

PURCHASE CONTRACT

registered at the Buyer under no. 055/OS/2020
registered at the Seller under no. 5446-00304-I-1
(hereinafter the "Contract")

made on the basis of the result of an open tender procedure issued pursuant to Act No. 134/2016 Coll, on public procurement, as amended (hereinafter "PPA"),
and
further, pursuant to Section 2079 et seq. of Act No. 89/2012 Coll, Civil Code, as amended
(hereinafter referred to as the "Civil Code")

by and between:

STÁTNÍ TISKÁRNA CENIN, státní podnik

with its registered office at Praha 1, Růžová 6, House 943, zip code: 110 00, Czech Republic
registered in the Commercial Register administered by the Municipal Court in Prague,
Section ALX, File 296

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

(hereinafter referred to as the "**Buyer**")

and

Mühlbauer GmbH & Co. KG

with its registered office at Josef-Mühlbauer-Platz 1, 93426 Roding, Germany
registered in the Commercial Register kept by Local Court Regensburg, File HRA 9073

represented by: **Thomas Betz, Managing Director**
Ludwig Huber, Authorized Signatory
Company ID: HRA 9073
VAT ID: DE 811156881
Bank details: XXX
Account No.: XXX
IBAN: XXX
SWIFT: XXX

(hereinafter referred to as the "**Seller**")

(the "Buyer" and the "Seller" hereinafter referred to collectively as the "**Contracting Parties**")

Representatives authorised for contractual and economic matters:

on behalf of the Buyer: **Tomáš Hebelka, MSc, Chief Executive Officer**
on behalf of the Seller: **Ludwig Huber, Authorized Signatory**

Representatives authorised for factual and technical matters:

on behalf of the Buyer: **XXX**
on behalf of the Seller: **XXX**

I. INTRODUCTORY PROVISIONS

1. The present Contract is made based on the results of the open tender procedure pursuant to the PPA for the public contract titled "**Laminating Press Delivery (Reissue)**", order reference number STC/1556/ÚSF/2020 (hereinafter referred to as the "**Tender Procedure**"), with the Seller, who complies with all the tender conditions and whose tender has been selected as the most economically advantageous.
2. When interpreting the contents hereof, the Contracting Parties shall take account of tender documents relating to the tender procedure for the public contract titled "**Laminating Press Delivery (Reissue)**", the purpose of the Tender procedure in question and the Contracting Parties' other steps taken during the Tender procedure as the Contracting Parties' relevant negotiations concerning the contents of this Contract before it was made. The provisions of laws and regulations on interpretation of legal conduct are not affected by this.
3. An essential requirement to conclude this Contract is the tender of the Seller submitted on 10.12.2020, whose content is known to both Contracting Parties (hereinafter referred to as the "**Tender**").
4. Simultaneously with this Contract, a Contract for work is also concluded by Contracting Parties, dealing with post-warranty and out-of-warranty service of the Laminating Press supplied in accordance with this Contract.

II. SUBJECT OF THIS CONTRACT

1. The Seller undertakes to supply the Buyer with **1 (one) piece of a Laminating Press, type MÜHLBAUER LP 3555 S6**, including all other related accessories and equipment, manufactured under applicable EU directives and regulations related to the subject of this Contract and in line with the technical specifications attached to this Contract as **Annex No. 1**, which is an integral part hereof, and in line with the Tender (hereafter referred to as the "Device", unless otherwise stated by individual provisions of this Contract).
2. The subject of this Contract includes:
 - a) transportation of the Device including liability insurance which provides cover for damage to the Device, with a compensation limit as determined in Art. XII (1) hereof, DAP Praha (Incoterms® 2020),
 - b) installation and commissioning of the Device, including 30 calendar days of its test run,
 - c) training of specified Buyer's employees in the Device operation and maintenance for at least 5 persons (hereinafter referred to as the "operator training"), conducted at the Buyer's facility for a minimum of 3 business days (8 hours per day, 60 minutes per hour),
 - d) handover of certificates and documents relating to the use of the Device, as specified in **Annex No. 2** which is an integral part of this Contract (in particular, operating and maintenance instructions, technical documentation in the Czech language).
 - e) filling of heating fluid and commissioning of the supplied Heating Unit,
 - f) supply and installation of a special connector/s (connecting flanges and cables) enabling cable connection between Device, Heating Unit or switch cabinet in case that the Device offered by the Seller demands it.

3. The subject of this Contract also includes the handover of a list of all installed computers, including the basic parameters, and software, which is part of the delivery hereunder, including identification numbers and software license numbers. The above list must contain a specific information whether the OEM (Original Equipment Manufacturer) version is used or not. If this SW identification is missing, it is understood that this is not an OEM version.
4. The subject of this Contract does not include supply following components and related activities:
 - a) supply and installation of the Cooling unit with coolant and commissioning of the Cooling Unit including the spreading and antivibrations pads;
 - b) supply and installation of Pipes and cabling between the Device and the Cooling Unit;
 - c) supply and installation of Pipes and cabling between the Device and the Heating Unit;
 - d) supply and installation of Complementary insulation material for pipes;
 - e) supply of the Heating fluid.

The above stated components shall be obtained by the Buyer in accordance with specific technical parameters specified in **Annex No. 1c** hereto, which shall be compatible with the technical solution offered by the Seller and provided in his Tender in compliance with the tender conditions.

The Seller guarantees that, if the Buyer uses these components of the given parameters, the supplied Device shall be fully functional and fulfil required technical specification of the Device (mainly the parameters regarding the quality of outcomes etc.).

At the request of the Buyer the Seller provides cooperation in the preparation of the place of installation by the Buyer specially during the Buyer's ensuring of the supply and installation of above stated components. For the avoidance of any doubt, the Contracting Parties state that the connection of components and the Device will be secured by the Seller.

5. The Contracting Parties have agreed that, an unloading of the Device and its moving to the determined Buyer's facility and place of installation shall be perform by the Buyer at his own expense. The technician of the Seller must be present and, where appropriate, ready to assist with advice in such operations.
6. The Seller states that:
 - a) the Seller is aware that the Buyer shall use the Device specified in paragraph 1 of this Article for laminating sheets for the production of plastic cards, in **2-shift** operation (technical specification of the Device can enable 3-shift operation), and Device will be fully functional for this purpose;
 - b) during the performance of this Contract, the Seller shall observe legal regulations applicable to the Buyer, regarding occupational safety and health, fire protection and environmental protection, including ecological disposal of waste, provided that the Seller's technicians are familiarized with these regulations by the Buyer;
 - c) acknowledges that the Buyer is going to procure its own material for its tests of the Device as part of Tender Procedure and FAT and SAT tests. If tests need to be performed on the Device in the production and actual test phases, the Seller will procure its own material. After conclusion of this Contract the Buyer shall provide to the Seller the information about a typical composition of the card material and a material type and, if relevant, the manufacturer thereof.

7. At the same time, the Seller shall grant the Buyer an unlimited, non-exclusive, and transferable right for any resale of the Device, right to use the computer programmes specified in the subject of this Contract in the scope and for the purpose specified herein (manufacture of travel documents, i.e. laser, ink and electronic personalisation of the pages of travel documents). The Buyer is entitled to use all supplied software products provided that the Seller's copyrights are respected. However, the Buyer is not entitled to interfere with and modify the functions of the computer programmes in any way.
8. The Buyer undertakes to take over the subject of this Contract as specified above in this Article, and to the price for it as specified herein.

III. PLACE OF PERFORMANCE

The place of performance is the facility of the Buyer – Production Plant III, card production operation, 2nd floor and 3rd floor, located at the address STÁTNÍ TISKÁRNA CENIN, státní podnik, Na Vápence 14, 130 00 Prague 3, Czech Republic, provided the nature of individual actions necessary for fulfilment of this contract does not indicate otherwise.

IV. DELIVERY TERMS

1. Performing Acceptance tests (FAT and SAT), delivery, installation, commissioning, operator training, relating documents handover, including test run, and handover of the Device to the Buyer according to Article II (1) and (2) letter (a) to (d) hereof shall take place **within the terms specified in this Article and in the time schedule** of the performance of the subject hereof, which is as **Annex No. 3** an integral part hereof.
2. Before delivery of the Device, the factory acceptance tests (FAT) of the Device shall be completed at the Seller's manufacturing plant, **no later than 22 weeks** from the effective date of this contract. The factory acceptance tests (FAT) shall be performed pursuant to the basic parameters of the acceptance tests required by the Buyer according to **Annex No. 7**, which is an integral part hereof, and the monitored parameters shall not exceed the minimum tolerances specified by the Device manufacturer. The factory acceptance test (FAT) cannot be rejected due to minor defects which do not reduce the Device proper function, and the Seller undertakes to eliminate them without delay. More details in Article VIII of this Contract.
3. The Seller shall deliver the Device no later than 2 weeks after the successful evaluation of the acceptance tests (FAT).
4. Device installation, commissioning and site acceptance tests (SAT), including the operator training and handover the certificates and technical documents relating to the use of the Device as specified in **Annex No. 2**, which is an integral part of this Contract, to the Buyer, shall be secured by the Seller **within 3 weeks from delivery of the Device, i.e. from signing the delivery note**.
5. Next day after commissioning of the Device and completing the site acceptance tests (SAT) according to the parameters specified in Annex No. 7 hereof, confirmed by signing Protocol No. 1 according to Art. IX (4) hereof, a test run will begin ranging 30 calendar days. For avoidance of any doubt the Buyer states, that the presence of the seller's technician during the test run is not necessary.

V. PRICE

1. The price of the subject matter as set out under Art. II (1) and (2) hereof has been

determined in accordance with the Seller's Tender submitted under the Tender Procedure organised by the Buyer as the contracting authority.

2. The price of the subject matter of the Contract is:

248.920,00 EUR excluding VAT

(in words: **Two hundred forty-eight thousand nine hundred and twenty** Euros), of which:

for the subject of the contract according to:	amount:
a) Art. II (1) (Device including documents and accessories)	228.278,35 EUR
b) Art. II (2) point a) (transport including insurance, packaging)	2.954,80 EUR
c) Art. II (2) point b) (installation, commissioning, test run)	14.149,48 EUR
d) Art. II (2) point c) (operators training)	3.537,37 EUR
Total	248.920,00 EUR

3. **The price** set in preceding paragraph of this Article also **includes** the price of the packaging, including non-returnable pallets, and a statement describing how to handle the packaging in accordance with the relevant waste disposal law valid in the country of the Seller.
4. The price referred to in paragraph 2 of this Article shall be understood to include the costs associated with the Seller's technician stay at the place of performance (for example, transport from the Seller's registered office to and from the place of performance, accommodation, meals etc.).
5. **The price** of the subject matter referred to in paragraph 2 of this Article **does not include**:
- installation readiness costs at the Buyer's site, especially the supply of the components in accordance with the provisions of Art. II (4) hereof;
 - costs of an unloading and moving of the Device to the place of installation;
 - test material for performance of the subject matter of this Contract within the meaning of Art. II (6) letter c) hereof and for verification of the quality and functionality of the Device (acceptance tests FAT and SAT), which will be provided and supplied by the Contracting Parties at their own expense;
 - necessary costs resulting from emergency measures associated with the state of emergency declared by the Government of the Czech Republic due to the occurrence of coronavirus / referred to as SARS CoV-2 /.

VI. PAYMENT TERMS

1. The price according to Art. V (2) hereof shall be paid by the Buyer to the Seller in EUR by bank transfer as follows:
- a) advance payment **in amount of 30 % of the total price referred to in Art. V (2) hereof**, i.e. in amount **74.676,00 EUR** excl. VAT after conclusion of the Contract;
- The right to issue a proforma invoice for payment under para. 1 point (a) is given to the Seller on the next business day following the effectiveness of this Contract. The Seller shall issue and send to the Buyer a proforma invoice within 1 week of the effectiveness of this Contract (due date is 14 days after issuance of the proforma invoice).

- b) payment **in amount of 50 % of the total price referred to in Art. V (2) hereof**, i.e. in amount **124.460,00 EUR** excl. VAT after Device factory acceptance tests (FAT), i.e. after the signing of the report of the successful acceptance test results against submitting a final invoice (tax document) for the total amount for the subject of the Contract.

The right to issue this final invoice (the tax document) is given to the Seller the following business day after the signing of the report of the successful acceptance test results by the Contracting Parties (the date of taxable chargeable event is the date of signing of this report). The Seller shall issue and send to the Buyer the final invoice (tax document) within 10 days from the occurrence of the right to its issue. This invoice (tax document) includes a copy of the report of the successful acceptance test results. Through this final invoice (tax document) will be accounted the proforma payment of 30 % of the price paid in compliance with point (a) of this paragraph; maturity of the part of the price according to this point of this paragraph is within 30 days after the issuance of the final invoice (tax document).

- c) payment **in amount of 20% of the total price referred to in Art. V (2) hereof**, i.e. in amount **49.784,00 EUR** excl. VAT after completion of the test run period and commencement of the warranty period, i.e. after the signing of Protocol No. 2 by authorized representatives of both Contracting Parties. An annex to the final invoice (tax document) according to letter b) of this paragraph will be a copy of the Protocol No. 2. The due date of the specified part of the price according to this point of this paragraph is 30 days from the signing of the Protocol No. 2
2. The Seller is required to deliver the proforma invoice/invoice (tax document) to the Buyer's email address XXX. The proforma invoice/invoice (tax document) shall show the bank account to which the payment is to be made. The account shall be identical to that stated in this Contract.
3. Each proforma invoice/invoice (tax document) must at least include the following essentials:
- identification details of the contracting parties (i.e. name, registered office address, identification number, registration details);
 - the Contract reference number indicated in the Contract;
 - payment identification via a link to the appropriate Article hereof;
- and all essentials of a proper tax document laid down by the applicable legal regulations and the present Contract.
4. If any of the documents stated above (proforma invoice/invoice (tax document)) does not contain any of the essentials, or contains incorrect price information, or if the proforma invoice/invoice (tax document) is issued in breach of the applicable payment conditions, the Buyer may return such a proforma invoice/invoice (tax document) to the Seller for a revision. If the above is the case, the Buyer must indicate the reason for returning the invoice on the proforma invoice/invoice (tax document) concerned or in a cover letter. The maturity term of the new (corrected) proforma invoice/invoice (tax document) shall start on the date of its demonstrable delivery to the Buyer.
5. Payments of the individual price instalments shall be deemed made once the respective amounts are debited from the Buyer's account.

VII. SHIPPING CONDITIONS

1. The transport of the Device to the Buyer's site stated in Article III hereof shall be provided by the Seller under the terms of DAP Prague Incoterms® 2020 and shall be by road haulage truck and the Seller shall notify the Buyer in writing about the date of dispatch of the Device from the manufacturing plant. At the same time, the Seller will give the Buyer the licence plate number of the give vehicle as well as the names and surnames of the crew, at the latest 3 working days before delivery of the Device to the Buyer.
2. The shipment of the Device must be complete and must comply with deadline requirements specified in Article IV (1) and (3) hereof. Partial deliveries are not permitted.
3. The Device must be shipped in a packaging unit sufficiently protecting the Device from damages, destruction or theft during the shipping. The parts, whose **size does not exceed the size of the transport lift with a official load capacity of 3500 kg and dimensions: width 1750 mm, height 1950 mm and length/depth 2700 mm**, shall be preserved and packed on pallets and covered with foil. The pallets will be prepared for unloading with a forklift and their centre of gravity will always be marked. The packaging of the Device or the Device alone must also allow to move the Device in other position (e.g. laying on side or back) in necessary cases. The Seller is obliged to prepare a separate delivery note for each pallet dispatched with specification of its dimensions and weight.

VIII. DELIVERY CONDITIONS

1. Before delivery of the Device to the Buyer's facility, the Device acceptance testing shall be performed at the Seller's manufacturing plant (acceptance tests FAT) in the presence of the Seller and the Buyer. The Seller shall give a written advance notice to the Buyer so that the Buyer could take part in the factory acceptance process.
2. During the Device factory acceptance tests (FAT) the acceptance tests specified in **Annex No. 7** hereof shall be performed for two business days, whose purpose is to obtain test samples, which will be evaluated by the Buyer within 10 working days of their receipt. This evaluation shall demonstrate the Device quality and make; the necessary testing materials shall be provided by the Buyer, at its expense.
3. In the event of a positive evaluation of the test samples, the Buyer informs the Seller of this fact and sends it to him to sign 2 counterparts of a report of the acceptance test results, in which the Contracting Parties will confirm that the Device meets the quality and make conditions specified herein. In the event that the evaluation of the samples does not confirm compliance with the required parameters the Buyer sends to sign by the Seller 2 counterparts of a report of the acceptance test results with their comments and reservations, including the setting of the period of two weeks for elimination of any inconsistencies identified. If the Seller has his own template of the report of the acceptance test results, it may be attached to the Buyer's report of the acceptance test as an annex.

The above procedure can be repeated twice, provided that subsequent acceptance tests must be initiated no later than 2 weeks after the notification of the Buyer of the result of the evaluation of the previous acceptance tests. In case of three unsuccessful factory acceptance tests, the Buyer has the right not to take over the Device and is entitled to withdraw from the Contract.

4. Should the results of the acceptance tests confirm that the Device complies with requirements specified herein, the Seller shall arrange for transportation of the Device to the Buyer's facility. Delivery cannot be rejected if minor defects are identified during the acceptance tests which do not reduce the Device proper function or significantly do not affect the resulting quality of laminated sheets, and the Seller undertakes to eliminate these minor defects without delay. The Buyer is entitled to decide whether only minor defects have been identified as per the previous sentence of this paragraph.

IX. COMMISSIONING AND TEST RUN OF THE DEVICE

1. The Seller shall hand over the Device to the Buyer completely installed and fully functional, including the related certificates and documents. A partial handover or arrears preventing the normal use of the Device are not acceptable.
2. For the Seller's technician who installs and starts up the delivered Device at the Buyer's facility, the Buyer shall ensure a lockable room/cabinet where the technician may store his necessary equipment and tools for performance of the subject hereof.
3. After the Device is installed and commissioned at the Buyer's facility, the site acceptance tests (SAT) shall be performed at the Buyer's facility within the period specified in Art. IV (1) and (4) hereof, using the procedure specified in **Annex No. 7** hereto.
4. After installing and commissioning the Device, the operator training, hand over of the documents and successful passing the site acceptance tests (SAT) at the Buyer's facility, **Protocol No. 1** shall be signed, whose template is attached as **Annex No. 4**, which is an integral part hereof. If the Seller has his own template of the report of the site acceptance test results, it may be attached to the Buyer's report of the acceptance test as an annex. By signing Protocol No. 1, the Buyer confirms the Device commissioning, operator training and handover of certificates and technical documents (Annex No. 2) and commencing of a test run of 30 calendar days. Protocol No. 1 shall be issued by the Buyer in two copies, which shall be signed by both Contracting Parties' representatives authorised to act in substantive and technical matters, and each party shall receive 1 copy. The Protocol No. 1 may be signed also by the technician of the Seller, who is present during the site acceptance tests (SAT). If any Device defects are identified which do not prevent the normal use of the Device, they shall be described in Protocol No. 1, including the period for elimination thereof by the Seller. If both Contracting Parties do not agree any period for elimination of the defects, then it applies that the defects must be eliminated within 15 days from the date of Protocol No. 1 issuance.
5. Any defects or arrears preventing or hampering the Device use in a normal way shall be a reason for not accepting the Device. A report of the Device non-acceptance shall contain a list of defects and arrears, including periods for elimination thereof. If both Contracting Parties do not agree any period for elimination of the defects and arrears, then it applies that the defects and arrears must be eliminated within 15 days from the date of issuance of the report of the Device non-acceptance.
6. After finishing the 30-day test run successfully, **Protocol No. 2** shall be drawn up, whose template is attached as **Annex No. 5**, which is an integral part hereof. Protocol No. 2 shall be issued by the Buyer in two copies, which shall be signed by both Contracting Parties' representatives authorised to act in substantive and technical matters, and each party shall receive 1 copy. If any Device defects are identified which do not prevent the normal use of the Device, they shall be described in Protocol No. 2, including the period for elimination thereof by the Seller. If both Contracting Parties do not agree any period for elimination of the defects, then it applies that the defects must be eliminated within 15 days from the date of Protocol No. 2 issuance. Upon signing Protocol No. 2, the warranty period specified in Art. X (2) hereof shall commence.
7. The Device must be installed so that its operation would comply with the applicable technical and safety standards in the EU countries, including, but not limited to, the following Czech standards:
 - a) electrical systems of the Device comply with EU Machinery and Engineering Directive 2006/42/EC - CE conformity, IEC 61140, HD 60364-1:2008, Low-voltage electrical installations,

- b) labels with handling instructions for the Device operation shall be either in the Czech language or fitted with international symbols. Control and operational software including all displays must support the Czech language,
 - c) The Buyer shall ensure the initial inspection of the electric connection for installed Device, at its expense.
8. The Seller states that the Device is not and shall not be encumbered with third-party rights as of the date that is it taken over by the Buyer.

X. QUALITY WARRANTY, COMPLAINT PROCEDURES

1. The Seller shall deliver the subject of the Contract in the quantity, quality and make as determined hereby. The Seller is responsible for Device correct design guaranteeing the function thereof and use for the purpose for which it was manufactured and bought by the Buyer, for using the materials complying with the relevant technical documents, and for SW function, proper and professional make reaching the state-of-the-art standard.
2. The warranty period for the Device quality is **12 months** from the date of signing Protocol No. 2, also in case the Device is running to its full capacity.
3. The warranty does not cover defects occurring as a result of a natural disaster, mechanical damage by the Buyer or a third party, or unprofessional operation of the Device, normal wear, or handling of the Device in a manner that is not approved by the Seller in advance. The quality warranty applies on condition that the Device is properly operated and maintained in accordance with the operating and maintenance instructions, supplied by the Seller.
4. The warranty service of the Device shall be provided by the Seller from the Seller's registered office or its local authorised representative. Minor repairs during the warranty period may be performed by the Buyer's maintenance workers who were trained by the Seller.
5. The Buyer is entitled to request that the Device defects are eliminated at any time during the warranty period, but no later than within 30 days after expiry of the warranty period, if the defect occurred during the warranty period. Defects may be reported to the Seller in any form, including by phone (tel. XXX), in this case, however, the reported defect must be subsequently confirmed in writing, i.e. by email to the following address: XXX. Notice of the defect is received by the Seller during his business hours 8:00 a.m. to 4:00 p.m.
6. The Buyer must describe the reported defects, specify how they manifest, and provide the necessary documents as well (for example photographs of the defective parts or products). A template form for reporting defects, the Maintenance list, is attached as **Annex No. 6**, which is an integral part hereof.
7. The Seller undertakes to respond to the Buyer and give its opinion regarding a reported defect as soon as possible, but no later than within 2 hours from delivery of the notice, and to **arrange for the arrival of its technician** within **24 hours** from delivery of the notice, and to **repair the identified defects or replace the defective part** within **48 hours** after the arrival of the Seller's technician at the Buyer's facility, at Seller's expense. In the event that the notification of the defect is not delivered within the Seller's business hours specified in the Art. X (5) hereof, these periods begin to run from the next working day provided that these periods do not include days off, holidays and public holidays of the country of the Seller. If, in exceptional circumstances, the above time limits prove insufficient, both Contracting Parties shall specify an adequate additional grace period in writing. The above time periods do not include Sundays and Saturdays and public holidays observed in the Seller's country, respectively in the country of residence of a local representative if that representative performs the repair.

8. If there is a danger that the defects may cause death or harm the health of persons, cause damage to the Device or assets of the Buyer or third parties, the Seller undertakes to start repairs of the reported defects without delay, and to take necessary measures to prevent any harm or damage, unless otherwise agreed with the Buyer.
9. Upon request of the Seller's technician, the Buyer undertakes to ensure that the Buyer's employees shall render the Seller reasonable assistance and available machinery/tools.
10. The warranty period shall be extended by the period during which defects prevented the Buyer from using the Device for the purpose for which the Device was ordered.
11. Should any reported defects not be eliminated by the Seller in compliance with the provisions of paragraph 8 or paragraph 9 of this Article, the Buyer is entitled to eliminate the defects or have them eliminated, in both cases at Seller's expense. If defects are eliminated by the Buyer as detailed in the above paragraph, this shall not affect any other rights of the Buyer under the warranty.
12. The warranty period for any parts repaired or replaced by the Seller during the warranty period shall apply till the end of the Device warranty period, or for 12 months from the repair or replacement carried out, depending on whichever occurs later.
13. Minor repairs, as well as regular maintenance and servicing, which do not require cooperation of the Seller, may be carried out by the Buyer. For the purposes of this Contract, minor repairs mean, for example, replacement of defective light bulbs, fuses, identification lights, as well as works or activities for which the operating and maintenance workers were trained by the Seller.
14. Any travel expenses, as well as insurance against damage or loss, of any parts returned for repair or replacement, including the expenses of returning or replacement thereof to the Buyer, incurred during the warranty period, shall be borne by the Seller. The Seller shall decide whether the original replaced parts should be sent back to the Seller.
15. The Seller undertakes to deliver spare parts or their suitable equivalents required for smooth operation of the Device to the Buyer for 10 years after expiry of the warranty period.
16. Repairs of defects which were caused by actions described in paragraph 4 of this Article, i.e. repairs not covered by the warranty, shall be governed by a separate Contract for Work, entered into by the Contracting Parties.
17. The Contracting Parties have agreed that carrying out the activities described in paragraphs 4, 11 or 13 of this Article shall not affect the quality warranty given by the Seller under this Contract, even if the activities are carried out by a third party.

XI. SANCTIONS

1. If the Seller is in delay with the fulfilment of the time limits pursuant to Article IV hereof, i.e. time schedule, due to reasons attributable to him, the Buyer shall be entitled to a contractual penalty of 0.1 % of the total price of the subject of the Contract for each commenced day of delay but maximum 10 % of the price of the subject matter of the Contract pursuant to Art. V (2) hereof.
2. In the event of the Seller's delay in remedying defects pursuant to Art. IX (4) or (5) hereof the Buyer shall be entitled to a contractual penalty of **EUR 1,000** for each day of delay, but maximum 5 % of the price of the subject matter of the Contract pursuant to Art. V (2) hereof.
3. In the event of the Seller's delay in remedying defects pursuant to Art. IX (7) hereof the Buyer shall be entitled to a contractual penalty of **EUR 1,000** for each day of delay, but maximum 5 % of the price of the subject matter of the Contract pursuant to Art. V (2) hereof.

4. In case of Seller's delay in arrival at the Buyer's facility within warranty period according to Art. X (7) hereof, the Seller shall be obligated to pay a contractual penalty in the amount of **EUR 1,000** for each day of delay or part thereof, but maximum 5 % of the price of the subject matter of the Contract pursuant to Art. V (2) hereof, provided it shall not be agreed otherwise in exceptional cases (see Art. X (7)). In such case an additionally agreed time limit will exceptionally be considered.
5. In case of Seller's delay in remedying identified defects according to Art. X (7) hereof, the Seller shall be obligated to pay a contractual penalty in the amount of **EUR 2,000** for each day of delay or part thereof, but maximum 5 % of the price of the subject matter of the Contract pursuant to Art. V (2) hereof, provided it shall not be agreed otherwise in exceptional cases (see Art. X (7)). In such case an additionally agreed time limit will exceptionally be considered.
6. In the event of a breach of the obligations under Article XIII hereof, the Buyer shall be entitled to a contractual penalty of **EUR 12,000** for each case of breach of these obligations.
7. In the event of the Buyer's delay in paying a duly issued tax document (invoice) the Buyer shall be obligated to pay default interest in the statutory amount of the amount due for each day of delay.
8. For the purposes of an avoidance of any doubt, the Contracting Parties state that the Buyer's right to a contractual penalty under the individual provisions of this Article is not mutually exclusive and the contractual penalties for individual delays can be added together.
9. The obliged party shall pay the contractual penalty within 15 days of its enumeration and the receipt of the invoice of the authorized party.
10. Payment of the contractual penalty does not exonerate the obliged party of its duty to meet the obligations under this Contract.
11. Payment of the contractual penalty does not affect the Buyer's claim for direct damages, even damages exceeding the contractual penalty.

XII. SPECIAL PROVISIONS

1. The Seller is obliged to have liability insurance for damage caused by the Seller or a third party with the minimum indemnity limit of at least **500 000 EUR** for the period of validity of the Contract until the signing of the Protocol No. 2.
2. The Device installation and operators training will typically take place from 08:00 a.m. to 4:00 p.m. on workdays and in special cases also outside the specified time, or on non-working days provided the Contracting Parties so agree in advance.
3. Due to the specific conditions of production in the Buyer's premises, the entry and movement of the Seller's employees must be governed by internal safety rules. The basic principle of these rules is to identify all persons entering the Buyer's premises with the Buyer's right not to grant the right to enter the premises, or to ban a person from the premises if these rules are not observed. As part of ongoing security measures, the Buyer may also restrict the Seller's activities for a short time. The Seller's staff must be demonstrably acquainted with the basic security rules of the Buyer (in the form of a document "Declaration / Advice") before entering the Buyer's premises. In the case of longer-term activities in the Buyer's premises, the Seller's staff will be issued an entry identification card stating the name and photograph of the holder and the name of the Seller, which the holders are obliged to visibly wear during the entire activity in the building. The Seller personnel must endure the fact that work activities can be monitored by CCTV.

4. The Seller undertakes to submit to the Buyer no later than 5 working days prior to the commencement of the activities according to this Contract, a list of persons performing the activities including the designation of an employee who is the contact person for Buyer's security personnel (hereinafter referred to as "**the Seller's responsible employee**"). The Seller shall include in the list of persons the name, surname and number of the identity card or passport. The Buyer shall approve the list of persons within 2 working days from the date of its delivery. Otherwise, the Seller is obliged to modify this list according to the Buyer's requirements. The Seller is obliged to ensure an update of the Seller's employee list.
5. The Buyer shall ensure for the proper execution of the Work by Seller:
 - a) accessibility of all areas where the subject of this Contract will be performed;
 - b) entry of the Seller's employees and vehicles into the Buyer's premises to fulfil the subject of this Contract;
 - c) instructing the Seller's employees to observe the protective and security measures in the Buyer's premises during their stay in the Buyer's premises, in the form of signing the "Declaration / Information" for information protection, occupational health and safety, fire protection and environmental protection. The Seller is responsible for OHS and observance of fire protection regulations when performing the subject of this Contract. All employees of the Seller and, where applicable, subcontractors are obliged to wear designated work protective equipment when performing the Work;
 - d) hygienic and safe working conditions complying with EU standards;
 - e) consumption of electricity and water at the Buyer's expense;
6. The Seller's employees are in particular
 - a) authorized to enter only those premises in the Buyer's premises, which will be agreed between the representatives authorized to negotiate in factual and technical matters of both Contracting Parties; the Seller's employees are entitled to enter the safety regime zone of the Buyer's premises (hereinafter referred to as "**BRZ**") only on the basis of an entry identification card authorized to enter the BRZ and accompanied by the responsible employee of the Buyer;
 - b) obliged to wear visibly entrance identification cards and wear their own yellow reflective vest and a valid identity card throughout their presence in the Buyer's premises; In the event that the Seller's employees do not prove their issued identification card, they will not be allowed into the Buyer's premises. After completion of activities, the Seller is obliged to return all entrance identification cards. In case of loss, damage or non-return of the entrance identification card, the Seller is obliged to pay compensation for the incurred damage in the amount of the purchase price for each entrance identification card;
 - c) obliged to refrain from collecting any production-related data, both on data carriers and in writing;
 - d) obliged to comply with all applicable legal regulations (especially the Labor Code and safety regulations) and any emergency measures associated with the occurrence of coronavirus / referred to as SARS CoV-2 in Czech Republic or in country of the Seller;
 - e) obliged to obey the instructions of Buyer's security personnel.
7. The Buyer shall take the necessary measures to protect persons and objects at the Place of performance of the subject of this Contract. The Seller's responsible employee is obliged to report to the security staff of the Buyer the breach of security rules or defects in the entry and security systems. In the event of a serious breach of the safety regulations by the Seller's employee, the Buyer may refuse to continue to participate in the performance of this Contract and refuse access to its premises.

8. The Seller acknowledges that smoking is prohibited throughout the Buyer's premises, with the exception of the designated smoking areas.
9. If the Seller delivers any kind of chemical substances and preparations together with the device, the Seller is obligated to provide the Buyer beforehand, but no later than on the delivery date of the device, with the copies of the given safety data sheets in Czech language.

XIII. PROTECTION AND SECURITY OF INFORMATION

1. Both Contracting Parties undertake to preserve as confidential information and reports relating to their cooperation, the content of this Contract and internal matters of the Contracting Parties if their publication could harm the other party. The above provision is without prejudice to the obligation to provide information in accordance with Act no. 106/1999 Coll., on free access to information, as amended, and to the provision of Article XIV paragraph 6 hereof.
2. The Contracting Parties shall consider as confidential all the oral, documentary, electronic, visual and other information mutually provided in any objectively perceivable form, as well as the know-how, which has real or at least potential value and which is not readily available in the respective commercial circles, and furthermore the information which is designated as discrete information (bearing the abbreviation "DIS") or in whose case it can be assumed that the information is not public or is subject to a confidentiality obligation, and which the Contracting Parties learned of in connection with performance of this Contract.
3. The Contracting Parties undertake that if they come, during mutual cooperation, into contact with personal/sensitive information within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the relevant national implementing legislation, they will take all precautions to prevent unauthorized or accidental access to these data, their alteration, destruction or their loss, unauthorized transfers, unauthorized processing, as well as other kinds of their abuse.
4. The Contracting Parties shall instruct their employees or, as the case may be, other persons to whom the confidential information will be disclosed on the obligation to maintain confidentiality of non-public information.
5. In particular, the Contracting Parties undertake
 - a) not to disclose non-public information to third parties (unless this Contract expressly allows for it),
 - b) to ensure that said non-public information is not disclosed to third parties,
 - c) to secure data, including data in a written, oral, visual, electronic or another form, including photocopies, which contain non-public information against abusing by third parties or against their loss.
6. Protection of non-public information does not apply to the following cases:
 - a) if the Contracting Party is able to demonstrate that the respective information is publicly available, provided this availability was not caused by the Contracting Party itself,

- b) if the Contracting Party is able to demonstrate that the given information was available to it before the date of disclosure of the information by the other Party and that it did not acquire it in violation of the law,
 - c) if the Contracting Party obtains a written approval from the disclosing party to disclose the information further,
 - d) if the law or a binding decision of the respective public authority requires the information to be disclosed,
 - e) if an auditor performs audit at one of the contracting parties based on authorization specified in applicable legal regulations.
7. The Contracting Parties undertake, at the request of the other Contracting Party, to:
- a) return all the non-public information which was handed over to it in a “material form” (especially in writing or electronically) and any other materials containing or implying the information of a non-public nature,
 - b) return or destroy copies, extracts or other entire or partial reproductions or records of non-public information,
 - c) destroy without undue delay all documents, memoranda, notes and other written materials elaborated on the basis of non-public information,
 - d) to destroy materials stored in computers, text editors or other devices containing non-public information. This excludes as part of automated backups created copies that are only created and stored within the backup, provided that they have adequate access protection.
8. If either Contracting Party learns, in a credible way, or reasonably suspects that non-public information was disclosed to an unauthorized person, it is obliged to inform the other Contracting Party about it.
9. In cases that the Seller will be provided by the Buyer for the purpose of testing with materials, which are subject to strict control (hereinafter referred to as “Protected Materials”), the Seller shall treat such materials as materials that:
- a) cannot be passed on to a third party without the Buyer's demonstrable consent;
 - b) must be immediately returned to the Buyer, including damaged or incomplete protected materials, immediately after the testing work;
 - in the event of damage or incompleteness, the Seller is obliged to demonstrably explain the causes of such a condition;
 - c) cannot be used for advertising purposes;
 - d) the Seller shall not make copies, imitations or duplicates;
 - e) may not be used for any purpose other than that relating to the performance of the subject matter hereof.
10. If either Contracting Party makes drawings, technical documents or other technical information relating to the Contract delivery available for the other Contracting Party, both before and after the conclusion of this contract, such drawings, technical documents or other technical information remain the property of the providing party. The receiving party is entitled to use the relevant documents and information both to complete the contracted delivery and subsequently to use, maintain and repair the device. Both Contracting Parties are entitled to use the handed-over and taken-over documents and information based on their needs and discretion, including their reproduction, in the way not threatening the interests of the other party. In the case of potential re-sale of the device by the Buyer, the Buyer shall only be entitled to provide the new acquirer with those documents from the

above specified documentation which are necessary for the transfer and for further use of the device and provided it shall have obtained Seller's prior written approval.

11. The confidentiality obligation is not time-limited. The obligation to maintain confidentiality of non-public information acquired within the framework of cooperation with the other Contracting Party lasts even after this Contract is terminated or expires.

XIV. WITHDRAWAL FROM THE CONTRACT

1. The Buyer may withdraw from this Contract if:
 - a) three unsuccessful factory acceptance tests were performed (FAT) and the Buyer refused to accept the Device for this reason;
 - b) the device was not commissioned into operation and handed over to the Buyer within 2 months after futile lapse of the given period due to reasons attributable to the Seller or the device does not fulfil the declared technical parameters. This provision is not affected in any way by arrangements under Article XI (1) hereof;
 - c) the technical specifications of the device given in **Annex No. 1** hereto are not complied with;
 - d) the device is supplied with defects that are not removable or defects, the removal of which would bring about excessive costs, or an unusual time required for their removal would be disproportionate to the Buyer's needs.
2. The Seller may withdraw from this Contract if the Buyer is in delay with payment of a duly issued tax document (invoice) more than 1 month from its maturity.
3. Either Contracting Party may withdraw from the present Contract by serving a written notice if the other Contracting Party breaches the provisions hereof in a material way. The withdrawal becomes effective on the date of delivery of a written withdrawal notice to the other Contracting Party.
4. This shall be without prejudice to the withdrawing party's right to damages or a contractual fine or default interest.

XV. FORCE MAJEURE

1. The Contracting Party shall not be liable for failure to fulfil its obligations if such failure is caused by an extraordinary unforeseeable and insurmountable obstacle arising independently of its will.
2. The Contracting Party which, as a result of force majeure, is unable to fulfil its obligations under this Contract shall inform the other Contracting Party of the beginning and the end of the above stated circumstances within 3 days. In such a case, the deadlines for fulfilling the obligations shall be extended by a duration of force majeure.
3. The Contracting Party invoking force majeure shall provide credible evidence to the other Contracting Party confirming the obstacle that has arisen and demonstrating that it has seriously affected the Contracting Party's ability to fulfil its contractual obligations.
4. If the case of force majeure lasts more than 6 months, the Contracting Parties undertake to negotiate with a view to resolving the problem satisfactorily.

XVI. SETTLEMENT OF DISPUTES AND GOVERNING LAW

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

XVII. FINAL PROVISIONS

1. The rights and obligations arising out of the present Contract may not be assigned to a third party without the consent of the other Contracting Party.
2. Subject to the conditions set out in paragraph 1 of this Article, the present contract shall be equally binding for the respective legal successors of the contracting parties.
3. The Seller warrants to the Buyer that the device is not encumbered by third party rights.
4. This Contract may only be amended or added to following mutual agreement, through written progressively numbered addenda, designated as such and signed by the authorised representatives of the contracting parties. The addenda shall form integral parts hereof and any other arrangements shall be void. This provision shall not apply in the event of changes in the authorised representatives or contacts listed in the Contract, which may be addressed by means of an official letter.
5. The Contracting Parties assume the risk of a change in circumstances and must fulfil their obligations hereunder even if there is such a substantial change in circumstances that the change constitutes an especially gross disproportion in the rights and duties of the Parties by disadvantaging one of them by disproportionately increasing the cost of the performance or disproportionately reducing the value of the subject matter of performance; in particular, the Contracting Parties may not apply to a court for a decision restoring the balance of their rights and obligations or cancelling the Contract. Even if the performance of one of the Contracting Parties is grossly disproportionate to what the other Party has provided, the aggrieved Party may not request that the Contract be cancelled, and everything be restored to the original condition.
6. The Contracting Parties do not wish that any other rights and obligations, in addition to those expressly agreed under the Contract, should be derived from the existing or future practices established between the Contracting Parties or from general trade usage or from the usage applied in the field relating to the subject of performance hereof, unless expressly agreed otherwise herein. In addition to the provisions stated above, the Contracting Parties hereby confirm that they are not aware of any trading usage or practices established previously between them.
7. If any provision hereof is or becomes invalid or ineffective, this shall not affect the other provisions hereof, which shall remain valid and effective. In such case, the Contracting Parties undertake to replace the invalid/ineffective provision with a valid/effective provision the effect of which comes as close as possible to the originally intended effect of the invalid/ineffective provision. If any provision hereof is found putative (void), the effect of such defect on the other provisions hereof shall be appraised analogously to Section 576 of the Civil Code.
8. The Contracting Parties acknowledge that, pursuant to Section 219, Para. 1(d) of the PPA, this Contract shall be published in the Register of Contracts pursuant to Act No. 340/2015 Coll., on Special Conditions for the Effectiveness of Certain Contracts, the Disclosure of These Contracts and the Register of Contracts (Register of Contracts Act). The publication shall be ensured by the Buyer.

9. This Contract is executed in English in two copies with the validity of originals, of which each Contracting Party shall receive one copy.
10. In witness of their consent with the entire content of the present Contract, the authorized representatives of the Contracting Parties affix their signatures below.
11. The present Contract becomes valid on the date of its signing by the Contracting Parties and comes into force upon publication in the Register of Contracts.
12. Appended to the present Contract as its integral parts are:
 - Annex No. 1: Technical specification
 - 1a - Technical specification of the Client
 - 1b - Technical specification of Offered Device submitted by the Seller as part of his Tender
 - 1c - Technical documentation of necessary components in accordance with Art. II (4) hereof submitted by the Seller as part of his Tender
 - Annex No. 1c-1 - Cooling Unit Datasheet
 - Annex No. 1c-2 - Cooling Unit Dimensions
 - Annex No. 1c-3 - Cooling Unit Line Insulation
 - Annex No. 1c-4 - Cooling Unit Handshake
 - Annex No. 1c-5 - Cooling Unit Glysantin Datasheet
 - Annex No. 1c-6 - Heating Unit Pipe Dimensions
 - Annex No. 1c-7 - Heating Unit Line Insulation
 - Annex No. 1c-8 - Heating Fluid Datasheet
 - Annex No. 1c-9 - Heating Fluid Safety Datasheet
 - 1d - 3D Models of Mühlbauer LP 3555 S6
 - 1e - Machine Drawings of Mühlbauer LP 3555 S6
 - 1f - Floor Load Plan of Mühlbauer LP 3555 S6
 - 1g - Hotplate Drawings of Mühlbauer LP 3555 S6
 - 1h - Cassette Drawings of Mühlbauer LP 3555 S6
 - 1i - Data Sheet of Mühlbauer LP 3555 S6
 - Annex No. 2: List of documents and technical documentation
 - Annex No. 3: Time schedule of the Contract fulfilment
 - Annex No. 4: Template of Protocol 1
 - Annex No. 5: Template of Protocol 2
 - Annex No. 6: Template of Maintenance list
 - Annex No. 7: Testing of the Device

In Prague, date _____

In Roding, date _____

For the Buyer:

For the Seller:

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

Thomas Betz
 Managing Director
 Mühlbauer GmbH & Co. KG

Ludwig Huber
 Authorized Signatory
 Mühlbauer GmbH & Co. KG