

FRAMEWORK AGREEMENT FOR THE PRODUCTION AND SUPPLY OF INTAGLIO INKS FOR ALCOHOL TAX STAMPS

registered by the Buyer under No. 045/OS/2022

registered by the Seller under No. CD/001/2022

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

made pursuant to the provision of Section 27 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

Gleitsmann Security Inks GmbH

with its registered office at 12059 Berlin, Ederstr. 20-22, Germany entered in the Commercial Register administered by Amtsgericht Berlin Charlottenburg, HRB 67740

Register administered by Amtsgericht Berlin Charlottenburg, HRB 67740

Business ID: na

Tax Identification No.: DE812523829

Represented by: **Ulrich Walter**, Managing Director,

Christine Ebers, Customer Management

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: **Ulrich Walter**, Managing Director

Representatives authorized to negotiate in factual and technical matters:

On behalf of the Buyer: **XXX**
e-mail: XXX
tel.: XXX

XXX
e-mail: XXX
tel. XXX

On behalf of the Seller: **XXX**
e-mail: XXX
tel. XXX

I. INTRODUCTORY PROVISIONS

1. This Framework Agreement is concluded on the basis of the results of a small-scale public contract within the meaning of Section 27 of the PPA, which is entitled “*The Production and Supply of Intaglio Inks for Alcohol Tax Stamps*” hereinafter referred to as the “**tender procedure**”). The basis for this Framework Agreement is also the Seller's tender for the tender procedure submitted on 13. 12. 2022, 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 tender 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**
 - a. **to produce and supply the Buyer the products for intaglio printing of state documents in particular:**
 - (i) inks:
 - XXX
 - XXX

These inks must be suitable for the INTAGLIO COLOR 8 machine with a short inking unit and the ink cans must be suitable for the intaglio batching system.

according to the Buyer's requirements specified in individual orders and according to classified part of the Technical specification, (hereinafter referred to as "**Goods**");
 - b. to acquire ownership of the delivered Goods to the Buyer.
2. The Goods shall be produced and supplied in accordance with the Technical specification which is divided into:
 - a. the non-classified part of which is set out in Article II paragraph 1 of this Framework Agreement and in the Annex No. 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 on 21. 9. 2021.
3. 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 4 hereof.
4. 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 4 of this Framework Agreement.

5. The Seller undertakes to ensure that the obligations referred to the preceding paragraphs 3 and 4 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 4 hereof.

III. ORDERS

1. 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.
2. 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 (e.g. the volume of ink cans in kilograms);
 - 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.

3. The order shall be sent to the Seller electronically to the Seller's e-mail XXX.
4. The Seller is obliged to confirm the receipt of this partial order in writing within 2 working days of receiving the order to the Buyer's e-mail address XXX and to the Buyer's e-mail address specified in 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 and the date of the confirmation.

5. 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.
6. The Seller undertakes in the fulfilment of any purchase order to act in accordance with the Tender.
7. 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.
8. 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.
9. The Buyer 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.

IV. DELIVERY DATE AND PLACE OF PERFORMANCE, PACKING, TRANSPORT AND DELIVERY CONDITIONS

1. The Seller is obliged to deliver the Goods to the Buyer within the date specified in the relevant particular order. The Seller is obliged to deliver the Goods to the Buyer within four (4) weeks from the day 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.
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) The number of the supplied units and unit of measure;
 - f) Item name.
3. 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.
 4. Delivery of the Goods according to this Framework Agreement shall be governed by the agreed delivery conditions INCOTERMS® 2020, EXW.

5. The Seller shall notify the Buyer to the e-mail address: XXX and to the e-mail address specified in the order, at least 3 working days in advance, the day of dispatching of the Goods from the Seller.
6. 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.
7. 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.
8. 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.
9. The Goods shall be delivered to the Buyer in metal firmly closed cans in order to secure their long-term preservation and to limit any damage during transport. The manner of packaging of Goods shall be defined by the Buyer in the order.
10. The cans shall be placed on a fixed wooden euro pallet (120 x 80 x 110 cm; the height 110 cm is maximum)). The pallet shall be provided with a wooden board on top and firmly tightened with strips.
11. Packaging of the Goods is regarded as disposable and its cost is included in the price of the Goods.
12. Each pallet with Goods shall be designated as follows:
STÁTNÍ TISKÁRNA CENIN, státní podnik - Production Plant I
Růžová 6, House No. 943
110 00 Praha 1
Czech Republic
13. The Seller shall deliver to the Buyer together with the Goods a certificate of quality of the delivered Goods (analysis certificate), which confirms technical characteristics of the delivery and is issued by the Seller based on a laboratory analysis within testing prior to delivery of the Goods.
14. The Seller shall keep a sufficient quantity of each batch of the Goods, in order to be able to perform at least two full sets of quality tests in the case of any complaint procedure. The Seller shall keep such samples in a suitable storage facility for the period corresponding to the service life of the Goods.
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 excluding VAT** is determined on the basis of the really realised performance according to a specific partial contract and the prices stated in the Price list which is the Annex No. 1 to this Framework Agreement (hereinafter referred to as the “**delivery price**”). The prices stated in the Price list are the maximum prices that shall not be exceeded.

If the Seller is a registered VAT payer in the Czech Republic, the Buyer shall pay the Seller the price plus the VAT in accordance with the applicable legislation.

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. In the case that the Seller is a VAT payer registered in the Czech Republic, the provisions of the Paragraph 9 to 12 in this Article shall be applied and be binding for the Seller.
9. The Seller declares that in the moment of conclusion of the Framework Agreement it is not in liquidation and no proceedings are being conducted against it pursuant to Act No. 182/2006 Coll., on bankruptcy and settlement (Insolvency Act). The Seller also declares that in the moment of conclusion of the Framework Agreement there is no decision issued by a tax administrator, that the Seller is an unreliable payer pursuant to Section 106a of

the Value Added Tax Act No. 235/2004 Coll., as amended (hereinafter "VATA"). The Seller shall immediately and demonstrably notify Buyer, a recipient of the taxable performance, within two working days of it becoming aware of its insolvency or of issuing a decision by a tax administrator that the Seller is an unreliable payer pursuant to Section 106a VATA. In the event that, during the period of validity and effectiveness of the Framework Agreement, the Seller's statements referred to in this paragraph prove to be false or the Seller violates the obligation to notify the Buyer of the fact stated in the previous sentence within the specified period, this will be considered a substantial breach of the Framework Agreement.

10. The Seller undertakes that the bank account designated by him for the payment of any obligation of the Buyer 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 98 VATA, otherwise the Seller is obliged to provide another bank account to the Buyer that is duly published pursuant to Section 98 VATA. In the case Seller has been indicated by a tax administrator as an unreliable taxpayer pursuant to Section 106a VATA, Seller undertakes to immediately, within two working days of it becoming aware of its insolvency or of issuing a decision by a tax administrator that the Seller is an unreliable payer pursuant to Section 106a VATA, notify this to Buyer along with the date on which this circumstance arose.
11. If surety for unpaid VAT arises for the Buyer according to Section 109 VATA on received taxable performance from Seller, or the Buyer justifiably assumes that such facts have occurred or could have occurred, the Buyer is entitled without the consent of Seller to exercise procedure according to the special method for securing tax, i.e. the Buyer is entitled to pay the concerned VAT according to the invoice (tax document) issued by the given Seller 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 tax authority, the Seller's receivable from Buyer is considered as settled in the amount of the paid VAT regardless of other provisions of the Framework Agreement. At the same time, Buyer shall be bound to notify the respective Seller of such payment in writing immediately upon its execution.
13. The Seller is not authorised, without prior consent of the Buyer, to set-off any of its receivables from the Buyer with any of the Buyer's receivables from the Seller or assign any of its rights and receivables from the Buyer to a third party.
14. The Seller agrees that it shall in no way burden its claims against the Buyer under the partial contract or in connection with a lien in favour of a third party.

VII. LIABILITY FOR DEFECTS AND QUALITY WARRANTY

1. The Goods must be free of any factual and legal defects. The Goods are considered to have defects, if not delivered the stipulated quality and quantity, or if not delivered in accordance with this Framework Agreement, Technical specification or any partial contract (confirmed order).
2. The Seller shall provide the Buyer with a guarantee for the quality of the Goods during the warranty period (shelf life) which is stated for a period 24 months (for all types of inks

referred to in Article II of this Framework Agreement) commencing on the date of delivery to the Buyer (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 Seller 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 Seller on the next following business day.

3. Under warranty for quality of the Goods, the Seller 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 Technical specification. The Seller is liable for any defect, including hidden or obvious defects, which arise or manifest during the Warranty Period. The Buyer may claim defects in the delivered Goods at any time during the Warranty Period.
4. The Seller declares that the Goods are not encumbered with rights of third parties and have no other legal defects.
5. If the Goods suffer defect(s), the Buyer is entitled to:
 - a) have the defect removed through a new supply of perfect Goods;
 - b) have the defect removed through the supply of the missing Goods;
 - c) demand an adequate discount on the price;
 - d) withdraw from the relevant partial contract.
6. The choice of the entitlement resulting from defective Goods under Paragraph 5 of this Article hereof always lies with the Buyer.
7. The period for settling a warranty claim is **10 working days** from its notification to the Seller's e-mail address XXX. In the case that replacement option is selected, the Seller shall determine whether the faulty batch is to be sent back to the Seller or discarded by an external entity, whereas a report of discarding of the faulty Goods shall be made. 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 Seller.
8. 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.
9. Making claim under liability for defects shall not affect Buyer'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 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.
11. After each delivery of Goods, the Buyer reserves the right to conduct an entry laboratory spot test intended as verification of compliance of the Goods with the Technical specifications. The Buyer shall be further entitled to verify that the delivered Goods are in

conformity with the Technical specifications within detailed testing by an external laboratory.

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 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.
11. The Contracting Parties are obliged to ensure the protection of information which one of the Contracting Parties designates as a trade secret within the meaning of Section 504 of the Civil Code. The Parties are obliged to secure information designated as a trade secret at least to the same extent as the non-public information defined in this Framework Agreement. Information designated by the Contracting Parties as a trade secret shall not be published in the Register of Contracts within the meaning of Article XIV paragraph 8 hereof. If the Seller considers any information stated in this Framework Agreement to be its trade secret within the meaning of Section 504 of the Civil Code, it shall inform the Buyer at the latest before the publishing the Framework Agreement in the Register of contracts.

IX. 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 40 000 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. 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 3 and 4 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**").
3. 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 September 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.
4. The Seller is obliged to immediately inform the Buyer of any changes or termination of the certificate pursuant to paragraph 2 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.
5. 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.
6. 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 4 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 4 of this Framework Agreement.

7. 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 tender documentation of the tender procedure and under the conditions specified in Art. 8.10 of the tender documentation of the tender procedure,
 - 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 provided for this Framework Agreement, no later than 30 days after receipt of payment from by the Buyer for specific fulfilled partial contract. For the purposes of checking this arrangement, the Seller is required in the first calendar month in each calendar year of the duration of this Framework Agreement, to submit to Buyer an affidavit of compliance with this obligation in the previous calendar year.

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

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. 7.3.2 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 4 of this Framework Agreement.

10. The Seller declares, that the Seller in the sense of:

- a) Article 2, paragraph 2 of Council Regulation (EU) No. 269/2014 of 17 March 2014 on restrictive measures with regard to activities that violate or threaten the territorial integrity, sovereignty and independence of Ukraine, as amended, (hereinafter referred to as the "Regulation No. 269/2014), and
- b) Article 2, paragraph 2 of Council Regulation (EU) No. 208/2014 of March 5, 2014, on restrictive measures against certain persons, entities and authorities in view of the situation in Ukraine, as amended, (hereinafter referred to as the "Regulation No. 208/2014"), and
- c) Article 2, paragraph 2 of Council Regulation (EC) No. 765/2006 of 18 May 2006 on restrictive measures against President Lukashenko and certain representatives of Belarus, as amended, (hereinafter referred to as "Regulation No. 765/2006"),

is not a natural or legal person, entity or body or a natural or legal person, entity or body associated with them listed in Annex I of Regulation No. 269/2014, Regulation No. 208/2014 or Regulation No. 765/2006.

11. The Seller further declares that for purposes of performance of this Framework Agreement no funds or economic resources will be made available directly or indirectly to natural or legal persons, entities or bodies listed in Annex I of Regulation No. 269/2014, Regulation No. 208/2014 or Regulation No. 765/2006 or for their benefit.

12. If, during the validity and effectiveness of this Framework Agreement, there should be non-compliance with the conditions specified in Paragraph 10 or 11 this Article of the Framework Agreement, the Seller undertakes to immediately once the Seller finds out about the change of circumstances, inform the Buyer of this fact in writing.

X. SANCTIONS

1. In the case of Seller's delay with the delivery of the Goods, the Seller is obliged to pay a contractual penalty to the Buyer in the amount of 0.1 % of the price of the Goods or its part with the delivery of which the Seller is in delay, for each started day of such delay.
2. In the case of the Seller's delay in settling a warranty claim within the period specified in Article VII Paragraph 7 hereof, the Buyer 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 case of violation of the obligations resulting from Art. VIII hereof, the Buyer shall be entitled to a contractual penalty in the amount of EUR 7 800 per each discovered case of violation of these obligations.

4. In the case of violation Seller's obligation resulting from Article IX Paragraph 7 point d) hereof or its obligation in Article XIV Paragraph 7 hereof, the Seller is obliged to pay a contractual penalty in the amount of EUR 100 for each started day such a violation.
5. In the event of a breach of any of the obligations in Article IX Paragraph 11 or 12 of this Framework Agreement by the Seller, or if the statement in Article IX Paragraph 10 of this Framework Agreement turns out to be false, the Buyer has the right to impose a contractual fine of EUR 4 000 on the Seller, namely for each individual violation.
6. 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.
7. Stipulating the contractual penalty is without prejudice of the right to compensation of any incurred harm to full extent.
8. 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.
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. 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 once it is published in the Register of Contracts.
2. This Framework Agreement is entered into for a definite period of time, namely:
 - a. for period of **1 year** from the date of entrance into force of the Framework Agreement, or
 - b. until the maximum financial limit **EUR 78 000** will be exhausted,whichever is the earlier.
3. This Framework Agreement shall terminate
 - a) with the lapse of period stated in the Paragraph 2 of this Article;
 - b) by written agreement of the Parties;
 - c) by written notice of termination by either Party;
 - 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.
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 and 2 hereof;
 - b) repeated, at minimum the second, delay of the Seller in the delivery of Goods according to partial contracts for a period exceeding 7 business days;

- c) breach Seller's obligation under Article II Paragraph 3, 4 or 5 hereof;
 - d) Seller's statements referred to Article VI paragraph 9 hereof prove to be false;
 - e) the Seller violates the obligation to notify the Buyer of the fact stated in the last sentence of the Article VI paragraph 9 hereof;
 - f) breach of Article VIII hereof which has not been remedied following a previous notice for correction,
 - g) breach of obligation under Article IX Paragraph 1 hereof;
 - h) breach of obligation under Article IX Paragraph 2 to 6 hereof;
 - i) breach of obligation under Article IX Paragraph 7 point c) hereof;
 - j) breach of obligation under Article IX Paragraph 8 hereof;
 - k) breach of the Seller's obligations in Article IX Paragraph 10 or 11 or 12 of this Framework Agreement.
5. 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 5 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 4 letters (a), (c), (d), (e), (f), (g), (h), (i), (j) and (k) hereof and the case where the Seller is in delay with the delivery of Goods according to specific partial contract for more than 2 calendar weeks;
 - iii. in other cases stated in this Framework Agreement.
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. The Parties are entitled to terminate this Framework Agreement at any time, without stating any reason. The notice period shall be 3 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.

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 3 point d) and Article XIII paragraph 6 hereof and right to withdraw from partial contract pursuant to Article XIII paragraph 5 point b) and Article XIII paragraph 6 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 Seller is required in the first calendar month in each calendar year of the duration of this Framework Agreement, to submit to Buyer an affidavit of compliance with this obligation in the previous calendar year.
8. 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.

9. 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.
10. 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.
11. The following Annexes form an integral part of this Framework Agreement:

Annex No. 1 – Price list

Annex No. 2 – Security instructions

Annex No. 3 – Security audit

For the Buyer:

In Prague, on

For the Seller:

In Berlin, on

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

Ulrich Walter
Managing Director
Gleitsmann Security Inks GmbH

Christine Ebers
Customer Management
Gleitsmann Security Inks GmbH