

# FRAMEWORK AGREEMENT FOR THE PRODUCTION AND SUPPLY OF THE PAPER FOR PASSPORT VISA PAGES

registered by the Buyer under No. 022/OS/2022

(hereinafter referred to as "**this Framework Agreement**")

made pursuant to the provision of Section 29 point b) of the Act No. 134/2016 Coll., on public procurement, as amended (hereinafter referred to as the "PPA")  
and  
pursuant to Section 1746 (2) 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: UniCredit Bank Czech Republic and Slovakia, a.s.  
Account number: 200210010/2700  
IBAN: CZ44 2700 0000 0002 0021 0010  
SWIFT: BACX CZPP  
(hereinafter referred to as the "**Buyer**")

and

## **Papierfabrik Louisenenthal GmbH**

with its registered office at Louisenenthal 1, 83703 Gmund am Tegernsee, Germany entered in the Commercial Register administered by the Local Court of Munich, Registry Court, Section B

Business ID: HRB 41307  
Tax Identification No.: DE 811179811  
Represented by: **Andrew Forbes**, Director of Sales and  
**Clemens Berger**, Chairman of the Board of Managing Directors  
Bank details: XXX  
Account number: XXX  
IBAN: XXX  
SWIFT: XXX

(hereinafter the "**Seller**")

(the “Buyer” and the “Seller” hereinafter collectively referred to as the “**Parties**” or “**Contracting Parties**”)

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

On behalf of the Buyer: **Tomáš Hebelka, MSc**, Chief Executive Officer

On behalf of the Seller: **XXX**

**Andrew Forbes**, Director of Sales

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

On behalf of the Buyer: **XXX**

On behalf of the Seller: **XXX**

**Andrew Forbes**, Director of Sales

## **I. INTRODUCTORY PROVISIONS**

1. This Framework Agreement is concluded on the basis of the results of a public tender within the meaning of Section 29 point b) of the PPA, which is entitled “*The Production and Supply of the Paper for Passport Visa Pages*” hereinafter referred to as the “**selection procedure**”). The basis for this Framework Agreement is also the Seller's tender for the selection procedure, the content of which is known to the Parties (hereinafter referred to as the “**Tender**”).
2. 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 selection procedure. The provisions of laws and regulations on interpretation of legal conduct are not affected by this.
3. This Framework Agreement regulates the method for conclusion of individual partial contracts, conditions for execution of individual deliveries on the part of the Seller, as well as other rights and obligations of the Parties related to the realisation of the individual partial contracts concluded hereunder.

## **II. SUBJECT MATTER OF THE FRAMEWORK AGREEMENT**

1. The subject matter of this Framework Agreement is the Seller's obligation to produce and deliver to the Buyer paper for passport visa pages with security element (hereinafter referred to as the “**Goods**”), including the production of a screen for the impression of the original watermark (hereinafter referred to as the “**Cylinder Mould**”),  
in the amount as required by the Buyer in partial contracts, and transfer to the Buyer the ownership title to the delivered Goods.
2. The Buyer undertakes to accept the Goods, duly delivered as regards the required quantity, type and quality of the Goods, on the required date and pay for the Goods the price specified under Article V hereof.

3. The Goods shall be produced and supplied in accordance with the Technical specification which is divided into:
  - a. the non-classified part which is set out in Annex 1, which forms an integral part of this Framework Agreement, and
  - b. the separate part which contains classified information in secrecy level "RESTRICTED" ("VYHRAZENÉ") and which is an integral part of the overall Technical specification. This classified part of Technical specification is established and registered with the Buyer under No. XXX pursuant to Act No. 412/2005 Coll., on protection of classified information and security eligibility, as amended. This part of Technical specification containing classified information was provided to the Seller before the tender price was determined by the Seller within the selection procedure.

The Technical specification shall apply for the entire duration of the Framework Agreement, including any extensions of this Framework Agreement pursuant to Article XIII paragraph 3 and 4 hereof. Any changes of the Technical Specifications shall be possible only by written amendment pursuant to Article XIV Paragraph 1 hereof and shall be in accordance with the PPA. If the conditions of the preceding sentence are met, the Parties agree that changes of the Technical Specification are possible, in particular under the conditions set out below. The Parties shall consult and agree on amendments to the Technical specification, which may during the term hereof become necessary or reasonable, because materials, raw materials or technologies used in production of the Goods may longer be available in the market and thus due performance be or become objectively impossible. Same obligation to consult and, where reasonably, agree amendments, apply to changes to specifications originating from Buyer, additional or other denominations, and similar requests.

4. The Seller declares by concluding this Framework Agreement that it has and for a duration of the Framework Agreement shall have established security to assure protection of classified information on the confidentiality level "RESTRICTED" ("VYHRAZENÉ") or higher. The Seller undertakes to maintain in force for the entire period of validity and effectiveness of this Framework Agreement the authorization to handle classified information on the minimal confidentiality level "RESTRICTED" ("VYHRAZENÉ"), which will be proven in the form pursuant to Art. 9.1 of the Invitation to Negotiate and Submit a Tender. The Seller is obliged to notify the Buyer any changes of the established authorization without delay. The breach of any obligation stated in this provision constitutes a substantial breach of this Framework Agreement under Article XIII paragraph 7 point b) hereof.
5. The Seller is obliged to comply with the relevant legal norms applicable at his domicile concerning the handling of classified information during the performance of this Framework Agreement. The Seller is also obliged to comply with the Security instructions set out in Annex No. 2 to this Framework Agreement (hereinafter referred to as the "Security instructions"). The breach of any obligation stated in this provision constitutes a substantial breach of Framework Agreement under Article XIII paragraph 7 point b) of this Framework Agreement.

6. The Seller undertakes to ensure that the obligations referred to the preceding paragraphs 4 and 5 of this Article shall also apply to any entity, which shall be participating within the performance of the subject matter of this Framework Agreement (i.e. subcontractors), that means in particular to secure protection of classified information and to maintain in force for the entire period of validity and effectiveness of this Framework Agreement the authorization to handle classified information on the minimal confidentiality level "RESTRICTED" ("VYHRAZENÉ"), which will be proven in the form pursuant to Art. 9.1 of the Invitation to Negotiate and Submit a Tender. The Seller is obliged to notify the Buyer about any changes of the established authorization of the subcontractor without any delay. The Seller is obliged to secure cooperation on the subcontractor side. The breach of any obligation stated in this provision constitutes a substantial breach of Framework Agreement pursuant to Article XIII paragraph 7 point b) hereof.
7. All supplies of the Goods shall take place according to the Buyer'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 Buyer receives confirmation of an order from the Seller, confirming the order without reservations.

### **III. ORDERS**

1. As a minimum requirement, an order shall contain the following details:
  - a) Seller's and Buyer's identification data;
  - b) detailed specification of the Goods, including the quantity of the Goods to be delivered;
  - c) other requirements for the Goods;
  - d) detailed delivery conditions, especially the delivery term and place of delivery;
  - e) the designation of the person placing the order, who is authorised to act on behalf of the Buyer.

In case of doubt the Seller shall ask the Buyer for additional information. If the Seller fails to do so, it is understood that the instructions are sufficient for the Seller, and no such reason may release the Seller from any liability for failure to perform an order in due manner and time.

2. The order shall be sent to the Seller electronically to the Seller's e-mail address XXX and copy to the back office XXX.
3. The Seller is obliged to confirm the receipt of this partial order in writing within 5 working days of receiving the order to the Buyer's e-mail address XXX and to the Buyer's e-mail address from which the Seller received the order. As a minimum requirement, confirmation of an order must contain identification data of the Seller and the Buyer, and identification of the order being confirmed.

4. The Parties agree that the Seller will respect the supplies of the Goods as requested and will not modify the supplies as to type, volume or finance unless expressly agreed by the Parties.
5. The Seller undertakes in the fulfilment of any purchase order to act in accordance with the Tender.
6. The Seller takes into consideration that the making of individual orders and the conclusion of individual partial contracts depends only on the discretion and needs of the Buyer.
7. Individual partial contracts fulfilling the conditions for publication in the Register of Contracts take effect once they are published in the Register of Contracts. Other individual partial contracts take effect on the day it is confirmed by Seller.

#### **IV. DELIVERY TERM AND PLACE OF PERFORMANCE, PACKAGING, TRANSPORT AND DELIVERY CONDITIONS**

1. The Seller is obliged to deliver the Goods to the Buyer not later than **14 (fourteen) weeks** from the date when specific partial contract taken effect, unless the Buyer requires in a particular order a longer period – in which case the Seller undertakes to deliver the Goods within the period stipulated by the Buyer in such order. In the case of the first partial contract sent to the Seller after any effective change of the Technical specification according to Article II paragraph 3 hereof, the Parties agree that the delivery term shall be stipulated between Parties and it shall be stated in this first partial contract.
2. Each delivery of the Goods shall be accompanied with a delivery note, which shall be confirmed by both Parties upon handover and takeover of the Goods, and shall be used as the Goods handover protocol.

The delivery note shall contain:

- a) Seller's and Buyer's identification data,
  - b) the number and date of issue of the Delivery Note,
  - c) the order number or position/serial number according to the order,
  - d) contract number (if stated in the order),
  - e) material code according to IS in the STC format (if stated in the order),
  - f) the number of the supplied units and unit of measure,
  - g) Item name.
3. Not applicable.
  4. The Seller is obliged to deliver the Goods to the Buyer's production plant at the address:  
**Production Plant I – Růžová 6, House No. 943, 110 00 Prague 1, Czech Republic.**
  5. Delivery of the Goods according to this Framework Agreement shall be governed by the agreed delivery conditions INCOTERMS® 2020, CIP.
  6. The Seller shall notify the Buyer at least 3 working days before Goods dispatch date about the dispatch of the Goods, name of the carrier and deadline for delivery of the Goods to

the place of performance. On the day of dispatch, the Seller shall notify Buyer about type and licence plate number of the vehicles, including the names and surnames of the drivers. The Seller shall without undue delay notify the Buyer of any delay in the delivery of the Goods in order for the latter to adapt to the situation.

7. The Seller shall deliver the Goods on business days and during the Buyer's regular working hours, i.e. between 6:00 a.m. and 2:00 p.m., unless stipulated otherwise by the Buyer. Outside these hours, it is only possible to receive Goods following a previous agreement made over the phone between the Seller and the Buyer's representative stated in the order.
8. The Buyer 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.
9. The Buyer is obliged to take over to Goods free of any defects and supplied by the Seller on the basis of and in accordance with this Framework Agreement, and to pay the Seller the price of deliveries of the Goods.
10. The Seller is not entitled to supply a larger quantity of Goods than required by the Buyer in the relevant written order; in the event of supply of a larger quantity of Goods, the partial contract for this surplus is not concluded unless the Buyer approves additionally the acceptance of the surplus to the e-mail address XXX and XXX.
11. The Seller undertakes to prepare all Goods delivered hereunder for transportation and subsequent storage in the manner specified in paragraph 12 of this Article to ensure the preservation, protection and quality of the Goods as well as protect the Goods against damage caused by mechanical and weather factors. Each consignment shall be duly marked with the name of the Goods, identification of the manufacturer and indication of its mass.
12. The Seller shall meet the requirement under the previous paragraph hereof by choosing a carrier/courier who possesses a valid security clearance without use of a collecting haulier. The Seller is required to take adequate transport measures to ensure that the Goods are not stolen, damaged or misused while in transit.
13. The reams (1 ream/500 sheets) shall be stacked in two piles (of no more than 40 reams each) on fixed standard wooden (Euro-type) pallets, protected on the outside by polyethylene foil and three-layer cardboard, and topped with a wooden slab, and shall be tightly bound together with steel or plastic strips. Each ream shall be protected by a sheet of cardboard on the top and on the underside, and wrapped in polyethylene foil.
14. Each supply of the Goods must arrive with the following set of documents:
  - 1 copy of Delivery Note,
  - 1 copy of Packing List
  - 1 copy of CMR (Consignment Note – Carriage Document CMR).
15. The ownership title to the Goods supplied on the basis of this Framework Contract shall pass on the Buyer 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 Buyer. The risk of damage to the Goods shall pass to the Buyer at the same moment.

## V. PRICE

1. The price for deliveries of Goods in **EUR** is determined on the basis of the really realised performance according to a specific partial contract and the unit prices listed below. The unit prices are the maximum prices that shall not be exceeded.

	Quantity		Price for 1 000 sheets (2 reams)
	Number of sheets	Weight in kg	
a)	100 000 to 199 500	4,464 to 8,906	<b>EUR XXX</b>
b)	200 000 to 275 000	8,928 to 12,276	<b>EUR XXX</b>
c)	275 500 to 349 500	12,298 to 15,602	<b>EUR XXX</b>
d)	350 000 to 599 500	15,624 to 26,762	<b>EUR XXX</b>
e)	600 000 to 849 500	26,784 to 37,922	<b>EUR XXX</b>
f)	850 000 to 999 500	37,944 to 44,618	<b>EUR XXX</b>
g)	1 000 000 and more	44,640 and more	<b>EUR XXX</b>

The Seller is entitled to increase the unit prices stated above according to the inflation rate, once a year from the date 1<sup>st</sup> July of the relevant year, at the earliest from 1<sup>st</sup> July 2023.

For the purposes of this Framework Agreement, the inflation rate means the average inflation rate calculated on the basis of the monthly Consumer price index for other goods and services published by the Statistisches Bundesamt (hereinafter referred only as „Index“) and calculated as the averaged change in the Indices for the 12 calendar months preceding the month in which the Buyer received the Seller's writing notification of the increasing the unit prices. An increase of the unit prices by the inflation rate pursuant to this paragraph shall be reflected in this Framework Agreement in the form of an amendment to the Framework Agreement no later than 1<sup>st</sup> July of relevant calendar year (i.e. an amendment shall be valid and effective until 1<sup>st</sup> July of relevant calendar year) and will be effective for the performance delivered on the basis of orders placed by the Buyer after taking effect of relevant amendment of this Framework Agreement. If the Seller decides to apply its entitlement to increase unit prices by the inflation rate, the Seller shall deliver to the Buyer a notification of an increase of unit prices by the inflation rate no later than 30<sup>th</sup> April of relevant year and this Seller's notification shall contain details of the calculation of the inflation rate. If the Seller does not apply its entitlement to increase unit prices by the inflation rate and does not deliver the notification to the Buyer in the term according to the previous sentence or if the notification does not contain details on the calculation of the inflation rate, the Buyer is not obliged to conclude the amendment.

2. These unit prices are maximal and final and include all associated costs of the Seller for the preparation and production of the Cylinder Mould and all associated costs and charges related to the production, delivery of the Goods and the discharge of the Seller's obligations under INCOTERMS 2020, CIP (defined delivery terms, i.e. mainly including

packaging, transport and delivery of the Goods to the Buyer, insurance of the Goods, costs associated with obtaining the documents, etc.).

## **VI. PAYMENT TERMS**

1. The delivery price shall be paid by the Buyer after proper delivery of the Goods on the basis of tax documents (invoices) issued by the Seller.
2. The Seller's right to issue a tax document (invoice) for each delivery of the Goods is established on the day of delivery, i.e. the date of signature of the Delivery Note by the Buyer's authorised person. The date of taxable supply is the date of documented handover and takeover of the performance, i.e. the date the Buyer signed the protocol of handover of the Goods (Delivery Note).
3. The Buyer does not provide the Seller with any advance payments for the price.
4. A tax document (invoice) shall contain all the prerequisites of a tax document according to the applicable legal regulations and this Framework Agreement. Each tax document (invoice) must include a copy of the confirmed Delivery Note relating to the executed delivery.
5. The Seller shall issue a separate tax document (invoice) for each delivery of Goods.
6. The maturity period of any tax document (invoice) duly issued by the Seller is 30 calendar days following its issuance date. The Seller is obliged to deliver the invoice to the Buyer to e-mail address XXX. For the purposes of this Framework Agreement, an invoice shall be deemed paid once the respective amount has been deducted from the Buyer's financial account specified in the header of this Framework Agreement.
7. If a tax document (invoice) issued by the Seller does not contain the necessary formalities or will contain incorrect or incomplete information, the Buyer is entitled to return the tax document (invoice) to the Seller stating the reason for such return, without getting into arrears with payment. The new maturity period shall commence on the date of delivery of a duly corrected or supplemented tax document (invoice) to the Buyer.
8. The Buyer shall pay the price in accordance with this Framework Agreement and the invoiced tax document (invoice) to the Seller's account number specified on first page of this Framework Agreement. In the event of a change in the account number, an amendment to this Framework Agreement shall be concluded.

## **VII. LIABILITY FOR DEFECTS AND QUALITY WARRANTY**

1. The Seller undertakes to properly deliver the Goods, and especially to comply with the Technical Specification, and shall also be liable for the quantity and term of delivery of the Goods stipulated in partial contracts.
2. The Seller is responsible for ensuring that the Goods are duly delivered in accordance with the this Framework Agreement and that they shall be free of any defects for a period of **24 (twenty-four) months** from the date of delivery of the Goods to the Buyer and provides the Buyer with warranty for the quality of the Goods for the same period. The Buyer may claim



defects in the delivered Goods at any time during the warranty term.

3. A defect means any condition where the quality, quantity or design of the supplied Goods does not comply with the conditions stipulated in the specifications of the required Goods according to this Framework Agreement, the Technical specification and partial contracts.
4. If an entire supply delivered by the Seller or a part thereof proves defective, the Buyer shall have the right to claim the Goods, in particular on qualitative and quantitative grounds. Any defect liability claims shall be dealt with:
  - a) By replacement of the defective Goods with defect-free Goods;
  - b) By delivery of the missing quantity of the Goods;
  - c) By a discount from the price;
  - d) By withdrawal from the partial contract concerned.

The choice among the claims listed above shall be left entirely at the Buyer's discretion.

5. Any complaint shall be accepted or rejected within 10 (ten) calendar days from its communication to the Seller to the e-mail address: XXX and XXX.
6. The time period for settling a warranty claim is 45 (forty five) days from the date of its receipt by the Seller. In the case of a compliant acknowledgement by the Seller the Seller shall be liable to replace the defective Goods. All costs incurred in connection with the defects of the Goods or the application of defect liability claims, in particular 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 Seller. In the case of unacknowledged complaints, the Seller shall not be liable to replace the defective Goods and shall not bear the costs of the Buyer connected with the unacknowledged complaint.
7. Before all defects of the Goods are removed, the Buyer will not be obliged to pay the Seller the price of the defective Goods, if the price for defective Goods has not yet been paid to the Seller at the time of the exercise of warranty claim.
8. Making claim under liability for defects shall not affect Buyer's entitlement to the agreed contractual penalty and damages.
9. The Seller declares that the Goods are not encumbered with rights of third parties and have no other legal defects.
10. No warranty is provided for:
  - damage arising as a result of improper and/or inappropriate use, further processing, storage or treatment of the Goods by Buyer or a third party;
  - damage arising from failure to comply with information or advice given by Seller;
  - faulty modification of the Goods by Buyer or a third party.
11. Any activities, which are necessary for or are relating to claiming the defects, shall be made

by the Seller itself at its own costs in cooperation with the Buyer during the Buyer's working hours so that its activities will not endanger or limit the Buyer's activities.

## **VIII. 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 related to entering into this Framework Agreement and its content. This does not apply if the information is disclosed to the employees of the Party or to other individuals (subcontractors) involved in fulfilment; i.e. only for the purpose of realisation hereof) and always within the minimum scope necessary for due fulfilment hereof.
2. The Parties are liable to assure compliance with the obligations pursuant to this Article of all individuals (subcontractors) to whom the non-public information is disclosed pursuant to the previous sentence under the same terms as laid down for the Parties hereto. Violation of the confidentiality commitment by these individuals shall be deemed violation by the Party disclosing the information to them.
3. Non-public 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 to the extent required by applicable data protection law.
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, with the exception of such contained in customary IT backup systems.

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. Obligations to destroy material shall not extend to information that Seller has to retain in order to comply with statutory duties, e.g. book-keeping.
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 obligation to maintain confidentiality of non-public information acquired within the framework of cooperation with the other Party lasts for a period of five years after this Framework Agreement is terminated or expires. The confidentiality commitment shall pass onto any potential successors of the Parties. Upon the end of the term of the confidentiality obligation, Seller shall destroy all non-public information in accordance with above paragraphs 7. c) and d) and 8.

## **IX. SPECIAL PROVISIONS, OTHER RIGHTS AND OBLIGATION OF PARTIES**

1. For the entire period of validity and effectiveness of this Framework Agreement, the Seller is obliged to maintain valid a liability insurance contract for damages caused to third parties for the minimum amount of EUR 1 000 000. At the request of the Buyer, the Seller 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 Buyer.
2. The Seller is entitled to perform this Framework Agreement or part thereof through its subcontractor(s). In the case that the Seller uses a subcontractor within the meaning of the

previous sentence,

- a. the Seller remains responsible for fulfilment the subject of this Framework Agreement as if he performed it itself,
- b. was obliged to submit to the Buyer (Contracting Authority) the List of subcontractors according to the Invitation to Negotiate and Submit a Tender and under the conditions specified in Art. 9.3 of the Invitation to Negotiate and Submit a Tender,
- c. in the case of a change in the List of subcontractors (e.g. different scope of performance, change of subcontractor, new subcontractor), the Seller is obliged to notify such change to the Buyer without undue delay, but no later than within 10 working days of such change. The Seller is entitled to change qualifying subcontractors only if the Seller shall demonstrate evidence of which would suggest that the new subcontractors meet the qualifications at least to the same extent as the original qualifying subcontractor.
- d. the Seller is obliged to ensure proper and timely fulfilment of financial obligations to its subcontractors for the entire period of performance of this Framework Agreement, while full and timely fulfilment is considered full payment of invoices issued by the subcontractor for performances based on this Framework Agreement, no later than 30 days after receipt of payment from by the Buyer for specific fulfilled Tender. For the purposes of checking this arrangement, the Buyer is entitled for the duration of this performance based on this Framework Agreement, to request from Seller an affidavit of compliance with this obligation for the previous calendar year as part of its audit rights.

This Framework Agreement and its Annexes shall not be amended due to the use of subcontractors or its change according to this Paragraph.

3. If the Seller at the time of signature of this Framework Agreement proves implementation of security processes to ensure the production security integrity (transport incl.) within the performance of the subject matter of this Framework Agreement through the certificate "ISO 14298 Management of security printing processes" or "CWA 15374 Security management system for suppliers to the security printing industry", the Seller shall ensure certificate validity for the entire duration of this Framework Agreement. The Seller is obliged to notify the Buyer of any changes or end of validity of this certificate without delay. In the event of end of validity of this certificate the Seller is obliged to ensure immediate compliance with the obligation under paragraph 4 and 5 of this Article and fulfilment of the obligations and requirements of the security audit pursuant to Annex No. 3 to Framework Agreement (hereinafter referred to as the "**Security Audit**").
4. If the Seller at the time of signature of this Framework Agreement does not prove implementation of security processes to ensure the production security integrity (transport incl.) within the performance of the subject matter of the Framework Agreement through the 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 that the Security Audit was conducted before the signing of this Framework Agreement. The Contracting Parties declare that the Security Audit was conducted in October 2021 and that the Buyer considers this to be a fulfilment of the requirements under the previous sentence. The Security Audit will then be organized by the Buyer at regular three-year intervals.

5. The Seller is obliged to immediately inform the Buyer of any changes or termination of the certificate pursuant to paragraph 3 of this Article or of any changes concerning changes in safety standards or rules according to the requirement No. 5 set out in the Annex No. 3 to this Framework Agreement or changes in security systems on the part of the Seller such as changes in the security system, or any other changes in the safety of buildings or building modifications or alterations to buildings, etc. In such a case, the Buyer may request to perform without undue delay an extraordinary Security audit to the extent specified in Annex No. 3 to this Framework Agreement, i.e. thus outside regular three-year intervals.
6. For the fulfilment of purpose the preceding provisions sense of the Seller acknowledges and agrees that the Buyer will conduct the Security audit (or extraordinary Security audit) at the facility intended for the performance of the subject matter of this Framework Agreement, therefore requires the Seller's assistance, by enabling access to these facility, or verification of specific processes or make available the necessary documentation by remote access. 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.
7. Breach of the Seller's obligation to allow or secure the Security Audit to be performed in accordance with Annex No. 3 to this Framework Agreement (including the extraordinary Security Audit pursuant to paragraph 5 of this Article), or the fact that requirements of Security Audit have not been met and thus failed to demonstrate sufficient implementation of security processes, constitutes a substantial breach of this Framework Agreement in accordance with Article XIII paragraph 7 of this Framework Agreement.
8. Before signature of this Framework Agreement the Seller shall prove implementation of quality management system to ensure the production quality management within the performance of the subject matter of the Framework Agreement through the ISO 9001 certificate - Quality Management System, or other similar document in accordance with the Invitation to Negotiate and Submit a Tender. Before signature of this Framework Agreement the Seller also shall prove implementation of the Environmental management system through the ISO 14001 certificate, or other similar document in accordance with the Invitation to Negotiate and Submit a Tender, and implementation of the Occupational health and safety management systems through the ISO 45001 certificate, or other similar document in accordance with the Invitation to Negotiate and Submit a Tender. Details about proving requirements according to this Paragraph are stated in in Art. 7.3.1., 7.3.2 and 7.3.3 of the Invitation to Negotiate and Submit a Tender. The Seller is obliged to keep these certificates or similar documents valid for the entire period of validity and effectiveness of this Framework Agreement. At the request of the Buyer, the Seller is also obliged to prove the fulfilment of these obligations at any time during the duration of this Framework Agreement, no later than 10 calendar days from the delivery of such a request of the Seller.
9. Breach of this Seller's obligation to maintain the validity of the ISO 9001 certificate, ISO 14001, ISO 45001, or other similar document in accordance with the Invitation to Negotiate and Submit a Tender, for the entire period of validity and effectiveness of this Framework Agreement, or the fact that the Seller has not proved ensuring of this certificate or other similar document in accordance with the Invitation to Negotiate and Submit a Tender at the Buyer's request pursuant to this paragraph constitutes a substantial breach of this Framework Agreement pursuant to Article XIII paragraph 7 of this Framework Agreement.
10. For the avoidance of any doubt, the Buyer states that the adjustment and obligations set

out in paragraphs from 3 to 9 of this Article apply to any entity, which shall be participating within the performance of the subject matter of this Framework Agreement as subcontractor/s of the Seller and the Seller remains responsible for fulfilment of these obligations and the Seller is required to assure cooperation on the subcontractor/s side.

11. The Buyer is the exclusive customer and user of the subject of performance under Article II Paragraph 1 and 3 hereof.
12. The Seller undertakes not to provide the subject of performance to any third party.
13. The Seller warrants to the Buyer that during the preparation, production or shipment and transport of the subject of performance, the materials used in the production of the material and the completed subject of performance will not be lost or misappropriated or used for other purposes.
14. Failure to comply with the provisions of paragraphs 12 and 13 of this Article constitutes a substantial breach of this Framework Agreement, which may establish the Buyer's right to withdraw from this Framework Agreement, while the Buyer's entitlement to compensation for any damage, including lost profit, caused by the Seller's failure to comply with the obligations referred to in paragraphs 12 and 13 of this Article shall not be affected.
15. Both Contracting Parties shall respect the confidentiality of any information and communications related to the actual cooperation and internal affairs of the Contracting Parties where the disclosure of such information might harm the other Contracting Party.
16. The Contracting Parties agree that the Technical Specification of the Goods, especially the security elements, meet all the requirements to qualify for trade secret and the Contracting Parties undertake to ensure its appropriate classification.
17. In the event that the production of the Cylinder Mould 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" or as the "Cylinder Mould"), whose author is the Seller, the Seller shall grant to the Buyer upon delivery of the Goods an exclusive territorially unlimited licence to the Work for the duration of the ownership rights to the Work and for all methods of use of the Work. The price of licence is already included in the price of the Goods according to Article V Paragraph 1 hereof. The Seller is not entitled to any additional remuneration in relation to the copyrights to the Work that has not been agreed in this Framework Agreement.
18. If the author of the Work is a person different from the Seller, the Seller 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 Seller is providing the Buyer with sub-licence to the Work, the price of this sub-licence is already included in the price of the Goods according to Article V Paragraph 1 hereof. 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.
19. The Buyer 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 Buyer 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 Seller gives its consent.

20. The Seller undertakes to use the Cylinder Mould (Work) exclusively for the production of the Goods solely for the Buyer. The Seller is also obliged to secure the Cylinder Mould (Work) against any misuse, damage or loss culpably caused by the Seller.
21. Buyer warrants that none of the data, information or images made available to Seller for the purpose of producing the Goods infringe any third-party rights. To this extent, Buyer holds Seller harmless against all claims brought against Seller by third parties.

## **X. SANCTIONS**

1. In the case of Seller's delay with the delivery of the Goods within the term according to Article IV paragraph 1 hereof or in the case of the Seller's delay in settling a warranty claim within the period specified in Article VII Paragraph 5 or 6 hereof, the Seller is obliged to pay a contractual penalty to the Buyer in the amount of 0.05 % of the price of the Goods or its part of which the Seller is in delay, from the 11th working day and for each next working day of such delay, up to the maximum of 25% of the price of the delayed Goods or its part.
2. In the case of violation of the obligations resulting from Article VIII hereof, the Seller is obliged to pay a contractual penalty to the Buyer in the amount of EUR 7 850 per each discovered case of violation of these obligations.
3. In the event that the Seller uses the Cylinder Mould in contradiction of Article IX Paragraph 20 hereof, the Seller is obliged to pay a contractual penalty in the amount of EUR 1 000 000.
4. Payment of the contractual penalty does not release the Seller from its duty to perform the obligations imposed on the basis of this Framework Agreement and the respective partial contract.
5. Stipulating the contractual penalty is without prejudice of the right to compensation of any incurred harm always provided however that any contractual penalty may be set-off against any such compensation claim and Seller may at any time be free to prove that no or fewer harm than the respective penalty amount occurred and Seller shall be under no obligations to pay or otherwise compensate such excess amounts.
6. The contractual penalty is due within 30 calendar days after the delivery of the bill for the contractual penalty to the Seller.

## **XI. LIBERATION REASONS**

1. The Seller is released from the duty to provide compensation of any incurred harm, damages or losses only from the liberation reasons in the sense of § 2913 point 2 of the Civil Code. For the avoidance of any doubt, the Contracting Parties state that the Seller's liability for damages or losses is also limited within the meaning of Article XII.A hereof.
2. For the purposes of this Framework Agreement, "liberation reasons" means an extraordinary, unforeseeable and insurmountable obstacle created independently of Seller's will, which temporarily or permanently prevented from fulfilling Seller's contractual duty. An obstacle arising from the Seller's personal circumstances or arising when the Seller was in default of performing his contractual duty, or an obstacle which the Seller was

contractually required to overcome shall not release him from the duty to provide compensation.

3. If it is clear that as a result of the events referred to in paragraphs 2, the Seller will not be able to fulfil its obligations within the agreed period, then it shall without undue delay notify the Buyer. The Contracting Parties shall, without undue delay, agree to resolve this situation and agree on the further procedure for the performance of this Framework Agreement. However, the parties expressly agree that the Seller is not in arrears with the fulfilment of its obligations under this Framework Agreement for the period, when the liberation reasons persist.
4. If either party is unable to perform its contractual obligations by liberation reasons, the Contractual Parties shall discuss the case among themselves and decide on possible procedures. In the absence of such an agreement, either party has the right to withdraw from the Framework Agreement if more than three months have elapsed since the occurrence of liberation reasons preventing performance and the defective condition persists.
5. If a case of liberation reasons arise, the party claiming liberation reasons shall provide the other party with documents relating to that case.
6. The Contracting Parties take into consideration that, for the existence of the liberation reasons, does not affect the arrangements for contractual penalties, i.e. the contractual obligation to pay the contractual penalty is not affected by liberation reasons.

#### **XII.A. LIMITATION OF LIABILITY**

1. Seller shall be liable only for damage or losses resulting from gross negligence or wrongful intent.
2. Seller's liability in connection with the transactions under this Framework Agreement shall be limited for each partial contract to 100% of the order value of this respective partial contract.
3. Claims for damages on the grounds of indirect or consequential losses such as loss of profit, loss of production, additional production costs, loss of business, etc. are excluded.
4. The above restriction of liability shall not apply to wrongful intent, breaches of mandatory product liability law, or to losses arising from injury to life, limb or health that result from deliberate or negligent failure to perform obligations by Seller, one of Seller's legal representatives or such persons as Seller employs for the purposes of fulfilling its obligations under this Agreement.
5. Any Buyer's claims from or in connection with this Framework Agreement and individual partial contracts based thereon, shall become time barred after twelve months from first coming into existence.

#### **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 Buyer'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 comes into force on the day it is signed by both Parties and taking effect on 1<sup>st</sup> January 2023. If the Framework Agreement will not be published in the Register of Contracts on 1<sup>st</sup> January 2023 at the latest, it shall take effect on the day of its publication in the Register of Contracts.
2. This Framework Agreement has been entered into for a definite period of time, namely:
  - a. to **31<sup>st</sup> December 2026**, or
  - b. until the maximum financial limit **EUR 1 100 000** will be exhausted,whichever is the earlier.
3. The duration of this Framework Agreement under Paragraph 2 of this Article may be prolonged by 1 year and the maximum financial limit agreed in Paragraph 2 of this Article may be increased by EUR 300 000, i.e. for total time period to 31<sup>st</sup> December 2027, or until the maximum financial limit EUR 1 400 000 will be exhausted, whichever is the earlier. The Parties agreed that the duration of this Framework Agreement under the previous sentence will be prolonged if the Buyer notifies in writing form its intention to prolong this Framework Agreement in accordance with this Paragraph. The notification according to the previous sentence must be delivered to the Seller no later than 6 months before the original termination of this Framework Agreement.
4. The duration of this Framework Agreement under Paragraph 3 of this Article may be prolonged by 1 more year and the maximum financial limit under Paragraph 3 may be increased by further EUR 300 000, i.e. for total time period to 31<sup>st</sup> December 2028, or until the maximum financial limit EUR 1 700 000 will be exhausted, whichever is the earlier. The Parties agreed that the duration of this Framework Agreement under the previous sentence will be prolonged if the Buyer notifies in writing form its intention to prolong this Framework Agreement in accordance with this Paragraph. The notification according to the previous sentence must be delivered to the Seller no later than 6 months before the original termination of this Framework Agreement in accordance with the Paragraph 3 of this Article. In the event that the duration of this Framework Agreement is not prolonged in accordance with Paragraph 3 of this Article, this Paragraph 4 shall not apply.
5. Each extension as per the above paragraphs 3 and 4 shall be subject to the continued availability of materials and technologies as per the then applicable Technical specification.

Were it is foreseeable that materials or technologies may not or no longer be available, the Parties shall mutually amend the Technical specification accordingly, in accordance with section II paragraph 3 hereof. Any changes of the Technical Specifications shall be possible only by written amendment pursuant to Article XIV Paragraph 1 hereof and shall be in accordance with the PPA.

6. This Framework Agreement shall terminate
  - a) with the lapse of the period of time stated in the paragraph 2, 3 and 4 of this Article;
  - b) by written agreement of the Parties;
  - c) by written notice of termination by either Party according to paragraph 10 of this Article;
  - d) by withdrawal from this Framework Agreement in the cases given in this Framework Agreement or in the event of a substantial breach by either Party.
7. The Parties agree that they consider the following cases in particular to constitute a substantial breach hereof:
  - a) a repeated failure to meet Technical specification of Goods pursuant to Article II Paragraph 3;
  - b) breach Seller's obligation under Article II Paragraph 4 to 6 hereof;
  - c) repeated, at minimum the second and consecutive, delay of the Seller in the delivery of Goods according to partial contracts for a period exceeding 30 days;
  - d) breach of Article VIII or Article IX Paragraph 15 hereof which has not been remedied following a previous notice for correction,
  - e) breach of obligation under Article IX Paragraph 1 hereof;
  - f) breach of obligation under Article IX Paragraph 2 point c) hereof;
  - g) breach of obligation under Article IX Paragraph 3, 5, 6, 7, 8, 9, or 10 hereof;
  - h) breach of obligation under Article IX Paragraph 12 or 13 hereof.
8. The partial contract shall terminate:
  - a) if such termination is agreed upon by both of the Parties hereto;
  - b) By withdrawal of the Buyer
    - i. in the case pursuant to Article VII Paragraph 4 letter (d) hereof; or
    - ii. in the case of a breach of the partial contract by the Seller 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 7 letters (a), (b), (d), (e), (f), (g) and (h) hereof and the case where the Seller is in delay with the delivery of Goods according to specific partial contract for more than 30 days from delivery term;
    - iii. in other cases stated in this Framework Agreement.
9. 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.

10. The Parties are entitled to terminate this Framework Agreement at any time, without stating any reason. The notice period shall be 12 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.
11. 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.
12. For the avoidance of any doubts, the Contracting Parties state that the prolongation of this Framework Agreement pursuant to Article XIII paragraph 3 and 4 hereof shall be reflected in this Framework Agreement in the form of an amendment to the Framework Agreement. Such amendment may also include a clause about an increase of the unit prices by inflation rate pursuant to Article V hereof and a clause about a change in the Technical specification pursuant to Article II paragraph 3 and Article XIII paragraph 5 hereof.

#### **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 Seller undertakes to notify the Buyer without undue delay if the Seller 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 Seller hereby declares that respects fundamental human rights and generally accepted ethical and moral standards in accordance with Universal Declaration of Human Rights (hereinafter also only „Rights“). In the case of the Buyer in a reliable and verifiable manner learns that the Seller has violated or violate Rights, and the Seller despite a prior written notice of the Buyer continues to violate generally accepted Rights or fails to remedy, the Buyer has the right to withdraw from this Framework Agreement pursuant to Article XIII paragraph 6 point d) and Article XIII paragraph 9 hereof and right to withdraw from partial contract pursuant to Article XIII paragraph 8 point b) and Article XIII paragraph 9 hereof.
7. The Seller further declares that, in the performance of this Framework Agreement, he will observe fair working conditions and recognize and ensure the rights of employees in accordance with labor law and occupational safety regulations in force in the country in which subject matter of this Framework Agreement is performed. For the purposes of checking this arrangement, the Buyer may during the term of this Framework Agreement request Seller to submit an affidavit of compliance with this obligation for the previous calendar year as part of its audit rights.
8. The Contracting Parties declare that they do not act unlawfully or that their conduct does not fulfil the body of the crime or administrative delict and that they comply with their relevant national laws, including human rights within the meaning of paragraph 6 of this Article.
9. The Parties take into consideration 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 Buyer.
10. 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.
11. 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.
12. The following Annexes form an integral part of this Framework Agreement:  
Annex No. 1 – Technical specification - non-classified part  
Annex No. 2 – Security instructions  
Annex No. 3 – Security audit

For the Buyer:

In Prague, on .....

For the Seller:

In Munich, on .....

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

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**Clemens Berger**  
Chairman of the Board of  
Managing Directors  
Papierfabrik Louisenthal GmbH

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**(ppa.) Andrew Forbes**  
Director of Sales  
Papierfabrik Louisenthal GmbH