneration for Implementation and provisioning of the System including training and System support and for the lease and support of HHTs, including HHT Accessories, and Label Printers- a monthly flat fee.</b>	<b>228.146. 92</b>
Bag Fee	Fee per bag applied and increasing the minimum monthly Remuneration when total number of loaded bags on departure within the System per month exceeds the Monthly Bag Limit	<b>0.76</b>

### 2) Price List

Price applicable to System Modifications:

Item	Description	Price in CZK excl. VAT
Additional SW licence fee	The price of one SW license for HHTs including technical support for the SW - a monthly flat fee. This price will apply to requests made by the Customer to increase the number of licences at any time throughout the term of the Contract.	<b>20.65 CZK * (72/remaining months to the contract term end)</b>
Additional HHT provision	The price for leasing one HHT including technical support – a monthly flat fee or formula for calculation of the corresponding monthly fee. This price will apply to requests made by the Customer to increase the number of HHTs at any time throughout the term of the Contract.	<b>593.25 CZK * (72/remaining months to the contract term end)</b>

Additional HHT Accessory provision	The price for leasing one HHT Accessory including technical support – a monthly flat fee or formula for calculation of the corresponding monthly fee. This price will apply to requests made by the Customer to increase the number of HHT Accessories at any time throughout the term of the Contract.	<b>104.43 CZK * (72/remaining months to the contract term end)</b>
Additional Label printer provision	The price for leasing one Label Printer including technical support – a monthly flat fee or formula for calculation of the corresponding monthly fee. This price will apply to requests made by the Customer to increase the number of Label Printers (or technically equivalent printers) at any time throughout the term of the Contract.	<b>450 CZK * (72/remaining months to the contract term end)</b>
Work on System Modifications	Price of a corresponding single Man – Day rate for any System Modifications	<b>22,777 CZK</b>

**All unit prices listed in Section 2 are prices or calculations that will be valid throughout the Contract for any increase in the quantity of concerned parts.**

## **Annex 7: Implementation**

### **Part 1 A description of System Implementation and Testing**

#### **Server Installation**

SITA's Cloud Configuration group to set up a virtual machine for BagManager application.

The SITA Implementation engineer will do the following tasks:

Install (guest) operating system;

Install all additional software as required including Redhat JBoss, Oracle and BagManager application;

Configure users, disk volumes, network etc. in co-operation;

Configure external interfaces;

Perform User Acceptance Tests (UAT);

Run HA and DR testing in controlled environment;

Agree and signoff HA and DR functionality;

Make all necessary arrangements for maintenance.

#### **BagManager System Installation and Commission**

Installation of the infrastructure will proceed according to the project plan, typically the sequence of installation will be: Power distribution, airport network cabling and hubs, LAN connection to Core Backbone, Installation of BagManager software, Installation of workstations and printers, commissioning of HHTs.

#### **Integration Testing**

Integration testing is conducted by identifying a series of tests and expected results and the correct installation where all the different component parts come together and are tested to ensure they work as designed.

This will test any new development work, the network, flight information and BagMessage data feeds.

#### **IWS and Printer Installation**

The SITA Implementation Engineer is responsible for software installation and configuration. A suitable web browser may require installing and configuring, the desktop needs locking down and the BagManager Print Service may need installing and configuring.

The Report/Container Sheets are typically HP LaserJet printers with a network interface card and dual sheet feeder trays. Reports are normally printed on A4 paper and container sheets on A5 cards per IATA standard.

## Acceptance Tests

SITA will perform careful multi-round UAT testing resolving all significant defects. Test cases will be covering both basic BagManager functionality and all data interfaces.

Acceptance of the system is on the basis of the standard SITA Acceptance test process,

The Project Manager will agree any additional tests with the customers and schedule this into the project plan. Cost and timescale changed will be dealt with under Change Control process,

The BagManager User Acceptance Test Plan Process will be explained to and agreed with the customer and/or users who must be present for the tests themselves, and have authority to sign off,

Representatives from all Handling Agents may be required,

The test are prepared and run by the implementation engineer.

There are three sets of tests that SITA does on a similar type of BagManager implementation. Each test plan is always further tailored to the specific BagManager functions and requirements at Prague Airport.

The tests in the server acceptance test plan will be performed by the SITA BagManager Installation Engineer when the equipment has been fully installed in to the core room and racks; the power and network connections need to be completed for this activity with the servers both running as in a normal operating mode.

The purpose of this acceptance test is to ensure that the BagManager servers and their disk arrays are correctly set up and will perform failovers (i.e. take full advantage of the HACMP set up) as and when required.

## BagManager User Acceptance Test Plan

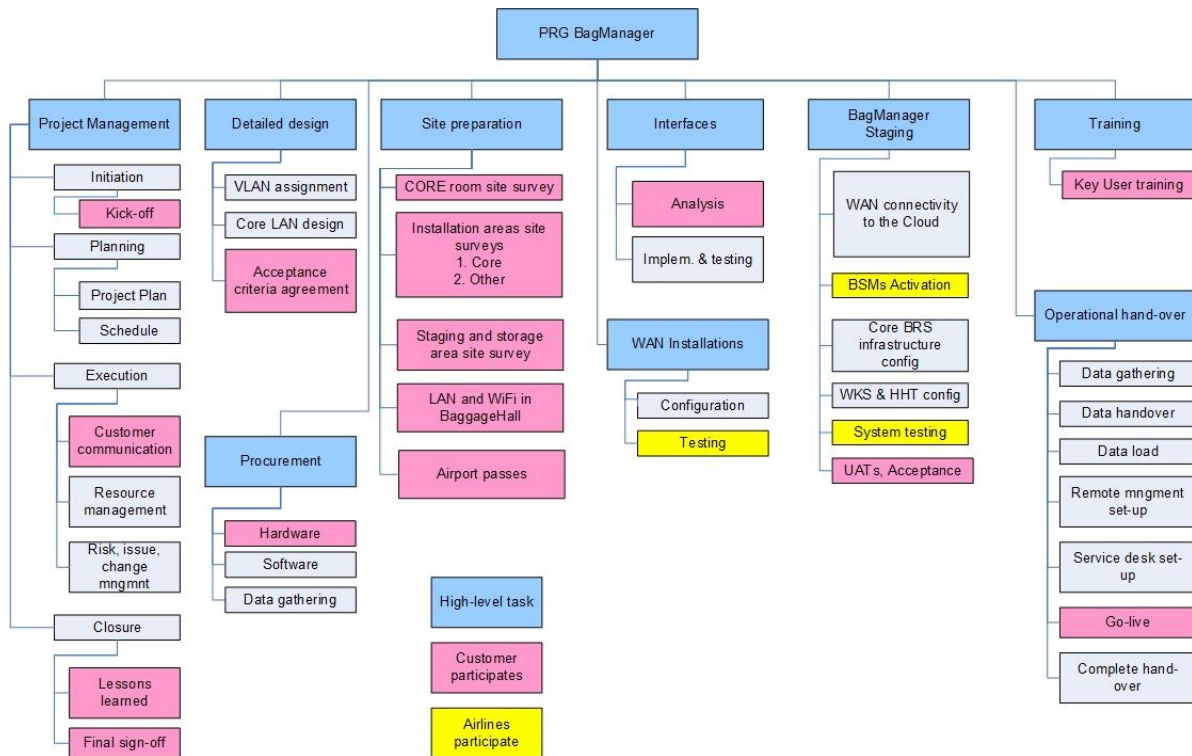
The customer or baggage handling representative, ideally a Baggage Super User or Supervisor, will be expected to run through the tests specified after they have completed the BagManager end user training course. The customer should note whether a test has passed or failed as indicated in the test specification. When all tests have been completed, the customer should sign and date the acceptance test document. SITA will assist with this testing process as part of the customer acceptance criteria for the BagManager delivery project.

## Data Interfaces - Acceptance Criteria / Acceptance Tests

Depending on the number and type of custom data interfaces additional UAT test cases will be defined in cooperation with Prague Airport. The key interfaces are those for processing of BIMs (via BagMessage service), reception of flight feed from airport's AODB system.

## Set-up, Timing to Go Live

### Workstreams for BagManager Project



1. BagManager kick-off meeting is going to play an important role for future smooth start-up of the new BagManager system. All key stakeholders should be participants.
2. Server installation, device configuration, testing and acceptance by Prague Airport.
3. Integration with Wi-Fi infrastructure provided by the Prague Airport, HHT device configuration, testing and acceptance by Prague Airport.
4. BagManager – Installation of BagManager in Cloud, system configuration.
5. Training for baggage handling staff. Training of all stakeholders and operatives of the baggage handling process “just in time” for the operations start is an important requirement to ensure smooth migration to the new platform.
6. Shared equipment roll-out. All workstations/peripherals and HHTs will be staged and tested in advance. Subsequently installed to target spots in agreement with local stakeholders and local conditions.
7. In order to minimize potential impact to Airport and Airline operations after official Cutover to production, complex system testing covering also the functionality of all interfaces to other sub-systems will be completed. Cutover go-decision will not be taken unless all major BRS functions are tuned and accepted.
8. Operations set-up, consisting of asset and contact data gathering, tools set up, office set up in Prague Airport, testing and acceptance. The SITA project team will include a specialized Project Manager responsible for the Operations set-up, called the “Transition Project Manager”. The Operations set-up will be completed before the first workstation/HHT is installed, to ensure that BagManager is supported starting from the very first workstation installation.



## **Part 2 Training Description – as a part of System Implementation**

The Customer requires training provided in the following minimum extent:

1. System Administrator (Customer), 2-3 persons.

The training will be provided by the selected Contractor in either the English or Czech languages to a sufficient extent in the Customer's training room. The selected Contractor will announce the date of the training at least 20 days before the commencement of the training.

Purpose: detailed information on the architecture and functions of the System and terminals, technologies used in the System, etc.

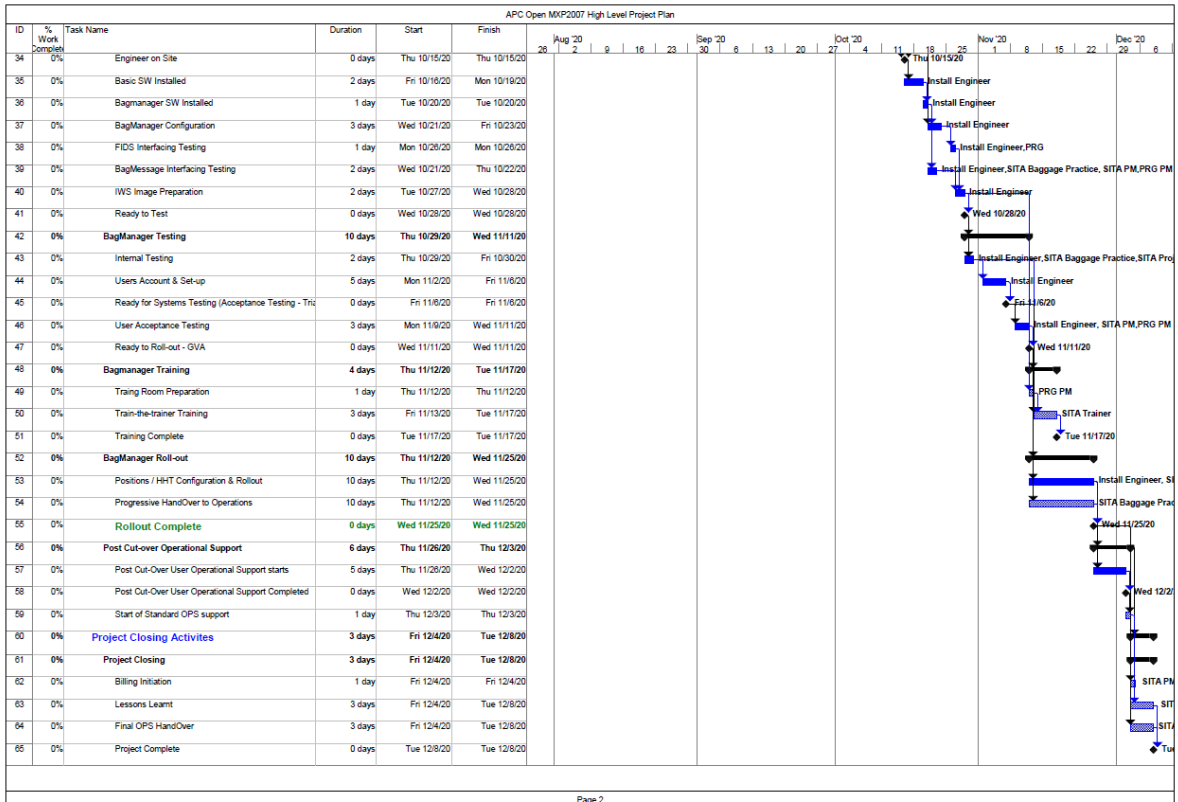
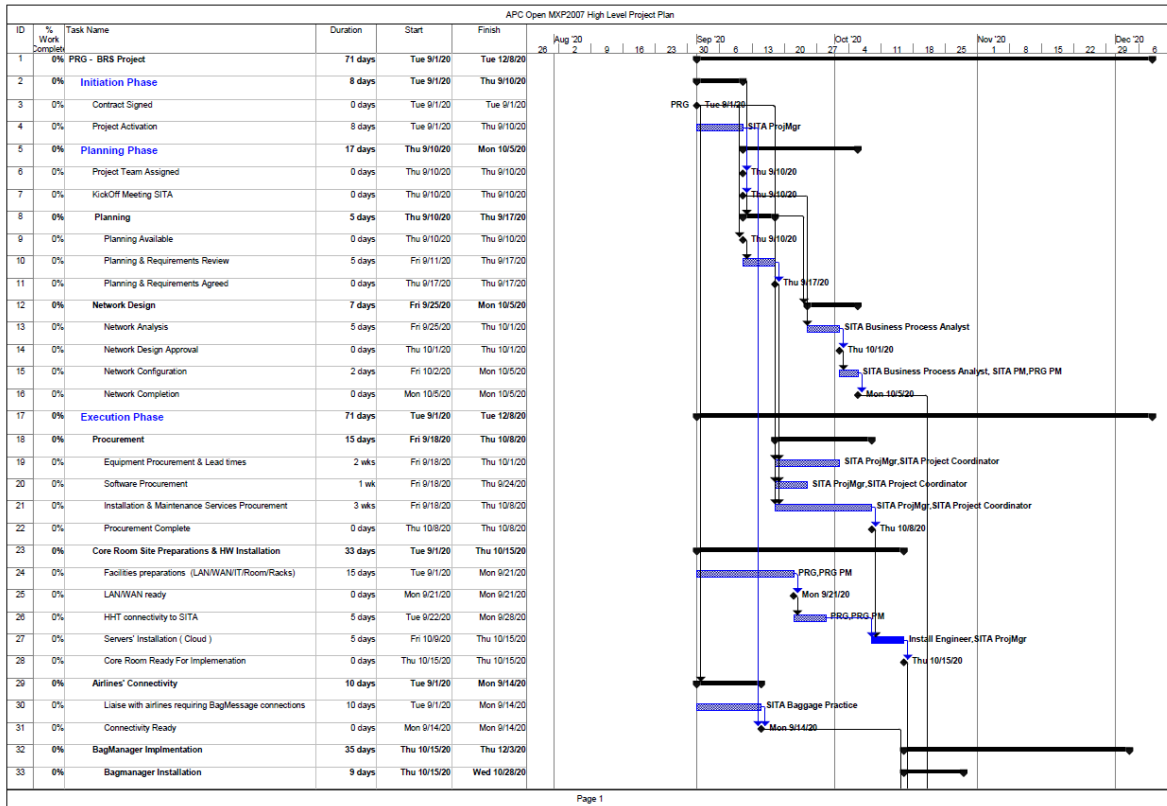
2. Key users of handling companies, 4 x 10 persons.

The training will take place in either the Czech or English languages with the presence of an interpreter (provided by the Contractor) to a sufficient extent (min. 1 day of 8 lessons) in the Customer's training room, unless the Customer agrees otherwise with the Contractor. The selected Contractor will announce the date of the training at least 20 days before the commencement of the training.

Purpose: detailed information on/training of functionalities for specific conditions of handling agents

These training sessions will take place in a training room with a projector on the Customer's premises.

## Part 3 Implementation Schedule



## Annex 8: IBE – Security Measures

### 19. SAFETY MEASURES

The purpose of this Annex is in accordance with the provisions of Section 4 (4) of Act No. 181/2014 Coll., On Cyber Security and Changes to Related Acts (The Act on Cyber Security), as amended (hereinafter “**Act**”), in conjunction with Annex 7 to Decree No. 82/2018 Coll., on Security Measures, Cyber Security Incidents, Reactive Measures, Requirements for Filing in the Field of Cyber Security and Data Destruction (The Cyber Security Decree) (hereinafter “**Decree**”) to establish binding security measures applicable to the Contractor, whose subject-matter of performance for the Customer is (solely or as part of the subject of other services) the development and/or implementation and/or service for the software or hardware (hereinafter also “**SW**” or “**HW**”), and/or who, in connection with their performance for the Customer accesses the Customer’s information system designated by the basic service information system in accordance with Act No. 181/2014 Coll., (hereinafter also “**Z-IS LP**”), and/or which, within the scope of the provided performance for the Customer, processes and / or transmits and / or stores and/or archives the data and operating data of the Customer and/or its customers (hereinafter also “**Security Measures**”).

#### 1. GENERAL REQUIREMENTS

- 1.1 When providing performance to the Customer, the Contractor agrees to meet the below obligations:
  - 1.1.1. to proceed in accordance with the applicable legislation, in particular with the requirements arising for the Customer, as the administrator and operator of a basic service information system, from the Act and the Decree, and to incorporate potential or new amendments to the said legislation.
  - 1.1.2. Unless the agreement between the Parties stipulates otherwise, the Contractor shall appoint a responsible contact person within 3 days after the conclusion of a Contract for the purpose of ensuring the fulfilment of the Security Measures arising from the Contract and related communication between the Parties (hereinafter also “**Contact Person**”). The Contractor shall notify the Customer of the name of the Contact Person in writing within the same deadline. The Contractor is obliged to notify the Customer of any changes made to the Contact Person within 5 days of the change being made;
  - 1.1.3. ensure that the Contractor’s Contact Person confirms in writing to the Customer no later than 30 days after the conclusion of the Contract that all persons involved in the performance of this Contract on behalf of the Contractor and/or its Subcontractors are provably acquainted with these Security Measures;
  - 1.1.4. if the Contractor processes personal data for the Customer when providing performance under the Contract, the Contractor undertakes to conclude a contract on the processing of personal data with the Customer in accordance with 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);

- 1.1.5. the subject matter of performance must comply with information security; any performance involving technologies/key elements against whose manufacturers a competent administrative authority has taken action under the Act, and which, according to a risk analysis, pose a high risk, will be considered non-compliant.
- 1.1.6. adhere to the relevant provisions of the Customer's security policies, methodologies and procedures; valid Customer management documentation or any of its parts relevant to the subject matter of the performance, providing that the Contractor has been acquainted with such documents or their parts, regardless of the manner in which they were provably acquainted with such Customer documentation;
- 1.1.7. carry out an analysis and risk assessment of the information infrastructure, which is part of the subject matter of the Contract (delivered solution) and, based on the results, propose and submit to the Customer for approval measures to minimize or eliminate the identified risks. The measures must be proposed and consolidated taking into account the results of the risk assessment;
- 1.1.8. keep records on the essential circumstances related to the subject matter of performance provided under the Contract (technical records, organizational records of training, authorizations, etc.) and inform the Customer thereof;
- 1.1.9. introduce measures to protect the backup of data related to the performance and regularly test the functioning of such backups;
- 1.1.10. if so required by the Customer, the Contractor must guarantee the ability to reconstruct the functioning of the asset to whichever prior state is required by the Contract;
- 1.1.11. continuously detect technical vulnerabilities and configuration mismatches of the subject matter of performance and inform the Customer of the findings without undue delay. The detected technical vulnerabilities must be evaluated with respect to the associated risk and, depending on the nature of the subject matter of performance, Remedial Measures must be taken by the Contractor. The Remedial Measures need to be approved by the Customer;
- 1.1.12. implement Security Measures for data protection related to the subject-matter of performance;
- 1.1.13. meet all relevant security requirements in the development and support processes at least to the extent of best practice requirements (e.g. according to ISO/IEC 27001);
- 1.1.14. store traffic data in accordance with the applicable legislation and comply with the requirements of the Decree on the content of operation-related events;
- 1.1.15. secure the entire transmission of data and information in terms of security requirements for their confidentiality, integrity and availability during the performance for the Customer;

- 1.1.16. provide the Customer, without undue delay, with the required amount of cooperation to perform security testing within the performance;
- 1.1.17. so that the performance includes only those parts that are objectively necessary for ensuring proper operation and/or which are explicitly specified in the Contract, in particular that the SW and HW does not contain any unnecessary components, etc .;
- 1.1.18. if the performance also includes the installation of an operating system or third party SW, throughout its installation, only those updated versions of these products may be used that have been tested by the manufacturer;
- 1.1.19. any and all information requiring a higher level of protection<sup>1</sup> provided by the Customer when providing the performance shall not be stored unencrypted and will be protected against unauthorized access, unless otherwise agreed to between the Parties in a particular case;
- 1.1.20. if within the scope of the provided performance, SW or its upgrade is to be installed, the installation procedures shall be in accordance with the applicable Customer's security standards, provided that the Contractor has been acquainted with such documents or parts thereof;
- 1.1.21. the Z-IS LP production environment shall contain only compiled or executable code and other necessary data for operation of the system;
- 1.1.22. before running SW in the Z-IS LP production environment, compliance of the software with the security requirements of hardening security policies must be checked; in the event of non-compliance, compliance of the supplied software with the security requirements of hardening policies must be ensured provided that the Contractor has been acquainted with such documents or parts thereof.
- 1.1.23. new SW or new SW versions may be installed only on the basis of migration procedures pre-approved by the Customer<sup>2</sup>;

## **2. PHYSICAL PROTECTION AND ENVIRONMENT SAFETY**

- 2.1** The Contractor undertakes to observe the Facility Operating Rules (regime measures), especially in the field of physical protection of security zones where components of Z-IS LP systems or data carriers are located (hereinafter also "**Place of Work**").
- 2.2** The Contractor undertakes not to leave installation, backup or archive media or documentation for the Z-IS LP system that is the subject matter of the performance freely available.

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<sup>1</sup> Confidential information requiring a higher level of protection within the meaning of this Annex includes, in particular, certificate identification information, passwords, access permission, configuration files, system programs, critical libraries, recovery procedures, etc.

<sup>2</sup> Migration procedure - a set of steps defining the conversion of data between two or more Z-IS LP systems.

### **3. ACCESS CONTROL**

- 3.1** In the event that LP's employees have access to web services, the following requirements must be met:
  - 3.1.1** Login information must not be stored in readable format and must be protected with sufficiently strong encryption means.
  - 3.1.2** The system that LP's employees use for access must be regularly tested and updated, and it must be robust enough to ensure the security of information and data.
  - 3.1.3** If penetration testing results in critical findings, the Contractor is obliged to immediately inform the LP of these facts and to take additional, effective Remedial Measures.
  - 3.1.4** The LP reserves the right to perform regular penetration testing throughout the term of the Contract. The Contractor is obliged to take additional, effective Remedial Measures to remove the critical vulnerabilities that have been identified during penetration testing.
- 3.2** The Contractor acknowledges that access to the Z-IS LP system may only be granted to physically identified Contractor's (or the Subcontractor's) employees registered in the Customer's identity register, based on the Contractor's request for access.
- 3.3** The tool for managing and verifying the identity of users, administrators and applications must comply with the requirements of the Decree.
- 3.4** The Contractor acknowledges that its employees must provide their personal data to the Customer to the extent necessary to establish access, otherwise the Customer is not obliged to allow the Contractor's employees any access to the Z-IS LP system. The Contractor's employees granted (physical, logical) access to the Z-IS LP system acknowledge that personal data will be processed during the evaluation of data movement and activities performed at the Customer's premises (e.g. monitoring the use of the Security Information and Event Management solution).
- 3.5** The Contractor acknowledges that the authorization provided to a Contractor's employee shall be governed by the necessary minimum principle and is not claimable.
- 3.6** The Contractor agrees that granted access must not be shared by multiple employees of the Contractor or the Subcontractor.
- 3.7** The Contractor agrees that remote access to the Z-IS LP system will always be performed only via a secure VPN connection.
- 3.8** The Contractor agrees that before connecting any terminal equipment, mobile terminal equipment or active network elements such as network switches, WiFi access points, routers or hubs to the computer network, the Contact Person on the Customer's side will be asked for approval to make such connection.
- 3.9** The Contractor agrees to deactivate any and all unused network termination or unused ports of active network elements without undue delay.
- 3.10** The Contractor agrees not to install and use, in particular, Keylogger, Sniffer, Vulnerability Analyzer and Port Scanner, Backdoor, rootkit, trojan or any other form of malware.

- 3.11** The Contractor agrees that all its information systems that are connected to the Customer's network infrastructure are - and will be protected against malware.
- 3.12** The Contractor agrees not to develop, compile and distribute any program code in any part of the Z-IS LP system whose aim would be to illegally control, disrupt or discredit the Z-IS LP system or illegally obtain data and information.
- 3.13** The Contractor undertakes to ensure that the persons involved in the performance provided to the Customer within the Z-IS LP:
- a. do not store or share ethically inappropriate content or information that is contrary to good morals or could damage the Customer's reputation;
  - b. do not download, share, store, archive, and/or install data and executable files in violation of the license terms or copyright law;
  - c. do not send out chain e-mails.
- 3.14** The Contractor undertakes to ensure that the persons involved in the providing performance to the Customer, having access to the Customer's internal network or the Customer's Z-IS LP system, have applied security patches to their external devices such as laptops/computers, including installed, running and updated antivirus protection;
- 3.15** The Contractor agrees to ensure that the persons involved in providing performance to the Customer, having access to the Customer's internal network and/or Z-IS LP system, protect the Customer's authentication means and data related to the Customer's Z-IS LP systems. The Contractor acknowledges that in the event of unsuccessful user authentication attempts, the account may be blocked and handled as a cyber security event within the meaning of the applicable control documentation; appropriate cyber security event management procedures may be applied (e.g. immediate withdrawal of access to information assets by natural persons of the external entity).
- 3.16** The Contractor acknowledges that the procedure for handling a cyber security event or any other consequence of a breach of the Security Measures shall not be considered as a circumstance excluding the Contractor's liability for delay in proper and timely performance and shall not constitute a reason for any compensation for any damage caused to the Contractor or any other person by the Customer.

#### **4. ACTIVITY MONITORING**

- 4.1** The Contractor acknowledges that relevant its activities and its performance implemented in the Customer's information system will be continuously and regularly monitored and evaluated by the Customer with respect to the content of the Contract and Customer's internal documents, with which the Contractor was acquainted.
- 4.2** The Contractor agrees to continuously monitor and record any and relevant of its activities and performance implemented within the scope of the subject matter of the Contract or closely related to it.

## **5. HANDOVER AND ACCEPTANCE OF PERFORMANCE**

- 5.1** The Contractor acknowledges that failure to comply with the Customer's Security Measures, including the requirement to hand over complete system and operational documentation, shall be considered a Defect preventing the takeover of the subject matter of the Contract, and the Customer is not obliged to take over the performance until the Defect has been remedied.
- 5.2** The Contractor is responsible for ensuring that the systems delivered to the Z-IS LP contain stable, safe and properly tested security updates (patches)<sup>3</sup>.

## **6. INFORMATION EXCHANGE**

- 6.1** The Contractor agrees that any and all data and information transmissions must be adequately secured using up-to-date and current robust cryptographic algorithms and cryptographic keys.
- 6.2** The Contractor agrees that any and all data and information transmission must be adequately secured using up-to-date and robust cryptographic algorithms and cryptographic keys.
- 6.3** Upon request by the Customer, the Contractor is obliged to provide the Customer with all requested data, operating data and information related to the subject matter of the Contract without undue delay, in a systemized form and in a machine-readable format.

## **7. CLOUD SERVICES**

- 7.1** The Contractor providing cloud computing services (hereinafter "Cloud Services") shall provide for information security measures at least to the minimum extent required by the CSN ISO/IEC 27017 standards.
- 7.2** By submitting their statutory declaration, the Contractor informs the Customer of the geographical location where Customer's data is stored. If the geographic location changes, the Provider will immediately inform the Customer thereof.
- 7.3** All Customer data will be protected in an above-standard manner so that its confidentiality, availability and integrity cannot be disturbed;
- 7.4** The Contractor is obliged to implement, document and have a formally approved plan for an information security management system that includes administrative, technical and physical security measures to protect property against any loss, misuse, unauthorised use, disclosure, alteration and/or destruction;
- 7.5** The Contractor will make all Customer structured and non-structured data that is used in cloud computing available to the Customer in an accepted file format, including a description of data protection, upon request and without undue delay;
- 7.6** The Contractor shall enable the Customer to make penetration tests over a period not exceeding 20 business days from the date that a test request has been submitted;

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<sup>3</sup> Software upgrades to a higher development version.



- 7.7** The Contractor is aware of the fact that any and all data (data, metadata, backups, etc.) and especially personal data saved by the Customer in the Provider of Cloud Services' repository is considered in the Customer's exclusive possession.
- 7.8** When providing performance to the Customer, the Provider of Cloud Services agrees to meet the below obligations:
- 7.8.1** All Customer data will be encrypted in the cloud computing services;
  - 7.8.2** Data stored with the Provider of Cloud Services will be logically separated from other clients' data pursuant to ISO/IEC 27017 or a similar standard;
  - 7.8.3** Data to be transferred via public networks must be protected against undesirable activity, unauthorized disclosure and modification to prevent disputes under the Contract;
  - 7.8.4** When providing performance to the Customer, the Provider of Cloud Services agrees to dispose of data only in line with the Contract and the relevant legislation;
  - 7.8.5** Implement, document and inform the Customer of risk assessment results following generally recognised standards (e.g. ISO/IEC 27000);
  - 7.8.6** The network and virtual instance environment must be designed and structured so as to restrict and monitor traffic between trusted and untrusted connections. The configuration shall be reviewed at least once a year and is supported with documentation on the use of all services, protocols, ports and remedy checks;
  - 7.8.7** The hardening of every operation system can only authorize necessary ports, protocols and services as needed and shall be supported by technical checks such as antivirus software, file integrity monitoring, and logging as part of the basic operating standards;
  - 7.8.8** The Provider must use secure (such as unreadable and verified) standardized network protocols for data imports and exports and service management with sufficient encryption;
  - 7.8.9** The Provider must enable security testing of cloud computing services, either by Customer's authorized employees or by a professional external entity.
  - 7.8.10** The Provider must define user access principles and procedures to ensure both the identity and authorization, as well as access control for all internal and external users who are authorized to access the Customer's data, physical or virtual application interfaces, network infrastructure and system components.
  - 7.8.11** If the Provider's employees access Customer data that is stored in the Provider's information environment as a part of cloud computing services, a sufficiently robust access authorization management system must be used;
  - 7.8.12** Login information must not be stored in a readable format and must be protected by sufficiently strong encryption means.
  - 7.8.13** Must ensure the consistent collection and storage of audit records to make it possible to monitor the activities of relevant Cloud Service system parts;

**7.8.14** Upon request, the Provider shall provide the Customer with audit records in a format that enables an automated tool evaluation throughout the duration of the Contract and after its termination.

## **8. MANAGING CYBER SECURITY INCIDENTS**

- 8.1** The Contractor agrees to specify necessary activities, roles and responsibilities and powers for ensuring rapid and effective management of cyber security events and incidents when providing performance to the Customer, and to proceed in accordance with the rules set forth and described and to report all cyber security events and incidents, including cases of violations of personal data security immediately upon their detection to the Customer;
- 8.2** The Contractor agrees to evaluate information on cyber security events and incidents, to inform the Customer of any Remedial Measures over all parts of the solution that are under the administration of the Contractor, including any associated risks that may endanger business continuity;
- 8.3** The rules set for managing cyber security incidents must respect the legality of securing the tracks, i.e. their origin and the legitimacy of obtaining them must be in accordance with the applicable legislation so that they can be subsequently used for making forensic analyses, and possibly be used as evidence;
- 8.4** The Contractor may design solutions to integrate their cyber security event and incident detection and management system into the Customer's processes and systems (among other things, to reflect the Customer's requirements on crisis management), and implement measures to increase the resilience of the information system against cyber security incidents and limit the availability, based in particular on the requirements laid down in the Decree;
- 8.5** The Contractor is obliged to notify without undue delay the Customer of any and all cyber security incidents related to the subject matter of the Contract. This notification shall include a description of the nature of the cyber security incident.
- 8.6** If a cyber security incident or cyber security event occurs, followed by the handling and evaluation of the cyber security incident on the Customer's side, the Contractor shall provide all required cooperation e.g.: providing logs and identification data (e.g. IP address, MAC address, HW type, serial number or IMEI) of the concerned terminal equipment or mobile terminal, to analyse the content or, if necessary, to implement measures required by the Customer without undue delay).
- 8.7** The Contractor shall undertake to make an analysis of the causes of the cyber security event or cyber security incident and shall propose measures to prevent their recurrence if the Contractor caused the incident or contributed to its occurrence.

## **9. PERMISSION TO USE DATA**

- 9.1** The Contractor shall be entitled to use the data submitted by the Customer to the Contractor when providing performance for the Customer, however, only to the extent necessary to fulfil the subject matter of the Contract.

- 9.2** During their performance of the Contract, the Contractor agrees to dispose of data for the Customer only in accordance with the Contract and the relevant legislation, in particular the Act, the Decree and other related legislation.

## **10. CHANGE MANAGEMENT**

- 10.1** Within the framework of change management in Z-IS LP, the Customer typically reviews possible impacts of changes and determines significant changes in accordance with the Decree.
- 10.2** In case of significant changes, the Customer documents their management, performs a risk analysis, takes measures to reduce all adverse impacts associated with significant changes, updates its security policy and safety documentation, ensures testing of Z-IS LP and ensures the ability to return to the original state of affairs.
- 10.3** The Customer is obliged to inform the Contractor of the results of any change management that have an impact on the Contractor's performance.
- 10.4** The Contractor is obliged to take effective measures to reduce the adverse impacts in accordance with the results of the change management referred to in Art. 10.3
- 10.5** The Contractor agrees to provide the Customer with all necessary cooperation when analysing related risks, taking measures to reduce all adverse impacts associated with changes, updating the safety documentation, related testing and ensuring the ability to return to the original state of affairs.
- 10.6** In case of penetration testing or solution vulnerability testing, the Contractor shall provide the Customer with all necessary cooperation. The Contractor is obliged to take additional, effective Remedial Measures to remove any and all vulnerabilities that have been identified during penetration testing.

## **11. BUSINESS CONTINUITY MANAGEMENT**

- 11.1** The Customer is entitled to involve the Contractor in business continuity management, including the right to engage the Contractor in the business continuity plan related to Z-IS LP and related services and/or include the Contractor in the Customer's emergency plan.
- 11.2** The Customer is obliged to inform the Contractor about the method of the engagement in accordance with Art. 11.1.
- 11.3** The Contractor shall submit to the Customer the methodology of data backup and recovery in the form of a backup plan, test scenario of data recovery, record keeping system, and the system for ensuring the integrity and authenticity of the backup medium. The backup itself must be encrypted. As part of the delivery, the Contractor shall also deliver and deploy the appropriate technological solution on which the data backup and recovery will be performed.

## **12. INFORMATION OBLIGATIONS OF THE CONTRACTOR**

- 12.1** The Contractor is obliged to notify the Customer without undue delay of any significant changed in control over the Contractor's business pursuant to Act No. 90/2012 Coll. on Business Companies and Cooperatives (Business Corporations Act) or a change of

ownership of basic assets, as well as a change in the Contractor's right to dispose of assets that are used to fulfil the subject matter of the Contract.

- 12.2** The Contractor is obliged to notify the Customer of the method of risk management as well as of the residual risks related to performance when so requested by the Customer in writing.

### **13. SUBCONTRACTORS**

- 13.1** The Contractor shall not engage any other Subcontractor to provide any performance under this Contract without the Customer's prior specific or general approval.
- 13.2** The Contractor agrees to comply with the Client's requirements in respect of information security management. and to provide the Customer with all necessary cooperation in matters of information security management; if Subcontractors are used to provide performance, the Contractor shall ensure that the Customer is provided with all necessary cooperation in matters of information security management from these Subcontractors as well.
- 13.3** The Contractor shall provide the Customer with the contact details of all persons supplying system. and technical support for the solution.
- 13.4** If the Contractor uses a Subcontractor for the purpose of performance under the Contract, the Subcontractor shall be subject to the same obligations under the Contract to observe the contractual arrangements as agreed to in this Annex concluded between the Customer and the Contractor.
- 13.5** The Contractor shall ensure that the Subcontractor complies with the requirements imposed by the Customer on the basis of this Annex to the Contractor.
- 13.6** The Contractor is responsible for ensuring that its Subcontractors do not act in contravention of the security measures arising from this Annex; in the event that any of the Contractor's Subcontractors fail to comply with these requirements, any such non-compliance shall be deemed a breach of the Contractor's obligation under the Contract.

### **14. DATA DISPOSAL AND DESTRUCTION**

- 14.1** If, within the scope of the subject matter of the Contract, the Contractor is obliged to delete data and to dispose of technical carriers and/or operational data and/or information and copies thereof, the Contractor shall always proceed in accordance with the rules on data deletion and in accordance with the methods of disposal of technical data carriers, operating data, information and copies thereof laid down by the Decree. Where the classification of information is not specified, the method of disposal for the critical asset shall be used.
- 14.2** The Customer agrees to establish rules for the deletion of data and the disposal of technical media and/or operating data and/or information and copies thereof commensurate with the value and importance of the assets.
- 14.3** The Customer stipulates that the appropriate disposal of technical media and/or operating data and/or information and copies thereof as part of the performance of the subject matter of the Contract may be, in accordance with the Decree, the removal, rewriting or physical liquidation of the media.

## **15. INSPECTIONS AND AUDITS BY THE CONTRACTOR**

- 15.1** The Contractor agrees to provide the Customer with any and all information necessary to prove that the obligations arising from this Annex as well as from the Act and the Decree have been fulfilled, and to this end undertakes to allow the Customer to carry out inspections, including audits carried out by the Customer or by an authorised auditor, and to provide all necessary cooperation within such inspections and audits.
- 15.2** The Contractor is obliged to make available to the Customer all necessary documentation for inspection or audit purposes, in particular a list of all technical and organizational measures.
- 15.3** The Contractor is obliged to designate an authorized representative (or representatives) to be present during the inspection or audit.
- 15.4** The inspection or audit may be carried out on the premises of the Contractor or its Subcontractor. and the Contractor shall be obliged to enable such inspections or audits to the Customer or Customer's Authorized Person, or to ensure that they can be performed on the Subcontractor's premises, and contribute to them and to provide the Customer or Customer's Authorised Person with maximum possible cooperation that may reasonably be required from the Contractor. The number and frequency of checks and audits shall be limited to a maximum of 1 per year.
- 15.5** The Customer is obliged to notify the Contractor in writing of the inspection or audit at least 14 days prior to the date of the inspection or audit. The notification shall also include a list of persons authorized by the Customer to perform the inspection or audit.
- 15.6** An audit report may result from an inspection or audit; the Contractor shall be informed of its results and may comment on them.
- 15.7** Furthermore, the Contractor is obliged to enable an inspection or audit by supervisory authorities.
- 15.8** The Contractor is also obliged to regularly carry out its own risk assessment and check the implemented security measures. This check shall take place regularly, at least every three years, or in the event of a cyber security incident occurring within the period of the service provided, or where a security incident appears likely. The Contractor shall submit a written inspection report to the Customer without undue delay.

## **16. OBLIGATIONS UPON CONTRACT TERMINATION**

- 16.1** A Contractor may provide to Customer termination assistance (including assistance for the migration of data from the relevant System) for a period of up to ninety (90) calendar days (or longer, if so agreed between the parties) after the date of termination, subject to Contractor and Customer agreeing in advance the exact duration, scope and applicable fees for such termination assistance. A Contractor will use all reasonable endeavours to minimise the cost of termination assistance to Customer. Should Customer elect not to engage a Contractor to provide assistance with data migration, a Contractor shall not be liable to Customer for any loss or damage occasioned to data during its migration.
- 16.2** For this purpose, the Contractor agrees to prepare and at no later than together with the operational documentation for each delivered partial performance, to hand over to

the Customer documentation that specifies the procedure for Contract Termination (hereinafter “**Plan**”). The Customer undertakes to update the Plan throughout the duration of this Contract and to provide the Customer with an updated version of the Plan taking into account any and all changes whenever any fact stated in the Plan is changed.

**16.3** The Contractor is obliged to provide performance necessary for implementing this Plan by reasonably applying the appropriate provisions of this Contract. The obligation under this provision shall survive any termination of this Contract.

**16.4** The Parties agree that the price for drawing up the Plan and providing the performance necessary to implement the Plan is part of the price under this Contract.

## **17. COMMON AND FINAL PROVISIONS**

**17.1** This Annex was created in accordance with and follows the valid legislation of the Czech Republic. If any of the provisions hereof is or becomes ineffective, and/or unenforceable, it shall not affect the effect and enforceability of the remaining provisions of either the Annex or the Contract. The Parties hereby agree to replace any ineffective, or unenforceable provision with a new provision, the wording of which corresponds as close as possible to the wording of the original provision and the Annex as a whole.

**17.2** This Annex may only be changed or amended by means of written, sequentially numbered amendments signed by both Parties.