

# FRAMEWORK AGREEMENT FOR PRODUCTION AND SUPPLY OF UNIVERSAL SECURITY PAPER WITH 50% COTTON CONTENT

on record at the Client's under Ref. No. 088/OS/2020  
(hereinafter referred to as the "Framework Agreement")

made pursuant to the provision of Section 56 of the Act No. 134/2016 Coll., on public procurement, as amended (hereinafter referred to as the "PPA") and pursuant to the provision of Section 1746 (2) et seq. of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "Civil Code")

by and between:

## **STÁTNÍ TISKÁRNA CENIN, státní podnik**

with its registered office at Prague 1, Růžová 6, house No. 943, 110 00, Czech Republic entered in the Commercial Register maintained by the Municipal Court in Prague, Section ALX, Insert 296

Business ID: 00001279  
Tax Identification No.: CZ00001279  
Acting through: **Tomáš Hebelka, MSc**, Chief Executive Officer  
Bank details: XXX  
Account number: XXX  
IBAN: XXX  
SWIFT: XXX

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

and

## **RADEČE PAPIR NOVA, d.o.o.**

with its registered office at **Njivice 7, 1433 Radeče, Slovenia** entered in the Commercial Register administered by **Slovenian Business Register and Court Register**

Business ID: **6517897000**  
Tax Identification No.: **SI 45041091**  
Represented by: **directors: Leopold Povse and Mateja Kajzba**  
Bank details: XXX  
Account number: XXX  
IBAN: XXX  
SWIFT: XXX

(hereinafter the "**Contractor**")

(the "Client" and the "Contractor" hereinafter collectively referred to as the "**Parties**" or "**Contracting Parties**")

## I. INTRODUCTORY PROVISIONS

1. This Framework Agreement is concluded on the basis of the results of an open over-threshold procedure within the meaning of Section 56 of the PPA for the public contract entitled "**Production and Supply of 50% Cotton Universal Security Paper**" (hereinafter referred to as the "**tender procedure**") with the Contractor who meets all the tender conditions and whose tender was selected as the most economically advantageous. The basis for this Framework Agreement is also the Contractor's tender for the tender procedure submitted on **21 March 2021**, the content of which is known to the Parties (hereinafter referred to as the "**Tender**").
2. The purpose of this Framework Agreement is to secure the production and supply of 50% cotton security paper in accordance with the requirements of the Client and also specify the conditions and procedure for award of partial contracts.
3. When interpreting the content of this Framework Agreement, the Parties are obliged to take into account the tender conditions and the purpose related to the tender procedure. The provisions of laws and regulations on interpretation of legal conduct are not affected by this.
4. This Framework Agreement regulates the method for conclusion of individual partial contracts, conditions for execution of individual deliveries on the part of the Contractor, as well as other rights and obligations of the Parties related to the realization of the individual partial contracts concluded hereunder.

## II. SUBJECT OF THE FRAMEWORK AGREEMENT

1. The subject matter of this Framework Agreement is the Contractor's obligation to supply to the Client, according to its current needs, **50% Cotton Security Paper** (hereinafter referred to as the "**Goods**") including production of wire for original watermark impressing (hereinafter referred to as the "**Dandy roll**") in compliance with the technical specifications stated in the tender conditions of the tender procedure and in **Annex 1** to this Framework Agreement, and further, to enable the Client to acquire the ownership title to the supplied Goods and ownership rights and license to the Dandy roll.
2. The Client undertakes to accept the Goods, duly and timely delivered as regards the required quantity and type of the Goods, on the required delivery dates, and to pay for the Goods the price agreed herein.
3. The Client is entitled to request the Contractor for performance under this Framework Agreement, whereas the minimum quantity of the Goods to be ordered is 5000 kg. The Client is not obliged to make such an order.
4. All supplies of the Goods shall take place according to the Client's needs in line with the written orders, each one of which constitutes a proposal to conclude a partial contract (hereinafter as an "**order**"), and confirmations, which constitute the acceptance of the proposal to conclude a partial contract (hereinafter as a "**partial contract**"). A partial contract shall be deemed to have been entered into once the Client receives confirmation of an order from the Contractor, confirming the order without reservations.

5. The Client may invite the Contractor to provide performance in accordance with this Framework Agreement up to a maximum financial amount of EUR 150,000 excluding VAT for the entire duration of this Framework Agreement.

### III. PARTIAL CONTRACTS

1. The order shall at minimum contain the following items:
  - a) identification Data of the Contracting Entity;
  - b) definition of the subject of performance and its detailed specifications, including the quantity of Goods to be delivered;
  - c) other requirements for the Goods;
  - d) detailed delivery conditions, especially deadline and Goods delivery point;
  - e) period for supply of substitute Goods by course of Article VIII, paragraph 7 of this Framework Agreement;
  - f) designation of the person making the order authorized to act on behalf of Client.
2. In case of doubt the Contractor is obliged to request additional information from the Client. If he fails to do so, it shall be assumed that the instructions are adequate for him and his failure to fulfil the order or its defective fulfilment cannot be waived for this reason.
3. The order shall be sent to the Contractor electronically to the Contractor's e-mail address **XXX**.
4. The Contractor is obliged to confirm the receipt of this partial order in writing within 2 working days of receiving the order to the Client's e-mail address XXX. As a minimum requirement, confirmation of an order must contain identification data of the Contractor and the Client, and identification of the order being confirmed.
5. The Parties agree that the Contractor shall respect the supplies of the Goods as requested and shall not modify the supplies as to type, volume or finance unless expressly agreed by the Parties.
6. The Contractor undertakes in the fulfilment of any partial order to act in accordance with the Tender.

### IV. PLACE OF PERFORMANCE AND DELIVERY

#### TERMS AND CONDITIONS

1. The Contractor is obliged to deliver the Goods to the Client within the deadline stated in the given order. **The delivery deadline shall be set according to the requirements of the Client at maximum 9 weeks before delivery of order to the Contractor.** The Goods shall be considered as delivered on the day of handover and acceptance by protocol, i.e. the date of signature of the delivery note by the Client.

2. Each delivery of the Goods shall be accompanied by a delivery note that shall be confirmed by both Parties upon hand-over and acceptance of the Goods and shall serve as a **protocol of handover of the Goods**.

The delivery note shall contain:

- a) identification data of the Contractor and Client,
- b) date of issue and number of the delivery note,
- c) order number;
- d) number of position/or number from the order,
- e) order number (if stated in the order),
- f) material code according to IS in STC format (if stipulated in the order),
- g) number of the supplied units and unit of measure,
- h) name of item.

3. The place of performance shall be the factory premises of the Client at the address:  
- Factory I – Růžová 6/943, 110 00 Prague 1, Czech Republic
4. The Contractor shall arrange for the transportation of the Goods to the place of performance on own account and at own risk subject to Incoterms 2020, DAP.
5. The Contractor shall deliver the Goods on business days and during the Client's regular working hours, i.e. between 6:00 a.m. and 2:00 p.m., unless stipulated otherwise by the Client. Outside these hours, it is only possible to receive Goods following a previous agreement made over the phone between the Contractor and the Client's representative stated in the order.
6. The Contractor shall notify the Client to the e-mail address: purchasing@stc.cz and to the e-mail address specified in the order the expected date and time when the Goods will be delivered to the Client's address, at least 3 (three) working days before the day of dispatch from the Contractor's plant. The Contractor shall immediately inform the Client about expected failure to arrive on time in order to solve this situation. The Client shall confirm this information to the Contractor.
7. The Client is entitled to refuse to take over the Goods if the Goods have defects or are not supplied in the agreed type, quality, quantity or time.
8. Delivered Goods shall be packed in the manner usual for such Goods with regard to the place of delivery of the Goods and the method of transport in order to secure preservation, protection and quality of the Goods and the Goods are secured against mechanical damage and damage by climate effects. Each delivered dispatch shall be duly marked with the information of the Goods, manufacturer and weight of the Goods.
9. The Client is obliged to take over to Goods free of any defects and supplied by the Contractor on the basis of and in accordance with this Framework Agreement, and to pay the Contractor the price of deliveries of the Goods.
10. The ownership title to the Goods supplied on the basis of this Framework Agreement shall pass on the Client at the moment of takeover of the Goods, i.e. at the moment the handover protocol for the Goods (delivery note) is signed by the Client. The risk of damage to the Goods shall pass to the Client at the same moment.

## V. PRICE

1. The Contractor undertakes to manufacture the Dandy roll and to supply the Goods to the Client within the validity term of this Framework Agreement at the prices stated in **Annex 2** to this Framework Agreement. All prices are denominated in Euro currency.
2. The price of the individual Goods includes costs of the Dandy roll manufacture and all the related costs of the Contractor, particularly packaging and carriage of the Goods to the place of performance, customs duty, customs charges, any ecological liquidation of the Goods and related services. This is the final and maximum permissible price.
3. If the Contractor is a registered VAT payer in the Czech Republic, the Client shall pay the Contractor the price plus the VAT in accordance with the applicable legislation.

## VI. TERMS OF PAYMENT

1. The price shall be paid by the Client after proper delivery of the Goods on the basis of tax documents (invoices) issued by Contractor.
2. The Contractor's right to issue a tax document (invoice) for the consignment of Goods is established on the date delivery, i.e. the date of signature of the delivery note by the Client's authorised representative. The date of taxable performance is the date of handover and acceptance of the Goods, i.e. the date on which the Client's authorised representative signed the protocol of handover of the Goods (delivery note).
3. The Client does not provide Contractor with any advance payments for the price.
4. The tax document (invoice) must contain particularly:
  - a) number of the respective order,
  - b) number of given delivery note,
  - c) order number (if stated in the order),
  - d) material code according to IS in STC format (if stipulated in the order),
  - e) number of the invoiced units and unit of measure,
  - f) unit price of the Goods,
  - g) total price of the Goods,
  - h) markings and specification of the Goods,

and all prerequisites of a proper tax document according to the applicable legal regulations and this Framework Agreement. A component of the tax document (invoice) shall be a copy of the confirmed delivery note for the realized delivery of the Goods.

5. For each delivery of the Goods, the Contractor shall issue a separate tax document (invoice).
6. The maturity of the tax document (invoice) duly issued by the Contractor is 30 (thirty) days as of the issue date. The Contractor is obliged to deliver the invoice to the Client at the e-mail address [XXX](#) and [XXX](#). Invoice payment for the purposes of the

Framework Agreement shall be the date on which the concerned amount is debited from the Client's account.

7. In the event that any tax document (invoice) issued by the Contractor does not contain the necessary formalities or will contain incorrect or incomplete information, the Client is entitled to return the tax document (invoice) to the Contractor stating the reason for such return, without getting into arrears with payment. The new maturity period shall commence from the date of delivery of a duly corrected or supplemented tax document (invoice) to the Client.
8. If the Contractor is an entity liable for VAT registered in the Czech Republic, the following arrangements as contained in this article shall be binding (paragraphs 9-12 of this article).
9. The Contractor shall immediately and demonstrably notify Client, a recipient of the taxable performance, within two working days of its becoming aware of its insolvency or its threat at the latest, or of issuing a decision by a tax administrator, that the Contractor is an unreliable payer pursuant to Section 106a of the Value Added Tax Act No. 235/2004 Coll., as amended (hereinafter "VATA"). Breach of this obligation by the Contracting Parties is considered a substantial breach of this Framework Agreement.
10. The Contractor pursuant to paragraph 9 of this Article undertakes that the bank account designated by him for the payment of any obligation of the Client under this Framework Agreement shall be published and accessible from the date of signing of this Framework Agreement until its expiry in accordance with Section 96(2) VATA, otherwise the Contractor is obliged to provide another bank account to the Client that is duly published pursuant to Section 96. In the case Contractor has been indicated by a tax administrator as an unreliable tax payer pursuant to Section 106a VATA, Contractor undertakes to immediately notify this to Client along with the date on which this circumstance arose.
11. If surety for unpaid VAT arises for the Client according to Section 109 VATA on received taxable performance from Contractor, or the Client justifiably assumes that such facts have occurred or could have occurred, the Client is entitled without the consent of Contractor to exercise procedure according to the special method for securing tax, i.e. the Client is entitled to pay the concerned VAT according to the invoice (tax document) issued by the given Contractor to the competent revenue authority and do so according to Sections 109 and 109a VATA.
12. By payment of the VAT into the account of the revenue authority, the Contractor's receivable from Client is considered as settled in the amount of the paid VAT regardless of other provisions of the Framework Agreement. At the same time, Client shall be bound to notify the respective Contractor of such payment in writing immediately upon its execution.
13. The Contractor is not authorised without the written consent of the Client to set-off any of its claims against any of the Client's claims or assign any of its rights and claims against the Client to a third party.
14. The Contractor agrees that it shall in no way burden its claims against the Client under the sub-contract or in connection with a lien in favour of a third party.

## VII. OTHER RIGHTS AND OBLIGATIONS OF THE PARTIES

1. The Contractor is obliged to deliver the Goods to the Client in compliance with the technical specifications, which comprise Annex 1 to the Framework Agreement.
2. In the event that the Dandy roll manufacture creates copyrighted work within the meaning of Act No. 121/2000 Coll., on copyright, rights related to copyright and the amendment to certain acts, as amended, (hereinafter referred to as the “**Work**”), whose author is the Contractor, the Contractor shall grant to the Client upon delivery of the Goods an exclusive territorially unlimited licence to the Work for the duration of the property rights to the Work and for all methods of use of the Work. The licence is free of charge, respectively is already included in the price for the dandy roll manufacture. The Contractor is not entitled to any additional remuneration in relation to the copyrights to the Work that has not been agreed to in this Framework Agreement.
3. If the author of the Work is a person different from the Contractor, the Contractor shall obtain a licence for the Work within the scope of the previous paragraph hereof including agreement of the right to provide a sub-licence to the Work to third parties. The Parties have agreed that by supply of the Goods the Contractor is providing the Client with a free-of-charge sub-licence to the Work. The Contractor is not entitled to any additional remuneration in relation to the copyrights to the Work that has not been agreed to in this Framework Agreement.
4. The Client has the right, after the termination of the Framework Agreement, to grant to third parties a sub-licence to the full or partial extent of the licence or sub-licence to the Work in an unlimited number. Furthermore, the Client has the right, after the termination of the Framework Agreement, to assign, in whole or in part, the licence or sub-licence to any third party and that third party may transfer it further without limitation, to which the Contractor gives its consent.
5. The design with exclusive watermark authored by the Client shall be provided by the Client to the Contractor within 15 calendar days after signature of Framework Agreement by the last of the Parties on the basis of a Handover Protocol, for purposes of supplying the Goods containing the subject original watermark design.
6. The Contractor undertakes to use the Work exclusively for production of the Goods for the Client. The Contractor shall further secure the Work against any misuse, damage or loss caused by the Contractor or a third party.
7. The Parties have agreed that the produced Dandy roll as a physical object shall be left for physical disposal by the Contractor, unless otherwise agreed to between the Parties. Handover to the Client after this Framework Agreement termination is defined in Article XIII, paragraph 9 hereof.
8. For the entire period of validity and effectiveness of this Framework Agreement, the Contractor is obliged to maintain valid a liability insurance contract for damages caused to third parties for the minimum amount of EUR 55,000. At the request of the Client, the Contractor is obliged to submit a copy of the insurance contract (insurance certificate) proving the required insurance at any time, no later than 10 calendar days from the receipt of such a request by the Client.

9. The Contractor is entitled in the fulfilment of this Framework Agreement, respectively, individual part orders, to use other subcontractors that he did not list on the list of subcontractors submitted as an integral part of the bid, only with the prior written consent of the Client assuming that the Contractor shall submit the documents that demonstrate fulfilment of the basic qualifications pursuant to Section 74 PPA and professional qualifications pursuant to Section 77 PPA by the new subcontractor. The Contractor shall be liable for the performance of its subcontractors as for its own including liability for consequences due to breach of contractual duties.
10. The Contractor undertakes to co-operate as necessary in the performance of duties pursuant to the PPA.
11. If the Contractor has in the moment of conclusion of the present Framework Agreement certificate "ISO 14298 Management of security printing processes" or "CWA 15374 Security management system for suppliers to the security printing industry", the Contractor shall maintain valid for the entire duration of this Framework Agreement this certificate. In the event of end of validity of this certificate the Contractor is obliged to ensure immediate compliance with the obligation requirements of Security audit pursuant and under the condition of this Framework Agreement (hereinafter referred to as the „**Security audit**“).
12. If the Contractor has not in the moment of conclusion of the present Framework Agreement certificate "ISO 14298 Management of security printing processes" or "CWA 15374 Security management system for suppliers to the security printing industry", the Contracting parties mutually declare the Security audit was taken place as an entry, before the conclusion of this Framework Agreement contract. The further Security audits will subsequently be organized regularly at three-year intervals. If the Contractor obtains during the duration of this Framework Agreement certification "ISO 14298 Management of security printing processes" or "CWA 15374 Security management system for suppliers to the security printing industry", from such a moment the Parties shall proceed in accordance with paragraph 11 of this Article similarly.
13. The Contractor is obliged to notify the Client without delay of any changes or end of validity of certificate pursuant paragraph 11 of this Article or any changes concerning changes of security standards or rules, particularly changes in security systems on side of the Contractor as changes in the security system of the Contractor's building (related to the subject of performance of this Framework Agreement), or any other building security or construction or functional modifications of the building etc.). In these cases an Extraordinary Security audit may be requested by the Client, even outside the regular three-year interval from the previous Security audit.
14. The Contractor further acknowledges and agrees that the Security audit will be conducted by the Client at the relevant Contractor's facility, which usually requires the Contractor's assistance, by enabling access to the Contractor's facility or verification of specific processes of the production and processing. A more detailed description of the requirements of the Security audit is set out in Annex No. 3 which is integral part of this Framework Agreement.



15. Breach of the Contractor's obligation to enable realization of the Security audit in accordance with Annex 3 to this Framework Agreement (including realization of the Extraordinary Security audit pursuant paragraph 13 of this Article) or the fact that the Contractor fails to pass Security audit constitutes a substantial breach of Framework Agreement pursuant to Article XIII paragraph 4 letter f) hereof.

## VIII. LIABILITY FOR DEFECTS AND QUALITY WARRANTY

1. The Goods must be free of any factual and legal defects. The Goods are defective if not delivered in accordance with this Framework Agreement or individual contract.
2. The Contractor shall provide the Client with a guarantee for the quality of the Goods for the period of 24 months from the date of takeover of the Goods without any defects (hereinafter as the "Warranty Period"). A defect shall be regarded as claimed in a timely manner if the notice of such defect is sent to the Contractor on the last day of the Warranty Period at the latest. If the end of the Warranty Period falls on a Saturday, Sunday or a national holiday, the defect shall be considered as claimed in a timely manner if the notice of such defect is sent to the Contractor on the next following business day.
3. Under warranty for quality of the Goods, the Contractor undertakes that the Goods shall be free of defects, i.e. be, for the duration of the Warranty Period, capable of performance for the contracted purpose, otherwise to the usual purpose, and maintain the otherwise the usual properties contracted in particular in Article II Paragraph 1 hereof and in Annex No. 1 hereto. The Contractor is liable for any defect, including hidden or obvious defects, which arise or manifest during the Warranty Period. The Client may claim defects in the delivered Goods at any time during the Warranty Period.
4. The Contractor declares that the Goods are not encumbered with rights of third parties and have no other legal defects.
5. If the Goods are defective, the Client is entitled to:
  - a) remedy of the defect by supply of new, flawless Goods,
  - b) remedy of the defect by supply of the missing Goods,
  - c) demand a discount on the price,
  - d) withdraw from the given order.
6. The choice of the entitlement resulting from defective Goods under paragraph 5 of this Article hereof always lies with the Client.
7. The period for settling a warranty claim is 25 working days from its notification to the Contractor's e-mail address: XXX. Within this period the Contractor is obliged to remove defects by delivery of replacement (new or missing) Goods. All costs incurred in connection with the defects of the Goods or the exercise of defect warranty claims, especially the costs of the replacement of any defective Goods, and the costs of delivery of any missing quantity of the Goods, shall be borne by the Contractor.

8. Before all defects of the Goods are removed, the Client will not be obliged to pay the Contractor the price of the defective Goods, if the price for defective Goods has not yet been paid to the Contractor at the time of the exercise of warranty claim.
9. Making claim under liability for defects shall not affect Client's entitlement to the agreed contractual penalty and damages.
10. Any activities, which are necessary for or are relating to claiming the defects, shall be made by the Contractor itself at its own costs in cooperation with the Client during the Client's working hours so that its activities will not endanger or limit the Client's activities.

## IX. SANCTIONS

1. In the case of the Contractor's delay with the delivery of Goods within the deadline according to individual partial contracts, the Contractor shall pay to the Client a contractual penalty of 0.1% on the price of Goods or part thereof (excluding VAT), to which Contractor's default applies for each started day of such delay.
2. In the case of the Contractor's delay in settling a warranty claim within the period specified in Article VIII Paragraph 7 hereof, the Client is entitled to demand a contractual penalty in the amount of 0.1% of the price for the Goods or its part, for each started day of such delay.
3. In the event that the Contractor shall use the Dandy roll with the exclusive watermark in contradiction of Article VII Paragraph 6 hereof, i.e. for production of goods for another client, the Contractor is obliged to pay a contractual penalty to the Client in the amount of EUR 20,000.
4. Should either Party violate its obligations as per Article X of this Framework Agreement in a demonstrable manner, the aggrieved Party is entitled to charge the contractual penalty amounting to EUR 20,000 for every violation or failure to meet such contractual obligation to the other Party. The burden of proof lies on the Party claiming that an obligation has been breached.
5. If the Contractor sets off, assigns or pledges any receivables from the Client resulting from any partial order contrary to the provisions of Article VI Paragraph 13 and 14 hereof, the Contractor will be obliged to pay the Client a contractual penalty in the amount of 10% of the amount of the receivable, which was the subject of set-off, assignment or pledge.
6. In case of the Contractor's delay in handing over the Dandy roll, more precisely the Work under this Framework Agreement, within the term as per Article XIII Paragraph 9 of this Framework Agreement, the Contractor shall pay the contractual penalty amounting to EUR 80 for each started day of such delay.
7. Payment of the contractual penalty does not release the Contractor from its duty to perform the obligations imposed on the basis of this Framework Agreement and the respective partial contract.
8. Stipulating the contractual penalty is without prejudice of the right to compensation of any incurred harm to full extent.
9. **The contractual penalty is due within 30 calendar days after the delivery of the bill for the contractual penalty to the Contractor.**

## X. PROTECTION OF INFORMATION

1. The Parties are not entitled to disclose to any third party the non-public information they obtained or shall obtain during mutual cooperation, and the information relating to entering into this Framework Agreement and its content. This does not apply if the information is disclosed to the employees of the Contracting Party for the purpose of implementation hereof on a need-to-know basis, or to other individuals (information processors) involved in implementation hereof, under the same terms as laid down for the Parties hereto and always within the minimum scope necessary for due fulfilment hereof.
2. The Contracting Parties are liable to assure compliance with the obligations pursuant to this Article of all individuals to whom the non-public information is disclosed pursuant to the previous sentence. Violation of the confidentiality commitment by these individuals shall be deemed violation by the Party disclosing the information to them.
3. Confidential information is any information mutually provided in written, oral, visual, electronic, or other format as well as know-how which has actual or potential value and which is not commonly available in the respective business circles, and further information which is designated in writing as confidential (abbreviation "DIS") or which may be assumed to be confidential information due to the nature of the respective matter .
4. The Parties hereby undertake that if in the context of mutual cooperation they get in touch with personal data or special categories of personal data in the sense of the Regulation of the European Parliament and of the Council (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on free movement of these data, and repealing Directive 95/46/EC (the General Data Protection Regulation, or GDPR) and Act No. 110/2019 Coll., on Personal Data Protection, they will take any and all necessary measures to prevent unauthorised or random access to these data, their alteration, destruction or loss, unauthorised transfer, other unauthorised processing or any other misuse.
5. In this regard, the Parties agree, in particular:
  - a) Not to disclose non-public information to any third party;
  - b) To ensure the non-public information is not disclosed to third parties;
  - c) To secure the data in any form, including their copies, which include non-public information, against third party misuse and loss.
6. The obligation to protect non-public information shall not apply to the following cases:
  - a) The respective Party proves that the given information is available to the public without this availability being caused by the same Contracting Party;
  - b) If the 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 Party obtains a written approval from the other Party to disclose the information further;
  - d) If the law or a binding decision of the respective public authority requires the information to be disclosed;

- e) An auditor performs an audit at one of the Parties based on authorisation specified in applicable legal regulations.
7. The Parties agree, upon the request of the other Party, to:
- a) Return all the non-public information which was handed over to it in a “material form” (especially in writing or electronically) and any other materials containing or implying the non-public information;
  - b) Return or destroy copies, extracts or other entire or partial reproductions or records of non-public information;
  - c) Destroy without undue delay all documents, memoranda, notes and other written materials elaborated on the basis of the non-public information;
  - d) Destroy materials stored in computers, text editors, or other devices containing non-public information pursuant to this Framework Agreement.
- The Parties also undertake to ensure that the same shall be performed by any other individuals, to which the non-public information is disclosed by either Party.
8. The employee of the liable Party authorised to destroy the documents in the sense of the previous paragraph shall confirm the destruction at the request of the other Party in writing.
9. In case that either of the Parties or their employees or other individuals (information processors) become aware in a credible manner or if they have a reasonable suspicion that the confidential information has been disclosed to an unauthorised party, they shall be bound to inform the other Party of such a fact without undue delay.
10. The confidentiality obligation is not time-limited. The obligation to maintain confidentiality of non-public information acquired within the framework of cooperation with the other Party lasts even after this Framework Agreement is terminated or expires. The confidentiality commitment shall pass onto any potential successors of the Parties.

## XI. FORCE MAJEURE

- 1. An obstruction which occurs independently of the will of the obliged Party which prevents it from performing its duty (and it may not be reasonably expected that the obliged Party could have averted or overcome the obstruction or its consequences and that at the moment of formation of this obligation it could have foreseen it) is regarded as a circumstance excluding liability.
- 2. In such case the concerned Party shall notify the other Party of the nature of the obstruction preventing it from performing its duties.
- 3. During the existence of such obstruction the concerned Party shall not be bound to perform the obligations resulting from this Framework Agreement.
- 4. As soon as the obstacle ceases to exist, the affected party shall resume its obligations towards the other party and shall do its utmost to remedy the consequences of the temporary non-performance of its obligations pursuant to this Framework Agreement.

5. The Party that has a statutory right not to perform its obligations due to force majeure shall not be liable for the damage incurred by the other Party in this connection.

## XII. APPLICABLE LAW AND RESOLUTION OF DISPUTES

1. This Framework Agreement is governed by the laws of the Czech Republic, especially the Civil Code and PPA.
2. The Parties undertake to exert every effort to resolve any mutual disputes resulting from this Framework Agreement. Should the Parties fail to agree on an amicable settlement of a mutual dispute, each of the Parties may seek its rights before a competent court in the Czech Republic; the jurisdiction of a foreign court is excluded. The Parties have agreed that the competent court for judgement of the disputes arising between them under this Framework Agreement is the general court according to the Client's registered seat.
3. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980, known as the Vienna Convention, is excluded by this Framework Agreement.

## XIII. TERM OF THE FRAMEWORK AGREEMENT

1. This Framework Agreement becomes valid upon signature by both Parties and comes into force upon its publication in the Register of Contracts.
2. This Framework Agreement has been entered into for a definite period of time, namely for a period of 4 years from the date of its entry into force, or until the maximum financial limit agreed in Article II Paragraph 5 hereof has been exhausted, whichever is the earlier.
3. This Framework Agreement shall terminate
  - a) with the lapse of the agreed term;
  - b) upon the exhaustion of the maximum financial limit stated in Article II Paragraph 5 hereof;
  - c) by written agreement of the Parties;
  - d) by written notice of termination by either Party;
  - e) by withdrawal from this Framework Agreement subject to the terms given below in the event of a substantial breach hereof by either Party.
4. The Parties agree that they consider the following cases in particular to constitute a substantial breach hereof:
  - a) a failure to meet technical specification of Goods pursuant to Article II Paragraph 1 hereof or pursuant to Annex No. 1 hereto;
  - b) repeated, at minimum the second, delay of the Contractor in the delivery of Goods according to partial contracts for a period exceeding 7 business days;
  - c) use of the Dandy roll with exclusive watermark in breach of the Article VII paragraph 6 of the Framework Agreement.
  - d) breach of Article X hereof which has not been remedied following a previous notice for correction,

- e) breach of obligation under Article VII Paragraph 8 hereof;
  - f) breach of obligation under Article VII Paragraph 15 hereof.
5. The partial contract shall terminate:
- a) if such termination is agreed upon by both of the Parties hereto;
  - b) by withdrawal of the Client
    - i. in the case pursuant to Article VIII Paragraph 5 letter (d) hereof; or
    - ii. in the case of a breach of the partial contract by the Contractor in a substantial manner, whereas the Parties consider such a breach of the partial contract in a substantial manner to be in particular the case pursuant to Article XIII Paragraph 4 letters (a), (d), and (e) hereof and the case where the Contractor is in delay with the delivery of Goods according to specific partial contract for more than 2 calendar weeks.
6. The written notice of withdrawal from this Framework Agreement or a specific partial contract shall take effect on the day the written notice of withdrawal is delivered to the other Party. The notice of withdrawal from this Framework Agreement or a specific partial contract must be sent by registered mail. Withdrawal from this Framework Agreement or from a specific partial contract does not terminate the contractual relationship from the very beginning, the mutual performances provided by the Parties until the termination of this Framework Agreement or a specific partial contract shall be retained by both Parties.
7. Parties are entitled to terminate this Framework Agreement at any time, without stating any reason. The notice period shall be 6 months and shall begin on the first day of the calendar month following the delivery of written notice of termination to the other Party. The notice must be sent by registered mail. The Parties take into consideration that they are obliged to fulfil the obligations arising from this Framework Agreement during the notice period.
8. Termination of this Framework Agreement shall not affect the provisions regarding contractual penalties, damage compensation, and such rights and obligations which, by their nature, shall persist even after this Framework Agreement is terminated. This Framework Agreement is also to be applied to the relations, including partial contracts, formed during this Framework Agreement even after this Framework Agreement is terminated.
9. Within **30 calendar days** as of termination of this Framework Agreement, or within the term stipulated by agreement of the Parties, the Contractor agrees to submit the Dandy roll, more precisely the Work under this Framework Agreement, to the Client against an acceptance protocol.

#### XIV. FINAL PROVISIONS

1. The Parties agree that any modifications and additions hereto may only be made in written amendments identified as such, numbered in ascending order, and agreed upon by the Parties.
2. Any established commercial habits or practices relevant to the agreed performance or to follow-up performance, shall not take precedence over contractual provisions or provisions specified in the Civil Code, even if such provisions have no enforcement effects.

3. The Contractor undertakes to notify the Client without undue delay if the Contractor becomes insolvent or is under threat of becoming insolvent.
4. The Parties hereby declare that no verbal arrangement, contract or proceedings on the part of any of the Parties exists, which would negatively influence the exercise of any rights and duties according to this Framework Agreement. At the same time, the Parties confirm by their signatures that all the assurances and documents hereunder are true, valid and legally enforceable.
5. If any provision hereof is or becomes invalid or ineffective, it shall have no effect whatsoever on the other provisions hereof, which shall remain valid and effective. In such a case, the 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 null (void), the Parties shall analogously assess the effect of such nullity on the remaining provisions hereof in accordance with Section 576 of the Civil Code.
6. The Parties acknowledge that in accordance with Section 219 (1) (d) of the PPA, this Framework Agreement shall be published in the Register of Contracts pursuant to Act No. 340/2015 Coll., laying down special conditions for the effectiveness of certain contracts, the disclosure of these contracts and the register of contracts (the Register of Contracts Act), as amended. The publication shall be arranged by the Client.
7. This Framework Agreement is drawn up in two copies in English language, each having the same validity as the original itself. Each Party shall receive one copy.
8. The following Annexes form an integral part of this Framework Agreement:  
  
Annex No. 1 – Technical specification  
Annex No. 2 – Price list  
Annex No. 3 – Security audit
9. The Parties declare they agree with the content hereof and this Framework Agreement is prepared in a certain and intelligible manner, on the basis of true, free and serious will of the Parties, without any duress on either Party. In witness whereof they append their signatures below.

For the Client:

For the Contractor:

In Prague, on .....

In ..... on .....

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

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**Leopold Povse**  
director  
RADEČE PAPIR NOVA, d.o.o.

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**Mateja Kajzba**  
director  
RADEČE PAPIR NOVA, d.o.o.