

PURCHASE CONTRACT FOR SUPPLY THE METALLIC HOT STAMPING FOIL WITH POSITIONED DOVID

registered by the Buyer under Ref. No. 033/OS/2025
(hereinafter referred to as “**Contract**”)

made pursuant to the provision of Section 27 of the Act No. 134/2016 Sb., on public procurement, as amended (hereinafter referred to as the “**PPA**”)
and
pursuant to Section 1746 (2) et seq. of Act No. 89/2012 Sb., the Civil Code, as amended (hereinafter referred to as the “**Civil Code**”)

by and between:

Státní tiskárna cenin, s. p.

with its registered office at Růžová 943/6, Nové Město, 110 00 Praha 1,
entered in the Commercial Register maintained by the Municipal Court in Prague, Section ALX,
Insert 296

Business ID: 00001279
Tax Identification No.: CZ00001279
Acting through: **Tomáš Hebelka, MSc**, Chief Executive Officer
Bank details:
Account number:
IBAN:
BIC/SWIFT:

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

and

IQ Structures s.r.o.

with its registered office at Hlavní 130, Husinec 250 68
entered in the Commercial Register administered by maintained by the Municipal Court in
Prague, Section C 336502

Business ID: 09451269
Tax Identification No.: CZ09451269
Represented by: **Mgr. Petr Franc**, Chief Executive Officer
Bank details:
Bank Account:
IBAN:
SWIFT code:

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

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

Representatives authorized to negotiate in contractual and economic matters:

On behalf of the Buyer: **XXX**

On behalf of the Seller: XXX

Representatives authorized to negotiate in factual and technical matters:

On behalf of the Buyer: **XXX**

On behalf of the Seller: **XXX**

I. INTRODUCTORY PROVISIONS

1. This Contract is concluded on the basis of the results of a small-scale public contract within the meaning of Section 27 of the PPA, for the public contract entitled “Metallic Hot Stamping Foil with positioned DOVID – re-announcement” (hereinafter referred to as the "**Selection Procedure**") with the Seller that meets all tender conditions, and the tender of which was selected as economically the most advantageous.
2. Further, this Contract was based on the Seller’s tender properly submitted within the tender submission date; the content of which is known to the Parties (hereinafter referred to as the "**Tender**").
3. When interpreting this Contract, the Parties shall take account of the Tender terms and conditions and the purpose of the subject of Selection Procedure. The provisions of laws and regulations on interpretation of legal conduct are not affected by this.
4. The Contract regulates terms and conditions for execution of the individual supplies by the Seller, as well as other rights and obligations of the Parties related to the realisation of the subject hereof.
5. The following definitions have been set out by the parties to this Contract:
 - a) "**DOVID or DOVIDs**" means security element - Diffractive optical variable image devices ;
 - b) "**the hot stamping foil**" means a metallic foil with DOVID suitable for hot stamping application;
 - c) "**draft of design or design draft**"– means a design of the diffractive security element created by the Buyer according to the requirements specified in the Technical Specification – the Annex No. 1 hereof and according to submitted design templates. The basis for creating draft of design was provided by the Buyer to the Seller according to Article II par. 2 hereof;
 - d) "**DOVID Design**" the design created by the Seller according to the Contract and approved by the Buyer;
 - e) „**Master**" means the original DOVID created from which multiple copies are produced. It's the template or original recording of a DOVID image that serves as the basis for mass production of DOVIDs.

6. The purpose of this Contract is to secure supply of a Security element - Diffractive optical variable image devices (DOVIDs) for banknote in line with the Buyer's needs. This purpose encompasses both the acquisition of specialized metallic oils (DOVIDs) required for manufacturing banknotes, ensuring their compliance with technical specifications and quality standards outlined in Annex No. 1 hereof, and the comprehensive transfer of all intellectual property rights associated with the DOVIDs' design and the Master created as part of the subject of performance. These licenses provide unrestricted rights for the Buyer to use the DOVIDs for the intended contractual applications, including the production of banknotes, including unlimited discretion regarding the handling of these rights, including their transferability, and sublicensing without any additional license fees (hereinafter referred to as the "**the Purpose**").

II. SUBJECT OF THE CONTRACT

1. The subject of this Contract is the Seller's obligation:
 - a) to create **a final design** based on the design specification provided by the Buyer specified in the Annex No 1 hereof and to submit it to the Buyer for approval; this part of the performance is completed as the achievement of "DOVID Design";
 - b) to create an origination (**production of a Master**) of hot stamping foil with DOVIDs for the banknote, including creation of diffractive security feature design according to requirements specified in the **Technical Specification – the Annex No. 1** to this Contract and DOVID Design;
 - c) **to grant exclusive license** covering the DOVID Design an **exclusive license covering the Master** and its copies for the use of the sheets for the manufacture of banknote within the extent specified in Article VII to this Contract (hereinafter referred to as the "**DOVID licences**");
 - d) **to produce and deliver the hot stamping foils with DOVIDs** to the Buyer, in the amount of 250 000 pcs of DOVIDs according to the Technical specification listed in the Annex No. 1 to this Contract and DOVID Design;
 - e) to enable to acquire the ownership title to the supplied DOVIDs to the Buyer.
2. The subject of the Contract stated in this paragraph will be performed in one motif – one design draft of the DOVID to be created by the Seller according to the the design templates for design draft and further specification listed in the Technical Specification – the Annex No. 1 to this Contract.
3. The Buyer undertakes to accept the fulfilment of the Seller including hot stamping foil with DOVIDs, duly delivered as regards the required quantity and type, quality of the hot stamping foil with DOVIDs in accordance with this Contract, on the required delivery dates, and pay the prices agreed to herein.

III. PLACE AND TERMS OF PERFORMANCE AND DELIVERY

1. The Seller shall provide performance properly according to the Annex No. 1 hereof and within the deadline specified in this Article.
2. The Seller is obliged to submit the draft of design and the Buyer is obliged to respond to the submitted design draft within 2 working days at the latest, i.e. approve or reject the submitted draft and ask for reworking. Based on the approved DOVID Design, the Seller shall prepare and submit to the Buyer a invitation for approval of the Master.
3. The DOVID Design will be approved electronically and the Master will be approved by the Buyers' representatives in person. Invitation to the Master approval shall be sent to the Buyer at least 5 working days before the proposed date for approval of the Master. The Seller shall sent all his notification (submission of the design draft, invitation for the Master approval) via email to the e-mail address: hyrsl.ondrej@stc.cz. to approve them.
4. In the event that the design draft submitted by the Buyer is not approved, the Seller is obliged to submit a modified version according to the Buyer's requirements until the approval of DOVID Design. The Buyer's representative in factual and technical matters is authorized to grant approvals.
5. In case of approval of the Master the Buyer's authorised representative will sign the Acceptance Protocol using Acceptance Protocol (template) contained in the **Annex No. 2** hereof.
6. The day of approval of the Master also passes to the Buyer the right of use the DOVID Design – DOVID licences according to the Article VII of this Contract.
7. **The Seller is obliged to deliver DOVIDs in the amount 250 000 pcs no later than the 30 th of November 2025.**
8. Delivery of the DOVIDs shall be accompanied with a **delivery note** to be confirmed by both Parties upon handover and takeover of the DOVIDs. The DOVIDs shall be considered as delivered on the day of handover and acceptance by protocol, i.e. the date of signature of the delivery note by the Buyer.

The delivery note shall contain:

- a) Identification data of the Seller and Buyer,
 - b) reference number of this Contract
 - c) number and date of issue of the delivery note,
 - d) Position/serial number,
 - e) specification of the required type and properties of the DOVIDs,
 - f) the DOVIDs quantity and the unit of measure,
 - g) the item name.
9. The place of performance for delivery of the DOVIDs shall be placed in territory of Prague, Czech Republic, specifically **Růžová 943/6, Nové Město, 110 00 Praha 1. Czech Republic.**
 10. The Seller shall arrange for the transportation of the DOVIDs to the place of performance at its own expense and risk in accordance with Incoterms 2020, DAP.
 11. In a demonstrable manner the Seller will announce to the Buyer's electronic address XXX at least 3 working days in advance, the day of dispatching of the DOVIDs from the

plant, name of the carrier, type and registration number of the vehicle and the supposed time of arrival to the address of the Buyer.

12. The supplied DOVIDs shall be packed in a manner that is usual for such type of DOVIDs, taking into consideration the place of delivery of the DOVIDs and the mode of transport, so as to ensure the preservation and protection of the quality of the DOVIDs, as well as protect the DOVIDs from damage by mechanical and atmospheric elements. Detail packaging requirements are specified in the Annex No. 1 hereof.
13. Handover and acceptance of the delivery shall be done at the agreed time and place, as specified in this Article of this Contract.
14. In the case of air transport, the shipment shall be packed in containers and shall be adhered to packing quantities and container specifications and handlings defined under the Annex No. 1 hereof. Whole process of packaging and transport of DOVIDs shall be in accordance with the requirements and conditions of the standard TAPA (TSR + FSR) a standard IATA code TACT - The Air Cargo Tariff and Rules standard VUN. Specification of the conditions are available on web side <https://www.tapa-global.org/>.
15. Authorized employees of the Buyer shall accept the DOVIDs delivery during the established delivery period as specified in paragraph 7 of this Article. During the handover process these employees shall inspect the integrity of individual packages/containers and seals and confirm status by signing the relevant delivery document. Any defects apparent during the handover process will be resolve according to the Article VIII hereof.
16. The ownership title to the DOVIDs supplied under this Contract shall pass on to the Buyer at the moment of takeover of the DOVIDs, i.e. upon the handover protocol for the DOVIDs (delivery note) being signed by the Buyer. The risk of damage to the DOVIDs is transferred to the Buyer at the same moment.

IV. PRICE

1. The total price for performance of the subject of the Contract has been established on the basis of the Seller's Tender submitted in the Selection Procedure. The total price is

113 500 EUR, excluding VAT (hereinafter referred to only as "**Total price**")
2. The Total price specified in Article 1 hereof is the final and maximum permissible price and consists of:
 - 2.1 the price for performance according to the Article II paragraph 1 letters a), b) and c) hereof is XXX EUR, excluding VAT;
 - 2.2 the price for performance according to the the Article II paragraph 1 letters d) and e) hereof is XXX EUR, excluding VAT.
3. The price according to the paragraf 2.1. of this Article hereof contains all costs necessary to successfully complete subject of the performance according to the Article II paragraph 1 letters a), b) and c) hereof contains any and all the related costs of the

Seller, incl. licenses fees for the use of DOVID Design and Master, and any costs incurred by ecological liquidation of the Master as stated according to the Article VII of the Contract.

4. The price according to the paragraph 2.2. of this Article hereof contains all costs necessary to successfully complete subject of the performance according to the Article II paragraph 1 letters d) and e) hereof, incl. packaging and transportation of the DOVIDs to the place of performance, customs duty, customs charges, and related services.
5. If applied, VAT shall be billed at the rate stipulated in the legislation that is valid and in force on the date of taxable supply.

V. PAYMENT TERMS

1. The Buyer does not provide the Seller with any advance payments for any prices according to the Article IV hereof.
2. The price of the production of DOVID Design and Master according to the Article II paragraph 1 letter a) and b) hereof and DOVID licences according to the Article II paragraph 1 letter c) hereof (Article IV paragraph 2.1. hereof) shall be paid by the Buyer after proper acceptance of the Master on the basis of invoice (tax document) issued by the Seller.
3. The Seller's right to issue an invoice (tax document) for the price of production of DOVIDs Design and Master and DOVID licences is established on the date of approval of Master, i.e. the date of signature of the Acceptance Protocol by the Buyer's authorised representative. The date of taxable supply is the date on which the Buyer's authorised representative signed the Acceptance Protocol. Copy of signed Acceptance protocol shall be an annex of the invoice for the price of production of DOVIDs Design and Master.
4. The price of the supplied DOVIDs according to the Article II paragraph 1 letter d) and e) hereof (Article IV paragraph 2.2 hereof) shall be paid by the Buyer after proper delivery of the DOVIDs on the basis of invoice (tax document) issued by the Seller.
5. The Seller's right to issue an invoice (tax document) for the consignment of DOVIDs is established on the date delivery, i.e. the date of signature of the delivery note by the Buyer's authorised representative. The date of taxable supply is the date of handover and acceptance of the DOVIDs with confirmation in the form of a protocol, i.e. the date on which the Buyer's authorised representative signed the DOVIDs delivery note.
6. Invoices (tax invoices) shall contain all the prerequisites as for a tax document according to the applicable legal regulations and this Contract. Each invoice (tax document) shall include a copy of the acceptance protocol (or delivery note).
7. The maturity period of any invoice (tax document) duly issued by the Seller is 30 days as of the issue date. The Seller shall deliver the invoice to the Buyer to the following email address: XXX. For the purposes of this Contract, an invoice shall be deemed paid once the respective amount is credited to the Seller's account specified in the header hereof.

8. In the event that any invoice (tax document) issued by the Seller does not contain the necessary formalities or will contain incorrect or incomplete information, the Buyer is entitled to return the invoice (tax document) to the Seller stating the reason for such return, without getting into arrears with payment. The new maturity period shall commence from the date of delivery of a duly corrected or supplemented invoice (tax document) to the Buyer.
9. If the Seller is an entity liable for VAT registered in the Czech Republic, the following arrangements as contained in this article shall be binding and applicable (paragraphs 10 to 13 of this Article).
10. The Seller declares that in the moment of conclusion of the Contract it is not in liquidation and no proceedings are being conducted against it pursuant to Act No. 182/2006 Coll., on bankruptcy and settlement (Insolvency Act). The Seller also declares that in the moment of conclusion of the Contract there is no decision issued by a tax administrator, that the Seller is an unreliable payer pursuant to Section 106a of the Value Added Tax Act No. 235/2004 Coll., as amended (hereinafter "VATA"). The Seller shall immediately and demonstrably notify Buyer, a recipient of the taxable performance, within 2 working days of it becoming aware of its insolvency or of issuing a decision by a tax administrator that the Seller is an unreliable payer pursuant to Section 106a VATA. In the event that, during the period of validity and effectiveness of the Contract, the Seller's statements referred to in this paragraph prove to be false or the Seller violates the obligation to notify the Buyer of the fact stated in the previous sentence within the specified period, this will be considered a substantial breach of the Contract.
11. The Seller undertakes that the bank account designated by him for the payment of any obligation of the Buyer under this Contract shall be published and accessible from the date of signing of this Contract until its expiry in accordance with Section 98 VATA, otherwise the Seller is obliged to provide another bank account to the Buyer that is duly published pursuant to Section 98 VATA. In the case Seller has been indicated by a tax administrator as an unreliable taxpayer pursuant to Section 106a VATA, Seller undertakes to immediately, within two working days of it becoming aware of its insolvency or of issuing a decision by a tax administrator that the Seller is an unreliable payer pursuant to Section 106a VATA, notify this to Buyer along with the date on which this circumstance arose.
12. If surety for unpaid VAT arises for the Buyer according to Section 109 VATA on received taxable performance from Seller, or the Buyer justifiably assumes that such facts have occurred or could have occurred, the Buyer is entitled without the consent of Seller to exercise procedure according to the special method for securing tax, i.e. the Buyer is entitled to pay the concerned VAT according to the invoice (tax document) issued by the given Seller to the competent revenue authority and do so according to Sections 109 and 109a VATA.
13. By payment of the VAT into the account of the tax authority, the Seller's receivable from Buyer is considered as settled in the amount of the paid VAT regardless of other provisions of the Contract. At the same time, Buyer shall be bound to notify the respective Seller of such payment in writing immediately upon its execution.

14. The Seller is not authorised, without the written consent of the Buyer, to set-off any of its receivables from the Buyer with any of the Buyer's receivables from the Seller or assign any of its rights and receivables from the Buyer to a third party.
15. The Seller agrees that it shall in no way burden its claims against the Buyer in connection with a lien in favour of a third party.

VI. OTHER RIGHTS AND OBLIGATION OF PARTIES

1. The Seller shall supply the DOVIDs to the Buyer in compliance with the Annex No. 1 hereof, the Seller's Tender and DOVID Design (design approved by the Buyer).
2. The Seller shall not provide the DOVID Design and Master of the DOVIDs uniquely designed for the banknote to any third party.
3. The Seller warrants to the Buyer that during the preparation of design draft, production of Master and/or production and transport of the DOVIDs — the Seller bears there shall be no misuse of the DOVID Design used for the production of the DOVIDs (meaning also any other design versions before approval), or of the finished DOVIDs, and undertakes to take all necessary and appropriate measures to prevent the DOVID Design and Master of the DOVID and also DOVIDs from being lost or stolen. The Seller warrants to the Buyer that during the preparation of DOVID Design, production of Master and/ or production and transport of the DOVIDs — as long as the DOVIDs are owned by the Seller or the Seller bears the liability for damage to the DOVIDs — there shall be no misuse of the materials used for the production of the DOVIDs or of the finished DOVIDs, and undertakes to take all necessary and appropriate measures to prevent the DOVIDs from being lost or stolen or used for a purpose other than that specified in this Contract.
4. Failure to observe the provisions of paragraphs 2 or 3 of this Article is a substantial breach of this Contract resulting in the right of Buyer to withdraw from this Contract, entitling the Buyer to the compensation within the scope of and according to this Contract.
5. The Seller hereby states and guarantees that he will properly store and archive at its site the manufactured Master which is its property for 10 years following the end of this Contract, unless both Parties agree otherwise. After this time period expires, the Seller is obliged to ecologically destroy the Master and all its copies created for the purpose of a mass production of the DOVIDs at his own cost and document this action on the necessary protocol, provided that the Buyer issued a confirmation allowing the Seller to destroy the Master.
6. The Seller warrants to the Buyer that it is not aware of any violation of third-party rights by the subject of this Contract at the date of the Contract signature. If a third party raises a legitimate claim because of an infringement of industrial property rights, copyrights or any other rights by the DOVID Design supplied by the Seller, the Seller shall be liable, at its expense, to secure a right of use to the DOVID Design for the Buyer.
7. No later than as of this Contract conclusion date, the Seller shall submit, and maintain valid for the entire duration of this Contract, a liability insurance contract for damages

caused to third parties by operating activity of the Seller for the minimum amount of 80 000 EUR.

8. The Seller hereby agrees to provide the necessary assistance in performance of the obligations pursuant to the PPA.
9. If the Seller has in the moment of conclusion of the present Contract certificate “ISO 14298 Management of security printing processes” or “INTERGRAF15374 Security management system) for suppliers to the security printing industry”, the Seller shall maintain valid for the entire duration of this Contract this certificate. In the event of end of validity of this certificate the Seller is obliged to ensure immediate compliance with the obligation requirements of Security audit pursuant and under the condition of this Contract – Annex No. 3 of this Contract (hereinafter referred to as the „**Security audit**“).
10. If the Seller has not in the moment of conclusion of the present Contract certificate “ISO 14298 Management of security printing processes” or “INTERGRAF 15374 Security management system for suppliers to the security printing industry”, Contracting parties mutually declare the Security audit was taken place as an entry, before the conclusion of this Contract. If the Seller obtains during the duration of this Contract certification “ISO 14298 Management of security printing processes” or “INTERGRAF 15374 Security management system for suppliers to the security printing industry”, from such a moment the Parties shall proceed in accordance with this paragraph 9 of this Article similarly.
11. The Seller is obliged to notify the Buyer without delay of any changes or end of validity of certificate pursuant paragraph 9 of this Article or any changes concerning changes of security standards or rules, particularly changes in security systems on side of the Seller as changes in the security system of the Seller’s building (related to the subject of performance of this Contract), or any other building security or construction or functional modifications of the building etc.). In these cases, an Extraordinary Security audit may be requested by the Buyer.
12. The Seller further acknowledges and agrees that the Security audit will be conducted by the Buyer at the relevant Seller’s facility, which usually requires the Buyer’s assistance, by enabling access to the Seller’s facility or verification of specific processes for providing performance of this Contract. A more detailed description of the requirements of the Security audit is set out in Annex No. 3 which is integral part of this Contract. The Seller is not entitled to reimbursement of costs associated with providing assistance during the security audit.
13. Breach of the Seller’s obligation to enable realization of the Security audit in accordance with Annex No. 3 to this Contract (including realization of the Extraordinary Security audit pursuant paragraph 11 of this Article) or the fact that the Seller fails to pass Security audit constitutes a substantial breach of Contract pursuant to Article XIII paragraph 3 hereof.
14. The Seller is entitled to perform this Contract or part thereof through its subcontractor(s). In the case that the Seller uses a subcontractor within the meaning of the previous sentence,

- a. the Seller remains responsible for fulfilment the subject of this Contract as if he performed it itself,
 - b. was obliged to submit to the Buyer the List of subcontractors according Tender of the Selection Procedure,
 - c. in the case of a change in the List of subcontractors (e.g. different scope of performance, change of subcontractor, new subcontractor), the change shall be subject to approval by the Buyer of such a change and the Seller shall apply for this approval without undue delay, but no later than within 5 working days of such change. In the event of changes in qualifying subcontractor, the Buyer shall give the consent only if the Seller with the application to change the qualifying sub-contractor shall demonstrate evidence of which would suggest that the new sub-contractors meet the qualifications at least to the same extent as the original qualifying sub-contractor.
15. For the avoidance of any doubt, the Buyer states that the adjustment and obligations set out in paragraphs from 9 to 12 of this Article apply to any entity, which shall be participating within the performance of the subject matter of this Contract as subcontractor/s of the Seller and the Seller remains responsible for fulfilment of these obligations and the Seller is required to assure cooperation on the subcontractor/s side.
16. The Seller declares that the Seller in the sense of:
- a. Article 2, paragraph 2 of Council Regulation (EU) No. 269/2014 of 17 March 2014 on restrictive measures with regard to activities that violate or threaten the territorial integrity, sovereignty and independence of Ukraine, as amended, (hereinafter referred to as the "Regulation No. 269/2014), and
 - b. Article 2, paragraph 2 of Council Regulation (EU) No. 208/2014 of March 5, 2014, on restrictive measures against certain persons, entities, and authorities in view of the situation in Ukraine, as amended, (hereinafter referred to as the "Regulation No. 208/2014"), and
 - c. Article 2, paragraph 2 of Council Regulation (EC) No. 765/2006 of 18 May 2006 on restrictive measures against President Lukashenko and certain representatives of Belarus, as amended, (hereinafter referred to as "Regulation No. 765/2006"),
- is not a natural or legal person, entity, or body or a natural or legal person, entity or body associated with them listed in Annex I of Regulation No. 269/2014, Regulation No. 208/2014, or Regulation No. 765/2006.
17. If, during the validity and effectiveness of this Contract there should be non-compliance with the conditions specified in Paragraph 16 this Article of the Contract Seller undertakes to immediately once the Seller finds out about the change of circumstances, inform the Buyer of this fact in writing.
18. Failure to observe the provisions of paragraphs 16 or 17 of this Article is a substantial breach of this Contract resulting in the right of Buyer to withdraw from this Contract, entitling the Buyer to the compensation within the scope of and according to this Contract.

VII. INTELLECTUAL PROPERTY RIGHTS AND RIGHT TO USE DESIGN AND MASTER OF THE DOVIDS

1. The Seller is obliged to grant to the Buyer the right to exclusive licenses covering of the DOVID Design pursuant to Act No. 121/2000 Coll., the Copyright Act, as amended also covering the Master and its copies for the use of the DOVIDs supplied by the Seller for purposes of this Contract. These licenses are included with the preparation of DOVID Design and the production of Master and include, but are not limited to, the right to sublicense to a third party without restriction and do not require the payment of additional royalties for such use; introduced in the Contract collectively as DOVID Licences.
2. DOVID Licences provided by the Seller shall be legally acquired by the Buyer according to the Article III paragraph 6 of this Contract.
3. Exclusive DOVID Licences in the sense of this Article will be granted in time and territorially unlimited, unlimited quantitative enabling the Buyer to use the DOVID Design in fact the DOVIDs all ways to fulfil the Purpose of this Contract.
4. The Seller states and guarantees that the DOVID Design in the form of the Master does not interfere with, or violate rights of third parties, in particular, does not infringe copyrights, trademarks protection rights, patent rights or other property rights applicable to the DOVID Design or to the Master. However, the Seller shall have responsibility for any interference with or violation of third parties' rights to the extent, the infringing or violating part of the DOVIDs Design and Master. Further, the Seller states that these rights were not provided without consent and approval of the relevant entities or authors. The Seller is aware about the fact that he is fully and legally liable for consequences due to failure to observe this statement.
5. Further, the Seller states and undertakes that no prior exclusive or nonexclusive licenses in terms of the DOVIDs Design and the Master were/won't be issued, which would prevent the Buyer from using the DOVIDs supplied by the Seller for the manufacture of banknote.

VIII. LIABILITY FOR DEFECTS AND QUALITY WARRANTY

1. The Seller is responsible for the due performance of the subject of the Contract, especially for the observance of the Technical specification according to the Annex No. 1 hereof and specification of the approved DOVID Design, functionality for the purpose described herein and in the Annex No. 1 hereof and for the agreed quantity of the DOVIDs.
2. Under warranty for quality of the DOVIDs, the Seller undertakes that it shall for the duration of the warranty period be capable of performance for the contracted Purpose, otherwise to the usual purpose and that it shall maintain the contracted, otherwise usual properties. The Seller will rectify any defects and/or faulty services within the warranty period following written notice of the defect on the part from the Buyer.
3. The Seller provides warranty to the Buyer for the quality of the DOVIDs for a period of

24 months after delivery of the DOVIDs (hereinafter referred to as “**Warranty Period**”). A defect is regarded as claimed in a timely manner if the notice of such defect is sent to the Seller on the last day of the Warranty Period at the latest. If the end of the Warranty Period falls upon Saturday, Sunday or a public holiday, the defect shall be regarded as claimed in a timely manner if the notice of such defect is sent to the Seller on the next following business day.

4. A defect is defined as any condition when the quality, quantity or performance of the supplied DOVIDs does not comply with the specifications set out in this Contract for the required DOVIDs and in the technical specifications in the Annex No. 1 hereof; particular, the DOVIDs are considered defective if they are not delivered in time, or do not meet specifications in the terms of type, quantity or quality. The warranty (quality guarantee) shall apply to the quality and quantity specified in Annex 1 to the Contract. The adhesion of the DOVID to the substrate and preservation of its optical properties shall be guaranteed, provided under the standard storage and handling conditions typical for collector's items. The Seller shall not be liable for any reduction in readability or functionality of the QR code in cases of its mechanical damage, deformation, or contamination.
5. The Seller shall not be liable for damages caused by defect caused by havoc, mechanic failure by the Buyer or the third party (unless they are subcontractors), unsuitable stocking or by using for the function unusual for DOVIDs. Standard conditions of use and storage conditions are: storage temperature: 10 - 35 °C, relative humidity: 40% - 60%.
6. The Seller's quality warranty applies provided that applicable technological and storage conditions specified in the previous paragraph of this Article have been complied with.
7. If an entire supply delivered by the Seller or a part thereof proves defective, the Buyer shall have the right to claim the DOVIDs. Any defect liability claims shall be dealt with:
 - a) By replacement of the defective DOVIDs with defect-free DOVIDs;
 - b) By delivery of the missing quantity of the DOVIDs;
 - c) By means of financial compensation, i.e. refund of payments already paid by the Buyer for the respective delivery;The choice among the claims listed above shall be left entirely at the Buyer's discretion.
8. The Buyer shall examine forthwith upon receipt of the delivery of the DOVIDs at its premises all DOVIDs for transportation damage and within max. 5 days of the arrival of such delivery examine for the obvious defects in accordance with the examination procedures to be agreed by the Contracting Parties, which shall be in accordance with the final examinations of Seller. The Buyer shall notify the Seller in writing of any defect without undue delay. The notice of the defect of the DOVIDs should be sent by the Buyer to the Seller's e-mail address: XXX. With regard to hidden defects that could not be detected during the aforementioned examination, the Buyer shall have the right to claim defective DOVIDs at any time during the Warranty Period forthwith after detection of a hidden defect. The exact description of the alleged defect shall be given and any further steps for the identification or clarification should be undertaken (e.g. photographs).

9. The Seller shall deal with the claim of the Buyer within 10 calendar days from the day of receiving of the claim. If defective DOVIDs are replaced with defect-free DOVIDs in case of an entire partial delivery of the DOVIDs, the Seller shall be obliged to replace such defective DOVIDs within 10 calendar days from receiving of the claim. All costs related to defects of the DOVIDs or claiming them, especially the costs of replacement of defective DOVIDs with defect-free ones or costs of delivery missing quantity of the DOVIDs, shall be borne by the Seller.
10. The Buyer shall not be obliged to pay the outstanding price of any defective DOVIDs to the Seller until all defects are remedied. Making claim under liability for defects of the DOVIDs shall not affect the Buyer's entitlement to the agreed contractual penalties and damages.
11. The Seller declares that the DOVIDs are not encumbered with any rights of third parties and have no other legal defects.
12. Lodging a claim under liability for defects of the DOVIDs or quality warranty shall not affect the Buyer's entitlement to the agreed contractual penalty and damage compensation.
13. The Seller shall conduct all activities necessary or associated with claiming of defects and replacement of the DOVIDs or financial compensation on its own at its own expense within Buyer's working hours and in cooperation with Buyer in order not to endanger or not to limit the Buyer's activities by its activities.

IX. PENALTIES

1. If the entire agreed quantity of DOVIDs is not delivered within the period referred to in Article III paragraph 7 of this Contract, the Buyer may demand a one-off contractual penalty of EUR 4,000 from the Seller, as well as a penalty of EUR 800 for each additional working day of delay.
2. In the event of default by the Seller to fulfil any of the obligations within the period(s) specified in Article VIII of this Contract, the Buyer shall be entitled to demand a contractual penalty of 0.1% of the Total price (excluding VAT) for each day of delay.
3. Should either Party violates its obligations as per Article X of this Contract in a demonstrable manner, the aggrieved Party is entitled to charge the contractual penalty amounting to EUR 12 000 for every violation or failure to meet such contractual obligation to the other Party. The burden of proof lies on the Party claiming that an obligation has been breached.
4. Should the Seller violate its obligations as per Article VI, paragraph 2, 3, 5 or 6 hereof in a demonstrable manner, the Buyer is entitled to charge the contractual penalty amounting to 20 000 EUR for every violation or failure to meet such contractual obligation to the Seller.
5. Should the Seller violate its obligations as per Article VI, paragraph 16 or 17 hereof in a demonstrable manner, the Buyer is entitled to charge the contractual penalty

amounting to EUR 4 000 for every violation or failure to meet such contractual obligation to the Seller.

6. Payment of the contractual penalty does not release the Party from its duty to perform the obligations imposed on the basis of this Contract.
7. Claiming the contractual penalty is without prejudice to the right to compensation of any damage suffered in the extent defined herein.
8. The Contracting Parties have agreed that, in the event that the Buyer is entitled to claim a contractual penalty under this Contract, the Buyer may offset this claim against any payable or non-payable claim of the Seller for payment of the price for the performance under this Contract without prior notice or the Seller's consent. The set-off occurs upon delivery of a written notice of set-off to the Seller. Through this agreement, the Parties expressly deviate from the provisions of § 1982 of the Civil Code. If the contractual penalty is not set off, it is due in 30 calendar days as of the date of delivery of the contractual penalty billing to the other Party.

X. PROTECTION OF INFORMATION

1. The Parties are not entitled to disclose to any third party the non-public information they obtained or shall obtain during mutual cooperation, and the information related to entering into this Contract and its content. This does not apply if the information is disclosed to the employees of the Party for the purpose of implementation hereof on a need-to-know basis, or to other individuals (information processors) involved in implementation hereof, under the same terms as laid down for the Parties hereto and always within the minimum scope necessary for due fulfilment hereof.
2. The Parties are liable to assure compliance with the obligations pursuant to this Article of all individuals to whom the non-public information is disclosed pursuant to the previous sentence. Violation of the confidentiality commitment by these individuals shall be deemed violation by the Party disclosing the information to them.
3. Confidential information is any information mutually provided in written, oral, visual, electronic, or other format as well as know-how which has actual or potential value and which is not commonly available in the respective business circles, and further information which is designated in writing as confidential (abbreviation "DIS") or which may be assumed to be confidential information due to the nature of the respective matter.
4. The Parties hereby undertake that if in the context of mutual cooperation they get in touch with personal data or special categories of personal data in the sense of the Regulation of the European Parliament and of the Council (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on free movement of these data, and repealing Directive 95/46/EC (the General Data Protection Regulation, or GDPR) and the Act No. 110/2019 Sb., on Personal Data Protection, they shall take any and all necessary measures to prevent unauthorised or random access to these data, their alteration, destruction or loss, unauthorised transfer, other unauthorised processing or any other misuse.
5. In this regard, the Parties undertake:

- a) Not to disclose confidential information to any third party;
 - b) Ensure that the confidential information is not disclosed to third parties;
 - c) Secure the data in any form, including their copies, which include confidential information, against third party abuse and loss.
6. The obligation to protect confidential information does not apply to the following cases:
- a) The respective Party proves that the given information is available to the public without this availability being caused by the same Party;
 - b) If the Party is able to demonstrate that the given information was available to it before the date of disclosure of the information by the other Party and that it did not acquire it in violation of the law;
 - c) If the Party obtains a written approval from the other party to disclose the information further;
 - d) If the law or a binding decision of the respective public authority requires the information to be disclosed;
 - e) An auditor performs an audit at one of the Parties based on authorisation specified in applicable legal regulations.
7. The Party undertakes, upon the request of the other Party, to:
- a) Return all the non-public information which was handed over to it in a “material form” (especially in writing or electronically) and any other materials containing or implying the non-public information;
 - b) Return or destroy copies, extracts or other entire or partial reproductions or records of non-public information;
 - c) Destroy without undue delay all documents, memoranda, notes and other written materials elaborated on the basis of the non-public information;
 - d) Destroy materials stored in computers, text editors, or other devices containing non-public information pursuant to this Contract.
- The Parties also undertake to ensure that the same shall be performed by any other individuals, to which the non-public information is disclosed by either Party.
8. The employee of the liable Party authorised to destroy the documents in the sense of the previous paragraph shall confirm the destruction upon request of the other Party in writing.
9. In case that either of the Parties or their employees or other individuals (information processors) become aware in a credible manner or if they have a reasonable suspicion that the confidential information has been disclosed to an unauthorised party, they shall be bound to inform the other Party of such a fact without undue delay.
10. The confidentiality obligation is not time-limited. The obligation to maintain confidentiality of non-public information acquired within the framework of cooperation with the other Party lasts even after this Contract is terminated or expires. The confidentiality commitment shall pass on to any potential successors of the Parties.

XI. FORCE MAJEURE

1. An obstruction which occurs independently of the will of the obliged party which prevents it from performing its duty (and it may not be reasonably expected that the obliged party could have averted or overcome the obstruction or its consequences and that at the moment of formation of this obligation it could have foreseen it) is regarded as a circumstance excluding liability.
2. In such case the concerned Party shall notify the other Party of the nature of the obstruction preventing it from performing its duties.
3. During the existence of such obstruction the concerned Party shall not be bound to perform the obligations resulting from this Contract.
4. As soon as the obstacle ceases to exist, the affected party shall resume its obligations towards the other party and shall do its utmost to remedy the consequences of the temporary non-performance of its obligations pursuant to this Contract.
5. The Party that has a statutory right not to perform its obligations due to force majeure shall not be liable for the damage incurred by the other party in this connection.

XII. APPLICABLE LAW AND RESOLUTION OF DISPUTES

1. This Contract is governed by the laws of the Czech Republic, especially the Civil Code and PPA.
2. The Parties undertake to exert every effort to resolve any mutual disputes resulting from this Contract. Should the Parties fail to agree on an amicable settlement of a mutual dispute, each of the Parties may seek its rights before a competent court in the Czech Republic; the jurisdiction of a foreign court is excluded. The Parties have agreed that the competent court for judgement of the disputes arising between them under this Contract is the general court according to the Buyer's registered seat.
3. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980, known as the Vienna Convention, is excluded by this Contract.

XIII. TERM OF THE CONTRACT

1. The present Contract comes into force on the day it is signed by both Parties and taking effect once it is published in the Register of Contracts.
2. This Contract shall terminate
 - a) upon its fulfilment;
 - b) by a written agreement between the Parties;
 - c) by withdrawal from this Contract subject to the terms and conditions given below in the event of a substantial breach hereof by either Party.
3. The Parties have agreed that substantial breach of the Contract shall particularly be:

- a) a failure to meet the Technical specification of the DOVIDs stated in the Annex No. 1 hereof;
 - b) delay in delivering the entire agreed quantity of DOVIDs compared to the deadline specified in Article III par. 7 hereof exceeding 10 working days;
 - c) breach of the obligation pursuant to the Article VI paragraph 9-12 hereof;
 - d) breach of the obligation pursuant to the Article VI paragraph 2,3, 5, 6 or 7 hereof; as well as other cases stated in this Contract.
4. The withdrawal from this Contract shall take effect on the day of a written notice of withdrawal delivery to the other Party. The notice of withdrawal must be sent by registered mail. Withdrawal from this Contract does not terminate the contractual relationship from the outset and the Parties retain any performance provided for each other up to termination hereof.
 5. Termination of this Contract shall not affect the provisions regarding contractual penalties, damage compensation, and such rights and obligations which, by their nature, shall persist even after this Contract is terminated.

XIV. FINAL PROVISIONS

1. The Parties agree that any modifications and additions hereto may only be made in written amendments identified as such, numbered in ascending order, and agreed upon by the Parties, unless otherwise stipulated in the Contract.
2. Any established commercial habits or practices relevant to the agreed performance or to follow-up performance, shall not take precedence over contractual provisions or provisions specified in the Civil Code, even if such provisions have no enforcement effects.
3. The Parties hereby declare that no verbal arrangement, contract or proceedings on the part of any of the Parties exists, which would negatively influence the exercise of any rights and duties according to this Contract. At the same time, the Parties confirm by their signatures that all the assurances and documents hereunder are true, valid and legally enforceable.
4. If any provision hereof is or becomes invalid or ineffective, it shall have no effect whatsoever on the other provisions hereof, which shall remain valid and effective. In such a case, the Parties undertake to replace the invalid/ineffective provision with a valid/effective provision the effect of which comes as close as possible to the originally intended effect of the invalid/ineffective provision. If any provision hereof is found null (void), the Parties shall analogously assess the effect of such nullity on the remaining provisions hereof in accordance with Section 576 of the Civil Code.
5. The Parties agree that this Contract shall be published in the Register of Contracts pursuant to Act No. 340/2015 Coll., laying down special conditions for the effectiveness of certain contracts, the disclosure of these contracts and the register of contracts (the Register of Contracts Act). The Buyer shall arrange for the publication.
6. The Contract shall be drawn up for the purpose of signing in electronic form in 1 (one) copy in English with electronic signatures of the responsible person and with a qualified

electronic time stamp in accordance with REGULATION (EU) No 910/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC and Act No. 297/2016 Sb., on trust-creating services for electronic transactions, as amended later regulations. In the event that this Contract is not drawn up in electronic form for any reason, it will be drawn up and signed in two copies, with each of the Contracting Parties receiving one copy.

7. The following Annexes forms an integral part of this Contract:

Annex No. 1: Technical Specification

Annex No. 2: Acceptance Protocol (template)

Annex No. 3: Security audit

In Prague, date _____

For the Buyer:

In date _____

For the Seller:

Tomáš Hebelka, MSc

Chief Executive Officer
Státní tiskárna cenin, s. p.

Mgr. Petr Franc

Chief Executive Officer
IQ Structures s.r.o.