

FRAMEWORK AGREEMENT FOR THE PRODUCTION AND SUPPLY OF THE LAMINATION PLATES FOR DL CARDS

registered by the Buyer under No. 013/OS/2023

registered by the Seller under No. N/A

(hereinafter referred to as "Framework Agreement")

made pursuant to the provision of Section 25 and Section 56 et seq. 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, s. p.

with its registered office at

Růžová 943/6, Nové Město, 110 00 Praha 1, 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: XXX

SWIFT: XXX

(hereinafter referred to as the "Buyer")

and

VTT Verschleißtechnik GmbH

with its registered office at Am Pferdemarkt 16, D-30853 Langenhagen, Germany

entered in the Commercial Register administered by HRB 59441

Business ID: HRB59441

Tax Identification No.: DE812200049

Represented by: **Richard Evans**, Chief Financial Officer

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: **Richard Evans**, Chief Financial Officer

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 over-threshold open tender procedure within the meaning of Section 56 et seq. of the PPA, which is entitled "*Production and Supply of Lamination Plates for ID1 Cards*" hereinafter referred to as the "**selection procedure**"). The basis for this Framework Agreement is also the Seller's tender for the selection procedure submitted on 20. 4. 2023, 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. Tender conditions have been determined in the tender documentation to the tender procedure (hereinafter referred to as the "**Tender Documentation**").
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.

II. SUBJECT MATTER OF THE FRAMEWORK AGREEMENT

1. The subject matter of this Framework Agreement is the Seller's obligation to produce and deliver lamination plates according to the Technical specification stated in Paragraph 4 of this Article (hereinafter referred to as the "**Goods**" or "**Plates**"),

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 subject matter of performance is intended for the production of Driving licences (hereinafter referred to as the "**DL cards**") so that a sandwich of polycarbonate foils is inserted between two Plates and under the action of pressure and heat this sandwich is over time laminated into one inseparable whole. In this process, a positive or negative relief is printed onto the laminated sheet, which is rendered as a negative or positive on the supplied Plates.
3. 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.
4. 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 shall be provided to the Seller after the Framework Agreement takes effect.
5. 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. 16.4. of the Tender Documentation. 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 point b) hereof.
6. 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 point b) of this Framework Agreement.

7. The Seller undertakes to ensure that the obligations referred to the preceding Paragraphs 6 and 7 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 point b) hereof.
8. 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.
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, the exception is the First partial contract according to Article IV Paragraph 3 hereof.
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 they are 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 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 partial contract.
2. The Seller is obligated to deliver to the Buyer specified quantity of Plates as the individual delivery/testing version of Plates according to Technical specification stated in Article II Paragraph 4 hereof (hereinafter referred to only as "**Pilot Plates**"), which will be used by the Buyer to perform tests and manufacture first DL cards. The Seller is obliged to deliver the following quantity of Plates as Pilot Plates: **1 piece of top Plate, 7 pieces of middle Plates, 1 piece of bottom Plate**. The Seller is obliged to deliver the Pilot Plates to the Buyer not later than **8 weeks** from the taking effect of this Framework Agreement. After the Pilot Plates are delivered, the Buyer will perform their testing. The testing results will be drawn up by a protocol by which the Pilot Plates shall be approved or defects shall be given. The Seller is obliged to remedy any defects of the Pilot Plates in the protocol by repairing or delivering new Pilot Plates, no later than **4 weeks** from signing the protocol, unless the Parties agree on a different date in the protocol. Pricing and packing and other requirements specified hereof shall be analogically applied to this Pilot Plates.

3. The Buyer undertakes to send to the Seller first order for the minimal quantity of **130 pieces of Plates** - 14 pieces of bottom Plates, 100 pieces of middle Plates, 16 pieces of top Plates (hereinafter referred to only as "**First partial contract**"). For the avoidance of any doubt, the Contracting Parties state that the delivery term (Art. IV Para. 1 hereof), price and other contractual terms are the same for this First partial contract as for the other partial contracts.
4. 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 issuance of the Delivery Note,
 - c) the order number and 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) quantity of the delivered Goods and their numbers and unit of measure,
 - g) Item name.
5. The Seller is obliged to deliver the Goods to the Buyer's production plant at the address:
Production Plant I – Růžová 943/6, Nové Město, 110 00 Praha 1, Czech Republic.
 6. Delivery of the Goods according to this Framework Agreement shall be governed by the agreed delivery conditions INCOTERMS® 2020, CIP.
 7. The Seller shall notify the Buyer at least 5 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. 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.
 8. 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.
 9. 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.
 10. 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.
 11. 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.

12. The Plates shall be packed in rigid plastic/wooden boxes (transport box), labelled according to the Buyer's specifications. Each Plate will be wrapped with protection foil.
13. Each package (transport box) will be numbered in ascending order, stating the numbers of the Plates, and sealed.
14. Each supply of the Goods must arrive with the following set of documents:
 - a) 1x copy of Delivery Note;
 - b) final invoice.
15. The ownership title to the Goods supplied on the basis of this Framework Agreement 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 unit prices for Goods in **EUR excluding VAT** 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.

	Type of Goods	Unit price for 1 piece
a)	Bottom Plate	EUR XXX
b)	Middle Plate	EUR XXX
c)	Top Plate	EUR XXX

2. These unit prices are maximal and final and include all associated costs of the Seller for 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.).
3. If the Seller is an entity liable for VAT registered in the Czech Republic, VAT shall be billed at the rate stipulated in the legislation that is valid and in force on the date of taxable supply.
4. The Seller is entitled to increase the unit prices stated in the Article V Paragraph 1 hereof according to the inflation rate, once a year from the date 1st March of the relevant year, at the earliest from 1st March 2025. For the purposes of this Framework Agreement, the inflation rate means the average inflation rate calculated on the basis of the Consumer price index published by the Statistisches Bundesamt published for calendar year before relevant year (hereinafter referred only as „Index“). 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 1st March of relevant calendar year. This increase of the unit price according to this Paragraph 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 28th February 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.

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. The tax document (invoice) shall contain the Buyer's number of this Framework Agreement and the Buyer's number of order, if order was issued. 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.

9. If the Seller is an entity liable for VAT registered in the Czech Republic, the following arrangements as contained in this article shall be binding and applicable (paragraphs 10 to 13 of this Article).
10. 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.
11. 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.
12. 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.
13. 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.

VII. LIABILITY FOR DEFECTS AND QUALITY WARRANTY

1. The warranty period of the subject of performance is 24 months from the date of proper acceptance of delivery by the Buyer, i.e. from the date of signing the Delivery Note.
2. The Seller is responsible for proper performance of the Plates, particularly for compliance with the Technical Specifications according to Article II Paragraph 4 hereof, for functionality for their intended purpose and for the amount of the Plates.
3. The authorized employees of the Buyer will take over the Plates on the specified date. When taking delivery, these employees will check the integrity of the transport boxes and seals and confirm the state by signing the Delivery Note.
4. The Buyer must without undue delay inform the Seller about obvious defects upon receipt (especially broken seals or damaged packaging). The Buyer shall indicate on the transport company's documents that there was caused damage or that damage was detected, and the extent of the damage.
5. If the Buyer detects obvious defects or damage to the delivered subject of performance upon its receipt, this shall be considered as defective performance by the Seller and the Buyer shall have the right to refuse acceptance of nonconforming subject of performance.
6. In the event that at any time during the warranty period defects of the Plates will be detected, which do not allow the Plates to be used for their intended purpose, the Buyer will inform in writing the Seller about such defects (hereinafter "complaint"). A complaint will be accompanied by written record describing complained defects, signed by an authorized employee of the Buyer for complaints, and photographs documenting relevant defects.
7. The deadline for recognition or rejection of a complaint is 30 calendar days from its receipt by the Seller. The cost for the delivery of Plates without defects as substitutes for defective ones and/or the cost of delivery of the missing quantity shall be borne by the Seller.
8. Claims for defective subject of performance shall be resolved by:
 - a) delivery of missing quantity of subject of performance within 30 calendar days from recognition of a complaint;
 - b) replacement of defective Plates with non-defective Plates within 30 calendar days from recognition of a complaint;
 - c) discount;
 - d) refund of the purchase price.The Buyer has the right to choose how claims from defective subject of performance will be resolved.
9. In the case of replacement performance, the date of delivery will be mutually agreed upon by both Parties.

10. After delivery and acceptance of the subject of performance, the Seller shall not be liable to the Buyer for any damage caused by natural disaster, mechanical damage by the Buyer or third parties, improper storage, or use for a purpose that is not usual for this kind of subject of performance.

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. 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 200 000. 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 Tender Documentation and under the conditions specified in Art. 10.10. of the Tender Documentation,
 - 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 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. In the event that the Buyer will get information in a reliable and demonstrable manner that the Seller violates or violated to fulfil its obligations according to the first sentence of this letter. d), and the Seller, despite prior written Seller's notice, continues to fail to fulfil these obligations or does not make remedial measures, the Buyer has the right to withdraw from this Framework Agreement under the conditions specified in Article XIII Paragraph 4 hereof.

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 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 extend 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 4 of this Framework Agreement.
8. For the avoidance of any doubt, the Buyer states that the adjustment and obligations set out in Paragraphs from 3 to 7 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.

9. As a person authorized to act in the name of or for the Seller, hereby declare on my honour in compliance with the Article 5k of the Council Regulation (EU) No. 2022/576 of 8 April 2022, by which the Council Regulation (EU) No. 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, was amended, that the Seller is not:
 - a) a Russian national, or a natural or legal person, entity or body established in Russia;
 - b) a legal person, entity or body whose proprietary rights are directly or indirectly owned for more than 50 % by an entity referred to in point (a) of this Paragraph;
 - c) a natural or legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this Paragraph;
10. As a person authorized to act in the name of or for the Seller, hereby declare on my honour, that the Seller does and shall not account for more than 10 % of contract value of this Framework Agreement, subcontractors, suppliers or entities, referred to in the Paragraph 9 point a) or b) or c) of this Article whose capacities are being relied on within the meaning of the public procurement legislation.
11. If, during the validity and effectiveness of this Framework Agreement, the conditions specified in Paragraph 9 or 10 of this Article are not complied with or should not be complied with, the Seller undertakes to inform the Buyer of this fact in writing without any delay, from the moment it becomes aware of this change in circumstances.
12. The Buyer is the exclusive customer and user of the Goods specified in the Article II Paragraph 4 hereof. 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 Goods or the Pilot Plates will not be lost or misappropriated or used for other purposes.
14. In case of disposal of the Goods or Pilot Plates by the Seller (e.g. as a result of a claim, the defective Goods was returned and the Seller therefore disposes of the defective Goods), the Seller is obliged to dispose of such defective Goods safely and to issue a protocol/document on such disposal and provide such protocol/document to the Buyer.
15. Failure to comply with the provisions of Paragraphs 12, 13 or 14 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.

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 with the delivery or remedy of the Pilot Plates within the terms according to the Article IV Paragraph 2 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; up to the maximum of 25% of the price of the delayed Goods or its part.
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 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; up to the maximum of 25% of the price of the delayed Goods or its part.
3. In the case of breach of any 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.
4. In the case of a breach of any of the obligations resulting from Article IX Paragraph 10 or 11 hereof by the Seller, or if the statement in Article IX Paragraph 9 hereof turns out to be false, the Seller is obliged to pay a contractual penalty to the Buyer in the amount of EUR 4 000, namely for each individual violation.
5. In the case of violation Seller's obligation resulting from Article IX Paragraph 2 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.
6. In the case of breach of any of the obligations resulting from Article IX Paragraph 12, 13 or 14 hereof, the Seller is obliged to pay a contractual penalty to the Buyer in the amount of EUR 4 000 per each discovered case of violation of these obligations.
7. 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.
8. Stipulating the contractual penalty is without prejudice of the right to compensation of any incurred harm to full extent.
9. In the event of the Buyer's delay in paying a duly issued tax document (invoice), the Seller is entitled to request to the Buyer pay default interest of the amount due in the amount according to Government's regulation No. 351/2013 Coll., for each started day of delay.

10. The contractual penalty is due within 30 calendar days after the delivery of the bill for the contractual penalty to the Seller. The default interest is due within 30 calendar days after the delivery of the bill for the default interest to the Buyer.

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 Contracting 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 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. until **31. 12. 2028**, or
 - b. until the maximum financial limit **EUR 150 000** (excluding VAT) will be exhausted, whichever is the earlier.
3. This Framework Agreement shall terminate
 - a) with the lapse of the period of time or maximal financial limit stated in the Paragraph 2 of this Article;
 - b) by written agreement of the Parties;
 - c) by written notice of termination by either Party according to Paragraph 7 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.
4. The Parties agree that they consider the following cases in particular to constitute a substantial breach hereof:
 - a) failure to meet Technical specification of Goods pursuant to Article II Paragraph 4;
 - b) breach Seller's obligation under Article II Paragraph 5 to 7 hereof;
 - c) repeated, at minimum the second, delay of the Seller in the delivery of Goods according to partial contracts within the term stated in Article IV Paragraph 1 hereof for a period exceeding 15 days;

- d) delay of the Seller in the delivery of Pilot Plates within the term stated in Article IV Paragraph 2 hereof for a period exceeding 15 days;
 - e) Seller's statements referred to Article VI paragraph 10 hereof prove to be false;
 - f) the Seller violates the obligation to notify the Buyer of the fact stated in the last sentence of the Article VI paragraph 10 hereof;
 - g) breach of Article VIII hereof which has not been remedied following a previous notice for correction,
 - h) breach of obligation under Article IX Paragraph 1 hereof;
 - i) breach of obligation under Article IX Paragraph 2 point c) or d) hereof;
 - j) breach of obligation under Article IX Paragraph 3, 5, 6, 7, or 8 hereof;
 - k) breach of obligation under Article IX Paragraph 9 or 10 or 11 hereof;
 - l) breach of obligation under Article IX Paragraph 12 or 13 or 14 hereof;
 - m) the Buyer is in delay with payment of a duly issued tax document (invoice) more than 30 days from its maturity.
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 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), (b), (e), (f), (g), (h), (i), (j), (k), (l) and (m) hereof and the case where the Seller is in delay with the delivery of Goods according to specific partial contract for more than 15 days from delivery term;
 - ii. 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 postal service provider. 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 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 – 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 Baldock, on

Tomáš Hebelka, MSc
Chief Executive Officer
Státní tiskárna cenin, s. p.

Richard Evans
Chief Financial Officer
VTT Verschleißtechnik GmbH