



**Air Navigation Services
of the Czech Republic**

**The Framework Contract for Work, the System Development
and the Service Support**

“CIS+ – The Common Information Service”

Concluded pursuant to Section 2586 et seq., 2079 et seq., 2358 et seq. and 1746 paragraph 2 of the Civil Code 89/2012 Coll., as amended, (hereinafter referred to as “**Civil Code**”)

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

1. Parties

Air Navigation Services of the Czech Republic (ANS CR)

a state enterprise existing and organized under the laws of the Czech Republic,

having its registered office at: Navigační 787, 252 61 Jeneč, Czech Republic,

Company Identification Number: 497 10 371

Tax Identification Number: CZ699004742

IBAN: CZ1203001712800000088153

SWIFT code: CEKOCZPP

Registered in the Commercial Register of the Municipal Court in Prague, Section A, Insert 10771,

Represented by: Jan Klas, Director General

(Hereinafter referred to as “**Client**”)

and

UpVision s.r.o.

company existing and organized under the laws of the Czech Republic

having its registered office at: U Rustonky 714/1, Karlín, 186 00 Praha 8, Czech Republic

VAT number: CZ28443748

Bank: Komerční banka

Account No. 43-7460110237/0100

IBAN: CZ65 0100 0000 4374 6011 0237

SWIFT Code: KOMBCZPP

Represented by: Aleš Klepek, jednatel; Štěpán Alexa, jednatel

(Hereinafter referred to as “**Contractor**”)

Hereinafter individually or collectively referred to as a “**Party**” or the “**Parties**”

2. Preamble

- 2.1 By this Contract, the Client is interested in acquiring from the Contractor a data exchange system that should enable the set up of a database for the creation of a UTM in the Czech Republic, as well as the digitization and management of UAS operations in the Czech Republic.
- 2.2 The result that should be achieved through this Contract is the creation of the comprehensive System that will be a single and trusted data source for future UTMs and also provide full support for future U-space service providers. The primary (but not only) role of the System is to provide secure data exchange and storage for all UAS operators.
- 2.3 As part of the delivery of the System under this Contract, a sufficiently capable infrastructure should be built, consisting of hardware and software components. The implementation of the System should include the establishment of an efficient management of low-level airspace operations, particularly where U-space is established.
- 2.4 The System must have appropriate connectivity with similar systems of neighbouring EU Member States or their U-space airspace.

3. Definitions and interpretations

- 3.1 In this Contract, the following terms and definitions have the following meanings:

'Business Day'	means a day other than a Saturday, Sunday or public holiday, on which commercial banks are opened for the non-automated commercial business in the Czech Republic
'Certified Communication'	means the communication made between the Client's and Contractor's Contact Persons by (i) electronic (digital) means, such as an e-mail message, where the subject of the communication shall be included in the attachments converted to pdf format and signed by the Electronic Signature or sent (ii) via the data box or (iii) by paper-based mail via a postal licence holder with confirmation of delivery
'CDR'	means the Critical Design Review session which shall prove that understanding of the objectives of this Contract, including the technical specification and offered technical solution, are clear to both Parties and which is further specified in Article 12 of this Contract
'CDR Certificate'	means the certificate issued after successful completion of CDR as specified in Article 12 of this Contract
'Contact Persons'	means the Main Contact Persons and the contact persons appointed by the Main Contact Persons in accordance with Article 10.2 of this Contract
'Critical Defect'	means the Problem connected or related to the System and classified as critical according to the table in Article 11.1 of this Contract
'Custom Upgrade'	means the SW Upgrade other than the Global Upgrade
'Data Migration'	means the transfer of agreed data from the current system(s) operated by the Client to the System as further specified in Article 14.7 of this Contract and which scope will be agreed during CDR

'Documentation'	means the documentation relating to the System and specified in Article 19 of this Contract
'Effective Date'	means the date on which this Contract shall take effect by publication in the Register of Contract in accordance with the provisions of Article 34.3 of this Contract
'Electronic Signature'	means a recognized electronic signature issued according to Act No. 297/2016 Coll., on services creating confidence in electronic transactions, as amended
'FAT'	means the Factory Acceptance Test (FAT) as further specified in Articles 13 and 16 of this Contract
'FAT Certificate'	means the certificate issued after successful completion of FAT as specified in Article 13 of this Contract
'FPA'	means the pre-operational evaluation of the System which shall result to the Final Pre-Operational Acceptance (FPA) as further specified in Article 17 of this Contract
'FPA Certificate'	means the certificate issued after successful completion of FPA as specified in Article 17 of this Contract
'Global Upgrade'	means the SW Upgrade developed by the manufacturer of the respective software as part of its standard product development also for the customers other than the Client.
'Hardware'	means the hardware and its components specified in Annex 2 of this Contract
'Initial System Delivery'	means initial delivery of the System to the Client with milestones specified in Article 8.1 of this Contract and including steps specified in Article 4.3.1 of this Contract
'Licence'	means the right to use the System including its changes made in connection with the System Development and/or the Service Support and/or Mid-Life Upgrade (if appropriate) granted by the Contractor to the Client under the terms and conditions specified in Article 28 of this Contract
'Main Contact Persons'	means the contact persons appointed by the Contractor and/or the Client in Article 10.1 of this Contract
'Major Defect'	means the Problem connected or related to the System and classified as major according to the table in Article 11.1 of this Contract
'Mid-Life Upgrade'	means the upgrade of the Hardware or its part which shall be provided by the Contractor upon Client's requests under the terms and conditions specified in Article 23 of this Contract
'Mid-Life Upgrade Request'	means the request sent by the Client to the Contractor in accordance with Article 23 of this Contract in order to start the Mid-Life Upgrade
'Mid-Life Upgrade Warranty'	means the warranty provided by the Contractor to the Client with respect to the respective Mid-Life Upgrade under the terms and conditions specified in Article 26 of this Contract

'Minor Defect'	means the Problem connected or related to the System and classified as minor according to the table in Article 11.1 of this Contract
'Offer'	means the offer for the Other Service Support to be provided by the Contractor to the Client and complying with the conditions specified in Article 22.13.2 of this Contract
'Other Service Support'	means services provided by the Contractor to the Client as further specified in Article 22.12 of this Contract
'Party'	means the Client and/or the Contractor
'Problem'	means issue, defect or problem affecting the System and which might be classified as the Minor Defect or the Major Defect or the Critical Defect.
'Proposal'	means the proposal for the System Development complying with the conditions specified in Article 21.2.2 of this Contract which is prepared by the Contractor and approved in writing by the Client
'Public Procurement Act'	means Czech Act No. 134/2016 Coll., on Public Procurement, as amended
'SAT'	means Site Acceptance Test as further specified in Articles 15 and 16 of this Contract
'SAT Certificate'	means the certificate issued after successful completion of SAT as specified in Article 15 of this Contract
'SD Final Date'	means (i) the 8 th anniversary of the completion of FPA (the signing of the FPA Certificate) for the Initial System Delivery; or (ii) the day when the payments made according to Articles 5.1.1, 5.1.3 and 5.1.6 of this Contract achieve the limit of 2.953.828,- EUR, whatever occurs first
'SD Hardware/Software'	means the hardware and/or third party software which might be required for the due completion of the System Development and which is specified (including bidding price) in the Proposal
'Service Interventions'	mean services provided by the Contractor to the Client as further specified in Articles 22.6- 22.11 of this Contract
'Service Support'	means services provided by the Contractor to the Client in relation to the System as specified in Article 22 of this Contract, at the period specified in Article 8.3 of this Contract
'Service Support Warranty'	means the warranty provided by the Contractor to the Client with respect to the Service Support under the terms and conditions specified in Article 26 of this Contract
'SS Final Date'	means (i) the 8 th anniversary of the completion of FPA (the signing of the FPA Certificate) for the Initial System Delivery; or (ii) the day when the payments made according to according Articles 5.1.2, 5.1.5 and 5.1.4 of this Contract achieve the limit of 858.722,- EUR, whatever occurs first

'SW Update'	means any minor modifications, patches, fixes, or enhancements of the Third Party Software or other software used for the creation of the System that do not substantially alter its functionality but are intended to improve performance, security, or usability of the System
'SW Upgrade'	means any major modifications or new versions of the software connected to the System which significantly enhance or expand functionality, features, or capabilities of such software provided by the Contractor to the Client for the whole period of the Contract and which consists of the Global Upgrade and the Custom Upgrade.
'System'	means a CIS+ system (consisting of two modules, i.e. (i) the CIS module and (ii) the dashboard module) which is further specified in Article 4 and Annex 1 of this Contract and subsequently including also the outcomes of the System Development, the Mid-Life Upgrade and the Service Support (if appropriate)
'System Development'	means modification of the System according to the Client's requirements (including the Custom Upgrade) at the time specified in Article 8.2 of this Contract and which is further specified in Article 21 of this Contract
'System Development Warranty'	means the warranty provided by the Contractor to the Client with respect to the System Development under the terms and conditions specified in Article 26 of this Contract
'System Warranty'	means the warranty provided by the Contractor to the Client with respect to the Initial System Delivery under the terms and conditions specified in Article 26 of this Contract
'Third Party Licences'	means third party licences provided by the Contractor to the Client which are further specified in Annex 3 of this Contract and which are enabling the Client to use the Third Party Software for all purposes of this Contract and for the whole period of this Contract.
'Third Party Software'	means third party software provided by the Contractor to the Client by the Third Party Licences for the whole period of this Contract.
'Trade Secret'	means, within the sense of § 504 of the Civil Code, all price calculation detailed in Article 5.1 of this Contract and in Annex 5 of this Contract, Technical Specification detailed in Annex 1 of this Contract and information contained in Annex 2 and Annex 3 of this Contract
'Training'	means the training of the Client's operational and technical staff for effective work with the System and for optimal use of all possibilities and functions of the System as further specified in Article 18 of this Contract
'Training Protocol'	means the protocol to be signed after successful completion of the Training as further specified in Article 18.9 of this Contract.
'VAT Act'	means Czech Act no. 235/2004 Coll., on Value Added Tax, as amended

'Warranty' means System Warranty and/or System Development Warranty and/or Service Support Warranty and/or Mid-Life Upgrade Warranty as specified in Article 26 of this Contract

- 3.2 References to the singular in this Contract shall include references to the plural and vice versa and words in the masculine include the feminine and vice versa.
- 3.3 The headings in this Contract are for ease of reference and shall not affect interpretation.

4. Subject matter

- 4.1 Upon the terms and subject to the conditions herein contained, the Contractor undertakes to provide the Client with the System. The System is meant to be a CIS+ system which will provide a centralised point for the management, display, distribution and storage of UTM data. The System will provide the exchange of operational data to other UTM participants via access points. In addition to the above, other core functions of the System will include the distribution of continuously updated data containing geographic zone information for UTM systems. The System is further specified in the Annex 1 of this Contract. The System shall be in full compliance especially with the following regulation:
- 4.1.1. Commission Implementing Regulation (EU) 2019/947 on rules and procedures for the operation of unmanned aircraft (entry into force and effect of the Implementing Regulation from 1 July 2019, applicability from 31 December 2020).
 - 4.1.2. Commission Implementing Regulation (EU) 2021/664 on the regulatory framework for U-space (entry into force and effect of the Implementing Regulations from 13 May 2021, applicability from 26 January 2023).
 - 4.1.3. Commission Implementing Regulation (EU) 2021/665 amending Implementing Regulation (EU) 2017/373 as regards requirements for providers of air traffic management/air navigation services and other air traffic management network functions in U-space designated airspace in controlled airspace (entry into force and effect of the Implementing Regulations from 13 May 2021, applicability from 26 January 2023).
 - 4.1.4. Commission Implementing Regulation (EU) 2021/666 amending Regulation (EU) No 923/2012 as regards requirements for manned air transport operating in U-space (entry into force and effect of the implementing Regulations from 13 May 2021, applicability from 26 January 2023).
 - 4.1.5. Acceptable Modes of Clearance (AMC) and Guidance Material (GM) for Commission Implementing Regulation (EU) 2021/664 on the Regulatory Framework for U-Space [15] (AMC/GM document issued 19 December 2022).
 - 4.1.6. Act No. 49/1997 Coll., on Civil Aviation, as amended.
- 4.2 As part of the delivery of the Initial System Delivery, the Contractor undertakes to deliver to the Client also the Hardware and the Software Licences. The Contractor represents and warrants that the Hardware and the Software Licences are sufficient for the delivery and the smooth operation of the System upon Initial System Delivery and that no additional hardware and software licenses will be required for the due delivery and/or the smooth operation of the System.
- 4.3 The subject of performance of this Contract consists especially of the following work packages:
- 4.3.1. development, delivery, installation and introduction of the Initial System Delivery including completion of CDR session, FAT tests, support with the Data Migration, SAT tests, FPA, providing the Documentation and the Training, delivery of the Hardware and the Third Party Licences and the Global Upgrade;

- 4.3.2. The System Development;
 - 4.3.3. The Mid-life Upgrade;
 - 4.3.4. The Service Support.
- 4.4 The Contractor shall ensure that all existing (currently implemented) functionalities of the Client's work environment and of the System (in case of the System Development, the Service Support or the Mid-Life Upgrade) shall be preserved, maintained and unchanged by the Initial System Delivery, the Service Support, the Mid-Life Upgrade and the System Development (as appropriate). Any modification which anyhow changes (e.g. enhances) function of currently implemented (existing) functionalities of the System is possible only if such a change has been requested and approved by the Client in writing. Agreed modification of existing functionalities covered by the System Development or the Service Support will be agreed in the Proposal (in case of the System Development) or the Order (in case of the Other Service Support) approved by the Client. In case where it is not clear whether or not the modification has been agreed by the Client, such modification shall be deemed to be a modification not agreed by the Client. In such case, the Contractor is obliged to request the Client's consent in accordance with the preceding sentences of this Article and if the Client does not grant its consent, the Contractor is obliged (in case such modification has been already implemented) to remove such modification at its own expense and to compensate the Client for damages, including lost profits.
- 4.5 The Contractor undertakes to ensure, at no additional cost to the Client, that the System will have all the required features specified in this Contract and Annex 1 not only at the time of delivery of the System (Initial System Delivery) to the Client but also for the whole duration of this Contract.
- 4.6 The performance of this Contract is a part of the project entitled "Introduction of the pan-European U-space concept into the airspace of the Czech Republic", ISPROFOND number 5117910001, which is co-financed by the State Fund for the Transport Infrastructure.

5. Price

- 5.1 The Contractor and the Client have agreed that the price (with the detailed breakdown in the Annex 5 of this Contract) for the performance under this Contract shall consist of:

5.1.1.

5.1.2.

5.1.3.

5.1.4.

5.1.5.

5.1.6.

5.1.7.

- 5.2 The Parties agreed that the total payment made according to Articles 5.1.1, 5.1.3 5.1.6 and 5.1.7 of this Contract shall not exceed 2.953.828,- EUR The Parties agreed that the total payment made according to Articles 5.1.2, 5.1.4 and 5.1.5 of this Contract shall not exceed 858.722,- EUR.
- 5.3 The price for the Initial System delivery stated in Article 5.1.1 of this Contract covers all costs, charges, duties, transportation and all other expenses related to the Initial System Delivery including the price for the Hardware and the price for the Licences and the Third Party Licences (in both cases for the whole period of this Contract). This price also covers all other services, rights, installation, configuration and delivery provided by the Contractor to the Client and connected to the Initial System Delivery including Data Migration. The price for the Initial System Delivery according to Article 5.1.1 of the Contract includes also the price for the Global Upgrade for the whole period of this Contract, the Contractor's assistance during installation and integration period (if such assistance is required by the Client) and provision of the Service Support (other than the Other Service Support) for the period of the System Warranty.
- 5.4 The price for the Service Support according to Article 5.1.4 of the Contract includes all services and actions of the Contractor specified in Article 22 of this Contract with exception of the Other Service Support (see Articles 22.12 and 22.13 of this Contract) and also covers all costs, charges, duties, transportation services, rights, installation, configuration and delivery provided by the Contractor to the Client and connected to the Service Support (other than the Other Service Support). The price for the Service Support according to Article 5.1.4 of the Contract includes also the price for the SW Update and the price for the replacement of malfunctioning or damaged Hardware (or its part) within the Service Intervention in case when such malfunction or damage has not been exclusively caused by the Client.
- 5.5 Any change of the total contractual price has to be performed by a written addendum concluded by both Parties in compliance with the Public Procurement Act.

6. Payment terms

- 6.1 The payment to the Contractor under this Contract shall be made in Euro, in favour of the Contractor's account stated to in Article 1 of this Contract.
- 6.2 The term of payment for Initial System Delivery shall be set as follows:
- 6.2.1. Upon signature of the CDR Certificate for the Initial System Delivery of this Contract, 15 % (in words: fifteen per cent) of the price for the Initial System Delivery specified in Article 5.1.1 of this Contract shall be paid by the Client against an invoice issued by the Contractor. A copy of the CDR Certificate for the Initial System Delivery signed by both Parties shall be attached to the invoice.
- 6.2.2. Upon signature of the FAT Certificate for the Initial System Delivery of this Contract, 25 % (in words: twenty five per cent) of the price for the Initial System Delivery specified in Article 5.1.1 of this Contract shall be paid by the Client against an invoice issued by the Contractor. A copy of the FAT Certificate for the Initial System Delivery signed by both Parties shall be attached to the invoice.
- 6.2.3. Upon signature of the SAT Certificate for the Initial System Delivery, 50 % (in words: fifty per cent) of the price for the Initial System Delivery specified in Article 5.1.1 of this Contract shall be paid by the Client against an invoice issued by the Contractor. A copy of the SAT Certificate for the Initial System Delivery signed by both Parties shall be attached to the invoice.
- 6.2.4. Upon signature of the FPA Certificate for the Initial System Delivery, 10 % (in words: ten per cent) of the price for the Initial System Delivery specified in Article 5.1.1 of this Contract shall be paid by the Client against an invoice issued by the Contractor. A copy of the FPA Certificate for the Initial System Delivery signed by both Parties shall be attached to the invoice.

- 6.2.5. Upon signature of the Training Protocol for the Initial System Delivery Training, the price specified in Article 5.1.2 of this Contract shall be paid by the Client against an invoice issued by the Contractor. A copy of the Training Protocol for the Initial System Delivery Training signed by both Parties shall be attached to the invoice.
- 6.3 The payment for the System Development shall be invoiced after completion of SAT for the respective System Development work. The payment for the System Development shall be calculated according (i) to the Man-hours rate specified in Article 5.1.3 of this Contract; and (ii) the Proposal approved by the Client. A copy of the following documentation shall be attached to the invoice:
- i. the mutually agreed Proposal for the respective System Development work signed by both Parties; and
 - ii. the SAT Certificate for the System Development work issued according to Article 15.9 and Article 21.3 of this Contract.
- 6.4 The payment for the Service Support shall be invoiced monthly on the basis of an invoice issued by the Contractor by the 15th day of the next month following the month when the Service Support was provided. The amount of the payment for the Service Support shall consist of
- i. the regular monthly payment specified in the Article 5.1.4 of this Contract; and
 - ii. the price for the Other Service Support work performed by the Contractor in the relevant month and calculated according to the Man-hours rate specified in Articles 5.1.5 of this Contract and the Offer.

A copy of the mutually agreed statement of activities signed by both Parties (in case of the small-scale Other Service Support – please see Article 22.13.6 of the Contract) and the Offer approved by the Client shall be attached to the invoice. The first invoice with the regular monthly payment specified in Article 5.1.4 of this Contract will be issued in the month following the month when the System Warranty has expired. The regular monthly payment according to the letter (i) of this Article for the first and last calendar month will be paid in its pro rata amount.

- 6.5 The payment for the Mid-Life Upgrade according to Article 5.1.6 of this Contract shall be invoiced after completion of SAT for the Mid-Life Upgrade. The payment for the Mid-Life Upgrade shall be calculated according to the quotation for the Mid-Life Upgrade prepared in accordance with Article 23.4 of the Contract and approved by the Client. A copy of the following documentation shall be attached to the invoice:
- i. The Mid-Life Upgrade Request signed by the Client;
 - ii. the price calculation of the Mid-Life Upgrade approved by the Client; and
 - iii. SAT Certificate for the Mid-Life Upgrade work issued according to Article 15.9 and Article 23.6 of this Contract.
- 6.6 The invoices shall be due within thirty (30) days of receipt thereof by the Client.
- 6.7 Each invoice shall be marked with the Client's contract number which is located in the heading of this Contract and shall include all its attachments. Each invoice, must be sent in written form on the address of the Client as stated in Article 1 of this Contract or via email from Contractor's email address [REDACTED] to Client's email address fakturace@ans.cz, otherwise it shall be returned to the Contractor.
- 6.8 In addition, invoices referred to in Articles 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.3 and 6.5 of the Contract must contain the wording indicating that the performance of this Contract is a part of the project named "Introduction of the pan-European U-space concept into the airspace of the Czech Republic", ISPROFOND number 5117910001, which is co-financed by the State Fund for Transport Infrastructure (SFDI) or other wording notified by the Client, otherwise it shall be returned to the Contractor.
- 6.9 In relation to invoices specified in Articles 6.4 and 6.2.5 of the Contract, the Client will notify the Contractor in advance what wording the relevant invoice must contain, otherwise it shall be returned to the Contractor.

- 6.10 The invoice shall fulfil all requirements of a tax document according the VAT Act, otherwise will be returned to the Contractor.
- 6.11 In case of duly returned invoice the due period ceases to run and new maturity period will start to run from the date on the delivery of corrected or completed invoice to the Client.
- 6.12 The Parties agree that in the case of payments made between banks located in different countries, such payments shall be made by SEPA payment or (if execution by SEPA payment is not possible) the payment of bank charges for international payments shall be split SHA, i.e. each Party shall bear the bank charges of its own bank.

7. Taxes

- 7.1 The Contractor declares that its tax domicile is in the Czech Republic.
- 7.2 The Client declares that its tax domicile is in the Czech Republic.
- 7.3 The contractual total price has been calculated and is expressed excluding of VAT. VAT shall be applied in accordance with the VAT Act and the Directive 2006/112/ES. The total contractual price under this Contract is final, including all taxes (except VAT). In the event the Client is required in accordance with the Act. No. 586/1992 Coll., on Income Tax, as amended, or with the applicable treaty for the avoidance of double taxation to withhold or deduct taxes upon payment of the contractual price, the Contractor will receive the payment after such deduction.
- 7.4 The Client is not responsible for any Contractor's tax obligations, including obligations to tax offices of the Czech Republic.

8. Terms of performance

- 8.1 The Contractor shall deliver the Initial System Delivery to the Client within the following milestones:
- 8.1.1. Signature of the CDR Certificate for Initial System Delivery: $T_0 + 6$ weeks at the latest
 - 8.1.2. Signature of the FAT Certificate for Initial System Delivery: $T_0 + 14$ weeks at the latest
 - 8.1.3. Signature of the SAT Certificate for Initial System Delivery: $T_0 + 40$ weeks at the latest
 - 8.1.4. Signature of the FPA Certificate for Initial System Delivery: $T_0 + 45$ weeks at the latest
- Where:
- (i) T_0 is the Effective Date;
 - (ii) One week means 7 consecutive calendar days.
- 8.2 The Contractor undertakes to provide the Client with the System Development for the period (i) starting from the Effective Date; and (ii) finishing on the SD Final Date.
- 8.3 The Contractor undertakes to provide the Client with the Service Support of the System for a period (i) starting from the completion of the FPA (signing of the on the FPA Certificate) for the Initial System Delivery; and (ii) finishing on the SS Final Date.
- 8.4 This Contract is concluded for a fixed period and will expire on the 8th anniversary of the completion of FPA (the signing of the FPA Certificate) for the Initial System Delivery. In the event that the SS Final Date and/or the SD Final Date occurs earlier, the validity and effectivity of this Contract shall not be affected.

9. Place of performance

- 9.1 The place of performance of the Contract is this ANS CR site: The Air Navigation Services of the Czech Republic, Navigační 787, 252 61 Jeneč, Czech Republic.

10. Contact Persons

- 10.1 The Main Contact Persons for the purpose of this Contract are as follows:

10.1.1.

10.1.2.

- 10.2 The Main Contact Persons may provide the other Party with the list of further Contact Persons or its amendment. In such a list, the Main Contact Person may specify the scope of authorisation of such Contact Person in acting on behalf of the Contractor or the Client (as appropriate) including the authorisation to appoint additional Contact Persons. A list of the additional Contact Persons shall be sent by the Certified Communication.

11. Severity levels definition

- 11.1 The severity levels are described in the table below. In order to classify the Problem, the Contractor technical support personnel will confirm with the Client the impact of the Problem to determine an appropriate classification. Where Parties disagree on the classification of the Problem, the Client's and Contractor's technical contacts will discuss the classification of the Problem in good faith to reach a mutually acceptable classification. In the event the Parties are unable to reach an agreement on the classification of the Problem, the reported Problem shall be classified at Client's assigned classification level.

Severity Level	Description of the Problem
Critical Defect	The System is inoperative and Client's inability to use the product has a critical effect on Client's operations. This condition is generally characterized by complete System failure and requires immediate attention. In addition, any condition that may critically impact human safety is considered as a Critical Defect.
Major Defect	The System is partially inoperative but still usable by the Client. The inoperative portion of the product severely restricts Client's operations, but has a less critical effect than a Critical Defect condition. In addition, any situation with serious loss of redundancy which could lead to Critical Defect is considered as the Major Defect (i.e. the System has single point of failure).
Minor Defect	The System is usable by Client, with little or limited impact to the function of the System. This condition is not critical and does not severely restrict overall Client's operations.

12. CDR - the Critical Design Review

- 12.1 A CDR session shall be performed at the Client's site, if not agreed otherwise by the Parties. The CDR session shall prove that understanding of the objectives of this Contract, including the technical specification and offered technical solution, are clear to both Parties. The CDR session shall include further specification of the technical solution of the Initial System Delivery in relation to the requirements specified in this Contract and in Annex 1 of this Contract – Technical specification. The Parties shall also agree on the scope of the Data Migration during CDR session.
- 12.2 The CDR Certificate shall be drawn up by the Contractor and approved by both Parties.
- 12.3 The Parties shall sign the CDR Certificate after the successful completion of CDR session.

13. FAT – the Factory Acceptance Test

- 13.1 The System shall be submitted to a FAT test, which shall be carried out in the presence of the Client's representatives.
- 13.2 For the purpose of the FAT test, the Contractor undertakes to install the System on the Contractor's platform. All costs associated with this shall be borne by the Contractor with the exception of travel and accommodation costs for the Client's representatives to travel to the FAT test site.
- 13.3 The FAT for the Initial System Delivery shall be held at the offices of UpVision, Czech republic.
- 13.4 The FAT test documentation shall be prepared in English by the Contractor and sent to the Client for approval at least ten (10) Business Days before FAT. If the Client proposes any adjustments or changes of the FAT documentation and such adjustments or changes are accepted by the Contractor, the deadline for the completion of the FAT is automatically extended by the time necessary for implementation of such adjustments or changes and the respective testing. If the deadline for the FAT is extended according to the previous sentence, the deadlines for the other delivery dates and milestones listed in Article 8.1 of the Contract are not affected and remain the same as in Article 8.1 of the Contract.
- 13.5 All FAT processes and tests will be performed by the Contractor. The Client's staff will observe the FAT and report when any Problem occurs.
- 13.6 The FAT shall be executed subject to the following rules:
 - 13.6.1. the Minor Defect and Major Defects will be listed in the FAT Certificate specifying the date when the Minor Defect and/or Major Defects shall be repaired by the Contractor;
 - 13.6.2. finding of Critical Defect will cause FAT interruption and FAT shall be repeated in the whole range entirely;
 - 13.6.3. the Client shall have the right, at its sole discretion, to decide that the specific test(s) performed as part of the FAT will be repeated;
 - 13.6.4. In the event that FAT is not successfully completed, both Parties agree on a new date for FAT test. The deadlines set in Article 8.1 of this Contract shall be strictly observed. In case of repetition of FAT tests, the provisions on FAT tests shall apply mutatis mutandis.
- 13.7 The Parties shall sign the FAT Certificate after the successful completion of the FAT. The Client Contact Person shall sign the FAT Certificate when the following conditions are satisfied:
 - 13.7.1. Number of Minor Defects could be higher than 0 (zero),
 - 13.7.2. Number of Major Defects could be higher than 0 (zero),
 - 13.7.3. Number of Critical Defects shall be equal to 0 (zero)

The FAT Certificate shall be signed not later than seven (7) calendar days after FAT tests have been successfully completed. FAT shall be considered to be completed upon the signature of FAT Certificate.

14. Installation & Integration

- 14.1 Upon completion of the FAT for Initial System Delivery, the Contractor shall deliver the System to the Client's premises (see Article 9.1 of the Contract).
- 14.2 The delivery will be made by providing the appropriate media or by providing login details to the platform from which the Client will be able to download the System or to get the access to the System (in case of the cloud-based solution).
- 14.3 Upon successful delivery of the System to the Client's premises, both Parties will sign the delivery protocol, and then, within 15 Business Days, the Client would install and integrate the System with the Client's work environment.
- 14.4 If requested by the Client, the Contractor shall provide assistance to the Client in the installation and integration of the System. The main objective of this process is to ensure that the System will be (i) fully and seamlessly integrated with the Client's other systems upon Initial System Delivery and upon any System Development (as appropriate), and (ii) ready for functional testing through SAT testing.
- 14.5 Installation means the deployment of the vmWare virtual server(s) to the Client's vmWare farms & appropriate configuration of the System for proper operation of the System in the Client's environment. For cloud-based components it means the provisioning, configuration, and integration of the System's cloud services, including software as a service (SaaS) solutions, to ensure proper operation and compatibility with the Client's environment.
- 14.6 Integration shall mean deployment of integration of the System into the Client's environment and connection of the Client's test systems working with the System to prepare the Initial System Delivery for SAT test and later to perform the Final Pre-operational Acceptance (FPA) tests.
- 14.7 As part of the Installation & Integration milestone, the Contractor hereby undertakes to provide the Client with support & performance of the Data Migration from the current system(s) operated by the Client to the System. The scope of Data Migration is to be agreed upon by both Parties during the CDR sessions.
- 14.8 The Installation & Integration shall be completed at least 2 Business Day before SAT testing according to Article 15 of this Contract can begin.

15. Site Acceptance Test (SAT)

- 15.1 The Contractor shall duly test the functionality of the System and the integration of the System with the Client's interface systems via SAT.
- 15.2 The SAT test documentation shall be prepared in English language by the Contractor and sent to the Client for approval at least twenty (20) Business Days before SAT.
- 15.3 SAT will be performed after completing the installation of the System, its configuration, setting and tuning and also after completion of the Training according to Article 18 of the Contract.
- 15.4 During the SAT testing, the Parties shall agree in writing on the scope of prophylaxis services to be provided as part of the Service Support. The prophylaxis services shall be performed at least once a year and their scope shall be determined to provide an in-depth and detailed review of the functionality, optimization and security of the System. The prophylaxis services shall include also the regular maintenance and update of the Documentation.

- 15.5 The Contractor shall provide at its own expenses all tools and instruments that might be needed to conduct the SAT test if those tools are not already available at Client's site.
- 15.6 The Contractor shall be liable for the functionality of the System and for its compatibility with the current environment of the Client.
- 15.7 The Client with the necessary assistance of the Contractor shall perform SAT after the delivery and installation of the System to test platform.
- 15.8 The SAT shall be executed subject to the following rules:
- 15.8.1. the Minor Defects will be listed in the SAT Certificate specifying the date when the Minor Defect shall be repaired by the Contractor;
 - 15.8.2. finding of a Critical or a Major Defect will cause SAT interruption and SAT shall be repeated in the whole range entirely;
 - 15.8.3. the Client shall have the right, at its sole discretion, to decide that the specific test(s) performed as part of the SAT will be repeated;
 - 15.8.4. In the event that SAT is not successfully completed, both Parties agree on a new date for SAT. The deadlines set out in Article 8.1 of this Contract shall be strictly observed. In case of repeated SAT the provisions relating to SAT shall apply accordingly.
- 15.9 The Parties shall sign the SAT Certificate for the Initial System Delivery after the successful completion of the SAT. The Client Contact Person shall sign the SAT Certificate when the following conditions are satisfied:
- 15.9.1. Number of Minor Defects could be higher than 0 (zero),
 - 15.9.2. Number of Major defects shall be equal to 0 (zero),
 - 15.9.3. Number of Critical Defects shall be equal to 0 (zero).
 - 15.9.4. The Client will be provided with all documentation relating to the System, including the Documentation. The list of documentation provided will form a part of the SAT Certificate.
- The SAT Certificate shall be signed not later than seven (7) calendar days after SAT tests have been successfully completed. The SAT shall be considered to be completed upon the signature of SAT Certificate by both Parties.

16. General requirements for tests

- 16.1 The acceptance testing shall include verification and validation of all requirements for the Initial System Delivery including but not limited to
- 16.1.1. Functionality;
 - 16.1.2. Technical Solution; and
 - 16.1.3. Documentation.
- 16.2 Final versions of the Acceptance Test Plans (for both FAT and SAT) prepared by the Contractor and approved by the Client shall in general contain the following:
- 16.2.1. Test Case No. and description;
 - 16.2.2. Requirement that is being tested;
 - 16.2.3. Criteria for passing the test;

- 16.2.4. Test Mode (how it is tested);
 - 16.2.5. Pre-Conditions;
 - 16.2.6. Test Procedures (i.e. steps to carry out the test);
 - 16.2.7. Result of the tests per test case(Pass/Fail);
 - 16.2.8. Comments;
 - 16.2.9. Signatures / Date.
- 16.3 In the event of a conflict/discrepancies between the wording of this Article and the provisions of Article 13 or Article 15 of the Contract (as appropriate), the wording of Article 13 or Article 15 of the Contract (as appropriate) shall prevail.

17. FPA - Final Pre-Operation Acceptance

- 17.1 The pre-operational evaluation shall start after successful completion of SAT.
- 17.2 During this period the Contractor shall provide the Client with the support & performance with the update of the Data Migration completed according to Article 14.7 of the Contract.
- 17.3 FPA period shall last 15 Business Days. During FPA, the Client shall observe and evaluate the System in simulated standard operational conditions before the System is put into the operation.
- 17.4 No Critical Defect or Major Defect shall occur during the FPA. In the event of a Critical Defect or Major Defect, the Contractor shall remedy the reason for the Critical/Major Defect as soon as possible and the FPA period shall be repeated for another 15 Business Day. The time limits specified in Article 8.1.4 of the Contract shall be respected.
- 17.5 The Contractor and the Client shall sign the FPA Certificate that shall confirm that the System was duly handed over to the Client and that shall include:
 - 17.5.1. confirmation that the FPA has been successfully completed.
 - 17.5.2. confirmation that the Data Migration has been successfully completed including the Data Migration update.
 - 17.5.3. confirmation that the System has been handed over to the Client and that the System has been successfully tested during simulated standard operational conditions.
 - 17.5.4. list of delivered documentation (including technical documentation, FAT Certificate, SAT certificate, Training Protocol, and Documentation specified in Article 19 of this Contract),
 - 17.5.5. detailed list of all the Third Party Licences and the software used for the System provided by the Contractor during performance of this Contract. Each third party's such software license shall be specified by the following information: identification of a document on the basis of which the Contractor obtained the license; precise title of the obtained software given by its producer; edition, version, type (if applicable); number of obtained licenses; license limitations (e.g. identification of language version, bit version, user / device, datacenter, CPU, CORE or as the case may be other limitations of operation – by location, country etc.) (if relevant); type of the license and license program (OEM, OLP, SELECT or other); scope of the provided support (length, commencement date, ending date) or exact relation to the Contract and date of acquirement of the software licences,
 - 17.5.6. if applicable, a complete list of open-source software and/or free software used for the creation of the System, the type of license agreement shall be listed to each open-source

software and/or free software (if it concerns a standard license agreement such as GPLv2, GNU GPL, BSD License, etc.), or the full license agreement shall be provided to the Client,

17.5.7. a list of the Problems which have been identified in the SAT Certificate and/or FAT Certificate and which have not yet been corrected or resolved by the Contractor,

17.5.8. date and place of FPA,

17.5.9. signatures of handing over and receiving representatives.

17.6 The FPA Certificate shall be signed by both Parties within 7 days after FPA completion. The Client is not obliged to sign the FPA Certificate unless all the matters set out in Article 17.5 of this Contract have been completed.

17.7 FPA shall be considered to be completed upon the signature of FPA Certificate by both Parties. By signing the FPA Certificate, the ownership title and risk of damage to the Hardware passes to the Client. The Contractor shall, at its own expense and on its own behalf, arrange for customs clearance of the Hardware at the appropriate customs office, if required by law.

18. Training

18.1 The Contractor shall provide the Client with the Training of the Client's operational and technical staff for effective work with the System and for optimal use of all possibilities and functions of the System.

18.2 The Training shall fully cover Initial System Delivery (and System Development if requested by the Client) including all new or changed parts of the System (software, management and possible configuration tools) and shall include Training materials.

18.3 The Training will be organized for approximately 10 people. The Training must be properly completed prior to the start of SAT test according to Article 15 of the Contract.

18.4 The Training for the Initial System Delivery will last a minimum of 32 (thirty-two) hours.. The Training for the Initial System Delivery shall be conducted as a face-to-face training. The Initial System Delivery Training will take place in the place specified in Article 9.1 of this Contract.

18.5 The Training shall be performed in English or Czech language. The particular dates for the Training session shall be subject to the Client's approval.

18.6 A complete set of the Training materials, approved by the Client, shall be made available for the trainees at least ten (10) Business Days prior to the Training session. The Training material shall be in English or Czech. The Training materials shall be provided in digital form readable in Microsoft Office and Adobe Acrobat.

18.7 Upon completion of the Training, the Contractor shall hand over to the Client a complete set (written documentation, tapes, films, etc.) of all Training materials. The Client shall have the right to use such material for further training courses organized by the Client for Client's employees at no additional costs for the Client.

18.8 If the Training is carried out in discrepancy with provided Training material and/or with this Contract, the Client shall have the right to immediately stop the Training and require a corrective action from the Contractor. In such case the Contractor shall organize a new Training session at no additional cost to the Client.

18.9 Upon successful completion of the Training, both Parties will sign the Training Protocol confirming the due completion of the Training. The Training Protocol shall include:

18.9.1. Training content,

18.9.2. attendance report,

18.9.3. Training certificate for each trainee.

19. Documentation

19.1 The Documentation shall be delivered by the Contractor to the Client in English language. The Contractor shall provide the Documentation in digital form readable in Microsoft Office and Adobe Acrobat.

19.2 The Contractor shall submit to the Client the at least following documentation:

19.2.1. Maintenance and System Documentation, which shall include:

19.2.1.1. System/Subsystem Specifications (SSS);

19.2.1.2. System/Subsystem Design Description (SSDD);

19.2.1.3. Interface Control Description (ICD) - document (or set of related documents) containing a detailed description of the System's interfaces, including the configuration and integration of the System with other systems and technologies;

19.2.2. System Administrator Manual (SAM) shall contain description of;

- system architecture,
- installation and configuration,
- maintenance and monitoring,
- security configuration,
- troubleshooting.

19.2.3. The Operational Handbook (OH) shall:

- contain a detailed description of all functions,
- contain an index,
- contain a description how to use the Operational Handbook,
- contain other items, necessary for the correct use of the functions of the System
- describe the System, comprising all modules, functions and sub-functions of the System,
- contain any information necessary to enable the user to rely entirely on the OH when using the system, e.g. it must not be required that the user has access to a range of different handbooks in order to use the System,
- be structured in such a way, that each part of the OH relates to a specific type of operation of the System,
- give the operator an overall description of the system as well as details,
- be user friendly by using drawings and other visual presentations, examples of how to use the functions and detailed explanations of the responses the system can give in a function.

19.2.4. Quick Reference Guide, giving the users an easy quick overview of the functionality available.

19.2.5. FAT, SAT and FPA Certificates.

19.3 The Contractor may provide the manufacturer standard documentation for the COTS software.

20. Global Upgrade

- 20.1 The Contractor is obliged to inform the Client of the need to perform the Global Upgrade. The Client is entitled to notify the Contractor that, according to the Client's opinion, the Global Upgrade is required.
- 20.2 The Contractor shall only be entitled to carry out the Global Upgrade with the prior written consent of the Client.
- 20.3 The Global Upgrade shall also include the performance of SAT tests. Articles 15 and 16 of this Contract shall apply mutatis mutandis.
- 20.4 The Global Upgrade shall be deemed to be completed by the signing of the SAT Certificate.

21. System Development

- 21.1 The purpose of the System Development is to (i) modify the System according to the Client's requirements; and also to (ii) update and upgrade the System according to the applicable legislation if such update or upgrade is not the part of the SW Update and/or the Global Upgrade.
- 21.2 The System Development provided by the Contractor to the Client shall respect the following rules:
- 21.2.1. The Client shall send to the Contractor a request for the System Development with the specification of the System Development requested.
- 21.2.2. Within 10 Business Days the Contractor will deliver to the Client the Proposal for the System Development including:
- i. detailed specification of the System Development;
 - ii. binding price calculation prepared in accordance with Article 5.1.3 of the Contract;
 - iii. specification of the necessary cooperation from the Client, if any;
 - iv. specification of SD Hardware/Software, if any, including usual price at the place and time;
 - v. binding time estimate for the System Development completion (time required for the configuration of the third party software shall not exceed 10 Business Days); and
 - vi. number of phases of the System Development.
- 21.2.3. If the price of the SD Hardware/Software stated in the Proposal is higher than the usual price at the place and time, the Client is entitled to request that the Proposal to be amended to ensure the price is in line with this condition. In this case, the Client shall provide the Contractor with adequate evidence of the price usual at the place and time.
- 21.2.4. Following the Client's approval of the Proposal, the Contractor shall immediately commence the System Development work.
- 21.2.5. the Contractor shall complete the System Development work in the time limit stated in the approved Proposal. The System Development is completed by signing of the SAT Certificate according to Article 15.9 of the Contract. The System Development may be delivered in phases, where the number of phases to be agreed in the Proposal. In such case, SAT shall be performed separately for each phase.
- 21.2.6. For the avoidance of doubt, the Parties agree that the Proposal, and the actions of the Parties pursuant to the Proposal, are subject to the provisions of this Contract, including but not limited to, e.g., contractual penalties and license provisions. The Contractor shall provide the Client with the System Documentation update within 5 Business Days before applying the change of the System.
- 21.2.7. The Proposal approved by the Client shall form an annex to the invoice.

- 21.2.8. When requested by the Client, the System Development shall include also the Training for the System Development which shall be completed before starting of the SAT for the System Development. Article 18 of this Contract shall apply accordingly.
- 21.3 The System Development is considered to be completed when the SAT Certificate for the System Development is signed by both Parties.
- 21.4 Articles 15, 16, 18 and 19 of this Contract shall apply mutatis mutandis to the System Development.
- 21.5 By signing the SAT Certificate, the ownership title and risk of damage to the hardware included in the SD Hardware/Software passes to the Client. The Contractor shall, at its own expense and on its own behalf, arrange for customs clearance at the appropriate customs office, if required by law.
- 21.6 After completion of the System Development, the respective System Development will form a part of the System.

22. Service Support

- 22.1 The Contractor undertakes to provide the Client with the Service Support relating to the System.
- 22.2 Service Support shall ensure that the System operation will be without any Problem. Service Support includes especially:
- 22.2.1. management of service activities;
 - 22.2.2. prophylactic services in the scope agreed in writing during the SAT tests,
 - 22.2.3. ensuring cyber security,
 - 22.2.4. maintenance,
 - 22.2.5. Service Interventions,
 - 22.2.6. the Other Service Support.
- 22.3 Provision of management of services activities includes:
- 22.3.1. Establishment of service desk available 24 hours a day, 7 days a week to receive telephone or email requirements from the Client's Contact Person regarding necessary Service Interventions.
 - 22.3.2. Update of the Documentation.
 - 22.3.3. Software management update - the Contractor routinely monitors the availability of the software components from its suppliers and where necessary takes action to ensure that the supply line continues. The Contractor shall conduct at least once per year regular software update management check of the System and report the results to the Client.
- 22.4 The ensuring of the cyber security includes:
- 22.4.1. Monitoring of published and known security vulnerabilities which can influence smooth and safe operation of the System. It means for example vulnerabilities in the operation systems, third party SW, web components etc.
 - 22.4.2. In case such vulnerability is discovered, the Contractor is obliged to inform the Client immediately and analyse possible impact on the System operation. When the possibility of negative influence on the System operation is confirmed, the Contractor is obliged to propose corrective measures.

22.5 Maintenance of the software of the System (including the software connected with the Third Party Software) includes:

22.5.1. The SW Update to ensure System's full functionality and compliance with current legislation and relevant operational standards. For the avoidance of doubt, the Parties acknowledge that in the event that the SW Update pursuant to this Article requires the installation of a new version of the software (or a new software), the price for such software (including its installation) shall be included in the price pursuant to Article 5.1.4 of this Contract and shall not be an additional cost to the Client.

22.5.2. The Contractor shall, prior to any SW Update, test such SW Update in a test environment. The Contractor shall maintain the test environment for this purpose to be consistent in functionality with the Client's system environment. In the event of a significant change to the data structure in the System, the Contractor shall update the data contained in the test environment in an anonymised form, based on the current data contained in the production environment of the System. Without undue delay, the Contractor shall provide the Client with the results of such testing.

22.5.3. The Contractor shall provide maintenance, including the SW Update, only upon written consent of the Client.

22.6 The Contractor shall provide to the Client following services included in the Service Intervention:

22.6.1. analysis and troubleshooting of reported problem,

22.6.2. problem resolving and restoring (including identifying defective software components or providing software and/or procedural workarounds),

22.6.3. results of internal testing and verification of any proposed system changes necessary for problem resolution,

22.6.4. System Documentation update,

22.6.5. Documentation of the service intervention, which includes a description of the defect, including its cause, and recommendations for preventing similar defects in the future.

22.6.6. Request for the Service Intervention shall be made by on behalf of the Client by the Contact Persons

- via phone to service number +420 602 686 369 (back up number is +420 601 373 937) or
- by email to service email support@upvision.cz or
- via online web reporting tool at www.support.upvision.cz.

22.7 The Client's first level H24 contact phone number is +420 220 374 354. The Contractor acknowledges that all calls to this number are recorded by the Client for the purpose of incident investigation. The Contractor is obliged to inform all its employees and co-operation persons of this.

22.8 When conducting the Service Intervention, the following procedure will be followed:

22.8.1. In case of the Critical/Major Defects:

22.8.1.1. the Client reports the Critical/Major Defect to the Contractor according to Article 22.6.6 of the Contract;

22.8.1.2. the Contractor responds to the Problem reported in the time limit according to Article 22.9 of this Contract, proposes remedy action and specifies the necessary cooperation from the Client, if any;

22.8.1.3. following the Client's report of a Critical/Major Defect, the Contractor shall immediately commence the remedy of the Critical/Major Defect ;

22.8.1.4. the Contractor shall restore the System within the time limits specified in Article 22.10 of this Contract;

22.8.1.5. The Contractor shall resolve the Critical/Major Defect within the time limits specified in Article 22.11 of the Contract;

22.8.1.6. The Contractor shall provide the Client with the System Documentation update within 5 Business Days after applying the change of the System.

22.8.2. In case of the Minor Defects:

22.8.2.1. The Client reports the Minor Defect to the Contractor according to Article 22.6.6 of the Contract;

22.8.2.2. the Contractor responds to the Problem reported in the time limit according to Article 22.9.

22.8.2.3. the Contractor shall immediately commence the resolve action for the Minor Defect.

22.8.2.4. The Contractor shall resolve the Minor Defect within the time limits specified in Article 22.11 of the Contract.

22.8.2.5. The Contractor shall provide the Client with the System Documentation update within 5 Business Days after applying the change of the System.

22.9 The Contractor is obliged to respond to the Client's report of the Problem no later than in the time limit specified in the table below, which is calculated from the moment when the Client reports the Problem.

Severity Level	Critical Defect	Major Defect	Minor Defect
Respond Time	4 hours	24 hours	48 hours

22.10 The Contractor shall restore the System to operational status by identifying defective software components or providing software and/or procedural workarounds, in time defined in the table below from the Client's first notification to Contractor of the Critical Defect and/or Major Defect.

Severity Level	Critical Defect	Major Defect	Minor Defect
Restore Time	24 hours	120 hours	Not relevant

22.11 The Contractor shall complete the corrective action which removes reason for the Problem in the resolve time defined in the table below from Client's first notification to Contractor of the reported Problem.

Severity Level	Critical Defect	Major Defect	Minor Defect
Resolve Time	30 days	60 days	90 days

22.12 The Contractor shall provide to the Client the Other Service Support which includes also:

22.12.1. Providing professional advice on the effective utilization of the System's functionalities to meet the Client's needs.

22.12.2. Recommending potential adjustments or optimizations to the System configuration.

- 22.12.3. Offering guidance related to the user operation of the System.
 - 22.12.4. Advising on best practices and methodologies relevant to the System.
 - 22.12.5. Price of the Contractor's work relating to the Mid-Life Upgrade installation and SAT tests.
 - 22.12.6. Refresher Training.
 - 22.12.7. All other service support not included in Articles 22.3 -22.11 of this Contract,
- 22.13 The Other Service Support provided by the Contractor to the Client shall respect the following rules:
- 22.13.1. The Client shall send to the Contractor a request for the Other Service Support with the detailed specification of the Other Service Support requested.
 - 22.13.2. Within 10 Business Days the Contractor will deliver to the Client the Offer for the Other Service Support including (i) detailed specification of the Other Service Support work; (ii) binding price calculation prepared in accordance with Article 5.1.5 of the Contract; (iii) specification of the necessary cooperation from the Client, if any; and (iv) binding time estimate for the Other Service Support completion ;
 - 22.13.3. Following the Client's approval of the Offer, the Contractor shall immediately commence the Other Service Support work.
 - 22.13.4. The Contractor shall complete the Other Service Support work in the time stated in the approved Offer.
 - 22.13.5. For the avoidance of doubt, the Parties agree that the Offer, and the actions of the Parties pursuant to the Offer, are subject to the provisions of this Contract, including but not limited to, e.g., contractual penalties and license provisions.
 - 22.13.6. Ordering of the small-scale Other Service Support (i.e. the Other Service Support lasting less than 2 Man-hours in each individual case and a maximum of 10 Man-hours in total in a calendar month) can be proceeded without the provision of an Offer and the Client's approval of the Offer. In this case, it is also possible to provide the Other Service Support by telephone or via a virtual communication platform (e.g. Teams).
 - 22.13.7. The Contractor shall provide the Client with the System documentation update within 5 Business Days before applying the change of the System connected with the Other Service Support.
 - 22.13.8. No later than 5 days after the end of the relevant calendar month, the Contractor shall deliver to the Client a bill for the respective Other Service Support prepared in accordance with the Offer approved by the Client and including the statements of activities (in case of the small-scale Other Service Support).
 - 22.13.9. The Client may, in justified cases, refuse confirmation of the statement of activities. The statement of activities, confirmed by both Parties, shall form an annex to the invoice.
 - 22.13.10. If the Other Service Support includes a refresher Training, Article 18 of this Contract shall apply accordingly.
- 22.14 If, as part of the Service Support work, the System is updated or upgraded or changed in any way, that change becomes (after the completion of the respective Service Support work) a part of the System.

23. Mid-Life Upgrade

- 23.1 Based on the Mid-Life Upgrade Request delivered by the Client, the Contractor shall perform a Mid-Life Upgrade of the System. The Mid-Life Upgrade cannot be provided after the SD Final Date.
- 23.2 The Mid-Life Upgrade is the replacement of the Hardware with a new or successor model that will ensure the requirements for the smooth operation of the System, its reliability and functionality. The Client is entitled to request a Mid-Life Upgrade when the Hardware (or part of it) is no longer compatible with the continuously updated software, or when due to the increase of data in the System or new features it is not sufficient in performance, etc. This is particularly the case when the maintenance of the existing Hardware (without performing a Mid-Life Upgrade) could, in the Client's opinion, jeopardize the reliable functionality of the System in the future or when the existing Hardware (or part thereof) no longer allows the reliable functionality of the System.
- 23.3 The Client is entitled to deliver the Mid-Life Request to the Contractor between the 3rd and 5th anniversary of the completion of the FPA (signature of the FPA Certificate) for the Initial System Delivery. The decision as to whether a Mid-Life Upgrade will be made or not is entirely at the discretion of the Client.
- 23.4 Within 5 Business Days of receipt of the Mid-Life Upgrade Request, the Contractor shall deliver to the Client a price quotation for the Mid-Life Upgrade at prices customary in the relevant place and time. Such price quotation shall include the specific price per each item of the hardware included in the Mid-Life Upgrade. If the quotation for the Mid-Life Upgrade is higher than the usual price at the place and time, the Client is entitled to request that the quotation being amended to ensure the price is in line with this condition. In this case, the Client shall provide the Contractor with adequate evidence of the price usual at the place and time.
- 23.5 Upon written approval of the price quotation by Client, the Contractor shall commence work to perform the Mid-Life Upgrade. The Contractor is obliged to complete the Mid-Life Upgrade no later than 15 Business Days after approval of the price quotation prepared in accordance with the Mid-Life Upgrade Request.
- 23.6 The Mid-Life Upgrade is considered to be completed when the SAT Certificate for the Mid-Life Upgrade is signed by both Parties.
- 23.7 Articles 15, 16, 18 and 19 of this Contract shall apply mutatis mutandis to the Mid-Life Upgrade.
- 23.8 After completion of the Mid-Life Upgrade, the respective Mid-Life Upgrade will form a part of the System.
- 23.9 At the Client's option, the Mid-Life Upgrade may be split into two or more parts. In this case, a new Mid-Life Upgrade Request shall be sent to the Contractor and the provisions of this Article shall be followed again.
- 23.10 By signing the SAT Certificate, the ownership title and risk of damage to the hardware included in the Mid-Life Upgrade passes to the Client. The Contractor shall, at its own expense and on its own behalf, arrange for customs clearance of such hardware at the appropriate customs office, if required by law.

24. Obligations and responsibilities

- 24.1 The Contractor undertakes to use the best effort to ensure that the performance of the Contractor's obligation under this Contract will be ensured by a permanent team. . Such team will be headed by a project manager. The project manager shall (i) hold a PRINCE2, PMP, IMPA or similar certificate, or (ii) have more than 10 years of project management experience, and who also has experience of managing a project with similar performance to the subject matter of this Contract. The Contractor shall make the best effort to ensure that the project manager's persona remains the same throughout the duration of this Contract. If it becomes necessary to change the project manager person on the

Contractor's side during the term of this Contract, this may only be done with the prior written consent of the Client. The Client shall not be entitled to refuse to give such consent if the experience and qualifications of the new project manager are at least equal to those of the previous project manager.

- 24.2 The contact details of the first project manager are as follows: Petr Zahnaš, email: Petr.Zahnas@upvision.cz, phone +420725999702
- 24.3 The Contractor represents that (i) the implementation of the System will not adversely affect the performance of the Client's current hardware, software or operational system and (ii) there will be no requirement to modify or add to the Client's hardware, software or operational system in connection with the implementation of the System.
- 24.4 The Contractor shall fully indemnify the Client in the event that any third party successfully files a claim against Client for reimbursement or any other damages compensation in connection with an error, malfunction or other defect of the System caused by the Contractor's breach of this Contract. Such entitlement of the Client to indemnification shall not be limited in time by the Warranty Period or the term of this Contract.
- 24.5 The Contractor shall comply with the rules of the entry of external entities to the premises and objects of the Client. The obligations of the Contractor regarding the entry of external entities to the premises and objects of the Client are specified on the following:
<https://www.ans.cz/categorysb?CatCode=A8>
- 24.6 The Contractor as an employer is responsible, in performance of this Contract, for complying with Safety and Health Protection and Fire Protection regulations by its employees or other individuals engaged in work in its favor. Any damages resulting from violation of these regulations by the Contractor's employees or other individuals engaged in work in its favor shall be borne by the Contractor. If the Contractor generates dangerous places or situations on site as a result of its activity, the Contractor shall take its own measures to secure the impending damage and shall immediately inform the Client of this fact.
- 24.7 The Client shall provide authorised employees of the Contractor with remote access and VPN connection to the maintained system via the Client's IP data network (CADIN) on the basis of defined access rights. For this purpose, the Contractor shall, before the need for remote access arises, provide the Client with a list of authorised employees to be granted remote access. The Client shall provide each of the authorised employees of the Contractor with an RSA SecureID token against their signature to generate one-time access codes for secondary authentication. If agreed by the Contact Persons, secondary authentication may be managed by sending one-time access codes via SMS instead of the RSA SecureID token. In this case, the Contractor shall also provide the Client with the mobile phone numbers of the authorised employees. The list of authorised employees of the Contractor (including mobile phone numbers in the case of authentication by one-time SMS code) may be amended by the Contractor from time to time, provided that any such amendment is promptly notified to the Client's Contact Person. Communication under this Article between the Contact Persons shall be done in the form of the Certified Communication.
- 24.8 The Contractor as an employer is responsible for its employees to observe the Client's rules for VPN access when using RSA SecureID tokens (issued based on Article 24.7 of this Contract) and also for the loss of RSA SecureID token. The Client is obliged to provide the Contractor with VPN access rules. The Contractor 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/content/documents/Security_rules_for_major_contractors.pdf
- 24.9 Given that the Contractor 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 6 that comprises the requirements of Annex 6 of Cyber Security Regulation (that means information concerning security measures for contractual relationship with major contractors. The

Contractor shall fulfil the obligations set out in this Annex 6 of this Contract. Contact details of Cyber Security Manager shall be notified to the other Party by the Contact Persons. 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 by the method of the Certified Communication.

- 24.10 The Contractor shall make sure that all its employees who participate in performance of the obligations as defined in the Contract have been provably acquainted with obligations under this Article 24 of this Contract.

25. Insurance

- 25.1 The Contractor declares that the Contractor is sufficiently insured against liability for damage caused by its activities to other persons.
- 25.2 The Contractor shall deliver to the Client, within 5 Business Days of the signing of this Contract, an original confirmation issued by the reputable insurance company confirming that the Contractor (under standard terms and conditions) is insured for liability for damage caused by its activities to other persons. Such confirmation will also contain, inter alia, information on the amount for which the Contractor is insured.
- 25.3 The Contractor shall maintain this insurance policy in force throughout the term of this Contract. The Contractor shall inform the Client without delay of any changes to the insurance.

26. Warranty

- 26.1 The Contractor is liable that the System has the features and characteristics stipulated in this Contract and its Annex 1. The Contractor warrants that the System will be functional, will be performed to the highest standard in accordance with the latest technological procedures, making maximum use of experience, knowledge and professional capacities and will meet the required quality, functionality, performance and agreed features, as well as compatibility with the Client's data environment concerned.
- 26.2 The Initial System Delivery shall be warranted by the Contractor by the System Warranty for the period of twenty four (24) months starting from signature of the FPA Certificate.
- 26.3 Each System Development completed according to the agreed Proposal shall be warranted by the System Development Warranty for a period of 12 (twelve) months starting from the date of signature of relevant SAT Certificate for the respective System Development.
- 26.4 The provision of Service Support shall be warranted by the Contractor by the Service Support Warranty for the period of six (6) months starting from hand over of the respective Service Support to the Client.
- 26.5 The Mid-Life Upgrade shall be warranted by the Mid-Life Upgrade Warranty for a period of twelve (12) months starting from the date of signature of relevant SAT Certificate for the respective Mid-Life Upgrade.
- 26.6 The conditions related to the System Warranty shall apply mutatis mutandis for the System Development Warranty, Service Support Warranty and Mid-Life Upgrade Warranty.
- 26.7 The Contractor shall warrant the System, System Development, Mid-Life Upgrade and Service Support against all defects and failures during the System Warranty, the System Development Warranty, the Mid-Life Upgrade Warranty and the Service Support Warranty (as appropriate).

- 26.8 For such defects, which have been identified prior to the expiration of the Warranty, but not remedied within the Warranty, the System Warranty period shall be extended until the remedial actions have been completed and the effect of the action has been adequately verified.
- 26.9 During the Warranty the Contractor shall warrant the System against malfunctions and/or defects introduced by the Client staff while performing preventive maintenance as long as the Client staff follows procedures and instructions for the work to be performed.
- 26.10 If the Client staff by following the maintenance documentation introduces or gives reasons for defects or malfunctions, such defects and malfunctions shall be covered completely by the Contractor's Warranty without additional costs for the Client.
- 26.11 The condition mentioned in this Article shall also apply when the maintenance documentation is incomplete or inadequate, and this has undesired effects on the System.
- 26.12 The entire costs for the correction of deficiencies falling under this Article, inclusive the costs related to the shipment shall be fully carried out by the Contractor. In case of breach of the Warranty duties of the Contractor, the Client is entitled (at its sole discretion) to restore and resolve the defect through a third person. The costs related to such defect removal shall be fully paid by the Contractor.
- 26.13 All Problems reported by the Client during the System Warranty shall be restored and resolved within the time limits stated in the Article 22 starting by the Client's first notification of the Problem to the Contractor.
- 26.14 The Warranty is extended by the period of time during which the System could not be properly and/or fully used due to a defect claimed under the Warranty.
- 26.15 Unless stated otherwise in this Contract the liability for defects follows the Section 2615 et seq. of the Civil Code.

27. Contractual penalties

- 27.1 If the Contractor fails, for reasons other than fully beyond its control, to ensure that:
- 27.1.1. the CDR session is completed by the time stated in Article 8.1.1 of this Contract, the Client may claim from the Contractor a contractual penalty in the amount of zero point one percent (0.1 %) of the price of the System defined in Article 6.2.1 of this Contract per each day of delay.
 - 27.1.2. FAT session is completed by the time stated in Article 8.1.2 of this Contract, the Client may claim from the Contractor a contractual penalty in the amount of zero point one percent (0.1 %) of the price of the System defined in Article 6.2.2 of this Contract per each day of delay.
 - 27.1.3. SAT is completed by the time stated in Article 8.1.3 of this Contract, the Client may claim from the Contractor a contractual penalty in the amount of zero point one per cent (0.1 %) of the price of the System defined in Article 6.2.3 of this Contract per each day of delay.
 - 27.1.4. FPA is completed by the time stated in Article 8.1.4 of this Contract, the Client may claim from the Contractor a contractual penalty in the amount of zero point one per cent (0.1 %) of the price of the System defined in Article 6.2.4 of this Contract per each day of delay.
 - 27.1.5. The System Development work is completed within the timeframe specified in the agreed Proposal, the Client may claim from the Contractor a contractual penalty in the amount of zero point one per cent (0.1 %) of the price specified in the respective Proposal per each day of delay.
 - 27.1.6. The Other Service Support work is completed within the timeframe specified in the agreed Offer, the Client may claim from the Contractor a contractual penalty in the amount of zero point one percent (0.1%) of the price specified in the respective Offer per each day of delay.

- 27.2 If during providing the Service Intervention, the Contractor fails, for reason other than fully beyond its control, to comply with any of the times specified in articles 22.10 and 22.11 of this Contract, the Contractor shall pay to the Client a contractual penalty in the amount as specified in following tables:

Severity Level	<input type="checkbox"/> Restore Time (Article 22.10 of the Contract)
<input type="checkbox"/> Critical Defect	<input type="checkbox"/> 100,- EUR for each hour of delay
<input type="checkbox"/> Major Defect	<input type="checkbox"/> 500,- EUR for each day of delay

<input type="checkbox"/> Severity Level	<input type="checkbox"/> Resolve Time (Article 22.11 of the Contract)
<input type="checkbox"/> All levels Problems	<input type="checkbox"/> 1 000,- EUR for each month of delay

- 27.3 In case of breach of the rules of entry of external entities according to the Article 24.5 of this Contract, the Contractor shall pay the Client a contractual penalty of 500 EUR (in words: five hundred euro) for each individual breach.
- 27.4 In the event of a breach of the rules for VPN access pursuant to Article 24.8 of this Contract, the Contractor shall pay the Client a contractual penalty of 1000 EUR (in words: one thousand euro) for each individual breach.
- 27.5 If the Contractor as a Processor (or Sub-Processor) fails to destruct the Personal Data or copies thereof in conformity with the conditions specified in Annex 4 of this Contract, the Client shall be entitled to claim the payment of a contractual penalty amounting to 500 EUR (in words: five hundred euro) for each individual Personal Data Subject whose Personal Data were not deleted, and namely for each day of delay (even repeatedly).
- 27.6 If the Contractor breaches the conditions of security of the workstation set forth in the Security Rules notified pursuant to Article 4.1 of Annex 6 of the Contract, the Client is entitled to demand a contractual penalty of 500 EUR (in words: five hundred euro) for each individual breach.
- 27.7 If the Contractor breaches the reporting obligation in the field of security incidents/incidents set out in the Security Rules notified pursuant to Article 4.1 of the Annex 6 of this Contract, the Client is entitled to demand a contractual penalty in the amount of 4000 EUR (in words: for thousand euro) for each individual case of breach.
- 27.8 If the Contractor breaches any of its obligations resulted from Article 8 of the Annex 6 of this Contract regarding audit, the Client may claim from the Contractor a contractual penalty in the amount of 500 EUR (in words: five hundred euro) for each individual case of breach.
- 27.9 The contractual penalty shall be paid by the Contractor independently on the possible damage caused to the Client. Notwithstanding the payment of the contractual penalty, the Contractor is obliged to compensate the Client for the full amount of damages.
- 27.10 The contractual penalty shall be due within 30 days from delivery of written notice to pay a contractual penalty to the Contractor.

28. Copyright and intellectual property

- 28.1 The Contractor hereby grants to the Client the Licence to use the System including changes made in System in connection with the System Development and/or the Mid-Life Upgrade and/or the

- Service Support (if appropriate) to the extent and under the terms and conditions set out in this Contract. The Licence is granted as non-exclusive, for the purpose specified in this Contract (especially Article 4 and Annex 1 of this Contract), in unlimited quantities for the territory of the European Union, for the period of this Contract for all uses serving the given purpose. The price for the Licence is already included in the price set up in Article 5.1 of this Contract.
- 28.2 For the avoidance of doubt, the Parties declare that all data, configurations, user settings or templates acquired using the System or the System Development or the Mid-Life Upgrade or the Service Support (if appropriate) or contained therein are subject to the Client's copyright and the Contractor is only entitled to use them in the course of providing performance under this Contract on the Client's express instruction. Upon termination of this Contract, the Contractor undertakes to provide, at the Client's request, all assistance in the migration of the aforementioned data for the purpose of its further use. This assistance is included in the price specified in Article 5.1 of this Contract.
- 28.3 If open source software, free software, or any other work under a public license (Creative Commons, etc.) is included in the System, the System Development, the Mid-Life Upgrade or the Service Support (if appropriate), the Contractor hereby grants the Client the right to use such work in accordance with such public license without limitation as to quantity, time, manner, purpose, location, and shall be responsible for ensuring that it is used in accordance with the license terms applicable thereto. The Client shall not be liable for any breach of any public licenses used by the Contractor for the performance of this Contract.
- 28.4 If there is so-called proprietary software in the System for which the Contractor is unable to grant the Client a license under Article 28.1 of this Contract for reasons beyond its control, the Contractor shall be entitled to grant the Client a license including a non-exclusive right to use the proprietary software in a quantity corresponding to the Client's needs in relation to its use of the System under this Contract and any subsequent agreement of the Parties. The grant of such licence shall not be terminable by the Contractor during the term of the Licence unless the Parties expressly agree otherwise. The Contractor shall restrict the use of such proprietary software in its solutions for the Client which is restricted as to license within the meaning of this Article of this Contract. If there are one-time or recurring fees associated with the use of proprietary software, support services or other related services, such fees shall be included in the price of this Contract. For the purposes of this Article, the proprietary software shall be deemed to be only proprietary software provided (licenses and accompanying services) in the marketplace by at least 3 independent and otherwise unrelated parties, deployed by at least 3 independent and otherwise unrelated organizations, with encapsulated functionality available through published APIs, and distributed under a non-competitive scheme; otherwise, a License shall be provided.
- 28.5 The Contractor shall be liable to the Client for the integrity of the rights acquired by this Contract, in particular that the use of the Systems and the System Development and the Mid-Life Upgrade and the Service Support (if appropriate) under this Contract does not result in any unauthorised interference with the rights of third parties or any other violation of legal regulations, that any property claims of third parties have been settled and that the Client cannot incur any monetary or other liabilities to third parties in connection with the use of the System and/or the System Development and/or the Mid-Life Upgrade and/or Service Support (if appropriate). It is the Contractor's obligation to secure any necessary consents of third parties to the arrangements set out in this Contract and must act so as to secure the granting of authorisations and consents for the use of the System without prejudice to the rights of third parties. The Contractor further undertakes to ensure that the Client's use of the System is uninterrupted. If the rights granted by the Licences are threatened or infringed, the Contractor shall inform the Client thereof without undue delay, and as soon as it becomes aware of such threat or infringement, the Contractor undertakes in such case to provide the Client with assistance to legally protect the rights granted by the Licences.
- 28.6 The Contractor shall also be liable to the Client for damages arising in connection with the exercise of third party rights. If any third party brings a claim against the Client for infringement of its rights in connection with the System or the System Development or the Mid-Life Upgrade or the Service Support (if appropriate) or the License granted to the System, the System Development, the Mid-Life Upgrade or the Service Support (if appropriate), the Contractor shall be obliged to defend the

Client at its own expense and indemnify the Client in full if the third party successfully asserts its claim arising from a legal defect in the System or the System Development or the Mid-Life Upgrade or the Service Support (if appropriate). In the event that a claim by a third party arising in connection with the System or the System Development or the Mid-Life Upgrade or the Service Support (if appropriate), regardless of its validity, results in a temporary or permanent injunction or restriction of the use of the System, the System Development or the Mid-Life Upgrade or the Service Support (if appropriate) or any part thereof, the Contractor shall promptly provide the Client with alternative performance and minimize the effects of such a situation, at its own expense and without prejudice to the price of performance agreed in this Contract, without prejudice to the Client's claims for damages. In the event of such alternative performance, the Contractor shall guarantee that the software supplied will have the same functionality as the System or the System Development or the Mid-Life Upgrade or the Service Support (if appropriate).

- 28.7 For the avoidance of doubt, it is stated that the Contractor's liability for legal defects in the System or the System Development or the Mid-Life Upgrade the Service Support shall not be limited by the Warranty Period.
- 28.8 If any instruction or request made by the Client may lead to an infringement of industrial property rights, in particular patent rights, design rights, trademark rights, trade name rights, copyrights or other intellectual property rights, the Contractor is obliged to notify the Client in writing of the objections to such instruction or request and to justify its notification. If the Client still insists on carrying out its instruction or request, the Client provides the Contractor with the indemnification promise the same as set forth in Article of this Contract.
- 28.9 The Contractor undertakes to ensure that the Client obtains a Third Party Licenses in relation to the all Third Party Software to the extent necessary for the proper use of the System under the terms of this Contract and for the entire term of this Contract. Contractor represents that the Third Party Licenses are the only third party software licenses required for the proper operation and use of the System by Client in accordance with the terms and conditions of this Contract. The price for the Third Party Licences is already included in the price set up in Article 5.1 of this Contract.
- 28.10 The Contractor hereby grants the Client the right to sub-license the use of the System (including its modification made via System Development and/or Service Support and/or Mid-Life Upgrade) or its part to third parties in the web or mobile application, to all users of the System in the scope of all functionalities System or its part (whether for the purpose of displaying, searching and storing data in the System) by (i) unregistered/non-logged-in users or regular registered/logged-in users; or (ii) registered/logged-in users (for the purpose of maintaining of the user section of the System or its part) , or (iii) privileged users with individual functionalities/appropriate permissions, which may be in particular the Civil Aviation Authority and the Police of the Czech Republic). These privileged users are entitled under this sub-license to use the System (including its modification made via System Development and/or Service Support and/or Mid-Life Upgrade) and all information included in the System on a non-commercial basis for their needs and are entitled to further establish access to the System for their employees or other co-operation parties. The determination of the terms and conditions of these sub-licenses is entirely at the sole discretion of the Client. The price for the Client's authorization under this Article is included in the price under Article 5.1.1 of this Contract. The Contractor shall not be entitled to any payment from the Client or such third party in connection with the granting of such sub-license.

29. Force Majeure

- 29.1 The Parties shall be exempt from liability for partial or total non-performance of their contractual obligations if this is proven to be due to force majeure. Force majeure shall be deemed to be circumstances arising after the conclusion of this Contract as a result of unforeseen and unavoidable events of an extraordinary nature unforeseen by the Parties and having an immediate effect on the performance of the subject matter of this Contract. Should the above circumstances arise, both Parties shall inform each other of these circumstances without delay.

- 29.2 The time limits for performance of the obligations under this Contract shall be extended by the period during which the circumstance excluding liability for partial or total non-performance of the contractual obligations is proven to exist.
- 29.3 If the consequences resulting from force majeure are proven to last longer than three months, either Party may withdraw from this Contract, provided that the claims of the Parties are settled in such a way that neither Party is unjustly enriched.

30. Assignment – subcontracting

- 30.1 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. The Client shall not be entitled to reject granting the approval under previous sentence in case of Contractor's intra-group assignment, transfer or subcontracting.

31. Termination

- 31.1 The Client is entitled to withdraw from the Contract in case the substantial breach of Contractor's obligation, especially when:
- 31.1.1. the Contractor is, for reasons solely within the Contractor's control, in delay of more than 30 days in the performance with any of its obligations under the Article 8.1 of this Contract; or
 - 31.1.2. the Contractor is, for reasons solely within the Contractor's control, in delay of more than 30 days in the performance of its obligations under the respective Offer; or
 - 31.1.3. the Contractor is, for reasons solely within the Contractor's control, in delay of more than 30 days in the performance of its obligations under the respective Proposal; or
 - 31.1.4. the Contractor is in breach of the provision of Annex 6 of this Contract or Security Rules notified pursuant to Article 4 of Annex 6 to the Contract; or
 - 31.1.5. the Contractor breaches GDPR rules.
- 31.2 The Client is also entitled to withdraw from this Contract in the event of a significant change in control of the Contractor or a change in control of the principal assets used by the Contractor 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.
- 31.3 The Client may, within three months of the withdrawal of this Contract, decide that the withdrawal of the Contract shall not apply to that part of the performance delivered up to that time which, in the Client's discretion, makes independent economic sense for the Client and which the Client decides to retain. In such a case, the Contractor shall not be obliged to refund the part of the price received corresponding to the price of the part of the performance retained by the Client and, if that part of the price has not yet been paid, the Contractor shall be entitled to payment for that part of the performance. In respect of the part of the performance retained by the Client, the Contract shall be deemed to have been terminated by performance.
- 31.4 Either Party shall have the right to terminate this Contract by withdrawal in case the other Party is in bankruptcy according to its national law. The legal effects of the termination shall occur on the day of the delivery of the written notice to the other Party.
- 31.5 The Client is entitled to terminate (i) this Contract; and/or (ii) provision of the Service Support; (iii) and/or provision of the System Development, by the termination notice even without giving any reason. The three (3) months notice period shall run from the first day of the month following receipt

of the written termination notice via the Certified Communication by the Contractor and shall end on the last day of the calendar month. The Client may serve the termination notice under this Article at any time after a period of five years from the Effective Date.

- 31.6 The termination by withdrawal shall become effective upon the receipt of the written notice by other Party. The withdrawal will be sent via the Certified Communication..
- 31.7 This Contract may be terminated by mutual agreement of both Parties.
- 31.8 In case of termination for any reason whatsoever, the Parties will try to establish by mutual agreement a liquidation settlement; failure such an agreement, provisions of Article 33 of this Contract hereinafter shall apply.

32. Miscellaneous

- 32.1 No change, alteration, modification or addition to this Contract shall be valid unless made in writing and properly executed by the Parties hereto.
- 32.2 If any of the provisions of this Contract is found, by a competent authority, to be void or unenforceable, such provision shall be deemed to be deleted from this Contract while the other provisions of this Contract shall remain in full force and effect. The Parties shall negotiate in good faith in order to agree upon a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.
- 32.3 The headings used in this Contract are for convenient reference only and cannot be used for interpreting the provisions of this Contract.

32.4 Civil Aviation Security

By signing this Contract the Contractor 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 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 Contractor shall not anyhow reproduce and redistribute any information acquired in connection with the performance thereof.

32.5 Publication

The Contractor acknowledges that the Client is obliged to publish this Contract and associated information and documents related to the performance under this Contract pursuant to the Act No. 340/2015 Coll., on the Register of Contracts, as amended, and the Public Procurement Act. The Contractor also acknowledges that the Client is obliged to provide information pursuant to the Act No. 106/1999 Coll., on Free Access to Information, as amended.

32.6 Trade Secret

The Parties acknowledge that the Trade Secret will neither be published nor provided according to Article 32.5 of this Contract.

32.7 Personal Data Protection

Considering that personal data are processed within the scope of this Contract and due to the fact that 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, is applicable as from 25th May 2018, the Parties declare that GDPR Regulation shall be observed when processing personal data on the basis of this Contract. The requirements of GDPR regulation (i.e. information regarding the processing of personal data by the

processor, as stated in Article 28 paragraph 3 of GDPR Regulation, and alternatively equivalent requirements of other legal acts on personal data protection) are implemented into this Contract in the form of Annex 4 of this Contract.

Contact details of data protection officer/person responsible for personal data protection shall be notified to the other Party by the Contact Persons. 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 the Certified Communication.

32.8 *Confidentiality*

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

33. Settlement of disputes

- 33.1 All disputes arising out or in connection with the present Contract shall be finally settled under the appropriate court of the Czech Republic. The Parties hereby agree that a court of Client's registered office shall be considered appropriate in relation to the local jurisdiction.
- 33.2 This Contract is governed by Czech law.

34. Enter into force

- 34.1 Both Parties declare that the individual Articles of this Contract are sufficient with regards to the requirements for forming of the contractual relationship. Both Parties also declare that the contractual freedom of the Parties has been exercised and this Contract has been concluded in such a definite, serious and understandable manner.
- 34.2 Both Parties declare that regarding their own national regulations, they are fully entitled to sign the present Contract.
- 34.3 This Contract shall be valid upon signature by both Parties and shall enter into force on a day when it is published in the Register of Contracts.

This Contract has been signed electronically, only in one electronic copy.

The following Annexes form an integral part of the Contract:

Annex 1: Technical Specification of the System

Annex 2: Hardware Specification

Annex 3: Third Party Licence Specification

Annex 4: GDPR

Annex 5: Breakdown of the total price

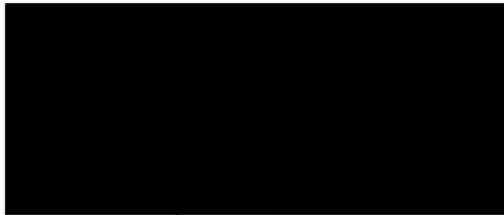
Annex 6: Cyber Security



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Jan Klas
Director General
Air Navigation Services of the Czech Republic



.....
Aleš Klepek
Jednatel
UpVision



Stěpán Alexa
Jednatel
UpVision

Annex No. 4 to the Contract No. 237/2024/IS/200 (hereinafter referred to as the “**Contract**”)

“Ensuring Protection of Personal Data pursuant to the Regulation of the European Parliament and Council (EU) 2016/679 of 27th April 2016 on protection of natural persons in association with the personal data processing and on free movement of such data and on cancellation of the Directive 95/46/ES (General Data Protection Regulation); (hereinafter referred to as the “**GDPR**”)

1. Definition of Terms

- 1.1 **“Personal Data”** shall mean for the purposes of this Annex and within the meaning of the GDPR, any and all information on an identified or identifiable natural person (hereinafter the **“Data Subject”**); an identifiable natural person shall mean a natural person who may be directly or indirectly identified, in particular with reference to a certain identified, such as name, identification number, location data, network identifier or to one or more special elements of physical, physiological, genetic, mental, economic, cultural and/or social identity of such a natural person.
- 1.2 **“Processing”** shall mean for the purposes of this Annex and within the meaning of the GDPR any operation or a set of operations with personal data or sets of personal data which is made with the use of automated procedures or without the use of automated procedures, such as collecting, recording, organizing, structuring, storage, adaptation or alteration, retrieving, consulting, use, disclosure by transmitting, dissemination and/or any other disclosure, alignment or combination, restriction, deletion or destruction.
- 1.3 **“Controller”** shall mean for the purposes of this Annex and within the meaning of the GDPR the natural person or legal entity, public authority, agency or another entity which by himself/herself/itself or together with others determines the purposes and means of personal data processing ; if such purposes and means of such processing are determined by the law of the Union or of a member state, such law may determine the Controller in question or the special criteria for determination of such a Controller. Controller within the sense of this Annex to the Contract is ANS CR.
- 1.4 **“Processor”** shall mean for the purposes of this Annex and within the meaning of the GDPR the natural person or legal entity, public authority, agency or another entity processing the personal data on behalf of the Controller. Processor within the sense of this Annex to the Contract is UpVision s.r.o.
- 1.5 **“Sub-Processor”** shall mean for the purposes of this Annex and within the meaning of the GDPR the natural person or legal entity, public authority, agency or another entity (with the exception of the Processor’s employee) who processes the personal data on the basis of an authorization from the Processor on behalf of the Controller.
- 1.6 **“Personal Data Security Breach”** shall mean for the purposes of this Annex and within the meaning of the GDPR a security breach which leads to accidental or unlawful destruction, loss, change or unauthorized provision or disclosure of the transferred, stored or otherwise processed personal data.

2. Subject of Processing

The subject of personal data processing is the development, delivery, installation, and operation of the CIS+ system, which provides centralized management, display, distribution, and storage of UTM data, including the exchange of operational data with other UTM participants and continuous updates of geographic zone information.

3. Duration of Processing

- 3.1 The personal data will be processed for the duration of the contract and as required to comply with applicable legal and regulatory obligations.

4. Nature and Purpose of Processing

- 4.1 Nature and purpose of personal data processing are defined as enabling the development and implementation of the CIS+ system to manage UTM data effectively, ensure compliance with applicable EU and national regulations, and provide operational data to UTM participants while maintaining the security and integrity of the processed information.

5. Type of Personal Data Processed

The personal data processed are of the following type: UAS operator and pilot identification data, including names, registration numbers, and email addresses. Access logs and system interaction records, if they contain identifiers of specific individuals (e.g., usernames or account information).

6. Categories of the Subject of the Personal Data Processed

- 6.1 The categories of the subject of the personal data processed are UAS operators and pilots, including their identification, registration, and operational data necessary for the management of UTM data.

7. Processor's Obligations

- 7.1 The Processor has to observe all the applicable legal regulations governing data protection, in particular the GDPR.
- 7.2 The Processor must not process the personal data provided by the Controller in any other way and for any other purpose than in conformity with the documented instructions by the Controller, unless the processing is required by the legal regulations in force which apply to such Processor. In this event, the Processor shall notify the Controller of such a legal requirement even before the processing of such personal data.
- 7.3 The Processor shall immediately notify the Controller in the event if, in the Processor's opinion, a certain instruction breaches the GDPR or other regulations of the European Union or of any member state related to personal data protection.
- 7.4 The Processor has to ensure that the persons authorized to process personal data are committed to confidentiality, unless the statutory obligation of confidentiality already applies to them.
- 7.5 Taking into account the state of the art, the implementation costs, nature, extent, context and purposes of processing as well as the different levels of probability and differently serious risks to rights and freedoms of Data Subjects, the Controller and the Processor shall make suitable technical and organizational measures to ensure the level of security corresponding to the particular risk, including the measures indicated in Art. 32 of the GDPR.

8. Sub-Processors

- 8.1 In accordance with Section 105 (4) in conjunction with Section 3 of Act No. 134/2016 Coll., On Public Procurement, as amended, the Processor shall inform in writing in advance of its intention to use a Sub-Processor that the Processor has not notified during the procurement procedure, including its identification and details of the activities to be carried out by the subcontractor and the personal data processed. Identification of the Sub-Processors who will be involved in the performance of the public contract after the conclusion of the contract, the subject of activities to be performed by the Sub-Processor and the personal data processed shall be communicated by the Processor to the Controller prior to commencement of performance by the Sub-Processor concerned.

- 8.2 If the Processor negotiates with a Sub-Processor to carry out activities or process personal data within the meaning of this Annex to the Contract, the Processor shall enter into a contract or other legal act with the Sub-Processor giving rise to the same rights and obligations in relation to the personal data processing as set out in this Annex. In particular, it is necessary to provide sufficient guarantees for the implementation of appropriate technical and organizational measures so that the processing complies with the requirements of the GDPR.
- 8.3 With respect to each Sub-Processor, the Processor:
- 8.3.1. shall make every reasonable effort to verify that the Sub-Processor provides the level of personal data protection as required in the Contract;
 - 8.3.2. shall make sure that if the Sub-Processors are chained, the mutual rights and obligations related to personal data protection are regulated with a written agreement containing the terms and conditions granting at least the same level of personal data protection as those stated in this Amendment and/or in the Contract, and that they comply with the requirements of Article 28 of the GDPR;
 - 8.3.3. if personal data processing is performed by a Sub-Processor who is seated outside the EEA and, at the same time, the country where such Sub-Processor is seated was not marked by the European Commission as a country providing sufficient level of protection, the Processor has to make sure that the Processing Agreement entered into with such a Sub-Processor contains the standard contractual clauses; and
 - 8.3.4. shall provide to the Controller upon request the copies of Processing Agreements (or similar documents) entered into with Sub-Processors which may be modified in order to eliminate confidential business information which is not relevant for the requirements of this Contract.
- 8.4 The Processor has to make sure that each Sub-Processor performs the duties resulting from this Annex to the Contract, which apply to the processing of personal data performed by such Sub-Processor as if the Processor were the party to such Contract instead of the Processor.
- 8.5 The Controller is entitled to object within five working days of the notification of the need to use a new Sub-Processor that the use of a new Sub-Processor is not necessary or that the use of a new Sub-Processor entails a security risk. In this case, the Processor must prove the necessary need to use the said new Sub-Processor or propose the use of another new Sub-Processor. If the Controller finds this need justified or fails to assess the new Sub-Processor as a security risk, the Controller will allow to use the said new Sub-Processor.

9. Exercise of the Data Subject's Rights

- 9.1 The Processor
- 9.1.1. shall immediately notify the Controller, if the Processor (or any Sub-Processor) receives a request from the Data Subject aiming at the exercise of the Data Subject's Rights pursuant to the GDPR; and
 - 9.1.2. shall make sure that the Processor (or any Sub-Processor) will not reply to requests aiming at the exercise of the Data Subject's Rights pursuant to GDPR in another way than in conformity with the Controller's written instruction and/or to the extent as required in conformity with the applicable legal regulation. In this event, however, the Processor shall notify the Controller of such a legal requirement even before the Processor (or Sub-Processor) replies to such request.

10. Personal Data Security Breach

- 10.1 The Processor shall inform the Controller without undue delay if the Processor or any Sub-Processor identifies a personal data security breach, and shall give sufficient information to the Controller to enable compliance with all the obligations to notify or inform the Personal Data Subject on Personal Data Security Breach pursuant to the legal regulations on personal data protection in force.
- 10.2 The Processor is obligated to cooperate with the Controller and to adopt the financially reasonable measures as instructed by the Controller in order to assist in investigation, mitigation and rectification of any such Personal Data Breach.

11. Destruction of Personal Data

- 11.1 In the event of termination of the Contract or in the event of termination of Personal Data processing under the Contract (hereinafter the "Termination Date"), the Processor shall immediately, but no later than within 15 days, delete all the Personal Data (including copies thereof).
- 11.2 The Controller may notify the Processor in writing within 5 days after the Termination Date that the Controller requests that the Processor:
 - 11.2.1. returns all the personal data (including copies) to the Controller via secure transmission of files in a common machine-readable format; and

removes and arranges for deletion of all the other personal data (including copies) processed by any Sub-Processor. The Processor shall satisfy this written request within 10 days after the Termination Date.
- 11.3 Each Processor (and Sub-Processor), may, beyond the framework stipulated in the Contract, process the Personal Data to the extent required in the relevant legal regulations, and namely only to the extent and for the period of time which is requested in such legal regulations. Furthermore, the Processor has to ensure that such Personal Data will be processed only to the extent and for the purposes mentioned in the applicable legal regulations and that they will be treated as confidential information.
- 11.4 The Processor shall submit to the Controller a written confirmation on compliance with the obligation related to deletion of Personal Data (including copies).

12. Inspection

- 12.1 The Processor shall disclose upon request any information necessary to prove compliance with this Amendment, and shall enable and shall assist at audits and inspections performed by any auditor authorized by the Controller. The Processor shall ensure such cooperation with its subcontractors.
- 12.2 The information rights and the rights of inspection of the processing of the Personal Data of the Controller are only established when, under the Contract, such information is not provided to the Controller and no rights to audit are resulting for the Controller which would comply with the requirements resulting from the applicable legal regulations (including the possible provision of Article 28, par. 3, letter h) of the GDPR).
- 12.3 The Controller shall notify the Processor of the inspection reasonably in advance before the Personal Data processing inspection is initiated. Furthermore, the Controller shall make reasonable efforts so that the inspection does not result in damage occurrence, excessive disturbance on the premises, of the equipment, staff and Processor's activities. The Processor is not obligated to enable access to his/her/its premises during inspection only in the event that

- 12.3.1. the person performing the inspection fails to submit the identity document and authorization to perform the inspection;
- 12.3.2. The inspection is performed outside the ordinary working hours, unless to meet its purpose, the inspection requires to be performed outside the ordinary working hours and the inspector notified the Processor in advance (during ordinary working hours) that this was such a case.

Annex 6 – 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 Client, 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: COMMON INFORMATION SERVICE+
- 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 Client 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 Client's Security Policies

- 4.1 The Contractor shall comply with the Client'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 Client, through its cybersecurity manager, shall provide the Contractor with details of the Client's security standards by electronically signed email within 10 days of the effective date of the Contract.
- 4.3 The Client 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 Client.

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 Client'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 Client shall proceed in accordance with Section 11 of the Cybersecurity Regulation when implementing the changes.
- 5.3 In the case of major changes, the Client 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 Client.
- 5.4 The Contractor shall provide the Client 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 Client. 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 Client 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 Client 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 Client with sufficient information to enable the Client 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 Client.
- 6.2 The Contractor, through the cybersecurity manager, shall inform the Client on an ongoing and timely basis of all significant and critical threats and vulnerabilities known to the Contractor that may affect the Client's risk assessment.
- 6.3 The Contractor shall promptly notify the Client, through the Client'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 Client 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 Client 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 Client, 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 Client in advance. The Client 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 Client. 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 Client 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 Client 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 Client 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 Client shall give the Contractor reasonable notice, but not less than 30 days, of its intention to conduct an audit. The Client 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 Client has notified the Contractor of this in advance (during regular working hours).
- 8.5 The Client 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 Client 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 Client of the implementation of the corrective actions in accordance with Article 8.7 of this Annex.
- 8.9 The Contractor acknowledges that the Client 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.