



**Air Navigation Services
of the Czech Republic**

**Purchase contract
and
Service contract**

“ILS system renewal 2025+”

Concluded pursuant to Section 2079 et seq. and Section 1746, par. 2 et seq. of the Act. No. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the “**Civil Code**”)

(hereinafter referred to as the “**Contract**”)

1 Parties

Air Navigation Services of the Czech Republic (ANS CR),

A state enterprise incorporated under the laws of the Czech Republic,
Having its registered office at: Navigační 787, 252 61 Jeneč, Czech Republic,
Company Identification Number: 49710371
Represented by: Jan Klas, Director General
VAT Identification Number: CZ699004742
IBAN: CZ1203001712800000088153
SWIFT code: CEKOCZPP
Registered in the Commercial Register administered by the Municipal Court in Prague, under Ref. No.: Section A, Insert 10771,
(hereinafter referred to as the “**Buyer**”)

and

THALES ITALIA S.p.A.

A company incorporated under the laws of Italy
Having its registered office at Via Provinciale Lucchese, 33 - 50019 Sesto Fiorentino ITALY
Company Identification Number: 12628550159
Represented by: DONATO AMOROSO – Thales ITALIA S.p.a. CEO
Bank account number: 4633
IBAN: IT09D01 00503200000000004633
SWIFT code: BNL I I TRR
VAT Identification Number: 05712031003
(hereinafter referred to as the “**Seller**”)

(each individually referred to as the „**Party**“ or collectively as the „**Parties**“)

2 Subject of the Contract

2.1 Upon the terms and subject to the conditions herein contained, the Seller undertakes to provide the Buyer ILS systems mentioned below, with spare parts, remote maintenance parts, field maintenance tools (hereinafter referred to as "**the Supply**") and Training and to enable the Buyer to acquire the ownership to the Supply:

- 1pc reinstallation ILS 24 CAT IIIb Prague
- 1pc reinstallation ILS 22 CAT IIIb Ostrava
- 1pc new ILS 04 CAT IIIb Ostrava
- 1pc reinstallation ILS 06 CAT I
- 1pc Antenna simulator (for laboratory use)
- 1pc ILS Tester
- Spare parts
- Remote Maintenance parts
- Field Maintenance tools

2.2 The Supply and Training stated in the Article 2.1 of this Contract is further specified in the Annex 1 of this Contract.

2.3 A reserved change of obligation

The Buyer is entitled, according to § 100, Article 1 of the Act no. 134/2016 Coll, the Public Procurement Act, as amended (hereinafter referred to as the "**Public Procurement Act**"), to request the delivery of ILS 04 CAT IIIb Ostrava, only on the condition that by no later than December 31, 2031, a third party submits to the Buyer a final and binding building permit authorizing the civil constructions for ILS 04 CAT IIIb Ostrava.

2.4 The Seller undertakes to provide service support for the Supply (except for the "Field Maintenance tools" where Warranty shall be applied only) in the extent and due to the conditions stated in the Article 16 of this Contract.

2.5 The Buyer hereby undertakes to pay the Seller for the Supply, Training and for the service support stated in the Article 2.4 and in the Article 16 of this Contract a price under the terms and conditions defined hereafter.

3 Price of the Supply and Training

3.1 The price of the Supply and Training is set by an agreement between the Parties in accordance with the Prices Act 526/1990 Coll. The total contractual price of the Supply and Training is:

3 477 067 EUR (in words: three-million-four-hundred-seventy-seven-thousand-sixty-seven euros) excluding VAT.

3.2 A detailed price breakdown of the Supply and Training is stated in the Annex 2 of this Contract.

3.3 The total contractual price of the Supply and Training includes a delivery of the Supply, taxes (except VAT), duties and charges and all expenses related to the delivery of the Supply (incl. Warranty stated in the Article 15 of this Contract, Assistance (Installation assistance + SAT assistance + Flight check assistance + Documentation for certification). Any change of the total contractual price has to be performed by a written addendum concluded by both Parties in accordance with the Public Procurement Act.

- 3.4 The price stated in the Article 3.1 of this Contract does not include a price of service support according to the Article 16 of this Contract. The price of service support is specified in the Annex 3 of this Contract.

4 Payment of the contractual price of the Supply and Training

- 4.1 The terms and the amount of payments of the contractual price of the Supply and Training are stated in the Annex 2 of this Contract.
- 4.2 The payments shall be paid by the Buyer against an invoice issued by the Seller (according to the Annex 2 upon a signature of the CDR document/Training/FAT Certificate/Delivery of the Supply//Commissioning Technology/Commissioning Assistance). A copy of CDR document/Training certificate/FAT Certificate//Delivery protocol/Commissioning Technology protocol/Commissioning Assistance protocol shall be attached to the invoice.
- 4.3 Each invoice, marked with the ANS CR contract number, which is located in the heading of this Contract, including all its attachments as stated in the Article 4.2 of this Contract, must be sent in written form on the address of the Buyer as stated in the Article 1 of this Contract or via email from the Seller's email address [REDACTED] to the Buyer's email address **fakturace@ans.cz**, otherwise it shall be returned to the Seller. The invoice shall be payable within thirty (30) days after receipt by the Buyer.
- 4.4 The Buyer may return an invoice if it contains inaccurate or incomplete information or if the price is incorrect. Such return must be made by the due date of the invoice. In such event, the Seller shall issue a new invoice or correct the original invoice and fix a new due date.

5 Taxes

- 5.1 The Seller declares that its tax domicile is in Italy.
- 5.2 The Buyer declares that its tax domicile is in the Czech Republic.
- 5.3 The contractual total price has been calculated and is expressed excluding of VAT. VAT shall be applied in accordance with the Act. No. 235/2004 Coll., on Value Added Tax, as amended and the Directive 2006/112/EC. Total contractual price under this Contract is final, including all taxes (except VAT). In the event the Buyer is required in accordance with the Act. No. 586/1992 Coll., on Income Tax, or with the applicable treaty for the avoidance of double taxation to withhold or deduct taxes upon payment of the contractual price, the Seller will receive the amount after the deduction.
- 5.4 The Buyer is not responsible for any Seller's obligations to tax offices of the Czech Republic.

6 Critical Design Review (CDR)

- 6.1 A Critical Design Review session shall be performed at the Buyer's site, if not agreed otherwise by the Parties. The Seller shall meet the deadlines set in the Article 9.1 of this Contract.
- 6.2 The purpose of CDR is to demonstrate the feasibility of adhering to the schedule and to clarify or confirm the information required for construction preparation.
- 6.3 CDR is focused on:

- ILS system configuration, input and output interface and protocol to RCMS;
- Installation organisation;
- Installation plan (transport, packaging, weights);
- Schedule for FAT;
- Schedule for SAT;
- ATSEP training dates;

6.4 The Seller shall prepare a program and a list of the items to be discussed. At the conclusion of the CDR meeting, the Certificate shall be drawn up by the Seller and agreed by both Parties.

7 Factory acceptance test (FAT)

7.1 Prior to the delivery of the Supply, it shall be submitted to a factory acceptance, which shall be carried out using each part of the Supply in the presence of the Buyer's representative.

7.2 If, during the factory acceptance, the Supply is found to be defective, the Seller shall rectify the major defects within a reasonable time and shall resubmit the Supply to another factory inspection. The deadline set in the Article 9.1 of this Contract shall be strictly observed.

7.3 All procedures shall be executed by the Seller. The Buyer's staff will monitor the tests processing and report any detected mismatches.

7.4 The FAT shall be executed with the following rules:

- finding of non-blocking errors/functions will be listed in the FAT record specifying the date when the error is repaired;
- finding of blocking errors/functions preventing use of the Supply will cause FAT interruption. Upon a request from the Buyer FAT shall be repeated in the whole range entirely;
- in case of not successful FAT the new date of FAT shall be agreed by both Parties; the Buyer shall have the right to select procedures to be repeated within FAT.
- FAT shall be considered to be completed upon the signature of a FAT certificate.

7.5 The test documentation shall be prepared in English language by the Seller and sent to the Buyer for approval at least thirty (30) days before FAT. Revision up to specification requirements is allowed.

8 Site acceptance test (SAT)

8.1 The Seller hereby undertakes provide assistance to installation upon a request of the Buyer for each part of the Supply stated in the Article 2.1 of this Contract and duly test its functionality via SAT.

8.2 Civil works and installation is organized and paid by the Buyer.

8.3 The test documentation shall be prepared in English language by the Seller and sent to the Buyer for approval at least thirty (30) days before SAT.

8.4 SAT will be performed when the installation of the each part of the Supply is done.

8.5 Final part of SAT is a Flight check, which is organized and paid by the Buyer.

8.6 SAT shall be executed with the following rules:

- finding of non-blocking errors/functions will be listed in the SAT record specifying the date when the error is repaired;
- finding of blocking errors/functions preventing the use of the Supply will cause SAT interruption. SAT shall be repeated in the whole range entirely;
- in case of not successful SAT the new date of SAT shall be agreed by both Parties.
- SAT shall be considered to be completed upon the signature of a SAT certificate and valid Flight check.

8.7 Delivered Field Maintenance tools shall be used for SAT.

8.8 The Seller shall be liable for the functionality of the Supply and for its compatibility with the current site environment.

9 Terms of performance

9.1 The Seller undertakes to fulfil his obligations according to this Contract (delivery of the Supply, FAT, SAT, training) in following terms:

No.	Description	Timing
1	CDR + Communication protocol handover	No later than 2 month from the date of the effectiveness of the Contract.
2	Admin Training	Finish before 1. FAT
3	FAT ILS Tester + Antenna simulator + Field maintenance tools + Remote Maintenance	Before delivery.
4	Delivery ILS Tester + Antenna simulator + Field maintenance tools + Remote Maintenance tools	No later than 28. 11. 2025.
5	ATSEP Training	12/2025 -02/2026.
6	FAT (ILS24 + Spare parts)	Before delivery.
7	Delivery (ILS24 + Spare parts)	23.3.2026.
8	SAT ILS24	No later than 08/2026.
9	FAT ILS22	Before delivery.
10	Delivery ILS22	11. 3. 2027.
11	SAT ILS22	No later than 07/2027.
12	FAT ILS04 (conditional)	Before delivery.
13	Delivery ILS04 (conditional)	6 months from the Buyer's request (no later than 31. December 2031 – see the Article 2.3 of this Contract)
14	SAT ILS04 (conditional)	No later than 2 months after delivery.
15	FAT ILS06	Before delivery.
16	Delivery ILS06	25. 3. 2031.
17	SAT ILS06	Est. 07/2031.

9.2 The “month” means a period of thirty (30) consecutive running days and T0 is a date of the Contract coming into force.

9.3 The Buyer shall have a right to alter planned dates of SAT according to operational situation with no influence on contractual price or penalty.

10 Places of the Supply delivery

10.1 The places of delivery of the Supply are:

ILS Tester	Jeneč
Antenna simulator	Jeneč
Field Maintenance tools	Jeneč
Remote Maintenance tools	Jeneč
Spare Parts	Jeneč
ILS24	Jeneč
ILS22	Ostrava
ILS04	Ostrava
ILS06	Jeneč

10.2 The Supply shall be delivered to the Buyer DDP/DAP according to the International chamber of Commerce Incoterms 2022.

11 Installation, Commissioning, Flight check

11.1 Installation of the Supply (each part of the Supply according to the Article 2.1 of this Contract), commissioning and flight check shall be provided by the Buyer's ATSEP who have attended training course for new ILS system with supervision and assistance from Seller's expert.

11.2 The on-site assistance/supervision shall be provided by the Seller for the "on-site troubleshooting assistance" as requested by the Buyer. The on-site troubleshooting assistance shall be requested by the Buyer at least 4 weeks ahead.

11.3 On-line support during Installation, Commissioning and Flight check provided by the Seller in form of phone or email shall be available as a service of ILS Systems. Reaction time shall be no more than 24h from the Buyer's request.

12 Handover

12.1 The Seller and the Buyer shall sign the protocol on due handover and takeover that shall confirm the Supply (each part of the Supply according to the Article 2.1. of this Contract) was duly handed over to the Buyer.

12.2 The protocol shall include:

- Identification of the Contract;
- Identification of handing over and receiving Parties;
- Subject of acceptance (including accessories);
- List of delivered documentation (including technical documentation, FAT certificate, SAT certificate, report of the training);
- Pending items and defects found that do not prevent takeover (including defect removal or pending items delivery date),
- Date and place of delivery and acceptance,
- Signatures of handing over and receiving representatives.

13 Ownership right and risk of damage

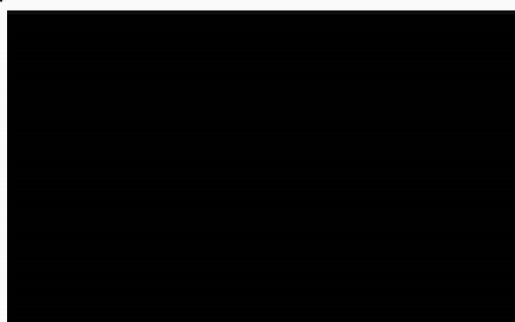
- 13.1 The risk of damage to the Supply shall pass to the Buyer on DAP delivery, or DDP delivery if applied, as per INCOTERMS 2022. The DAP delivery clause is acceptable provided that the goods are delivered from EU countries, otherwise the DDP delivery clause will be applied.
- 13.2 The ownership right to the Supply shall pass to the Buyer at the same date as DAP delivery or DDP delivery if applied.

14 Contacts

- 14.1 Authorized deputies for the coordination of the performance of this Contract, who shall be responsible for the coordination of the activities performed on their part and shall act as liaison persons for the other Party, are:

On the part of the Buyer:

On the part of the Seller:



- 14.2 The contact persons as stated above may provide the other Party with the list of further contact persons or its amendment. A list of designated contacts shall be sent by electronic (digital) means, such as an e-mail message, where attachments shall be converted to pdf format and signed by a recognized electronic signature according to Act No. 297/2016 Coll., on services creating confidence in electronic transactions, as amended, or the data box or by paper-based mail via a postal licence holder.

15 Warranty

- 15.1 The Seller is liable that the Supply has the characteristics stipulated in this Contract and its Annex 1 (this liability hereinafter referred to as the „**Warranty**“).
- 15.2 The Supply delivered by the Seller under this Contract shall be warranted for following periods (hereinafter referred to as the „**Supply Warranty periods**“):

Item	Warranty
ILS Tester	2 years from delivery
Ant. Simulator	2 years from delivery
Field Maintenance tools	2 years from delivery
Remote Maintenance parts	2 years from delivery
Spare parts	2 years from delivery
ILS24	2 years from Commissioning Technology
ILS22	2 years from Commissioning Technology
ILS04	2 years from Commissioning Technology
ILS06	2 years from Commissioning Technology

- 15.3 The Seller shall warrant the Supply (each part of the Supply according to the Article 2.1 of this Contract) against all defects and failures during the Supply Warranty Periods.
- 15.4 For such defects, which have been identified prior to the expiration of the Supply Warranty Periods, but not remedied within the Supply Warranty Periods, the Supply Warranty Period shall extend

until the remedial actions have been completed and the effect of the action has been adequately verified.

- 15.5 During the Supply Warranty Periods, the Seller shall remedy any defects which are identified in any part of the Supply at his own expenses.
- 15.6 The Buyer shall inform the Seller about any defects of the Supply via an e-mail notification/supplier application/a template provided by the Seller.
- 15.7 The Seller shall repair the defect within thirty (30) business days from its receipt and then deliver it as soon as possible to the Buyer at the Seller's expense. Repair time can be extended based on the written mutual agreement of the Parties. The shipment shall be at the Buyer's expense in case the defect was not covered by the Seller's Warranty.
- 15.8 The Supply Warranty period of the defective part of the device shall be extended for the period which was necessary to eliminate the defect.
- 15.9 The Seller's Warranty does not cover defects caused by unprofessional handling or non-compliance with the instructions provided with the user manual by the Buyer.
- 15.10 Unless stated otherwise in this Contract the liability for defects follows the Section 2615 et seq. of the Civil Code.

16 Service support

- 16.1 The Seller undertakes to provide to the Buyer a service support for the Supply (except for the "Field Maintenance tools" where Warranty shall be applied only). Providing of the service support for the each part of the Supply stated in the Article 2.1 of this Contract starts when the Supply Warranty period for relevant part of the Supply, stated in the Article 15.2 of this Contract, expires (hereinafter referred to as the „**Service support**“).
- 16.2 The Service support will be provided by the Seller to the Buyer, starting as mentioned in the Article 16.1 of this Contract, for the period of 13 years.
- 16.3 The Seller identifies every single component and/or SW delivered within the Contract and specifies number of expected failures/SW-updates of such component/SW in a 13 years horizon after 2 years of warranty (see Annex 3 of this Contract). Price of every component/SW is multiplied by indicated "failure/SW-update rate" and an aggregated price in 13 years horizon after 2 years of warranty is obtained.
- 16.4 For the performance of the Service support every component will be paid up to the amount of "failure/SW-update rate" for declared price. Components/SW-updates which will exceed declared "failure/SW-update rate" will be repaired/delivered free of charge.
- 16.5 The Service support in the sense of this Contract means a removal of the Supply's defects by the Seller. Repair time upon a receiving a defective component shall be no more than 30 calendar days. Same time limit applies to a request for not identified component. Repair time can be extended based on the written mutual agreement of the Parties. The handover of the component going to/from repair shall be done at the Buyer's main office stated in the Article 1 of this Contract. All costs, taxes and duties related to sending the defective device to the Seller and subsequently sending the repaired device back to the Buyer are covered by the Seller.
- 16.6 Components/SW-updates not identified by the Seller in the Annex 3 of this Contract will be repaired free of charge as well. In such case, damaged part from the Buyer will be sent to the Seller after receiving new one based on the Buyer's request.

- 16.7 Failure contains also obsolete management. (i.e. provided component is no longer in production and needs HW/SW updates or generates need of HW/SW update of other components.) Each affected component will be classified as a Failure.
- 16.8 Provided components shall be new, not refurbished.
- 16.9 The Service support and all related documentation shall be provided in English language.
- 16.10 Service bulletins shall be provided by the Seller to describe information about modifications carried out on the equipment when the modifications improve the performance, facilitate the maintenance or simplify the circuitry, so improving the MTBF and/or MTTR. The service bulletin shall include the following information: - equipment or part thereof affected, - reason for modification and expected benefit, - detailed description of modification, -material needed, - necessary adjustment, tests and measurements, - documentation modification no later than 14 days upon date of issue via email notification to following email addresses
- 16.11 The payments shall be paid by the Buyer against an invoice issued by the Seller (according to the Annex 3 upon a signature of the Delivery of the Supply. A copy of Delivery protocol shall be attached to the invoice.
- 16.12 Each invoice, marked with the ANS CR contract number, which is located in the heading of this Contract, including all its attachments as stated in the Article 4.2, of this Contract, must be sent in written form on the address of the Buyer as stated in the Article 1 of this Contract or via email from the Seller's email address xxx@xxx to the Buyer's email address fakturace@ans.cz, otherwise it shall be returned to the Seller. The invoice shall be payable within thirty (30) days after receipt by the Buyer. The price of the Service support stated in the Annex 3 of this Contract will not be adjusted by inflation within the three years after the signature of this Contract. Upon expiry of three (3) years from the signature of the Contract the price will be revised yearly on the basement of the average year-on-year inflation rate of the previous calendar year as officially published by Czech Statistical Office.
- 16.13 Inflation clause

In case of the Seller with the seat outside the territory of the Czech Republic, the price as stated in the Annex 3 of the Contract shall be, upon expiry of three (3) years from the signature of the Contract revised yearly as per Harmonized Index of Consumer Prices of the previous calendar year as officially published by EUROSTAT for the state of the seat of the Seller.

The adjustment of the price can be expressed as:

$$P_2 = P_1 \left(\frac{100+RI}{100} \right)$$

Where P2 is the new price, P1 is the old price and RI is average year-on-year inflation rate of the previous calendar year as officially published by Czech Statistical Office, in case of the Seller with the seat outside the territory of the Czech Republic RI means HICP annual rate of change reported for the previous calendar year - source - HICP - all items - annual data (average index and rate of change)

https://ec.europa.eu/eurostat/databrowser/view/PRC_HICP_AIND/default/table?lang=en for the state of seat of the Seller.

If the RI is less than or equal to 0,5 %, the inflation adjustment provisions of this Contract shall not apply. If the RI is higher than 10%, for the calculation of the price adjustment according to Article 16.13 of this Contract, the RI is equal to 10%.

The Seller shall notify ANS CR in written form the change of the price according to the Article 16.13 of the Contract when sending the invoice which reflects such change at the latest. Such notification shall be sent by the Seller on the address for sending the invoices according to Article 4.3 of the Contract.

17 The Seller's obligations

- 17.1 The Seller is obliged to maintain for the duration of the Contract a valid quality management system certificate issued by an accredited entity in accordance with either the current EN ISO 9001 standard or any other equivalent standard or must adhere to equivalent quality assurance measures.
- 17.2 The Seller must possess an organization exposition according to ANNEX 2 of COMMISSION IMPLEMENTING REGULATION (EU) 2023/1769 of 12 September 2023, laying down technical requirements and administrative procedures for the approval of organizations involved in the design or production of air traffic management/air navigation services systems and constituents and amending Implementing Regulation (EU) 2023/203. The Seller is also obliged to maintain this organization exposition in accordance with the provisions of the above-mentioned Annex for the duration of the Contract.
- 17.3 The Seller shall comply with the rules of the entry of external entities to the premises and objects of the Buyer. The obligations of the Seller regarding the entry of external entities to the premises and objects of the Buyer are specified on the following website:
<https://www.ans.cz/categorysb?CatCode=A8>
- 17.4 The Seller acknowledges that the subject matter of the Contract is subject to Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91, in conjunction with Commission Delegated Regulation (EU) 2023/1768 of 14 July 2023 laying down detailed rules for the certification and declaration of air traffic management/air navigation services systems and air traffic management/air navigation services constituents, as well as Commission Implementing Regulation (EU) 2017/373 of 1 March 2017 laying down common requirements for providers of air traffic management/air navigation services and other air traffic management network functions and their oversight, repealing Regulation (EC) No 482/2008, Implementing Regulations (EU) No 1034/2011, (EU) No 1035/2011 and (EU) 2016/1377 and amending Regulation (EU) No 677/2011.
- 17.5 The subject matter of the Contract is categorized as "**Navigation**" in terms of the systems and constituents of the European Air Traffic Management Network (EATMN) in accordance with the provisions of Annex VIII, Article 3.1 (e) of Regulation 2018/1139.
- 17.6 In view of the above, the Seller shall, in order to demonstrate compliance (issuance of the SoC) during the transitional period specified in Regulation (EU) 2023/1768, submit to the Seller, well in advance of the SAT, a compliance matrix justifying compliance with the requirements of the detailed specifications that apply to the subject matter of performance in accordance with the relevant applicable legislation and EASA Decision.
- 17.7 The Seller further undertakes to take all steps to obtain from the European Aviation Safety Agency (EASA) a design or production organization approval for ATM/ANS equipment (hereinafter referred to as the "**DPO approval**") so as to ensure the operation and development of the subject

matter of the Contract in accordance with the applicable legislation applicable to the subject matter of the Contract after the expiry of the transitional period under Regulation (EU) 2023/1768.

- 17.8 The Seller shall promptly inform the Buyer in writing through the contact persons specified in the Article 14 of this Contract of the application for DPO approval.
- 17.9 The Seller shall be liable to the Buyer for any damage caused by a breach of its contractual or statutory obligations. The Seller is obligated to compensate the Buyer for the damage in full, provided that the total amount of compensation for such damage shall not exceed ten times the value of the Contract (as determined by the agreed price under this Contract).

18 Audit

- 18.1 The Seller undertakes to allow the Buyer to audit the procedures set out in Regulation (EU) 2017/373. The Buyer is entitled to conduct audits of the Seller to examine the Seller's activities and processes, including documentation and records, for purpose of verifying compliance with the requirements of this Contract.
- 18.2 The Seller shall provide the auditor appointed by the Buyer with the necessary cooperation, documentation, and records, as well as access to the premises necessary for the performance of the subject matter of the Contract, which are essential to demonstrate compliance with the requirements of this Contract. The Seller shall also ensure that his subcontractors provide such cooperation.
- 18.3 The Buyer shall give the Seller reasonable notice, but not less than 30 days, of its intention to conduct an audit. The Buyer shall use reasonable efforts to ensure that the conduct of the audit does not result in damage or undue disruption to the relevant premises, equipment, personnel, and activities of the Seller.
- 18.4 The Seller shall not be obliged to grant access to its premises during the audit if and only if
- the person conducting the audit fails to provide his/her ID and authorization to conduct the audit; and/or
 - the audit is conducted outside regular working hours unless the purpose of the audit requires it to be carried out outside regular working hours and the Buyer has notified the Seller of this in advance (during regular working hours).
- 18.5 The Buyer shall prepare and submit to the Seller a final report within 30 days of the completion of the audit, containing the results of the audit and identifying any audit findings or non-conformities.
- 18.6 The Seller shall have the right to comment on the results of the audit. His comments will then be taken into account when approving the content and deadlines for corrective actions.
- 18.7 The Seller shall, within 30 days of receipt of the final report, inform the Buyer of the corrective actions determined to address the causes of the audit findings or non-conformities, including a binding deadline for their implementation.
- 18.8 The Seller shall promptly inform the Buyer of the implementation of the corrective actions in accordance with preceding Article of this Contract.
- 18.9 The Seller acknowledges that the Buyer conducts periodic evaluations of the Seller in accordance with the requirements of the ČSN ISO/IEC 9001 standard, taking into account, inter alia, known risks and the implementation of security measures by the Seller.

19 Contractual penalties

- 19.1 In case of a breach of contractual obligations the Parties shall arrange contractual penalties.
- 19.2 In case that the Buyer creates all conditions in line with this Contract for the Seller, nevertheless the Seller does not fulfil terms stated in the Article 9.1 of this Contract, the Buyer may claim from the Seller a contractual penalty in the amount of 0,05 % of the contractual price of the relevant part of the Supply, which is not delivered (fulfilled) in time (delivery of the Supply, FAT, SAT, training), per each day of the delay.
- 19.3 In case that the Buyer creates all conditions in line with this Contract for the Seller, nevertheless the Seller does not fulfil repair time stated in the Article 15.7 of this Contract, the Buyer may claim from the Seller a contractual penalty in the amount of 500 EUR per each day of delay.
- 19.4 In case of a Buyer's delay with paying a duly issued invoice - tax document, the Seller may claim from the Buyer a contractual penalty in the amount of 0.05% of the unpaid amount of the invoice for per each day of the delay.
- 19.5 In case of a breach of the rules of entry of external entities according to the Article 17.3 of this Contract, the Seller shall pay to the Buyer a contractual penalty in the amount of 500 EUR for each individual breach.
- 19.6 If the Seller breaches the conditions of security of the workstation set forth in the Security Rules notified pursuant to the Article 6 of the Annex 4 of the Contract, the Client is entitled to demand a contractual penalty of 500 EUR for each individual breach.
- 19.7 If the Seller breaches the reporting obligation in the field of security incidents/incidents set out in the Security Rules, notified pursuant to the Article 6 of the Annex 4 of the Contract, the Buyer is entitled to demand a contractual penalty in the amount of 4000 EUR for each individual case of breach.
- 19.8 If the Seller fails to ensure the implementation of remedial measures resulting from the Buyer's audit performed according to the conditions described in the Article 8 of the Annex 4 of the Contract, the Buyer is entitled to demand a contractual penalty of 2000 EUR for each individual infringement.
- 19.9 In case the Seller breaches any of its obligations stated in the Article 18 of this Contract, the Buyer may claim from the Seller a contractual penalty in the amount of 500 EUR for each individual case of breach.
- 19.10 In the event of a breach of the rules for VPN access pursuant to the Article 21.7 of this Contract, the Seller shall pay the Buyer a contractual penalty of 500 EUR for each individual breach.
- 19.11 In case the Seller does not confirm on request of the Buyer the fulfilment of the obligation stated in the Articles 17.1 and 17.2 of this Contract, the Buyer may claim from the Seller a contractual penalty in the amount of 500 EUR for every 30 days that the breach of such obligation continues.
- 19.12 If the Buyer is unable to use or develop the subject matter of this Contract in accordance with Regulation (EU) 2023/1768, the Buyer shall be entitled to demand from the Seller a contractual penalty in an amount of equal to the book value of the performance under this Contract.
- 19.13 The maximum amount of the contractual penalty/penalties stipulated in this Contract shall not exceed 100% of the total value of the Contract (as determined by the agreed price under this Contract).
- 19.14 Contractual penalties are payable within thirty (30) days after a demand for payment made out by authorized party is delivered to obliged party.

19.15 Contractual penalties shall be paid regardless to any damage occurring to the other Party. Damages can be claimed independently. The right to claim damages remains unaffected.

20 Force Majeure

- 20.1 The Parties agreed that they are not liable for failing to meet all or some of the provisions hereunder if such failure was caused by an event of force majeure. However, the Party affected by an event of force majeure shall perform its obligations hereunder as soon as the effects of an event of force majeure cease. All the terms hereunder shall be postponed for a period equal to the time when an event of force majeure lasted. The Party affected by an event of force majeure shall notify the other Party as soon as possible after any occurrence thereof.
- 20.2 Should force majeure consequences last provably for more than three months, any of the Parties hereto is entitled to withdraw from this Contract and any Parties' claims shall be settled in a way not to cause undue benefit to any Party hereto.
- 20.3 Termination of this Contract in accordance with the above will not affect the debts already payable between the Parties.

21 Other Provisions

- 21.1 By signing this Contract the Seller acknowledges that it is not authorized to disclose or disseminate any information which could affect the security of civil aviation, namely due to requirements for maintaining security in civil aviation resulting from the relevant legislation (in particular the ICAO Annex No. 17) and imposing on air navigation service providers to take appropriate actions as a base to provide safeguarding of civil aviation against acts of unlawful interference. Particularly, the Seller shall not anyhow reproduce and redistribute any information acquired in connection with the performance thereof.
- 21.2 All information provided during the execution of this Contract shall be confidential according to the provisions of Section 504 and 1730 sub. 2 of the Act No. 89/2012 Coll, Civil Code as amended, and the Seller may not disclose it to any other party; otherwise it shall be responsible for the damage. The Seller shall keep protected from any unauthorized use any information that has received on the activities of the Buyer, or the materials in the propriety of the Buyer, unless a prior approval made in written form has been obtained from the Buyer.
- 21.3 The Seller acknowledges that the Buyer is bound to publish this Contract pursuant to Act No. 340/2015 Coll., on special conditions of effect of some contracts, publishing of those contracts and the register of contracts (the Contracts Register Act), as amended, and the Public Procurement Act, as amended. The Seller further acknowledges that the Buyer is bound to provide information according to Act No. 106/1999 Coll., on free access to information, as amended.
- 21.4 Trade secret, within the sense of § 504 of the Civil Code, means the price breakdown stated in the Annex 2 and in the Annex 3 (failure rates with prices and result prices) of this Contract and for this reason this information will neither be published nor provided to third parties.
- 21.5 The Seller and the Buyer shall comply with personal data protection rules pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), i.e. GDPR Regulation, and pursuant to other generally binding legal regulations on personal data protection. More information on data protection on the part of the Buyer is available on

<https://www.ans.cz/categorysb?CatCode=A6>

21.6 No change, alteration, modification or addition to this Contract shall be valid unless made in writing and properly executed by the Parties hereto.

21.7 The Buyer may provide to the designated Seller's employees or to other persons performing the fulfilment of this Contract on behalf of them (hereinafter together referred to as the "**Seller's employees**") remote access and VPN connection to the maintained System via the Buyer's IP data network (CADIN) based on defined access privileges. A RSA SecureID token will be issued to each of these Seller's employees, a list of which shall be delivered in a written form to the Buyer before the need of remote access to the Buyer's system, against the signature of each designated Seller's employee. The list of the designated Seller's employees may be changed by the Seller from time to time nevertheless each change shall be announced to the Buyer without any delay and such communication shall be made between the contact persons stated in the Article 14 of this Contract in the form of letter sent via electronic (digital) means, such as an e-mail message where attachments shall be converted to pdf format and signed by a certified electronic signature (according to eIDAS) at minimum, or the data box or by paper-based mail via a postal licence holder with confirmation of delivery.

The Seller as an employer is responsible for its employees to observe the Buyer's rules for VPN access when using RSA SecureID tokens and also for the loss of RSA SecureID token. The Buyer is obliged to provide the Seller with VPN access rules. The Seller is obliged to compensate all damages caused by breaking these rules by its employees. The rules for VPN access are available at

https://www.ans.cz/articlesb?ArtCode=C3_2&CatCode=C3

21.8 Given that the Seller was evaluated as a major contractor within the meaning of Section 2 (n) Regulation No. 82/2018 Coll., on security measures, cybersecurity incidents, reactive measures, requirements for filing in the area of cybersecurity, and data removal, as amended (hereinafter referred to as the "**Cyber Security Regulation**"), the Parties agree that an integral part of this Contract is the Annex 4 that comprises the requirements of Annex 7 of Cyber Security Regulation (that means information concerning security measures for contractual relationship with major contractors. The Seller shall fulfil the obligations set out in this Annex 4 of this Contract. Contact details of Cyber Security Manager shall be notified to the other Party by the contact persons as stated in Article 14 of this Contract. These contact details/persons may be changed by the Parties from time to time nevertheless each change shall be announced to the other Party without any delay, and such communication shall be made between the contact persons stated in Article 14 of this Contract in electronic (digital) form, meaning email with attachments converted in pdf format and signed with recognized electronic signature (in accordance with eIDAS), databox or in the form of letter sent via the holder of postal licence with confirmation of delivery.

21.9 The Seller considers all data stored in systems and programs of the Buyer as confidential, for unlimited period of time. The Seller is not allowed to provide such information and/or data to third person.

22 The Contract Termination

22.1 Both Parties declare that in the event of non - performance of mutual obligations they will use all available means to achieve factual remedy.

22.2 In the event that remedy cannot be reached in an amicable way, either Party is entitled to terminate the Contract if the other Party materially breaches its obligations under the Contract. The termination must be made in writing including the reasons.

22.3 The Buyer may terminate the Contract in case of material breach of this Contract by the Seller. The following actions shall be deemed to be a material breach of the Contract providing good reason for termination:

- a) delay with the terms stated in the Article 9.1 of this Contract lasting more than 30 days.
- b) the Seller breaches the provision of the Annex 4 of this Contract or Security Rules notified pursuant to the Article 6 of the Annex 4 of this Contract.
- c) in the event of a significant change in control of the Seller or a change in control of the principal assets used by the Seller for performance under the Contract whereas a significant change in control means a change in the controlling entity pursuant to Section 74 et seq. of Act No. 90/2012 Coll., on Business Companies and Cooperatives (Business Corporations Act), as amended.
- d) the Seller fails to fulfill the obligations stated in Articles 17.1 and 17.2 of this Contract.
- e) the Seller fails to implement corrective actions resulting from the audit carried out in accordance with Article 18 of this Contract within deadlines stated in the final audit report.
- f) The Buyer cannot use or develop the subject matter of this Contract in accordance with Regulation (EU) 2023/1768.

22.4 Either Party shall be entitled to terminate this Contract if the other Party is bankrupt in accordance with its national law.

22.5 In the event of termination of this Contract by either Party, the force and effect of the Contract shall expire upon delivery of a written notice to the other Party.

22.6 This Contract may be terminated by mutual agreement of both Parties.

22.7 In case of the Contract termination, any claims of both Parties shall be settled so as to avoid any undue enrichment for either Party.

23 Assignment

23.1 Neither Party to this Contract shall be entitled to assign or transfer any of its contractual rights or obligations to any third party without prior written approval from the other Party; such approval shall not be denied unreasonably.

23.2 The Seller shall be entitled to subcontract, under its responsibility, any part of this Contract.

24 Final Provisions

24.1 The Parties agree that their contractual relationship shall be governed by Czech Law, namely by the Civil Code, as amended. Any dispute, controversy and/or claim arising out of or in connection with this Contract, which cannot be settled by the Parties in a friendly manner, shall be finally settled by the appropriate Court of the Buyer.

24.2 Any amendment and alteration of the Contract can only be made in writing, based on agreement of both Parties, and have to be signed by authorized representatives of both Parties hereto.

24.3 This Contract is signed electronically in English language in one electronic counterpart.

24.4 The Parties agree with the content of this Contract, and in witness of their free and serious will they have caused this Contract to be executed by their duly authorized representatives.

24.5 This Contract shall be valid upon signature by both Parties and shall enter into force on the day when it is registered in the Register of Contracts according to Act. No. 340/2015 Coll., on the Register of Contracts, as amended.

24.6 The integral part of this Contract is:

Annex 1 - Detailed specification of the Supply

Annex 2 - Price breakdown and payments of the Supply

Annex 3 - Failure rates in Service support

Annex 4 - Cyber security



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The Buyer
Jan Klas
Director General
Air Navigation Services of the Czech Republic (ANS CR)



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The Seller
Donato Amoroso
CEO
Thales Italia S.p.a.

Annex no. 4 of the Contract no. 132/2024/IS/090 – Cyber Security

Contractual assurance of measures in the area of information and cyber security within the meaning of Section 8 (2) of the Regulation No. 82/2018 on security measures, cybersecurity incidents, reactive measures, filing requirements in the area of cybersecurity and data removal (the "Cybersecurity Regulation"), as amended

1. Preamble

- 1.1 The Contractor understands and acknowledges that it is a major contractor within the meaning of Section 2 (n) of the Cybersecurity Regulation for the Customer, which is Air Navigation Services of the Czech Republic (ANS CR), which is an administrator of information and communication systems of the critical information infrastructure.
- 1.2 The information/communication system to which the role of the major contractor relates is as follows: **ILS system**
- 1.3 The Contractor undertakes to comply with the information security management system requirements specified in this Annex and the Security Rules distributed in compliance with Article 4 of this Annex.

2. Definitions of Terms

- 2.1 "Information/communication system" means a collection of applications, services and assets of information technology or other components dealing with information.
- 2.2 "Asset" means a collection of elements, information and services necessary for the operation of the information/communication systems referred to in Article 1.2 of this Annex.
- 2.3 "Security incident" means a breach of the security of information in information systems or a breach of the security of services or the security and integrity of electronic communications networks, as a result of which there has been or may be a breach of protected assets (in terms of their confidentiality, integrity and availability) in the information/communication systems referred to in Article 1.2 of this Annex.
- 2.4 "Security measure" means an action aimed at ensuring the security of protected assets in the information/communication systems referred to in Article 1.2 of this Annex, their availability and reliability in cyberspace.
- 2.5 "Security policy" means a set of rules and principles that determine the manner, in which the protection of assets is ensured.
- 2.6 "Contractor" means a contractor under the Contract who is also a major contractor as defined in Section 2 (n) of the Cybersecurity Regulation.
- 2.7 "Critical information infrastructure" means an element or a system of elements that are necessary for the operation of the information/communication systems referred to in Article 1.2 of this Annex.

3. Information Security

- 3.1 The Contractor is obliged to implement and execute security measures to the extent necessary to ensure the security of the information/communication systems referred to in Article 1.2 of this Annex, and to maintain appropriate security documentation of such measures.

- 3.2 The security measures are established in accordance with the requirements of Act No. 181/2014 Coll. on Cybersecurity and on amendments to related acts (the Cybersecurity Act), as amended, the requirements of the Cybersecurity Regulation and the applicable international ISMS standards of the ISO/IEC 27xxx series.
- 3.3 The Customer shall verify the implementation and execution of the security measures by the Contractor in accordance with the procedure set out in Article 8 of this Annex, or by acceptance of a valid ISO/IEC 27001 certificate, or by acceptance of any other established and internationally recognized information security management system at the Contractor.

4. Adherence to the Customer's Security Policies

- 4.1 The Contractor shall comply with the Customer's "Security Rules for Major Contractors" that are available on the following website:
https://www.ans.cz/content/documents/Security_rules_for_major_contractors.pdf

(hereinafter referred to as the "**Security Rules**"). The Contractor hereby confirms that it is familiar with and agrees to be bound by the Security Rules.
- 4.2 The Customer, through its cybersecurity manager, shall provide the Contractor with details of the Customer's security standards by electronically signed email within 10 days of the effective date of the Contract.
- 4.3 The Customer may amend the Security Rules after the Contract has been signed in connection with changes in legislation, decisions, or warnings of the National Cyber and Information Security Agency, decisions of other administrative authorities or the fulfilment of corrective measures resulting from state supervision. The amended Security Rules shall be distributed in electronic (digital) form, i.e. via email with attachments converted to pdf format and signed by the cybersecurity manager with a recognized electronic signature (in accordance with eIDAS), via data box, or via letter signed by the cybersecurity manager and sent via the holder of a postal licence with confirmation of delivery to the address of the Contractor's cybersecurity manager. If the Contractor does not object to the amended Security Rules within 10 working days of delivery of the notice, it shall be deemed to have accepted the amendment and the Contractor shall comply with the amended Security Rules.
- 4.4 The Contractor shall ensure that all of its personnel involved in the performance of the obligations under the Contract are demonstrably familiar with the Security Rules of the Customer.

5. Change Management

- 5.1 The Contractor shall manage the risks associated with the performance of the subject matter of the Contract. If requested by the Customer's cybersecurity manager or the persons performing the control activities as defined in Article 8 of this Annex, the Contractor shall demonstrably document the way in which the risks are managed.
- 5.2 The Contractor acknowledges that the Customer shall proceed in accordance with Section 11 of the Cybersecurity Regulation when implementing the changes.
- 5.3 In the case of major changes, the Customer shall carry out a risk analysis in compliance with the recommendations of the ISO/IEC 27005 standard, using the support tools currently available and owned by the Customer.
- 5.4 The Contractor shall provide the Customer with the necessary cooperation and assistance in change management, in particular during regular risk assessments and inspections of the implemented security measures carried out by persons appointed by the Customer. The Contractor shall also ensure that such cooperation is provided by its subcontractors.

- 5.5 If the Contractor uses technical or software tools of Huawei Technologies Co., Ltd. or ZTE Corporation, including their subsidiaries, as part of its solution required for the performance of the Contract, the Contractor has provided the Customer during the tender procedure with a risk analysis prepared in compliance with the methodology of the National Cyber and Information Security Agency (NÚKIB).

6. Notification Requirements

- 6.1 The Contractor shall promptly notify the Customer through the cybersecurity manager if it detects a breach of security of the protected assets as a result of a security incident and shall provide the Customer with sufficient information to enable the Customer to remedy the consequences of such incident, investigate it and report it to the National Cyber and Information Security Agency in compliance with the requirements of the Cybersecurity Regulation. The Contractor shall cooperate in such actions and to take all financially reasonable steps required by the Customer.
- 6.2 The Contractor, through the cybersecurity manager, shall inform the Customer on an ongoing and timely basis of all significant and critical threats and vulnerabilities known to the Contractor that may affect the Customer's risk assessment.
- 6.3 The Contractor shall promptly notify the Customer, through the Customer's cybersecurity manager, of any significant change in the control of the Contractor pursuant to Act No. 90/2012 Coll. on Commercial Companies and Cooperatives (Commercial Companies Act), as amended (the "**Commercial Companies Act**"), or of any change in the ownership of significant assets, or of any change in the authorization to dispose of such assets used by the Contractor for the performance under the Contract. It is understood that a significant change in control means a change in the controlling entity pursuant to Sections 74 et seq. of the Commercial Companies Act.
- 6.4 More detailed conditions for the reporting and classification of security incidents are set out in the Security Rules.

7. Subcontractors

- 7.1 Pursuant to Section 105 (4) in connection with Section 3 of Act No. 134/2016 Coll. on Public Procurement, as amended, the Contractor shall inform the Customer in writing in advance of its intention to use a subcontractor that it did not announce during the procurement procedure, including the subcontractor's identification and details of the activities to be carried out by the subcontractor and the data made available to the subcontractor. The Contractor shall provide the Customer with the identification data of the subcontractors who will be involved in the performance of the subject matter of the Contract after the conclusion of the Contract, the subject matter of the activities to be performed by the subcontractor and the data made available to the subcontractor before the subcontractor concerned commences the performance of the Contract.
- 7.2 If the Contractor employs a subcontractor to carry out activities or disclose data within the meaning of this Annex to the Contract, the Contractor shall enter into a contract or other legal instrument with the subcontractor giving rise to the same rights and obligations in relation to information and cyber security as are set out in this Annex. This shall include in particular the provision of sufficient guarantees for the implementation of appropriate technical and organizational measures so that the processing complies with the requirements of the Cybersecurity Regulation.
- 7.3 The Contractor shall, in relation to each subcontractor,
- a) make all reasonable efforts to verify that the subcontractor provides the level of information and cyber security protection required by this Annex;

- b) ensure that, in the case of a chain of subcontracting, the mutual rights and obligations in relation to information and cyber security are governed by a written contract containing terms and conditions that provide at least the same level of protection as that specified in this Annex and that meet the requirements of the relevant legislation in relation to the performance of the Contract;
 - c) provide the Customer, on request, with copies of selected parts of contracts with subcontractors (or similar documents) relevant to the performance of the Contract;
 - d) ensure that any subcontractor fulfils the obligations arising from this Annex, which apply to the protection of information and cyber security performed by the subcontractor, as if the subcontractor were a party to the Contract instead of the Contractor.
- 7.4 If the Security Rules are provided as part of an agreement with subcontractors or between subcontractors, the Contractor shall inform the Customer in advance. The Customer shall be entitled to object, within five working days of the notification of the need to provide Security Rules to subcontractors, that the provision of Security Rules to subcontractors is not necessary or that the provision of Security Rules to a particular subcontractor creates a security risk for the Customer. In this case, the Contractor shall demonstrate the necessary need to provide these Security Rules to a particular subcontractor or propose the use of another subcontractor. If the Customer considers that this need is justified or that the new subcontractor does not pose a security risk, it shall allow the Security Rules to be provided to the particular subcontractor.

8. Audit

- 8.1 The Customer is entitled to conduct audits of the Contractor to examine the Contractor's activities and processes, including documentation and records, for the purpose of verifying compliance with the requirements of this Annex.
- 8.2 The Contractor shall provide the auditor appointed by the Customer with the necessary cooperation, documentation, and records, as well as access to the premises necessary for the performance of the subject matter of the Contract, which are essential to demonstrate compliance with the requirements of this Annex. The Contractor shall also ensure that such cooperation is provided by his subcontractors.
- 8.3 The Customer shall give the Contractor reasonable notice, but not less than 30 days, of its intention to conduct an audit. The Customer shall use reasonable efforts to ensure that the conduct of the audit does not result in damage or undue disruption to the relevant premises, equipment, personnel, and activities of the Contractor.
- 8.4 The Contractor shall not be obliged to grant access to its premises during the audit if and only if
- a) the person conducting the audit fails to provide his/her ID and authorisation to conduct the audit; and/or
 - b) the audit is conducted outside regular working hours unless the purpose of the audit requires it to be carried out outside regular working hours and the Customer has notified the Contractor of this in advance (during regular working hours).
- 8.5 The Customer shall prepare and submit to the Contractor a final report within 30 days of the completion of the audit, containing the results of the audit and identifying any audit findings or non-conformities.
- 8.6 The Contractor shall have the right to comment on the results of the audit. His comments will then be taken into account when approving the content and deadlines for corrective actions.

- 8.7 The Contractor shall, within 30 days of receipt of the final report, inform the Customer of the corrective actions determined to address the causes of the audit findings or non-conformities, including a binding deadline for their implementation.
- 8.8 The Contractor shall promptly inform the Customer of the implementation of the corrective actions in accordance with Article 8.7 of this Annex.
- 8.9 The Contractor acknowledges that the Customer conducts periodic evaluations of the Contractor in accordance with the requirements of the ČSN ISO/IEC 9001 standard, taking into account, inter alia, known risks and the implementation of security measures by the Contractor.