

**Státní tiskárna cenin, s. p.**

Registered Office: Růžová 943/6, Nové Město, 110 00 Praha 1, Czech Republic  
Registered in the Commercial Register administered by the Municipal Court in Prague,  
section ALX, file 296

Represented by:

**Tomáš Hebelka, MSc**

Chief Executive Officer

*Státní tiskárna cenin, s. p. holds ISO 14298 (Management of Security Printing Processes),  
ISO 27001 (Information Security Management), ISO 9001 (Quality Management), ISO 14001  
(Environmental Management), ISO 45001 (Health and Safety Management Standard – HSE)*

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## Tender Documentation

(hereinafter “TD”)

for the purpose of processing tenders for supply contract to be awarded in over-threshold regime in an open procedure pursuant to Section 56 of Act No. 134/2016 Coll., on public procurement, as amended (hereinafter referred to as the “Act”<sup>1</sup>)

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**“Supply and Service of the Enveloping Machine for ID1 Cards //  
*Dodávka a servis obálkovací linky pro ID1 karty*”**

(hereinafter “Public Contract”)

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<sup>1</sup> Please find actual version of the Act under this link: <https://www.zakonyprolidi.cz/cs/2016-134> in the Czech language.

## 1. IDENTIFICATION DATA OF THE CONTRACTING AUTHORITY

<b>Contracting Authority</b>	<b>Státní tiskárna cenin, s. p.</b>
Registered Office	Růžová 943/6, Nové Město, 110 00 Praha 1, Czech Republic
Business ID	00001279
Statutory body	Tomáš Hebelka, MSc, Chief Executive Officer
Contact person	Monika Řeháčková
E-Mail	rehackova.monika@stc.cz
Contracting Authority's profile / electronic instrument	<a href="https://mfcr.ezak.cz/profile_display_53.html">https://mfcr.ezak.cz/profile_display_53.html</a>
Data box identifier	hqe39ah

(hereinafter the “**Contracting Authority**” or the “**Client**” or the “**STC**”)

## 2. COMMENCEMENT OF THE TENDER PROCEDURE

This tender procedure begins in accordance with Section 56 (1) of the Act upon sending of the Notice of the Tender Procedure Commencement to the Official Public Procurement Journal in accordance with the Sec. 212 of the Act.

## 3. SUBJECT OF THE PUBLIC PROCUREMENT

**3.1.** The subject matter of this public contract is the Contractor's obligation:

**3.1.1.** To supply the Contracting **Authority 1 (one) piece enveloping machine for ID1 cards**, including all other related accessories and equipment, manufactured under applicable EU directives and regulations related to the subject of this public procurement according to paragraph 2 and 3 of this Article and in accordance with the Technical parameters stated below in this paragraph and in accordance with the participant's tender, the Technical specification listed in Annex No. 1a of the draft contract (Annex 1 hereof – hereinafter “Draft Contract”), with the Detailed technical description listed in Annex No. 1b and with Detailed technical drawings of the offered Device listed in Annex No. 1c of the Draft Contract, and within the terms stated in the Time Schedule attached to Draft Contract as Annex No. 4.

(hereafter referred to as the “**Device**”)

**3.1.2.** The supplement of the Device according to paragraph 1 includes:

- a) supplement of the software development kit (SDK) – a simulator for the client's programmers, which will include all modules such as the offered mail inserting line, so that it is possible to optimally prepare the necessary SW equipment or applications of the Client's production system in advance and thus ensure a problem-free implementation into live production operations,
- b) transportation of the Device including liability insurance which provides cover for damage to the Device, with a compensation limit as determined in Article XII paragraph 1 of the Draft Contract, DAP Praha (Incoterms® 2020),
- c) installation and commissioning of the Device, passing SAT offline test and SAT in production system in accordance with Article VIII of Draft Contract, including 30 calendar days of its test run,
- d) training of specified Client's employees in the Device operation and maintenance for at least 2 persons (hereinafter referred to as the "operator training"), conducted at the Client's Production Plant II for a minimum of 3 working days (8 hours per day, 60 minutes per hour),
- e) handover of certificates and documents relating to the use of the Device, as specified in Annex No. 2 of the Draft Contract (in particular, operating and maintenance instructions, technical documentation in the Czech language).

Detailed specification of the Device is stated in Technical specification which is Annex No. 1a of the Draft Contract, as well as in Annex No. 1b (Detailed technical description of the offered Device) and in Annex No. 1c (Detailed technical drawings of the offered Device).

**3.1.3.** The subject of this public procurement also includes the handover of a list of all installed computers, including the basic parameters, and software, which is part of the delivery hereunder, including identification numbers and software license numbers. The above list must contain a specific information whether the OEM (Original Equipment Manufacturer) version is used or not. If this SW identification is missing, it is understood that this is not an OEM version.

**3.1.4.** The Contractor also undertakes to provide **preventive inspections and maintenance and out-of-warranty maintenance of the Device** (defined in the Paragraph 1 of the Draft Contract) according to the conditions and terms stated in the Article X of the Draft Contract.

**3.1.5.** In accordance with Article X paragraph 14 of the Draft Contract on the **reserved change of obligation, the Client has the right to extend the period of servicing of the Device, specifically the period of providing of a preventive inspections and maintenance and out-of-warranty maintenance of the Device.** For the avoidance of doubt, the Contracting Authority and Contractor state that the Client is entitled to extend the service period of the Device by up to 5 years under the reserved change of obligation: or not to extend it. Details of the reserved change of obligation are set out in Article X paragraph 14 of the Draft Contract.

**3.2.** A detailed technical specification outlined by the Contracting Authority and further definition of the subject of performance of this public contract is the Draft Contract and is binding for Contractors in a full extent.

**3.3.** In accordance with the Sec. 36 (4) of the Act the Contracting Authority states that no part of the tender documentation has been drafted by a person other than the Contracting Authority.

**3.4. Wider societal interests:**

According to the Sec. 6 (4) of the Act the Contracting Authority is obligated to abide principles of socially and environmentally responsible procurement and innovation when determining tender conditions, conditions of evaluation and selection of a contractor, if it is appropriate given the meaning and nature of the Public Contract. The Contracting Authority took this obligation into the consideration within preparation of this TD.

**4. CLASSIFICATION OF THE SUBJECT OF THE PUBLIC CONTRACT**

CPV code	Subject of the public contract
30131600-2	Mail sealing machines
30131400-0	Postage machines
42900000-5	Miscellaneous general and special-purpose machinery
31640000-4	Machines and apparatus with individual functions

**5. ESTIMATED VALUE OF THE PUBLIC CONTRACT**

The estimated value of the public contract is not published.

**6. REQUIREMENTS FOR VARIANT SOLUTIONS**

The Contracting Authority does not permit variants pursuant to Section 102(1) of the Act.

**7. REQUIREMENTS FOR THE SINGLE FORM OF PRESENTING THE TENDER PRICE**

**7.1.** The Contractor shall, as part of its tender, fill in its unit prices in **EUR** in Annex No. 3 to this TD ("Evaluation Model"), in accordance with all the requirements of the Contracting Authority and in the structure required by this Annex, especially according to the instructions stated in sheet "0. – Instructions to fill in".

**7.2.** The Contractor's unit tender prices shall be multiplied by the estimated off-take quantity set out in Annex 3 to this TD. These resulting totals will be further added together to form the tender price to be evaluated. The same prices will be included by the Contracting Authority in Article V (1) and (4) of the Draft Contract as part of the finalisation of the contract prior to its conclusion with the selected supplier. As stated

in the Annex No. 3, the Annex No. 9 of the Draft Contract “List of spare parts and consumables” shall be created automatically as indicated.

(hereinafter referred to as the “**tender price or Total tender price**”).

- 7.3. The Contracting Authority states that the estimated quantities given in Annex 3 to this TD are not binding on either the Contracting Authority or the Contractor and are for the purpose of evaluating tenders only.
- 7.4. The tender prices shall be specified as the maximum acceptable price, including all costs to be incurred by the Contractor in association with performance of the subject of the Public Contract.
- 7.5. The Contracting Authority requests that the participants would stipulate their tender prices with a precision of two decimal places.
- 7.6. The Contractor is not entitled to make the offered tender price conditional to an additional condition.
- 7.7. The tender price, or any portion thereof, indicated in the tender as provided for under the present TD, shall be a positive number; the Contracting Authority does not permit a zero price.

## 8. PLACE OF PERFORMANCE OF THE PUBLIC CONTRACT

The place of performance is at the following address: **Prague, Czech Republic**, specifically:

**Production Plant II – Za Viaduktem 8, 170 00 Praha 7 - Holešovice, Czech Republic**

## 9. PERIOD OF PERFORMANCE OF THE PUBLIC CONTRACT

- 9.1. Estimated time frame for Draft Contract conclusion: **without any undue delay after selection of the Contractor, preliminary in July/August 2024.**
- 9.2. Period of Performance: **binding delivery terms are determined in Art. IV of the Draft Contract and in Annex No. 4 of the Draft Contract “Time schedule”.**

## 10. QUALIFICATION REQUIREMENTS

### 10.1. Compliance with the qualification requirements

The qualification requirements are deemed to be met by a Contractor that demonstrates compliance with:

- the basic capacity within the meaning of Section 74 and Section 75 of the Act,
- the professional capacity according to Section 77 of the Act,
- the technical qualification requirement according to Section 79 of the Act.

**In accordance with the provision of Section 86(2) of the Act, for purpose of tender submitting, the Contractor may substitute the submission of the documents regarding the basic capacity in pursuant to Sec. 74 of the Act with a statutory declaration. The Contractor may use the sample affidavit stated in Annex 2 to this TD (Affidavit on compliance with the basic capacity).**

**The Contractor is required to submit documents regarding the professional capacity pursuant to Sec. 77 of the Act and the technical qualification pursuant to Sec. 79 of the Act in compliance with the requirements stated in this TD.**

**Pursuant to the provisions of Section 87 of the Act the Contractor may also prove compliance with the qualification requirements by submission of the unified European certificate of compliance for public procurement purposes.**

**The means of proof for basic capacity pursuant to Section 74 of the Act must show compliance with the required qualification criterion at the latest 3 months BEFORE THE DATE THE TENDER PROCEDURE IS COMMENCED.**

## 10.2. Basic Capacity

10.2.1.A Contractor shall not be considered qualified if:

- a) **In the country of their registered seat**, they have been convicted of the criminal offence specified in Annex 3 to the Act or an equivalent criminal offence under the legal system of the country of their registered seat during the last 5 years before the date on which the tender is commenced; any quashed convictions shall be disregarded; for legal entities, this requirement shall be met by both the legal entity and each and every member of the statutory body. If a member of the statutory body of the Contractor is a legal entity, then the legal entity and each member of its statutory body, including the person representing the legal entity in the statutory body of the Contractor, must comply with this requirement.

Where the tender or request for participation is being submitted by a branch of a foreign legal entity, then the legal entity and the manager of the branch of the foreign legal entity must also comply with this requirement.

If the tender or request for participation is being submitted by a branch of a Czech legal entity, then in addition to the aforementioned statutory bodies, the manager of the Czech branch must also comply with this requirement.

- b) The Contractor owes any due unpaid tax arrears either **in the Czech**

**Republic or in the country of the Contractor's seat,**

- c) The Contractor owes any unpaid arrears for public health insurance premiums or penalties **either in the Czech Republic or in the country of the Contractor's seat,**
- d) The Contractor owes any unpaid arrears for premiums or penalties for social security and contributions to state employment policy **either in the Czech Republic or in the country of the Contractor's seat,**
- e) The Contractor is in liquidation, and decision has been issued declaring the Contractor to be insolvent, forced administration has been imposed on the Contractor pursuant to different legislation or in a similar situation **under the laws of the country of the Contractor's registered seat.**

**10.2.2. Proof of fulfilment of the basic capacity by a Contractor with its seat in the Czech Republic**

The Contractor shall demonstrate compliance with the basic capacity in relation to the Czech Republic as the country of their registered office by submitting:

- a) an extract from the Criminal Register regarding the 10.2.1 (a) of this TD,
- b) a certificate issued by the competent tax authority regarding the 10.2.1 (b) of this TD,
- c) a written sworn statement on excise tax regarding the 10.2.1 (b) of this TD,
- d) a written sworn statement regarding the 10.2.1 (c) of this TD,
- e) a certificate issued by the applicable regional Social Security office regarding the 10.2.1 (d) of this TD,
- f) an excerpt from the Commercial Registry or a written sworn statement providing that the participant is not recorded in the registry, regarding the 10.2.1 (e) of this TD.

**10.2.3. Proof of fulfilment of the basic capacity by a Contractor with its seat outside of the Czech Republic (foreign Contractor)**

The Contractor shall demonstrate compliance with basic capacity in relation to the Czech Republic by submitting:

- a) a certificate issued by the competent Czech tax authority regarding the 10.2.1 (b) of this TD,
- b) a written sworn statement on excise regarding the 10.2.1 (b) of this TD,
- c) a written sworn statement regarding the 10.2.1 (c) of this TD,
- d) certificate issued by the applicable Czech Social Security Administration regarding the 10.2.1 (d) of this TD.

The Contractor shall prove fulfilment of the conditions for capacity in

relation to the country of the Contractor's registered seat by submitting, in accordance with:

- a) the 10.2.1 (a) of this TD;
- b) the 10.2.1 (b) of this TD;
- c) the 10.2.1 (c) of this TD;
- d) the 10.2.1 (d) of this TD;
- e) the 10.2.1 (e) of this TD; whereas

the Contractor shall be required to prove basic capacity requirements in relation to the country of the Contractor's registered seat in accordance with the Sec. 81 of the Act by submitting documents issued in accordance with the laws of the country where they were obtained, to the extent required by the Contracting Authority.

If the required document is not issued under the applicable law of said country, then in accordance with the provisions of Section 45 (3) of the Act it may be substituted by **a written affidavit**.

The Contracting Authority attaches a manual for obtaining documents regarding Basic Capacity (Annex No. 5 hereof).

### **10.3. Professional capacity**

Compliance with the professional capacity pursuant to the provision of Section 77(1) of the Act shall be proved by the Contractor submitting **a copy of an excerpt from the Commercial Register** or similar records if registration in such records is required by a different legal regulation.

### **10.4. Technical qualification**

**10.4.1.** In accordance with the provision under Section 79(2)(b) of the Act, the Contractor shall submit **a list of minimum 2 significant supplies** completed by the Contractor during the **last 5 years before the commencement of the procurement procedure**, including the prices and periods of performance of the supplies and the client's identification data.

- **As a significant supply**, the Contracting Authority considers such a supply whose subject matter is like the subject matter of this public contract, that means **a delivery, installation and service of a Enveloping Machine. The financial value of each of these significant supplies was at least 150.000 EUR excl. VAT.**
- In order to meet the minimum level of this technical qualification, it is not decisive whether the Contractor delivered both significant supplies to the same client or different ones.



The list of significant supplies submitted by the Contractor shall contain data relevant for proving the required qualification fulfilment, but at least the following details:

- a) name of the contractor who provided the performance (could be the Contractor or a Subcontractor),
- b) name of the client the contract was performed for,
- c) period of performance (in details of months),
- d) scope of performance (subject),
- e) financial volume (sum) for the performance,
- f) client's contact person with whom the information may be verified (name, business telephone number and email, in compliance with the applicable personal data protection laws in the country of the Contractor).

The Contractor is entitled to use a pattern attached in Annex 2 hereof for proving fulfilment of the technical qualification.

#### **10.5. Demonstrating qualification requirements obtained abroad**

**Where the required qualification both of a Contractor with a registered seat in the Czech Republic and of a foreign Contractor has been obtained abroad, the compliance with Section 81 of the Act shall be demonstrated by submitting the documents issued under the legal system of the country where it was obtained, in the scope required by the Contracting Authority.**

If the required document is not issued under the applicable law of said country, then in accordance with the provisions of Section 45 (3) of the Act it may be substituted by a **written affidavit. This applies if the required document does not have its equivalent in the jurisdiction where the qualification was obtained (i.e. the required document does not exist in the foreign legislative system) and also if the foreign legislation does not require compliance which the Contracting Authority requires to be proved by the respective document submission. In the latter case the Contractor provides an affidavit stating non-existence of the obligation, compliance with which the Contracting Authority requires to be proved.**

#### **10.6. Submitting proof of compliance with the qualification requirement through another entity**

If the Contractor is unable to prove compliance with a certain part of the qualification requirements in the full scope it may provide the missing proof by means of another entity.

In such a case, the Contractor shall submit the following documents to the Contracting Authority:

- a) documentary proof of compliance with the professional capacity pursuant to Section 77(1) of the Act (Commercial Register) through another entity,
- b) documents proving compliance with the missing part of the qualification requirements through another entity,
- c) documentary proof of compliance by (that) other entity with the full capacity

- pursuant to Section 74(1) of the Act,
- d) contract or a confirmation of its existence signed by other entity, the content of which is an undertaking by another entity to provide the services and supplies required for the performance of the public contract or to provide any items or rights at the disposal of the Contractor when the latter performs the contract, at least within the scope the other entity has proved compliance with the qualification requirements on behalf of the Contractor.

Further pursuant to Sec. 83 (2-5) of the Act.

If the Contractor proves qualification through another entity and submits documents pursuant to Section 79(2)(a), (b) or (d) of the Act relating to such person, the contract or the confirmation of its existence pursuant to Section 83(1)(d) of the Act must imply an undertaking that the other entity will carry out the works or services to which the proven qualification criterion applies.

#### **10.7. Proving compliance with the qualification requirements for joint tenders**

Where the subject of the Public Contract is to be performed by several Contractors acting in concert pursuant to Section 82 of the Act, and the Contractors submit or wish to submit a joint tender to that end, each of them shall prove compliance with the basic qualification requirement in accordance with Section 74(1) of the Act and with the professional qualification requirement in accordance with Section 77(1) of the Act, separately and in full.

Where the subject of the Public Contract is to be performed by several Contractors acting in concert pursuant to Section 82 of the Act, they shall submit to the Contracting Authority, along with the means of proof showing their compliance with the qualification requirements, an agreement containing the undertaking of all of the Contractors to be jointly and severally liable to the Contracting Authority and to third parties in respect of any legal relationships in connection with the Contract during the entire term of performance thereof, as well as throughout the existence of any other obligations ensuing from the Public Contract.

#### **10.8. Changes in qualifications**

If, following the submission of the documents or proof of compliance with the qualification requirements, such a change occurs in the Contractor's qualification during the procurement procedure that would otherwise disqualify the Contractor from the procedure, the Contractor shall notify the Contracting authority thereof in writing within 5 business days, and submit new documents or proof of compliance with the qualification requirements within 10 business days of the change notification served to the Contracting authority.

Pursuant to Section 88(2) of the Act, failure to meet this requirement constitutes a reason for immediate exclusion of the Contractor from the tender procedure.

#### **10.9. Special methods of submitting proof of qualifications**

- **Using an extract from a list of qualified Contractors**

If the Contractor provides the Contracting Authority with an extract from a list of qualified Contractors within the time limit set for submitting the proof of compliance with the basic capacity, the extract shall replace the proof of compliance with the basic capacity pursuant to Section 74 of the Act, and professional capacity pursuant to Section 77 of the Act to the extent that the document proving the professional capacity covers the Contracting Authority's requirements for proving the professional capacity to perform the Contract.

The extract from a list of qualified Contractors must not be older than 3 months on the last day, as of which compliance with the qualification requirements is to be proved.

- **Proof of compliance with the qualification requirements using a certificate**

If the Contractor submits to the Contracting Authority a certificate issued under a system of certified Contractors, which contains the particulars specified under Section 239 of the Act, the certificate shall replace the proof of compliance with the qualification requirements with regard to the information contained therein. The Contractor shall be qualified to the extent shown in the certificate.

#### **10.10. Requirement to specify subcontractors**

In accordance with the provision of Section 105(1) of the Act, the Contracting Authority demands that the participants specify in their tenders any parts of the public contract they intend to assign to one or more subcontractors.

In their tender, the participant shall present a list of subcontractors along with information on the parts of this public contract that will be implemented by each of the subcontractors, specifying the type of supplies, services or construction works and the share (%) of such supplies, services and works in the financial amount dedicated to the public contract (Annex 2 to this TD).

If the participant does not want to subcontract any part of the public procurement project, they are liable to submit an affidavit stating this as part of their tender (Annex 2 to this TD).

#### **10.11. Each participant may submit one tender under the tender procedure only.**

A Contractor that submits their tender in the tender procedure shall not, at the same time, be an entity through which another Contractor proves its qualification under the same part of the tender procedure.

The Contracting Authority shall exclude a participant who has submitted several tenders either separately or jointly with other participants or has submitted a tender and at the same is used as an entity through which another participant proves their qualification under the same part of the tender procedure.

## 11. EVALUATION CRITERIA, METHOD OF EVALUATION

### 11.1. Evaluation Criteria

In accordance with Section 114 (1) of the Act, the basic evaluation criterion for the award of this public contract is the economic advantageousness of the tender.

- 11.2.** The Contracting Authority sets out the following evaluation criteria based on which the economic advantageousness of tenders will be assessed:

Evaluation sub-criterion		Weight in %
A	Total tender price (tender price incl. life cycle costs) in EUR excl. VAT in accordance with the Annex 3 hereof	100%

- **Sub-criterion A: Total tender price in EUR excl. VAT in accordance with the Annex 3 hereof**

Under this sub-criterion, the Contractor will submit the tender prices prepared in accordance with the Annex 3 hereof.

The Contracting Authority notifies the Contractor that the quantity specified in Annex No. 3 hereof is only an estimate and shall only be used for purposes of evaluating the tenders, i.e. the Contracting Authority does not guarantee that they will actually purchase the stated quantity from the selected Contractor.

### 11.3. Method of evaluation

The tenders shall be ordered depending on their Total Tender price in EUR excl. VAT. The most successful tender shall be the one with the lowest Total Tender price.

The Contractor is not entitled to set further conditions regarding the proposed values (data) that are subject to evaluation. If additional conditions are set or several different alternatives are used for the values that are subject to evaluation, this may be a reason for exclusion the relevant tender and the Contractor from the tender procedure. A similar procedure will be applied by the Contracting Authority if any value that is subject to evaluation is specified in a different quantity or form than as required by the Contracting Authority.

## 12. GENERAL BUSINESS CONDITIONS AND TERMS OF PAYMENT

- 12.1.** The payment and business terms and conditions are specified in the binding Draft Contract.

- 12.2.** The Participant is not required to submit the Draft Contract in its tender. The Draft Contract shall be completed prior to the conclusion of the contract with the selected supplier and the Contracting Authority. However, the Participant shall be required to submit a written affidavit in the tender that it fully and unconditionally accepts the Draft Contract and to provide the information required for the completion of the Draft Contract prior to its mutual signature in the scope of the Annex No. 2 of this TD (Tender cover sheet + Affidavits).
- 12.3.** In case of a joint tender, the persons authorized to act on behalf of each participant will be listed in the Annex No. 2 (“Tender Cover Sheet + Affidavits”) and the authorized signatory for signing the joint tender will be listed and a plain copy of this power of attorney will be included.

### 13. PUBLICATION OF THE TD

Pursuant to Section 96(1) of the Act, the Contracting Authority shall publish the full TD, as well as any potential clarification thereof, amendments and additional information, at its Contracting Authority profile / electronic instrument [https://mfcr.ezak.cz/profile\\_display\\_53.html](https://mfcr.ezak.cz/profile_display_53.html).

### 14. REQUEST FOR CLARIFICATION OF THE TENDER DOCUMENTATION, COMMUNICATION IN THE COURSE OF THE TENDER PROCEEDING

- 14.1.** Pursuant to Section 98(3) of the Act, the Contractor is entitled to request from the Contracting Authority clarification hereof via the data box of the Contracting Authority, electronically by e-mail to: [rehackova.monika@stc.cz](mailto:rehackova.monika@stc.cz) or via electronic instrument.
- 14.2.** The Contracting Authority shall publish the written clarification hereof including the accurate wording of the inquiry without the inquiring Contractor's identification but with potential related documents within 3 business days from receipt of the Contractor's inquiry, at the Contracting Authority 's profile / electronic instrument.
- 14.3.** The Contracting Authority may also provide written clarification of this TD to the participants without a prior request.
- 14.4.** To comply with the principle of equal treatment of all participants, the potential clarifications, amendments, or additional information to the tender documentation may not be provided by phone. **The Contractor is therefore recommended to periodically monitor the Contracting Authority 's profile / electronic instrument [https://mfcr.ezak.cz/profile\\_display\\_53.html](https://mfcr.ezak.cz/profile_display_53.html).**

- 14.5.** The Contracting Authority hereby emphasises that in compliance with Section 4(1) of the Decree No. 260/2016 Coll., on specification of more detailed conditions concerning electronic instruments, electronic acts in public procurement processes and conformity certification, in communication by means of an **electronic instrument** a document shall be deemed delivered **already at the moment of receipt of the data message at the electronic address of the data message addressee in the electronic instrument.**
- 14.6.** The Contracting Authority further emphasises that in compliance with Section 211(6) of the Act, in communication by means of a **data box** a document shall be deemed **delivered at the moment of its delivery to the data box of the addressee.**
- 14.7.** The Contracting Authority hereby invites the Contractor to send any prospective reservations to the Draft Contract or any other tender conditions via the procedure stated in this Article, i.e., in writing before the deadline for tender submission stated in Art. 19.1 hereof. That would provide the Contracting Authority possibility to assess the reservation and chose the corresponding course of action (to refuse the suggestion or partially or completely accept it and perhaps extend adequately the time limit for the submissions of tender if needed).

## 15. OTHER TENDER CONDITIONS OF THE CONTRACTING AUTHORITY

**15.1.** This TD is binding for Contractors.

### **15.2. Description of technical solution, technical documentation**

In accordance with the Sec. 37(1)(b) of the Act the Contracting Authority requires the participant's tender to include the following specification and documentation regarding the offered technical solution and other components, which **shall be in accordance with all requirements of the Contracting Authority in this public contract**, as a part of determined technical conditions of participation:

	Type	Details
1.	Completed Annex No. 1a of the Draft Contract "Technical Specification"	The Contractor fills the cells marked in yellow. To fulfil the tender conditions, the supplier must fill "YES" in each item. If "NO" will be filled in any of the items, the tender conditions will not be fulfilled, and the supplier will be excluded.
2.	Detailed technical description of the offered Device in writing	The description shall contain at least the dimensions of the offered Device, weight of the offered Device, the connection points including the requirements on installation (in particular the

		electricity, water, air, waste, service and connection requirements, suction if relevant). The Contractor can also submit catalogue sheets, if available.
3.	Detailed technical drawing of the offered Device	The technical drawing shall contain min. data of the offered Device: dimensions, weight, operating location, connection points and their parameters, floor plan, side view, environmental requirements (temperature, humidity, etc.)
4.	Drawing of the Device into a technical drawing	The Contracting Authority requires the Contractor to draw the offered Device in the recommended orientation in the Installation Site Drawing attached as <b>Annex 4</b> to this TD <b><u>“Installation Site Drawing”</u></b> , which is binding for Contractors.  The requested drawing shall be part of the Contractor’s tender, <u>both in PDF digital form and editable DWG form</u> . The Contracting Authority shall reserve the right upon the agreement with the selected Contractor to change the orientation and placing.
5.	User manual	The Contractor shall submit a user manual for the offered Device. If the user manual with maintenance plan for this particular Device is not available, the Contractor may replace it with the user manual or with other documents of a similar device that has basically the same user manual, i.e. the device that is supplied as standard. The user manual is primarily used by Contracting Authority to verify the completeness of the life cycle costs (spare parts) filled in by the Contractor to Annex 3 of this TD. The required user manual shall be submitted in the Czech, English or German language.

- **Document “Type 1” submitted in accordance with this section hereof shall create a part of Annex No. 1a of the Draft Contract.**
- **Document “Type 2” submitted in accordance with this section hereof shall create a part of Annex No. 1b of the Draft Contract.**
- **Document “Type 3” submitted in accordance with this section hereof shall create Annex No. 1c of the Draft Contract.**

- **Document “Type 4” submitted in accordance with this section hereof shall create Annex No. 3 of the Draft Contract.**

### **15.3. Legal form**

In accordance with Section 48(9) of the Act, the Contracting Authority is required to exclude the Contractor from the tender procedure if the Contracting Authority finds out that the exclusion conditions as defined under Section 48(7) of the Act apply to the Contractor, i.e. **the selected Contractor is a joint stock company or has a legal form similar to that of a joint stock company and has not issued book-entered shares only**. If the selected Contractor has its registered office **abroad** and is a joint-stock company or has a legal form similar to a joint-stock company, the Contracting Authority shall require it to submit **an affirmation in writing showing which persons are holders of shares whose aggregate nominal value exceeds 10 % of the registered capital of the Contractor and indicating the source on which the information on the amount of the share of shareholders is based**.

### **15.4. Conflict of Interests**

A corporate entity, where a public deputy defined in the Section 2 (1) (c) of the Act No. 159/2006 Coll, on conflicts of interests, as amended, or a person controlled by the public deputy owns a share of at least 25 % of the participation of a partner in corporate entity, cannot participate in this tender procedure as a Contractor or a Subcontractor by whom a Contractor proves its qualification.

The Contractor is obliged to submit an affidavit of this fact as part of his tender (Annex No. 2 of this TD).

### **15.5. Sanctions in connection with Russian aggression on the territory of Ukraine**

Especially in connection with:

- Council Regulation (EU) No. 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia’s action destabilising the situation in Ukraine, pursuant to Council Regulation (EU) No. 2022/576 of 8 April 2022;
- and Council Regulation (EU) No. 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, as amended, Council Regulation (EU) No. 208/2014 of 5 March 2014, concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Ukraine, as amended, Council Regulation (EC) No. 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus, as amended, including the current annexes of all these regulations;

the Contractor is obliged to submit an affidavit of this fact as part of his tender (Annex No. 2 of this TD).



## 16. VISIT TO THE PLACE OF PERFORMANCE

- 16.1.** Visit to the place of performance including the transport way shall take place **on 20.08.2024 in 09:30 AM.**, at the **Production plant II - Za Viaduktem 8, 170 00 Praha 7 - Holešovice, Czech Republic** Gathering point of applicants is at the reception.
- 16.2.** Contractor who is attending the visit to the place of performance shall send the following data to the following address: [rehackova.monika@stc.cz](mailto:rehackova.monika@stc.cz), no later than 24 hours before the term of the visit to the place of performance:
- Name of the company, including its ID number
  - Name and surname of the natural persons, who are attending, including its phone and email contact
- 16.3.** Maximum number is 2 persons per the Contractor may attend the visit to the site of performance, the foreign companies may include one extra person as an interpreter. The persons shall submit in person or send plain copies electronically (in case of a remote visit) of the following documents:
- Written authorisation to attend the visit on behalf of the Contractor (if a governing body of the Contractor is attending the excerpt of the commercial register proving the relation between the Contractor and the person)
  - Valid identification document including a photograph.
- 16.4.** Representatives of the Contractor shall sign a non-disclosure agreement before entering regime zones of the Contracting Authority, if relevant
- 16.5.** Representatives of the Contractor will be fully familiar with the place and local conditions during the visit.
- 16.6.** The Contracting Authority notifies the representative in advance that no acquiring of photographs or video recordings is allowed. This applies analogically in case of a remote visit.

## 17. CONDITIONS FOR CONTRACT CONCLUSION (applies for the winner of the procedure)

### 17.1. Beneficial Owners

#### 17.1.1. Participant who is a Czech legal entity

If it is not possible to find out information about the beneficial owner of the selected supplier, who is a Czech legal entity, in accordance with the provisions of Sec. 122 paragraph 5 of the Act, the Contracting Authority has the obligation to exclude the selected supplier from further participation in the tender procedure pursuant to Sec. 122 (8) (a) of the Act.

Pursuant to Sec. 122 (8) (a) of the Act the Contracting Authority does not take into account the entry made available in the register of beneficial owners after sending the notice of exclusion of the Contractor.

#### **17.1.2. Participant who is a foreign legal entity**

If the selected supplier is a foreign legal entity, the Contracting Authority will ask the selected supplier to submit an extract from foreign records similar to the records of the beneficial owners or, if there is no such record, the Contracting Authority will ask the selected supplier to:

- (a) to communicate the identification data of all persons who are its beneficial owner, and
- (b) to submit documents that show the relationship of all persons according to letter a) to the Contractor; these documents are in particular:
  - 1. extract from the commercial register or other similar records,
  - 2. list of shareholders,
  - 3. decision of the statutory body on the payment of a share of the profit,
  - 4. partnership agreement, charter or articles of association.

The Contractor is obliged to submit all documents in the language required by the Contracting Authority according to this TD.

In the event that the selected supplier does not submit the required information and documents, the contracting authority is in accordance with the provisions of Sec. 122 (8) (b) of the Act is obliged to exclude the selected supplier from further participation in the tender procedure.

### **17.2. Reliability of domestic VAT payers**

**17.2.1.** The Contracting Authority requires the selected Contractor, who is a domestic VAT payer (in the Czech Republic), to be a reliable taxpayer pursuant to Section 106a of the Act No. 235/2004 Coll., on value added tax, as amended.

Proof of compliance with this requirement will be in accordance with Section 39(5) of the Act provided by the Contracting Authority namely by creating an export or print screen of an extract from the register of VAT payers from the database published by the tax administrator in a way that allows remote access. The account number, filled in by the Contractor in the Tender Cover Sheet, in accordance with the requirement stated in Art. 12.2 of this TD, must be the same as the account number stated in the register of VAT payers.

**17.2.2.** Given the current legislation and the fact that the Contracting Authority is not liable for VAT on behalf of a Contractor, who is not a domestic VAT payer (in the Czech Republic), requirement stated in the Art. 17.2.1. hereof, is not applicable for a Contractor, who is not a domestic VAT payer (in the Czech Republic).

### **17.3. Bank Confirmation on the Bank Account**

In accordance with Section 104(e) of the Act, before signing the Contract, the selected Contractor, who is not a domestic VAT payer (in the Czech Republic), is required to submit a plain copy of a confirmation of the bank that the bank account stated by the selected Contractor in the tender belongs to the selected Contractor.

#### **17.4. Insurance Contract**

In accordance with Section 104(e) of the Act, before signing the Contract, the selected Contractor is required to submit a plain copy of insurance Contract with the subject of third-party damage liability insurance of the Contractor in accordance with Art. XII (1) of the Draft Contract. An equivalent document for proof of this requirement is also a simple copy of the insurance certificates or a simple copy of the confirmation of insurance Contracts issued by the insurer.

### **18. TENDER SUBMISSION CONDITIONS**

- 18.1. The Contracting Authority does not require the Contractor to ensure that all the documents or declarations have been signed by the statutory body of the Contractor or person authorised to act on behalf of or for the Contractor. The Contractor by submission of the tender through an electronic instrument confirms that the tender has been submitted by the person authorised to undertake such acts and by submission of the tender the Contractor at the same time also agrees with the tender conditions stipulated by the Contracting Authority and the law.**
- 18.2. The tender shall be submitted in the Czech or English language, or its combination.** Should any part of the tender be in a language other than the Czech or English, the Contracting Authority has the right to request the submission of a plain translation into Czech or English language. Documents in Slovak and proof of completed education in Latin shall be submitted by the Contractor without a translation into the Czech or English language.
- 18.3. Each tender submitted must contain all the documents required by the Act and the Contracting Authority, including required proofs and information.**
- 18.4. All parts of the tender must be clearly legible. No part of the tender shall contain any corrections or overwriting that could mislead the Contracting Authority.**

### **19. FORMAL REQUIREMENTS FOR PROCESSING OF THE TENDER**

- 19.1. The deadline for the tender submission shall end on 02.09.2024 in 09:00 AM.**
- 19.2. The Contractor shall prepare the tender in electronic form in a manner**

described below.

### 19.3. Submitting tenders in electronic form:

- The tender shall be submitted through the E-ZAK electronic instrument available at: [https://mfcr.ezak.cz/profile\\_display\\_53.html](https://mfcr.ezak.cz/profile_display_53.html).
- All parts of the tender must be legible. No part of the tender may contain crossed-out words or transcriptions which could be misleading for the Contracting Authority.
- **To submit the tender, the applicant must register in the electronic instrument (respectively its connected supplier databases “CDD” or “FEN”).**
- **Registration to the electronic instrument:**
  - **Further details for registration in FEN and verifying identity is available at:** <https://sites.google.com/fen.cz/napovedafen/> **English version:** <https://sites.google.com/fen.cz/napovedafen-en>

**Before you start the registration process, please make sure you have:**

- a document proving the subjectivity of the organization (e.g. an extract from the business register, certificate of incorporation or another similar document),
- a power of attorney to act on behalf of the organization (if you are a statutory representative, you do not need a power of attorney);
- an electronic signature based on a qualified certificate (for the electronic method of Contractor verification).

If the supplier does not dispose of corresponding quality of electronic signature as required during the process of verification the identity, there is **another off-line option** which includes downloading of the document which must signed in paper version and sent along required documents stated above via post. Please follow the given manuals, where everything is described.

- **The process of registration including identity verification may take up to several days.**
- The PC system requirements necessary for proper tender submission are available at: <http://www.ezak.cz/faq/pozadavky-na-system>.
- You may test your browser and system using the following link: [https://mfcr.ezak.cz/test\\_index.html](https://mfcr.ezak.cz/test_index.html).
- Detailed instructions on how to use the electronic instrument are available in the “user’s manual” available at: <https://mfcr.ezak.cz/manual.html>.

### 19.4. **The Contracting Authority recommends using the following order:**

- **Content of the tender**

- **Tender cover sheet + Affidavits (Annex 2 to this TD)**
- **Document proving the fulfilment of the qualification requirements, arranged in the following order:**
  - **basic capacity (Annex 2 to this TD),**
  - **professional capacity,**
  - **technical qualification (Annex 2 to this TD).**
- **List of sub-contractors (Annex No. 2 to this TD).**
- **Completed evaluation model (Annex No. 3 to this TD).**
- **Description of technical solution, technical documentation (in accordance with Art. 15.2 to this TD)**
- **Affidavit on conflict of interests according to Annex 2 to this TD**
- **Affidavit on applied sanctions against Russia according to Annex 2 to this TD**

**19.5.** Where the Contracting Authority demands, under this TD, the submission of documents that must also be submitted as part of the Draft Contract, it is sufficient for the Contractor to submit a single copy of such documents as part of their tender.

**19.6.** The Contractor is exclusively responsible for the completeness of the submitted tender – the list of documents contained in this article of the TD is for reference only and is intended to help the Contractor to compile the tender – if the list fails to indicate a document, whose inclusion in the tender would otherwise result from the tender documentation or from the law, the Contractor will not be relieved from the responsibility for the incompleteness of the submitted tender by simply pointing out the incomplete list of documents.

## **20. OPENING OF TENDERS IN ELECTRONIC FORMAT**

The electronic tender opening process is a non-public event and will take place without undue delay after deadline for submission of tenders . If a participant requests this in writing after the end of the deadline for tenders submission, the Contracting Authority shall, within 5 working days of receipt of such a request, send to all participants or publish on the Contracting Authority's profile the tender data corresponding to the numerical evaluation criteria, without identifying data of the participants, according to Sec. 109 (3) of the Act.

## **21. OTHER PROVISIONS**

**21.1.** The Contracting Authority shall not reimburse the Contractors for any costs incurred in connection with their participation in the tender.

**21.2.** After conclusion of the Contract with the selected Contractor, the Contracting Authority shall, pursuant to the relevant provisions of Section 219 of the Act, publish the wording of the Contract with the selected Contractor, including any amendments and schedules thereto, on the Contracting Authority's profile and in

the Register of Contracts.

- 21.3.** By submission of the tender, the Contractor acknowledges that the Contracting Authority, as the obligated entity under Act No. 340/2015 Coll., on the special conditions for the effectiveness of certain Contracts, publishing of such Contracts and on the register of Contracts (Act on Register of Contracts), is obligated after conclusion of the Contract with a selected Contractor to publish this Contract in the Register of Contracts. Publication of the Contract in the Register of Contracts is an obligatory condition for the Contract effectiveness. The Contracting Authority warns that some rights and obligations under the Contract, respectively, related periods, may be tied to such publication.
- 21.4.** The Contracting Authority reserves the right to verify or obtain clarification for any information provided by the Contractors in their tenders before making the final decision on the selection of the best tender.
- 21.5.** The tenders or individual parts of the tenders submitted by the Contractors or excluded Contractors shall not be returned.

## 22. ANNEXES

- Annex 1 – Draft Contract
- Annex 2 – Tender Cover Sheet + Affidavits
- Annex 3 – Evaluation Model
- Annex 4 – Installation Site Drawing (PDF, DWG)
- Annex 5 – Manual for obtaining documents regarding Basic Capacity

Prague, dated *as per the electronic signature*

.....  
**Tomáš Hebelka, MSc**  
Chief Executive Officer  
on behalf of the Contracting Authority  
Státní tiskárna cenin, s. p.



# CONTRACT FOR SUPPLY AND SERVICE OF THE ENVELOPING MACHINE FOR ID1 CARDS

registered by the Client under No. 041/OS/2024

(hereinafter referred to as "Contract")

made pursuant to Section 27 and Section 56 et seq. of the Act No. 134/2016 Sb., on public procurement, as amended (hereinafter referred to as the "PPA")  
and  
pursuant to Section 2079 et seq. and Section 2586 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, Czech Republic entered in the Commercial Register maintained by the Municipal Court in Prague, Section ALX, Insert 296

Business ID: 00001279  
Tax Identification No.: CZ00001279  
Acting through: **Tomáš Hebelka, MSc**, Chief Executive Officer  
Bank details: UniCredit Bank Czech Republic and Slovakia, a.s.  
Account number: 200210010/2700  
IBAN: CZ44 2700 0000 0002 0021 0010  
SWIFT: BACX CZPP

(hereinafter referred to as the "Client" or "Contracting Authority")

and

[the Contracting Authority shall complete with the Participant's business name from the Tender]

with its registered office at [the Contracting Authority shall complete with the data from the Tender]

entered in the Commercial Register administered by [the Contracting Authority shall complete with the data from the Tender]

Business ID: [the Contracting Authority shall complete with the data from the Tender]

Tax Identification No.: [the Contracting Authority shall complete with the data from the Tender]

Represented by: [the Contracting Authority shall complete with the data from the Tender]

Bank details: [the Contracting Authority shall complete with the data from the Tender]

Account number: [the Contracting Authority shall complete with the data from the Tender]

IBAN: [the Contracting Authority shall complete with the data from the Tender]



SWIFT: [the Contracting Authority shall complete with the data from the Tender]

(hereinafter the "Contractor")

(the "Client" and the "Contractor" hereinafter collectively referred to as the "Parties" or "Contracting Parties")

**Representatives authorized to negotiate in contractual and economic matters:**

On behalf of the Client: **Tomáš Hebelka, MSc**, Chief Executive Officer

On behalf of the Contractor: [the Contracting Authority shall complete with the data from the Tender]

**Representatives authorized to negotiate in factual and technical matters:**

On behalf of the Client: **Ondřej Hyršl**, Production Director  
e-mail: [hyrsl.ondrej@stc.cz](mailto:hyrsl.ondrej@stc.cz), tel.: +420 236 031 383

**Fikar Petr**, Head of the Investment Development Department  
e-mail: [fikar.petr@stc.cz](mailto:fikar.petr@stc.cz), tel.: +420 236 031 466

**Robin Přivora**, Technical Specialist of Investment Development Department  
e-mail: [privora.robin@stc.cz](mailto:privora.robin@stc.cz), tel.: +420 236 031 484

**Michal Kuba**, Head of the Personalization Department II  
e-mail: [kuba.michal@stc.cz](mailto:kuba.michal@stc.cz), tel.: +420 236 031 122

On behalf of the Contractor: [the Contracting Authority shall complete with the data from the Tender]  
e-mail: [the Contracting Authority shall complete with the data from the Tender],  
tel.: [the Contracting Authority shall complete with the data from the Tender]

## I. INTRODUCTORY PROVISIONS

This Contract is concluded on the basis of the results of an over-threshold open tender procedure within the meaning of Section 56 et seq. of the PPA, which is entitled "Supply and service of the enveloping machine for ID1 cards" (hereinafter referred to as the "tender procedure"). The basis for this Contract is also the Contractor's tender for the tender procedure, the content of which is known to the Parties (hereinafter referred to as the "Tender").

When interpreting the content of this Contract, the Parties are obliged to take into account the tender conditions and the purpose related to the tender procedure. The provisions of laws and regulations on interpretation of legal conduct are not affected by this. Tender conditions have been determined in the tender documentation to the tender procedure (hereinafter referred to as the "Tender Documentation").

The purpose of this Contract is to supply the Device defined in Article III of this Contract to the Client and to ensure providing preventive inspections and maintenance and out-of-warranty maintenance of the Device in accordance with the conditions and terms stated in this Contract (hereinafter referred to as the "purpose").

## II. SUBJECT OF THIS CONTRACT

1. The Contractor undertakes to supply the Client with **1 (one) piece of enveloping machine for ID1 cards**, including all other related accessories and equipment, manufactured under applicable EU directives and regulations related to the subject of this Contract according to paragraph 2 and 3 of this Article and in accordance with the Technical parameters stated below in this paragraph and in accordance with the Tender, the Technical specification listed in **Annex No. 1a**, with the Detailed technical description listed in **Annex No. 1b**, and with Detailed technical drawings of the offered Device listed in **Annex No. 1c**, which is an integral part hereof, and within the terms stated in the Time Schedule attached to this Contract as **Annex No. 4**.

(hereafter referred to as the "**Device**", unless otherwise stated by individual provisions of this Contract)

2. The supplement of the Device according to paragraph 1 includes:
  - f) supplement of the software development kit (SDK) – a simulator for the Client's programmers, which will include all modules such as the offered mail inserting line and related technical documentation, so that it is possible to optimally prepare the necessary SW equipment or applications of the Client's production system in advance and thus ensure a problem-free implementation into live production operations,
  - g) transportation of the Device including liability insurance which provides cover for damage to the Device, with a compensation limit as determined in Article XII paragraph 1 hereof, DAP Praha (Incoterms® 2020),
  - h) installation and commissioning of the Device, passing SAT offline test and SAT in production system in accordance with Article VIII of this Contract, including 30 calendar days of its test run,
  - i) training of specified Client's employees in the Device operation and maintenance for at least 2 persons (hereinafter referred to as the "operator training"), conducted at the Client's Production Plant II for a minimum of 3 working days (8 hours per day, 60 minutes per hour),
  - j) handover of certificates and documents relating to the use of the Device, as specified in **Annex No. 2** which is an integral part of this Contract (in particular, operating and maintenance instructions, technical documentation in the Czech language).

Detailed specification of the Device is stated in Technical specification which is Annex No. 1a to this Contract, as well as in Annex No. 1b (Detailed technical description of the offered Device) and in Annex No. 1c (Detailed technical drawings of the offered Device).

3. The subject of this Contract also includes the handover of a list of all installed computers, including the basic parameters, and software, which is part of the delivery hereunder, including identification numbers and software license numbers. The above list must contain a specific information whether the OEM (Original Equipment Manufacturer) version is used or not. If this SW identification is missing, it is understood that this is not an OEM version.

4. The Contractor also undertakes to provide **preventive inspections and maintenance and out-of-warranty maintenance of the Device** (defined in the paragraph 1 hereof) according to the conditions and terms stated in the **Article X hereof** and **warranty service of the Device** according to the conditions and terms stated in the **Article IX hereof**.
5. In accordance with Article X paragraph 14 hereof on the **reserved change of obligation, the Client has the right to extend the period of servicing of the Device, specifically the period of providing of a preventive inspections and maintenance and out-of-warranty maintenance of the Device**. For the avoidance of doubt, the Contracting Parties state that the Client is entitled to extend the service period of the Device by up to 5 years under the reserved change of obligation: or not to extend it. Details of the reserved change of obligation are set out in Article X paragraph 14 hereof.
6. The Contractor states and affirms that:
  - a) the Contractor is aware that the Client shall use the Device specified in paragraph 1 of this Article for enveloping for ID1 cards from polycarbonate material or from a PVC material, in 2 shift operation (Device can enable 3-shift operation), and Device will be fully functional for this purpose;
  - b) during the performance of this Contract, the Contractor shall observe legal regulations applicable to the Client, regarding occupational safety and health, fire protection and environmental protection, including ecological disposal of waste, provided that the Contractor's technicians are familiarized with these regulations by the Client;
  - c) acknowledges that the Client is going to procure its own material for its tests of the Device as part of SAT offline test and SAT test in production system. If tests need to be performed on the Device in the production and actual test phases, the Contractor will procure its own material. After conclusion of this Contract the Client shall provide to the Contractor the information about a typical composition and material of the card;
7. The subject of this Contract also includes Contractor's obligation to grant to the Client unlimited, non-exclusive and for the next possible sale of Device a transferable right to use (licence) computer software in the Device within the scope of use of the Device to the contracted purpose. The Client is granted a non-exclusive and non-assignable right to use all supplied software products provided that the Contractor's copyrights are respected. However, the Client may neither interfere with, nor modify the functions of the computer programmes in any way.
8. The Client undertakes to take over the subject of this Contract as specified above in this Article, and to the price for it as specified herein.
9. The contracting parties agree that, on the basis of the notification of the Client and upon agreement with the Contractor, the Client has the right to change the orientation and/or location of the equipment differently than is specified in Annex No. 3 of this Contract - Installation site drawing. For the avoidance of doubt, the Contracting Parties state that due to the change according to the previous sentence, there is no need to conclude an addendum to this Contract.
10. The Contractor declares bindingly that the service life of the Device will be at least 15 years from the time the Device is put into operation with standard level of operation and maintenance.

### III. PLACE OF PERFORMANCE

The place of performance is the Client's production plant at the address: **Production Plant II – Za Viaduktem 8, 170 00 Prague 7, Czech Republic** (hereinafter "**Client's Production Plant**")

II” or “Client’s Site”), unless the nature of the individual actions necessary for the fulfilment of this Contract indicates otherwise.

#### IV. DELIVERY TERMS

1. The **Time Schedule** for the performance of the subject of this Contract is set out in **Annex No. 4** to this Contract.
2. Before delivery of the Device, the Contractor must inform the Client by e-mail to the address [podatelna@stc.cz](mailto:podatelna@stc.cz), that the Device is eligible and functional for acceptance by the Client, the Device has been tested, and the basic parameters required by the Client and fulfilment of the required technical parameters of the Device were successfully met.
3. After the Contractor’s proclamation in accordance with previous paragraph of this Article the Contractor shall **supply the Device to Client’s Production Plant II**, within the term according to point in Annex No. 4 to this Contract. The Delivery Note will be signed by the Contracting Parties on the delivery of the Device.
4. After delivery of the Device (i.e. after signing the Delivery Note), the Contractor shall ensure installation, commissioning, SAT offline test, including the operator training and handover the certificates and technical documents in the Czech language relating to the use of the Device according to the **Annex No. 2** to this Contract, within the term specified in the Annex No. 4 to this Contract. **Protocol No. 1** shall be signed by the Contracting parties according to Article VIII paragraph 5 hereof.
5. Next day after completing the site acceptance tests (SAT test in production system) according to the parameters specified in Article VIII hereof, confirmed by signing Protocol No. 2, a test run will begin ranging 30 calendar days. For avoidance of any doubt the Client states, that the presence of the Contractor’s technician during the test run is not necessary.

#### V. PRICE

1. The price of the subject matter of this Contract has been determined in accordance with the Contractor’s Tender submitted under the selection procedure organised by the Client as the contracting authority.

The **price for one (1) piece of Device** is set below in this paragraph.

subject of the Contract according to:	amount:
Art. II para. 1 and 2 point a),	[the Contracting authority shall complete the price with number from the Participant’s Tender] EUR
Art. II para. 1 and 2 point b), c) and e)	[the Contracting authority shall complete the price with number from the Participant’s Tender] EUR

Art. II (2) point d) (operators training)

[the Contracting authority shall complete the price with number from the Participant's Tender] EUR

**Total price**

[the Contracting authority shall complete the price with number from the Participant's Tender] EUR

If the Contractor is an entity liable for VAT registered in the Czech Republic, VAT shall be billed at the rate stipulated in the legislation that is valid and in force on the date of taxable supply.

The prices set in paragraph 1 and 5 of this Article are maximal and final and include all costs of the Contractor for all associated costs and charges related to the production, delivery of the Device and the discharge of the Contractor's obligations under INCOTERMS 2020 DAP Praha (defined delivery terms, i.e. mainly including packaging in non- returnable pallets, transport and delivery of the Goods to the Client, insurance of the Goods, costs associated with obtaining the documents, etc.).

**The price** of the subject matter referred to in paragraph 1 of this Article **does not include**:

- test material for performance of the subject matter of this Contract within the meaning of Article II paragraph 6 point c) hereof, i.e. for verification of the quality and functionality of the Device (SAT offline test, SAT in production system), which will be provided and supplied by the Client at its expense; The Client will provide this test material to the Contractor only for the needs of SAT offline test and SAT test in production system. For the other purposes, the Contractor is obliged to provide the test material itself and at its own expenses;
4. The **prices carrying out a preventive inspections and maintenance or for providing out-of-warranty maintenance** of the Device as defined in the scope specified in Art. X hereof as follows:
- a) unit price for 1 hour (that is 60 minutes) for carrying out a preventive inspections and maintenance during the Contractor's working hours (on working days from 8:00 to 18:00) amounting to:
    - EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] excluding VAT (specialist engineer, instructor, service technician),
    - EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] excluding VAT (SW specialist),
  - b) unit price for 1 hour (that is 60 minutes) of out-of-warranty maintenance of the Device during the Contractor's working hours (on working days from 8:00 to 18:00) amounting to:
    - EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] excluding VAT (specialist engineer, instructor, service technician),

- EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] excluding VAT (SW specialist),
- c) unit price for 1 hour (that is 60 minutes) of out-of-warranty maintenance of the Device during the weekend or public holiday in the country where the Contractor has a registered office amounting to:
- EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] excluding VAT (specialist engineer, instructor, service technician),
  - EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] excluding VAT (SW specialist),
- d) lump-sum price amounting to EUR [the Contracting Authority shall complete the price with number from the Participant's Tender] covering all costs incurred by the Contractor's technician (costs of travelling to the Client's Site and back, accommodation, travel expenses, time on the road, etc.) when conducting unscheduled servicing on the Device.

The price for carrying out a preventive inspections and maintenance and the out-of-warranty maintenance of the Device is set as the product of the actually provided services and the hour unit price according to this paragraph.

5. The prices of the delivered spare parts or consumables that were included in the life cycle costs of the Device in the Tender will be governed by the prices listed in List of spare parts and consumables in **Annex No. 9**, which forms an integral part hereof. These prices can be increased by inflation rate analogously as the unit prices for carrying out a preventive inspections and maintenance and unit prices for the out-of-warranty maintenance according to Article X paragraph 14.4 hereof. The prices of the delivered spare parts or consumables that are not included in Annex No. 9 shall always be governed by the current and valid Contractor's price offer for a particular spare part or consumables requested.

[Before concluding the contract, the VAT provision in Art. V hereof may be modified by the Contracting Authority regarding whether or not a selected supplier, i.e. the Contractor is registered for VAT in the Czech Republic]

## VI. PAYMENT TERMS

1. The price for one piece of the Device according to Article V paragraph 1 hereof shall be paid by the Client to the Contractor in EUR by bank transfer as follows:
- a) advance payment in amount of 30 % of the total price for one piece of the Device referred to in Article V paragraph 1 hereof, i.e. in amount [the Contracting Authority shall add 30 % of the total price of the one piece of the Device stated in Art. V para. 1 hereof] EUR excl. VAT after taking effect of the Contract. If the Contractor is an entity liable for VAT registered in the Czech Republic, VAT (stated in the legislation that is valid and in force on the date of taxable supply) shall be added to the amount according to the previous sentence.

The right to issue a proforma invoice for payment under para. 1 point a) is given to the Contractor on the next working day following the effectiveness of this Contract. The Contractor shall issue and send to the Client a proforma invoice within 1 week of the effectiveness of this Contract (due date is 14 days after issuance of the proforma invoice).

- b) **payment in amount of 50 % of the total price for one piece of the Device referred to in Art. V paragraph 1 hereof**, i.e. in amount **[the Contracting Authority shall add 50 % of the total price for one piece of the Device stated in Art. V para. 1 hereof] EUR excl. VAT** after the signing of the Protocol No. 1 against submitting a final invoice (tax document) for the total amount for the one piece of the Device. If the Contractor is an entity liable for VAT registered in the Czech Republic, VAT (stated in the legislation that is valid and in force on the date of taxable supply) shall be added to the amount according to the previous sentence.
- The right to issue this final invoice (the tax document) is given to the Contractor the following working day after the signing of the Protocol No. 1 (the date of taxable chargeable event is the date of signing of this Protocol No. 1). The Contractor shall issue and send to the Client the final invoice (tax document) within 10 days from the occurrence of the right to its issue. This invoice (tax document) includes a copy of the signed Protocol No. 1. Through this final invoice (tax document) will be accounted the proforma payment of 30 % of the price paid in compliance with point a) of this paragraph; maturity of the part of the price according to this point of this paragraph is within 30 days after the issuance of the final invoice (tax document).
- c) **payment in amount of 10% of the total price for one piece of the Device referred to in Article V paragraph 1 hereof**, i.e. in amount **[the Contracting Authority shall add 10 % of the total price for one piece of the Device stated in Art. V para. 1 hereof] EUR excl. VAT** after completion of the site acceptance test, i.e. after the signing of Protocol No. 2. If the Contractor is an entity liable for VAT registered in the Czech Republic, VAT (stated in the legislation that is valid and in force on the date of taxable supply) shall be added to the amount according to the previous sentence. An annex to the final invoice (tax document) according to letter b) of this paragraph will be a copy of the Protocol No. 2. The due date of the specified part of the price according to this point of this paragraph is 30 days from the signing of the Protocol No. 2.
- d) **payment in amount of 10% of the total price for one piece of the Device referred to in Article V paragraph 1 hereof**, i.e. in amount **[the Contracting Authority shall add 10 % of the total price for one piece of the Device stated in Art. V para. 1 hereof] EUR excl. VAT** after completion of the test run period and commencement of the warranty period, i.e. after the signing of Protocol No. 3. If the Contractor is an entity liable for VAT registered in the Czech Republic, VAT (stated in the legislation that is valid and in force on the date of taxable supply) shall be added to the amount according to the previous sentence. An annex to the final invoice (tax document) according to letter b) of this paragraph will be a copy of the Protocol No. 3. The due date of the specified part of the price according to this point of this paragraph is 30 days from the signing of the Protocol No. 3.
2. The Contractor always becomes entitled to invoice the **price for carrying out a preventive inspections and maintenance according to Article V paragraph 4** hereof on the working day that follows the handover of the performance to the Client, or finishing the Contractor's activities provided as part of servicing. The invoices (tax documents) for the price for these activities shall always be issued on the basis of the approved Maintenance form and shall include a breakdown of the working time spent in the scope of activities referred to in Article X paragraph 3 hereof. Copies of these documents shall be attached to the invoice (tax document). Properly issued invoices (tax documents) shall be due within 30 days from the date of issue.
3. The Contractor always becomes entitled to invoice the **price for the out-of-warranty maintenance according to Article V paragraph 4** hereof on the working day that follows

- the handover of the performance to the Client, or finishing the Contractor's activities provided as part of servicing. The invoices (tax documents) for the price for the out-of-warranty maintenance shall always be issued on the basis of the approved Maintenance forms. The invoices (tax documents) for the deliveries of spare parts and/or consumables carried out according to Article X paragraph 9 hereof shall be issued on the basis of the delivery note, confirmed by the Client. Copies of these documents shall be attached to the invoice (tax document). Properly issued invoices (tax documents) for out-of-warranty maintenance shall be due within 30 days from the date of issue.
4. The Contractor is required to deliver the proforma invoice/invoice (tax document) to the Client's email address [podatelna@stc.cz](mailto:podatelna@stc.cz). The proforma invoice/invoice (tax document) shall show the bank account to which the payment is to be made. The bank account shall be identical to that stated in this Contract.
  5. Each proforma invoice/invoice (tax document) must at least include the following essentials:
    - identification details of the contracting parties (i.e. name, registered office address, identification number, registration details);
    - the Contract reference number indicated in the Contract, as well as the Client's internal number of the order;
    - payment identification via a link to the appropriate Article hereof;and all essentials of a proper tax document laid down by the applicable legal regulations and the present Contract.
  6. If any of the documents stated above (proforma invoice/invoice (tax document)) does not contain any of the essentials, or contains incorrect price information, or if the proforma invoice/invoice (tax document) is issued in breach of the applicable payment conditions, the Client may return such a proforma invoice/invoice (tax document) to the Contractor for a revision. If the above is the case, the Client must indicate the reason for returning the invoice on the proforma invoice/invoice (tax document) concerned or in a cover letter. The maturity term of the new (corrected) proforma invoice/invoice (tax document) shall start on the date of its demonstrable delivery to the Client.
  7. Payments of the individual price instalments shall be deemed made once the respective amounts are debited from the Client's account.
  8. If the Contractor 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 9 to 12 of this Article).
  9. The Contractor 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 Sb., on bankruptcy and settlement (Insolvency Act). The Contractor also declares that in the moment of conclusion of the Contract there is no decision issued by a tax administrator, that the Contractor is an unreliable payer pursuant to Section 106a of the Value Added Tax Act No. 235/2004 Sb., as amended (hereinafter "VATA"). The Contractor shall immediately and demonstrably notify Client, a recipient of the taxable performance, within two working days of it becoming aware of its insolvency or of issuing a decision by a tax administrator that the Contractor is an unreliable payer pursuant to Section 106a VATA. In the event that, during the period of validity and effectiveness of the Contract, the Contractor's statements referred to in this paragraph prove to be false or the Contractor violates the obligation to notify the Client of the fact stated in the previous sentence within the specified period, this will be considered a substantial breach of the Contract.



10. The Contractor undertakes that the bank account designated by him for the payment of any obligation of the Client 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 Contractor is obliged to provide another bank account to the Client that is duly published pursuant to Section 98 VATA. In the case Contractor has been indicated by a tax administrator as an unreliable taxpayer pursuant to Section 106a VATA, Contractor 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 Contractor is an unreliable payer pursuant to Section 106a VATA, notify this to Client along with the date on which this circumstance arose.
11. If surety for unpaid VAT arises for the Client according to Section 109 VATA on received taxable performance from Contractor, or the Client justifiably assumes that such facts have occurred or could have occurred, the Client is entitled without the consent of Contractor to exercise procedure according to the special method for securing tax, i.e. the Client is entitled to pay the concerned VAT according to the invoice (tax document) issued by the given Contractor to the competent revenue authority and do so according to Sections 109 and 109a VATA.
12. By payment of the VAT into the account of the tax authority, the Contractor's receivable from Client is considered as settled in the amount of the paid VAT regardless of other provisions of the Contract. At the same time, Client shall be bound to notify the respective Contractor of such payment in writing immediately upon its execution.

[Before concluding the Contract, the payment conditions in Article VI hereof, especially the VAT provision, may be modified by the Contracting Authority regarding whether or not a selected supplier, i.e. the Contractor is registered for VAT in the Czech Republic]

## VII. SHIPPING CONDITIONS

1. The transport of the Device to the Client's site stated in Article III hereof shall be provided by the Contractor under the terms of DAP Prague Incoterms® 2020 and shall be by road haulage truck and the Contractor shall notify the Client in writing about the date of dispatch of the Device from the Contractor's manufacturing plant. At the same time, the Contractor shall give the Client the licence plate number of the give vehicle as well as the names and surnames of the crew, at the latest 3 working days before delivery of the Device to the Client.
2. The shipment of the Device must be complete and must comply with deadline requirements specified Time schedule which is the Annex No. 4 to this Contract. Partial deliveries are not permitted.
3. The Device must be shipped in a packaging unit sufficiently protecting the Device from damages, destruction or theft during the shipping. The parts, whose size does not exceed the **size of the transport lift with an official load capacity of 2000 kg and dimensions: width 1640 mm, height 1980 mm and length/depth 2240 mm**, shall be preserved and packed on pallets and covered with foil. The pallets will be prepared for unloading with a forklift and their centre of gravity will always be marked. The packaging of the Device or the Device alone must also allow to move the Device in other position (e.g. laying on side or back) in necessary cases. The Contractor is obliged to prepare a separate delivery note for each pallet dispatched with specification of its dimensions and weight.

### VIII. COMMISSIONING AND TEST RUN OF THE DEVICE

1. The Contractor shall hand over the Device to the Client completely installed and fully functional, including the related certificates and documents relating to the use of the Device specified in Annex No. 2 to this Contract. A partial handover or arrears preventing the normal use of the Device are not acceptable.
2. For the Contractor's technician who installs and starts up the delivered Device at the Client's Production Plant II, the Client shall ensure a lockable room/cabinet where the technician may store his necessary equipment and tools for performance of the subject hereof.
3. After the Device is installed and commissioned at the Client's Production Plant II, the SAT offline test shall be performed at the Client's Production Plant II within the term according to Annex No. 4 to this Contract, whose purpose is to obtain test samples, which will be evaluated by the Client next working day of their receipt and which shall be approved by report on the successful acceptance tests result. Basic parameters of the commissioning test required by the Client are: whole functionality according to the technical specification Annex No. 1a, 1b and 1c to this Contract in the autonomous mode without connection to the production system of the Client. The Device must be able to print the letter, implement the ID1 card on the letter, put the letter with the card into the envelop, close the envelop, weight the complete envelop and put the correct envelops on the output conveyor, all incorrect parts must be putted into the REJECT boxes. The device must be able to print of the final production protocol of the production batch. With this test Client will verify the required technical parameters of the Device.
4. At the Client's request, made following the connection of the Device to the Client's production system, the site acceptance tests (SAT test in production system) shall be performed at the Client's Production Plant II within the term according to Annex No. 4 to this Contract. The purpose of the site acceptance tests (SAT test in production system) is to obtain test samples, which will be evaluated by the Client next working day of their receipt and which shall be approved by report on the successful acceptance tests result. Basic parameters of the acceptance test required by the Client are: whole functionality according to the technical specification Annex No. 1a, 1b and 1c to this Contract with the connection to the production system of the Client. The Device must be able communicate with the production system, get the necessary data, produce the production batch and after the ending of the production must be able send back to the production system the necessary data. With this test Client will verify the required technical parameters of the Device.
5. After installing and commissioning the Device, the operator training, handover of the documents and successful passing the SAT offline test at the Client's Production Plant II, **Protocol No. 1** shall be signed, whose template is attached as **Annex No. 5**, which is an integral part hereof. If the Contractor has his own template of the report of the test results, it may be attached to the Client's report of the acceptance test as an annex. By signing Protocol No.1 the Client confirms the Device commissioning, operator training and handover of certificates and technical documents (Annex No. 2). Protocol No. 1 shall be issued by the Client in two copies, which shall be signed by both Contracting Parties' representatives authorised to negotiate in factual and technical matters, and each Party shall receive 1 copy. The Protocol No. 1 may be signed also by the technician of the Contractor, who is present during the commissioning test in offline mode. If any Device defects are identified which do not prevent the normal use of the Device, they shall be described in Protocol No. 1, including the period for elimination thereof by the Contractor. If both Contracting Parties do not agree any period for elimination of the defects, then it applies that the defects must be eliminated within 2 weeks from the date of Protocol No. 1 issuance.

6. After successful passing the site acceptance tests (SAT test in production system) at the Client's Production Plant II, **Protocol No. 2** shall be signed, whose template is attached as **Annex No. 6**, which is an integral part hereof. If the Contractor has his own template of the report of the test results, it may be attached to the Client's report of the acceptance test as an annex. By signing Protocol No.2 the Client confirms the commencing of a test run of 30 calendar days. Protocol No. 2 shall be issued by the Client in two copies, which shall be signed by both Contracting Parties' representatives authorised to negotiate in factual and technical matters, and each Party shall receive 1 copy. The Protocol No. 2 may be signed also by the technician of the Contractor, who is present during the site acceptance tests (SAT test in production system). If any Device defects are identified which do not prevent the normal use of the Device, they shall be described in Protocol No. 2, including the period for elimination thereof by the Contractor. If both Contracting Parties do not agree any period for elimination of the defects, then it applies that the defects must be eliminated within 2 weeks from the date of Protocol No. 2 issuance.
7. Any defects or arrears preventing or hampering the Device use in a normal way or in accordance with the purpose of this Contract shall be a reason for not accepting the Device. A report of the Device non-acceptance shall contain a list of defects and arrears, including periods for elimination thereof. If both Contracting Parties do not agree any period for elimination of the defects and arrears, then it applies that the defects and arrears must be eliminated within 2 weeks from the date of issuance of the report of the Device non-acceptance.
8. After finishing the 30-day test run successfully, **Protocol No. 3** shall be drawn up, whose template is attached as **Annex No. 7**, which is an integral part hereof. Protocol No. 3 shall be issued by the Client in two copies, which shall be signed by both Contracting Parties' representatives authorised to negotiate in factual and technical matters, and each party shall receive 1 copy. If any Device defects are identified which do not prevent the normal use of the Device, they shall be described in Protocol No. 3, including the period for elimination thereof by the Contractor. If both Contracting Parties do not agree any period for elimination of the defects, then it applies that the defects must be eliminated within 15 days from the date of Protocol No. 3 issuance. Upon signing Protocol No. 3, the warranty period specified in Article IX paragraph 2 hereof shall commence.
9. The Device must be installed so that its operation would comply with the applicable technical and safety standards in the EU countries, including, but not limited to, the following Czech standards:
  - a) electrical systems of the Device comply with EU Machinery and Engineering Directive 2006/42/EC - CE conformity, IEC 61140, HD 60364-1:2008, Low-voltage electrical installations,
  - b) labels with handling instructions for the Device operation shall be either in the Czech language or fitted with international symbols. Control and operational software including all displays must support the Czech language,
  - c) The Client shall ensure the initial inspection of the electric connection for installed Device, at its expense.
10. The Contractor states that the Device is not and shall not be encumbered with third-party rights as of the date that is it taken over by the Client.

## IX. WARRANTY

1. The Contractor shall deliver the subject of the Contract in the quantity, quality and make as determined hereby. The Contractor is responsible for Device correct design guaranteeing the function thereof and use for the purpose of this Contract and for which it was manufactured and bought by the Client, for using the materials complying with the relevant technical documents, and for SW function, proper and professional make reaching the state-of-the-art standard.
2. The warranty period is **12 months from the date of signing Protocol No. 3**.
3. The warranty does not cover defects occurring as a result of a natural disaster, mechanical damage by the Client or a third party, or unprofessional operation of the Device, normal wear, or handling of the Device in a manner that is not approved by the Contractor in advance. The quality warranty applies on condition that the Device is properly operated and maintained in accordance with the operating and maintenance instructions, supplied by the Contractor.
4. The warranty service of the Device shall be provided by the Contractor from the Contractor's registered office or its local authorised representative. Minor repairs during the warranty period may be performed by the Client's maintenance workers who were trained by the Contractor.
5. The Client is entitled to request that the Device defects are eliminated at any time during the warranty period, but no later than within 30 days after expiry of the warranty period, if the defect occurred during the warranty period. Defects may be reported to the Contractor in any form, including by phone (tel. **[the Contracting Authority shall complete with the data from the Tender]**), in this case, however, the reported defect must be subsequently confirmed in writing, i.e. by email to the following address: **[the Contracting Authority shall complete with the data from the Tender]**. Notice of the defect is received by the Contractor during his working hours 8:00 a.m. to 4:00 p.m.
6. The Client must describe the reported defects, specify how they manifest, and provide the necessary documents as well (for example photographs of the defective parts or products). A template form for reporting defects, the Maintenance form, is attached as **Annex No. 8**, which is an integral part hereof (hereinafter "Maintenance form").
7. The Contractor undertakes to respond to the Client and give its opinion regarding a reported defect as soon as possible, but no later than within 2 hours from delivery of the notice, and to **arrange for the arrival of its technician** within **48 hours** from delivery of the notice, and to **repair the identified defects or replace the defective part** within **60 hours** after the arrival of the Contractor's technician at the Client's Production Plant II, at Contractor's expense. The Contractor undertakes, when performing the warranty service, to dispatch spare parts from its warehouse within 24 hours from receiving the Client's requirement for their supply. The Contractor guarantees to the Client that all spare parts which will use for removing defects shall be original and new. In the event that the notification of the defect is not delivered within the Contractor's working hours specified in the paragraph 5 of this Article, these periods begin to run from the next working day provided that these periods do not include days off, holidays and public holidays of the country of the Contractor. If, in exceptional circumstances, the above time limits prove insufficient, both Contracting Parties shall specify an adequate additional grace period in writing. The above time periods do not include Sundays and Saturdays and public holidays observed in the Contractor's country, respectively in the country of residence of a local representative if that representative performs the repair.
8. If there is a danger that the defects may cause death or harm the health of persons, cause damage to the Device or assets of the Client or third parties, the Contractor undertakes to

- start repairs of the reported defects without delay, and to take necessary measures to prevent any harm or damage, unless otherwise agreed with the Client.
9. Upon request of the Contractor's technician, the Client undertakes to ensure that the Client's employees shall render the Contractor reasonable assistance and available machinery/tools.
  10. The warranty period shall be extended by the period during which defects prevented the Client from using the Device for the purpose for which the Device was ordered.
  11. Should any reported defects not be eliminated by the Contractor in compliance with the provisions of paragraph 7 or paragraph 8 of this Article, the Client is entitled to eliminate the defects or have them eliminated, in both cases at Contractor's expense.
  12. The warranty period for any parts repaired or replaced by the Contractor during the warranty period shall apply till the end of the Device warranty period, or for 12 months from the repair or replacement carried out, depending on whichever occurs later.
  13. Minor repairs, as well as regular maintenance and servicing, which do not require cooperation of the Contractor, may be carried out by the Client. For the purposes of this Contract, minor repairs mean, for example, replacement of defective light bulbs, fuses, identification lights, as well as works or activities for which the operating and maintenance workers were trained by the Contractor.
  14. Any travel expenses, as well as insurance against damage or loss, of any parts returned for repair or replacement, including the expenses of returning or replacement thereof to the Client, incurred during the warranty period, shall be borne by the Contractor. The Contractor shall decide whether the original replaced parts should be sent back to the Contractor.
  15. The Contractor undertakes to deliver spare parts or their suitable equivalents required for smooth operation of the Device to the Client for 15 years after expiry of the warranty period.
  16. The Contracting Parties have agreed that carrying out the activities described in paragraphs 4, 11 or 13 of this Article shall not affect the quality warranty given by the Contractor under this Contract, even if the activities are carried out by a third party.

## X. SERVICING OF THE DEVICE

1. The Contractor undertakes to provide preventive inspections and maintenance and out-of-warranty maintenance of the Device stated in this Article for the period of **10 years** from the date of signing Protocol No. 3. In the event that a reserved change of the obligation pursuant to Article X paragraph 14 hereof is applied, the obligation to provide preventive inspections and maintenance and out-of-warranty maintenance of the Device stated in this Article shall be prolonged for the requested extension period in accordance with Article X paragraph 14 point 14.1 and 14.2 hereof.
2. The Contractor states that, for the proper operation of the Device, it recommends carrying out preventive inspections and maintenance of the Device in the frequency and extent of performance **[the Contracting Authority shall complete with the data from the Tender - the recommended number of preventive inspections and maintenance for the Device per year for the yearly production of 100.000 enveloped ID1 cards ] for [the Contracting Authority shall complete with the data from the Tender - expected time range (number of hours)]**. The Client is not obliged to carry out the recommended number of preventive inspections and maintenance of the Device.
3. The Contractor undertakes to carry out these activities in particular as part of preventive

inspections and maintenance: **[the Contracting Authority shall complete with the data from the Tender]**.

4. Out-of-warranty maintenance of the Device consists of solving the Device defects not covered by the warranty for the Device within the meaning of Article IX hereof, and defects occurring after expiry of the warranty period within the meaning of Article IX hereof or defects covered by the preventive inspections and maintenance within the meaning of Article X paragraph 3, and the Contractor shall provide the out-of-warranty maintenance on the basis of individual Client's requirement for necessary repairs, adjustments and settings of the Device. The Contractor shall prepare price offer in accordance with the Annex No. 9 to this Contract, in respect of the spare parts to be replaced, and submit it to the Client for an approval.
5. Each spare part replaced in the Device during out-of-warranty maintenance must be approved by the Client prior to its installation in the Device. The name and code of the replaced spare part shall be entered in the Maintenance form and confirmed by the Client's representative.
6. Requirements for preventive inspections and maintenance and requirements for out-of-warranty service must be in writing, in the form of a filled Maintenance form (hereinafter referred to as the "Requirement"). The Client shall send each requirement to the following e-mail address of the Contractor: **[the Contracting Authority shall complete with the data from the Tender]**. Any change of contact details for receiving these requirements must be provably notified to the Client by the Contractor well in advance. The dates of every preventive inspection and maintenance of the Device shall be specified after mutual agreement of the Contracting Parties.
7. The Contractor shall always provide out-of-warranty maintenance of the Device after a defect is reported and out-of-warranty service is requested by the Client in accordance with previous paragraph. The Client must describe the reported defects, specify how they manifest, and provide the necessary documents as well (for example photographs of the defective parts or products).
8. If the Client makes Requirement during the working hours of the Contractor, i.e. 8:00 a.m. to 4:00 p.m., the Contractor shall communicate their response regarding the reported defect to the Client by return, no later than within 2 hours from receipt of such a notice, no later than the following working day, if the Requirement is not delivered within the Contractor's working hours.
9. The Contractor undertakes to ensure that their engineer shall arrive within 48 hours from delivery of a Requirement. **Any defects solved during out-of-warranty maintenance shall be eliminated by the Contractor's engineer within 72 hours from reporting the defect by repairing or replacing the defective part**, provided that these periods do not include days off, holidays and public holidays of the country of the Contractor. The Contractor undertakes, when performing the out-of-warranty maintenance, to dispatch spare parts from its warehouse within 24 hours from receiving the Client's requirement for their supply. The Contractor guarantees to the Client that all spare parts which will use for removing defects shall be original and new. In exceptional cases where a longer period of time is required for a repair or the required spare part is not currently available with the Device manufacturer, the Contractor shall notify the Client of it without delay, and both Contracting Parties shall jointly set an alternative date of the repair.
10. The out-of-warranty maintenance of the Device shall be provided on working days, from 8:00 a.m. to 4:00 p.m.
11. If the Client requests delivery of necessary consumables or spare parts for proper operation of the Device which are not provided within out-of-warranty maintenance of the

Device, the Contractor shall supply the requested materials according to previous sentence on the basis of Client's order, based on the Contractor quotation. The order shall at least contain the Client's identification data; description and specification of the requested materials, including the quantity to be delivered; detailed delivery terms, in particular the term and place of delivery of the requested materials; identification of the person who places the order who is entitled to act on behalf of the Client. Written orders shall be sent by the Client to the Contractor to the Contractor's email address [the Contracting Authority shall complete with the data from the Tender]. The Contractor shall confirm the order acceptance to the Client by return to the Client's email address from which the order was sent. Confirmed orders (i.e. the individual partial contracts) fulfilling the conditions for publication in the Register of Contracts take effect once they are published in the Register of Contracts. Other individual partial contracts take effect on the day it is confirmed by Contractor.

12. The Contractor shall deliver the consumables or spare parts requested on the basis of an order as per the previous paragraph of this Article within 10 working days from effective day of the partial contract in the meaning of the previous paragraph. A delivery note shall be attached to each delivery, which shall be confirmed by both Contracting Parties upon handover and takeover of the consumables or spare parts and shall be used as the goods handover protocol.
13. For each conducted preventive inspection and maintenance of the Device or out-of-warranty maintenance of the Device the Contractor shall produce/fill in the Maintenance form to be approved by the authorized person of the Client after execution of relevant activities including the specification of any spare parts needed for replacement. Contractor's technicians are obliged to record each and every activity carried out in the course of the preventive inspection or out-of-warranty maintenance to the book of maintenance and repairs of the device.
14. The Client, as the Contracting Authority, hereby reserves the following changes to the obligation under this Contract:
  - 14.1. **Reserved change of obligation: Extension of the period of servicing of the Device**

If the Client requests before the end of the service provision period according to Article X paragraph 1 hereof and if the conditions under point 14.2 of this paragraph are met:

    - a) the Contractor undertakes to provide preventive inspections and maintenance and out-of-warranty maintenance of the Device under the same conditions according to Article X hereof up to maximum of 5 years (i. e. in the sum of the individual extensions maximum of 5 years) from the end of the original service provision period according to Article X paragraph 1 hereof;
    - b) upon application of the reserved change of obligation the Client will determine the exact required length of extension of the servicing period of the Device and shall indicate it to the Contractor in the request according to point 14.2 of this paragraph;
    - c) the duration of this Contract stated in the first sentence of Article XIV paragraph 2 hereof shall be prolonged for the requested extension period.
  - 14.2. The Client shall notify to the Contractor Client's decision to exercise the reserved change of obligation under point 14.1 of this paragraph by written notice delivered to the Contractor no less than 3 months before the end of the service provision period according to the Article X paragraph 1 hereof, or extended duration of the Contract if the duration of the Contract is repeatedly extended in accordance with paragraph 14.1 of this Article.

14.3. For the avoidance of any doubt, the Contracting Parties state that the Client is entitled, but not obliged, to apply a reserved change of obligation according to point 14.1 of this paragraph, and using the procedure to paragraphs 14.1 a 14.2 of this Article, the original duration of this Contract according to Article XIV of this Contract can be extended by maximum of 5 years (i. e. in the sum of the individual extensions maximum of 5 years).

**14.4. Reserved change of obligation: Inflation clause**

Not earlier than from **3 years** from signature of the Protocol No. 3 pursuant Article VIII paragraph 8 hereof specifically every calendar year no later than 15<sup>th</sup> November of given year, with the effect of prices increase always from 1<sup>st</sup> of January the following calendar year, the Contractor is entitled to increase the prices for providing preventive inspections and maintenance and/or out-of-warranty maintenance by the inflation rate, if the conditions below will be adhered to:

- a) For the purposes of this Contract, the inflation rate means the average inflation rate calculated on the basis of the monthly Harmonised index of consumer prices (HICP) of European Union published by the Eurostat for country where the Contractor has registered office (hereinafter referred only as „Index“) and calculated as the averaged change in the Indexes for the 12 calendar months preceding the month in which the Contractor received Client's request according to this paragraph.
- b) This Contractor's notification shall contain details of the calculation of the inflation rate and new unit prices pursuant Article V paragraph 4 and 5 of this Contract in accordance with this Article. If the Contractor does not apply its entitlement to increase prices by the inflation rate and does not deliver the notification of this to the Client in the term according to the previous sentence or if the notification does not contain details on the calculation of the inflation rate, the Client's notification of an increase of prices will not take effect.
- c) In the case that the country where the Contractor has registered office is not published in the HICP, the inflation rate according to previous point means the average inflation rate calculated on the basis of the monthly Harmonised index of consumer prices (HICP) of European Union published by the Eurostat for whole European Union (hereinafter referred only as „Index EU“) and calculated as the averaged change in the Indexes EU for the 12 calendar months preceding the month in which the Contractor received Client's request according to this paragraph.

14.5. For the avoidance of any doubt, the Contracting Parties state that for the purposes of this Article, a written notice/request means a written document signed by a person authorized to sign this Contract and delivered via a postal service operator or via data box. The date of making such written notification/request is considered to be the day when such written notification/request is delivered to the other Contracting party.

## **XI. SANCTIONS**

1. In the event that Contractor is in delay with the fulfilment of the deadline pursuant to point #3 of the Annex No. 4 to this Contract (SDK was not delivered within term), the Contractor is obliged to pay a contractual penalty in the amount of 0.1 % of the price (excluding VAT) of the software development kit (SDK) according to Art. V paragraph 1 of this Contract for each started day of delay.



2. In the event that Contractor is in delay with the fulfilment of the deadline pursuant to point #5 of the Annex No. 4 to this Contract (Protocol No. 1 was not signed within term), the Contractor is obliged to pay a contractual penalty in the amount of 0.1 % of the total price (excluding VAT) of Device with the delivery of which the Contractor is in delay for each started day of delay.
3. In the event that Contractor is in delay with the fulfilment of the deadline pursuant to point #6 of the Annex No. 4 to this Contract (Protocol No. 2 was not signed within term), the Contractor is obliged to pay a contractual penalty in the amount of 0.1 % of the total price (excluding VAT) of Device with the delivery of which the Contractor is in delay for each started day of delay.
4. In the event of the Contractor is in delay with remedying defects pursuant to Article VIII paragraph 5 or 6 or 7 or 8 hereof the Contractor is obliged to pay a contractual penalty in the amount of EUR 1 000 for each started day of delay.
5. In the event that the Device does not meet the requirements of Article VIII paragraph 9 hereof, even after the expiration of the term stated in the previous written Client's request for remedy, the Contractor is obliged to pay a contractual penalty in the amount of EUR 1 000 for each case of violation of these obligations.
6. In the event that the of Contractor is in delay within any of the deadlines specified in Article IX paragraph 7 hereof, the Contractor is obligated to pay a contractual penalty in the amount of EUR 1 000 for each started day of delay and each defect.
7. In the event that the of Contractor is in delay within any of the deadlines specified in Article X paragraph 9 hereof, the Contractor is obligated to pay a contractual penalty in the amount of EUR 1 000 for each started day of delay or part thereof.
8. In the event of a breach of any of the obligations in Article XII paragraph 12, 14 or 15 of this Contract by the Contractor, or if the statement in Article XII paragraph 11 or 13 of this Contract turns out to be false, the Client has the right to impose a contractual penalty in the amount of EUR 4 000 for each case of violation of these obligations.
9. In the case of violation of the obligations resulting from Article XIII hereof, the Contractor is obliged to pay a contractual penalty to the Client in the amount of EUR 6 000 for each discovered case of violation of these obligations.
10. In the event of the Client's delay in paying a duly issued tax document (invoice), the Client is obliged to pay default interest of the amount due in the amount according to Government's regulation No. 351/2013 Sb., for each started day of delay.
11. For the purposes of an avoidance of any doubt, the Contracting Parties state that in the case of breach more Contractor's obligations simultaneously according to paragraphs 1 to 8 of this Article, the Contractor is obligated to pay all such contractual penalties.
12. The contractual penalty is due within 30 calendar days after the delivery of the bill for the contractual penalty to the Contractor. The default interest is due within 30 calendar days after the delivery of the bill for the default interest to the Client.
13. Payment of the contractual penalty does not release the Contractor from its duty to perform the obligations imposed on the basis of this Contract.
14. Stipulating the contractual penalty is without prejudice of the right to compensation of any incurred harm to full extent.

## **XII. SPECIAL PROVISIONS**

1. For the entire period of validity and effectiveness of this Contract, the Contractor is obliged to maintain valid a liability insurance contract for damages caused to third parties for the minimum amount of EUR 400.000 at the request of the Client, the Contractor is obliged to submit a copy of the insurance contract (insurance certificate) proving the required insurance at any time, no later than 10 calendar days from the receipt of such a request by the Client.
2. The Device installation and operators training will typically take place from 08:00 a.m. to 4:00 p.m. on working days and in special cases also outside the specified time, or on non-working days provided the Contracting Parties so agree in advance.
3. Due to the specific conditions of production in the Client's premises, the entry and movement of the Contractor's employees must be governed by internal safety rules. The basic principle of these rules is to identify all persons entering the Client's premises with the Client's right not to grant the right to enter the premises, or to ban a person from the premises if these rules are not observed. As part of ongoing security measures, the Client may also restrict the Contractor's activities for a short time. The Contractor's staff must be demonstrably acquainted with the basic security rules of the Client (in the form of a document "Declaration / Advice") before entering the Client's premises. In the case of longer-term activities in the Client's premises, the Contractor's staff will be issued an entry identification card stating the name and photograph of the holder and the name of the Contractor, which the holders are obliged to visibly wear during the entire activity in the building. The Contractor personnel must endure the fact that work activities can be monitored by CCTV.
4. The Contractor undertakes to submit to the Client no later than 5 working days prior to the commencement of the activities according to this Contract, a list of persons performing the activities including the designation of an employee who is the contact person for Client's security personnel (hereinafter referred to as "**the Contractor's responsible employee**"). The Contractor shall include in the list of persons the name, surname and number of the identity card or passport. The Client shall approve the list of persons within 2 working days from the date of its delivery. Otherwise, the Contractor is obliged to modify this list according to the Client's requirements. The Contractor is obliged to ensure an update of the Contractor's employee list.
5. The Client shall ensure for the proper execution of the Work by Contractor:
  - a) accessibility of all areas where the subject of this Contract will be performed;
  - b) entry of the Contractor's employees and vehicles into the Client's premises to fulfil the subject of this Contract;
  - c) instructing the Contractor's employees to observe the protective and security measures in the Client's premises during their stay in the Client's premises, in the form of signing the "Declaration / Information" for information protection, occupational health and safety, fire protection and environmental protection. The Contractor is responsible for OHS and observance of fire protection regulations when performing the subject of this Contract. All employees of the Contractor and, where applicable, subcontractors are obliged to wear designated work protective equipment when performing the Work;
  - d) hygienic and safe working conditions complying with EU standards;
  - e) consumption of electricity and water at the Client's expense;
6. The Contractor's employees are in particular
  - a) authorized to enter only those premises in the Client's premises, which will be agreed between the representatives authorized to negotiate in factual and technical matters of both Contracting Parties; the Contractor's employees are entitled to enter the safety regime zone of the Client's premises (hereinafter referred to as "**BRZ**") only on the basis

- of an entry identification card authorized to enter the BRZ and accompanied by the responsible employee of the Client;
- b) obliged to wear visibly entrance identification cards and wear their own yellow reflective vest and a valid identity card throughout their presence in the Client's premises; In the event that the Contractor's employees do not prove their issued identification card, they will not be allowed into the Client's premises. After completion of activities, the Contractor is obliged to return all entrance identification cards. In case of loss, damage or non-return of the entrance identification card, the Contractor is obliged to pay compensation for the incurred damage in the amount of the purchase price for each entrance identification card;
  - c) obliged to refrain from collecting any production-related data, both on data carriers and in writing;
  - d) obliged to comply with all applicable legal regulations (especially the Labor Code and safety regulations).
  - e) obliged to obey the instructions of Client's security personnel.
7. The Client shall take the necessary measures to protect persons and objects at the place of performance of the subject of this Contract. The Contractor's responsible employee is obliged to report to the security staff of the Client the breach of security rules or defects in the entry and security systems. In the event of a serious breach of the safety regulations by the Contractor's employee, the Client may refuse to continue to participate in the performance of this Contract and refuse access to its premises.
8. The Contractor acknowledges that smoking is prohibited throughout the Client's Production Plant II, with the exception of the designated smoking areas.
9. If the Contractor delivers any kind of chemical substances and preparations together with the device, the Contractor is obligated to provide the Client beforehand, but no later than on the delivery date of the device, with the copies of the given safety data sheets in Czech language.
10. The Contractor is entitled to perform this Contract or part thereof through its subcontractor(s). In the case that the Contractor uses a subcontractor within the meaning of the previous sentence,
- a) the Contractor remains responsible for fulfilment the subject of this Contract as if he performed it itself,
  - b) was obliged to submit to the Client (Contracting Authority) the List of subcontractors according to the Tender Documentation and under the conditions specified in the Tender Documentation,
  - c) in the case of a change in the List of subcontractors (e.g. different scope of performance, change of subcontractor, new subcontractor), the Contractor is obliged to notify such change to the Client without undue delay, but no later than within 10 working days of such change. The Contractor is entitled to change qualifying subcontractors only if the Contractor shall demonstrate evidence of which would suggest that the new subcontractors meet the qualifications at least to the same extent as the original qualifying subcontractor.
  - d) the Contractor is obliged to ensure proper and timely fulfilment of financial obligations to its subcontractors for the entire period of performance of this Contract, while full and timely fulfilment is considered full payment of invoices issued by the subcontractor for

performances provided for this Contract, no later than 30 days after receipt of payment from by the Client for specific fulfilled partial contract. In the event that the Client learns in a credible and demonstrable manner that the Contractor has failed to fulfil its obligations according to the first sentence of this letter. d), and the Contractor, despite prior written notice from the Client, continues to fail to fulfil these obligations or does not seek remedial action, the Client has the right to withdraw from this Contract under the conditions specified in Article XIV of this Contract.

This Contract and its Annexes shall not be amended due to the use of subcontractors or its change according to this paragraph.

11. The Contractor declares that the Contractor 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.
12. The Contractor further declares that for purposes of performance of this Contract no funds or economic resources will be made available directly or indirectly to natural or legal persons, entities or bodies listed in Annex I of Regulation No. 269/2014, Regulation No. 208/2014 or Regulation No. 765/2006 or for their benefit.
13. As a person authorized to act in the name of or for the Contractor, hereby declare on my honour in compliance with the Article 5k of the Council Regulation (EU) No. 2022/576 of 8 April 2022, by which the Council Regulation (EU) No. 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, was amended, that the Contractor is not:
  - a) a Russian national, or a natural or legal person, entity or body established in Russia;
  - b) a legal person, entity or body whose proprietary rights are directly or indirectly owned for more than 50 % by an entity referred to in point (a) of this paragraph;
  - c) a natural or legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.
14. As a person authorized to act in the name of or for the Contractor, hereby declare on my honour, that the Contractor does and shall not account for more than 10 % of contract value of this Contract, subcontractors, suppliers or entities, referred to in the paragraph 13 point. a) or b) or c) of this Article whose capacities are being relied on within the meaning of the public procurement legislation.
15. If, during the validity and effectiveness of this Contract, there should be non-compliance with the conditions specified in paragraph 11, 12, 13 or 14 of this Article, the Contractor

undertakes to immediately once the Contractor finds out about the change of circumstances, inform the Client of this fact in writing.

### **XIII. 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 or to other individuals (subcontractors) involved in fulfilment (including subcontractors providing the connection of the Device to the Client's production system); i.e. only for the purpose of realisation hereof) 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 (subcontractors) to whom the non-public information is disclosed pursuant to the previous sentence under the same terms as laid down for the Parties hereto. Violation of the confidentiality commitment by these individuals shall be deemed violation by the Party disclosing the information to them.
3. Non-public information is any information mutually provided in written, oral, visual, electronic, or other format as well as know-how which has actual or potential value and which is not commonly available in the respective business circles, and further information which is designated in writing as confidential (abbreviation "DIS") or which may be assumed to be confidential information due to the nature of the respective matter.
4. The Parties hereby undertake that if in the context of mutual cooperation they get in touch with personal data or special categories of personal data in the sense of the Regulation of the European Parliament and of the Council (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on free movement of these data, and repealing Directive 95/46/EC (the General Data Protection Regulation, or GDPR) and Act No. 110/2019 Sb., on Personal Data Protection, they will take any and all necessary measures to prevent unauthorised or random access to these data, their alteration, destruction or loss, unauthorised transfer, other unauthorised processing or any other misuse.
5. In this regard, the Parties agree, in particular:
  - a) Not to disclose non-public information to any third party;
  - b) To ensure the non-public information is not disclosed to third parties;
  - c) To secure the data in any form, including their copies, which include non-public information, against third party misuse and loss.
6. The obligation to protect non-public information shall not apply to the following cases:
  - a) The respective Party proves that the given information is available to the public without this availability being caused by the same Contracting Party;
  - b) If the Party is able to demonstrate that the given information was available to it before the date of disclosure of the information by the other Party and that it did not acquire it in violation of the law;
  - c) If the Party obtains a written approval from the other Party to disclose the information further;
  - d) If the law or a binding decision of the respective public authority requires the information to be disclosed;
  - e) An auditor performs an audit at one of the Parties based on authorisation specified in

applicable legal regulations.

7. The Parties agree, upon the request of the other Party, to:
  - a) Return all the non-public information which was handed over to it in a “material form” (especially in writing or electronically) and any other materials containing or implying the non-public information;
  - b) Return or destroy copies, extracts or other entire or partial reproductions or records of non-public information;
  - c) Destroy without undue delay all documents, memoranda, notes and other written materials elaborated on the basis of the non-public information;
  - d) Destroy materials stored in computers, text editors, or other devices containing non-public information pursuant to this 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 at the request of the other Party in writing.
9. In case that either of the Parties or their employees or other individuals (information processors) become aware in a credible manner or if they have a reasonable suspicion that the confidential information has been disclosed to an unauthorised party, they shall be bound to inform the other Party of such a fact without undue delay.
10. The confidentiality obligation is not time-limited. The obligation to maintain confidentiality of non-public information acquired within the framework of cooperation with the other Party lasts even after this Contract is terminated or expires. The confidentiality commitment shall pass onto any potential successors of the Parties.
11. The Contracting Parties are obliged to ensure the protection of information which one of the Contracting Parties designates as a trade secret within the meaning of Section 504 of the Civil Code. The Parties are obliged to secure information designated as a trade secret at least to the same extent as the non-public information defined in this Contract. Information designated by the Contracting Parties as a trade secret shall not be published in the Register of Contracts within the meaning of Article XVII paragraph 9 hereof. If the Contractor considers any information stated in this Contract to be its trade secret within the meaning of Section 504 of the Civil Code, it shall inform the Client at the latest before the publishing the Contract in the Register of contracts.

#### **XIV. DURATION OF THE CONTRACT**

1. This Contract comes into force on the day it is signed by both Parties and takes effect on day of its publication in the Register of Contracts.
2. This Contract is entered into for a definite period of time, namely for a period of 10 years from signature of the Protocol No. 3 pursuant Article VIII paragraph 8 hereof. In the event that a reserved change of the obligation pursuant to Article X paragraph 14 hereof is applied, the period of the Contract stated in previous sentence shall be prolonged for the requested extension period in accordance with Article X paragraph 14 point 14.1 and 14.2 hereof.
3. This Contract shall terminate
  - a) with the lapse of the period of time stated in the paragraph 2 of this Article;

- b) by written agreement of the Contracting Parties;
  - c) by withdrawal from this Contract in the cases given in this Contract or in the event of a substantial breach by either Party;
  - d) by written notice of termination by either Party.
4. The Parties agree that they consider the following cases in particular to constitute a substantial breach hereof:
- a) the software development kit (SDK) was not handed over to the Client within 4 weeks after futile laps of the given period
  - b) the Device was not commissioned into operation and handed over to the Client within 2 months after futile lapse of the given period due to reasons attributable to the Contractor or the device does not fulfil the declared technical parameters;
  - c) a failure to meet the Technical specification of the Device stated in the Article II paragraph 1 and Annex No. 1 (1.a or 1.b) to this Contract;
  - d) the Device is supplied with defects that are not removable or defects, the removal of which would bring about excessive costs, or an unusual time required for their removal would be disproportionate to the Client's needs;
  - e) Contractor's statements referred to Article VI paragraph 9 hereof prove to be false;
  - f) the Contractor violates the obligation to notify the Client of the fact stated in the last sentence of the Article VI paragraph 9 hereof;
  - g) the Device does not meet the requirements of Article VIII paragraph 9 hereof, even after the expiration of the term stated in the previous written Client's request for remedy;
  - h) breach of obligation under Article XII paragraph 1 hereof;
  - i) breach of obligation under Article XII paragraph 10 point c) and d) hereof;
  - j) breach of the Contractor's obligations in Article XII paragraph 11 or 12 or 13 or 14 of this Contract or in Article XVII paragraph 7 or 8 of this Contract;
  - k) breach of Article XIII hereof which has not been remedied following a previous notice for correction;
  - l) Client is in delay with payment of a duly issued tax document (invoice) more than 1 month from its maturity.
5. The written notice of withdrawal from this Contract shall take effect on the day the written notice of withdrawal is delivered to the other Party. The notice of withdrawal from this Contract or must be sent by registered mail.
6. The Parties are entitled to terminate this Contract at any time, without stating any reason. This method of termination of the Contract can be used not before the expiry of a period of 3 years from signature of the Protocol No. 3 pursuant Article VIII Paragraph 8 of this Contract. The notice period shall be 6 months and shall begin on the first day of the calendar month following the delivery of written notice of termination to the other Party. The notice must be sent by registered mail. The Parties take into consideration that they are obliged to fulfil the obligations arising from this Contract during the notice period.
7. 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.

## **XV. LIBERATION REASONS**

1. The Contracting Party (hereinafter also referred to as "Tortfeasor") is released from the duty to provide compensation of any incurred harm, damages or loses only from the liberation reasons in the sense of § 2913 point 2 of the Civil Code.
2. For the purposes of this Contract, "liberation reasons" means an extraordinary, unforeseeable and insurmountable obstacle created independently of Tortfeasor 's will, which temporarily or permanently prevented from fulfilling Tortfeasor 's contractual duty. An obstacle arising from the Tortfeasor's personal circumstances or arising when the Tortfeasor was in default of performing his contractual duty, or an obstacle which the Tortfeasor was contractually required to overcome shall not release him from the duty to provide compensation.
3. If it is clear that as a result of the events referred to in paragraphs 2, the Tortfeasor will not be able to fulfil its obligations within the agreed period, then it shall without undue delay notify to the Other Contracting Party. The Contracting Parties shall, without undue delay, agree to resolve this situation and agree on the further procedure for the performance of this Contract.
4. If either party is unable to perform its contractual obligations by liberation reasons, the Contractual Parties shall discuss the case among themselves and decide on possible procedures. In the absence of such an agreement, either party has the right to withdraw from the Contract if more than three months have elapsed since the occurrence of liberation reasons preventing performance and the defective condition persists.
5. If a case of liberation reasons arises, the party claiming liberation reasons shall provide the other party with documents relating to that case.
6. The Contracting Parties take into consideration that, for the existence of the liberation reasons, does not affect the arrangements for contractual penalties, i.e. the contractual obligation to pay the contractual penalty is not affected by liberation reasons.

## **XVI. 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 Client's registered seat.
3. The application of the United Nations Convention on Contracts for the International Sale of Chips of 11 April 1980, known as the Vienna Convention, is excluded by this Contract.



## XVII. FINAL PROVISIONS

1. The rights and obligations arising out of the present Contract may not be assigned to a third party without the consent of the other Contracting Party.
2. Subject to the conditions set out in paragraph 1 of this Article, the present contract shall be equally binding for the respective legal successors of the contracting parties.
3. The Contractor warrants to the Client that the device is not encumbered by third party rights.
4. 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. This provision shall not apply in the event of changes in the authorised representatives or contacts listed in the Contract, which may be addressed by means of an official letter and in the event according to Article XII paragraph 4 and Article X paragraph 14 hereof.
5. The Contracting Parties do not wish that any other rights and obligations, in addition to those expressly agreed under the Contract, should be derived from the existing or future practices established between the Contracting Parties or from general trade usage or from the usage applied in the field relating to the subject of performance hereof, unless expressly agreed otherwise herein. In addition to the provisions stated above, the Contracting Parties hereby confirm that they are not aware of any trading usage or practices established previously between them.
6. 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.
7. The Contractor hereby declares that respects fundamental human rights and generally accepted ethical and moral standards in accordance with Universal Declaration of Human Rights (hereinafter also only „Rights“). In the case of the Client in a reliable and verifiable manner learns that the Contractor has violated or violate Rights, and the Contractor despite a prior written notice of the Client continues to violate generally accepted Rights or fails to remedy, the Client has the right to withdraw from this Contract pursuant to Article XIV.
8. The Contractor further declares that, in the performance of this Contract, he will observe fair working conditions and recognize and ensure the rights of employees in accordance with labor law and occupational safety regulations in force in the country in which subject matter of this Contract is performed. In the event that the Client learns in a credible and demonstrable manner that the Contractor has failed to fulfil its obligations according to the first sentence of this paragraph, and the Contractor, despite prior written notice from the Client, continues to fail to fulfil these obligations or does not seek remedial action, the Client has the right to withdraw from this Contract under the conditions specified in Article XIV of this Contract.
9. The Parties take into consideration that in accordance with Section 219 (1) (d) of the PPA, this Contract shall be published in the Register of Contracts pursuant to Act No. 340/2015 Sb., laying down special conditions for the effectiveness of certain contracts, the disclosure of these contracts and the register of contracts (the Register of Contracts Act), as amended. The publication shall be arranged by the Client.

10. This contract is drawn up in electronic form, with both Contracting Parties receiving its electronic original with qualified 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.
11. The Parties declare they agree with the content hereof and this Contract is prepared in a certain and intelligible manner, on the basis of true, free and serious will of the Parties, without any duress on either Party. In witness whereof they append their signatures below.
12. The following Annexes form an integral part of this Contract:

Annex No. 1.a: Technical specification

Annex No. 1.b: Detailed technical description of the Device in writing **[the Participant to submit according to the instruction in the Art. 15.2 of the Tender Documentation; Participant also may submit its Catalogue Sheets of the offered Device]**

Annex No. 1.c: Detailed technical drawings of the Device **[the Participant to submit according to the instruction in the Art. 15.2 of the Tender Documentation]**

Annex No. 2: List of documents and technical documentation

Annex No. 3: Installation site drawing

Annex No. 4: Time Schedule

Annex No. 5: Protocol No. 1 (template) **[this is only template, do not fill in now]**

Annex No. 6: Protocol No. 2 (template) **[this is only template, do not fill in now]**

Annex No. 7: Protocol No. 3 (template) **[this is only template, do not fill in now]**

Annex No. 8: Maintenance form (template) **[this is only template, do not fill in now]**

Annex No. 9: List of spare parts and consumables **[the Contracting Authority will create this document from information stated in Participant's Tender]**

Annex No. 10: Specification of SAT offline test and SAT in production system

In Prague, date \_\_\_\_\_

In [•], date \_\_\_\_\_

For the Client:

For the Contractor:

\_\_\_\_\_  
**Tomáš Hebelka, MSc**

Chief Executive Officer

Státní tiskárna cenin, s. p.

\_\_\_\_\_  
**[the Contracting Authority shall complete with the data from the Tender]**

**[the Contracting Authority shall complete with the data from the Tender]**

**[the Contracting Authority shall complete with the data from the Tender]**

**General Technical Specification and other project implementation  
requirements for  
enveloping machine for ID1 cards.**

Required technical parameters

Nr.	Request of Contracting Authority:	The declaration of supplier that it meets all the requirements of the Contracting Authority:
1.	Equipment must be able to process ID card from PC and PVC material,	[YES / NO]
2.	Minimal daily volume is 15,000 shipments (envelopes) in two shifts of 7,5 hours each	[YES / NO]
3.	Minimal Speed of collating and inserting single sheet documents with one card must be 1,000 envelopes/hour.	[YES / NO]
4.	Capacity of the input paper feeder for formats in ranging from A6 to A4 with control (detection of feeding double sheet) – must be minimal 500 sheets.	[YES / NO]
5.	Capacity of the envelopes input tray for at least C5 formats (162 x 229 mm) and DL formats (110 x 220 mm) must be minimal 250 envelopes	[YES / NO]
6.	Input tray for ID1 cards, material PC and PVC - min. capacity 400 cards with laser tactile engraving.	[YES / NO]
7.	Entrance camera for reading data from the card (number, name, etc...) for matching the cards with the production data. With automatic recognition of OMR/OCR, BAR code and 2D codes using the camera, which should read the data from the card and do the check of the read values against the databases.	[YES / NO]
8.	Readers for contact and contactless chips for reading data from the chip for the card matching.	[YES / NO]
9.	A separate REJECT stack for unidentified cards	[YES / NO]
10.	<p>Printing of cover letters based on data from databases - monochrome, simplex, duplex - printer and printer service is included in the delivery.</p> <p>a. The delivery includes a system for preparing print templates for printing, including the necessary licenses, e.g. in Microsoft Word (i.e. having a licensed offline edition of Microsoft Word), in case of delivery a different method of preparing the text template than the use of MS Word</p> <p>b. The system must make it possible to set the text field according to the required dimensions, for variable text (e.g. text field), which can be dynamically filled from the customer's production system databases. The system must enable the setting of automatic data printing such as date and time.</p> <p>c. The system must be able to print all EU letters and especially special Czech diacritical marks.</p>	[YES / NO]
11.	Fixing the card to an A4 format cover sheet (out of the position next to address field) that can be pre-printed with offset technology and personalized with the supplied printer.	[YES / NO]

	<p>a. The fixing must ensure sufficient fixing of the card to the supporting cover sheet, problem-free removal of the card from the cover sheet.</p> <p>b. The card must not be damaged by fixing.</p> <p>c. The card must not be fixed in place of the contact chip if it is on the back of the card.</p>	
12.	Folding station - Setting the task for folding documents into an envelope at least in the "C" and "Z" folding variants.	[YES / NO]
13.	Automatic presence check of the correct card on the cover letter. <p>a. Comparison of at least one data from the card vs. Cover letter and content matching verification.</p>	[YES / NO]
14.	Minimal one attachment stations for attaching at least two types of attachments. <p>a. 1x pre-printed flyer in A4 format – sheet can be folded.</p> <p>b. 1x book-bound products – booklet, e.g. <ul style="list-style-type: none"> <li>• return envelope,</li> <li>• international driver's license measuring 104x145 mm,</li> </ul> </p>	[YES / NO]
15.	REJECT bin for suspicious or incomplete layers that cannot be enveloped. If it is technologically possible, the following REJECT bin can be used, we only require the functionality to put aside layers that cannot be inserted	[YES / NO]
16.	Insertion station for automatic inserting of a cover letter with a card and attachments into a window envelope and its firm sealing	[YES / NO]
17.	Weighing shipments to confirm the correct weight of the envelope cell with respect to the expected contents. The system must allow entering the estimated weight of individual layers (envelope, cover letter, card/s, attachments).	[YES / NO]
18.	REJECT bin for suspicious envelopes (with incomplete contents, mismatched weight, poorly wrapped, etc.)	[YES / NO]
19.	Delivery belt or magazine - Capacity of the delivery belt or magazine at min. 200 envelopes (calculated for one A4 cover letter with fixed card).	[YES / NO]
20.	Export and the list of dispatch ready envelopes printing (card number, first and last name, address, weight, etc.).	[YES / NO]
21.	The software and operating system must be "up to date" with available vendor support. Regular security updates/patches should be provided at least twice a year	[YES / NO]
22.	Robust machine construction for a minimum machine lifetime of 15 years and deployment in two-shift operation	[YES / NO]
23.	SW requirements and development environment: <p>a. Communication interface – the system must enable two-way communication between the mail inserting line and the client's production system.</p> <p>b. Reading the data required for the operation of the mail inserting system from the customer's production system database (data reading from the MSSQL database at least (table, view).</p> <p>c. Mail inserting line system must be able to mark cards in the databases that have already been successfully enveloped. Minimum range of information, matching character from the issuer's database, card identification data (ID number), weight of the envelope.</p> <p>d. software development kit (SDK) – a simulator for the client's programmers, which will include all modules such as the offered mail</p>	[YES / NO]

	<p>inserting line, so that it is possible to optimally prepare the necessary SW equipment or applications of the client's production system in advance and thus ensure a problem-free implementation into live production operations. This must be available minimal 8 weeks before the delivery of the enveloping machine.</p>	
	<p>The minimum scope of the workflow of the entire mail inserting system - a description of the system's functionalities:</p> <ul style="list-style-type: none"> <li>• Suction of a card from the input tray with a stack.</li> <li>• The entrance camera takes a picture of the card, or data reading from the chip (contact or contactless) according to the prepared configuration of the inspection matrix and reads the required ID or even more data for the purpose of 100% identification of the card.</li> <li>• The obtained ID is compared with the values in the client's production system databases and it is evaluated whether the ID is in the databases of the client's production system. If so, and the card is correctly identified, the mail inserting process can continue, if the card is not correctly identified, the card is thrown into the bin of unidentified cards.</li> <li>• Each card is given a unique internal card ID that is used within the mail inserting line system.</li> <li>• Based on a pre-set algorithm, print data for the read card will be prepared by a combination of static or dynamic data at least obtained from the database (e.g. name, surname and delivery address), data stored in the mail inserting line system (e.g. the text of the cover letter), automatic data (e.g. date and time) and system data needed for the mail inserting process (e.g. unique matching barcode to verify the application of the appropriate card).</li> <li>• Printing a cover letter in a printer on a blank or pre-printed sheet of paper. <ul style="list-style-type: none"> <li>○ With the option to print the next page of the cover letter as an additional attachment.</li> </ul> </li> <li>• Transport of the printed cover letter to the place of a card application.</li> <li>• Verification of the pairing code on the cover letter and the system will check the corresponding card (with a reader or the expected internal ID), if both matching, the card can be fixed to the cover letter. <ul style="list-style-type: none"> <li>○ If not, the card or one of the cards is rejected, or the cover letter is rejected, or both, and both the cover letter and the card(s) must be separated into the Suspect place/bin (Reject). After that, the system continues and moves smoothly to the next record. The system must be adjustable so that if any error in the process is repeated, it will raise an alarm or shut down the system.</li> </ul> </li> <li>• Module for applying the card to the cover letter, where the adhesive layer and the appropriate card are applied. After applying the cards there must be at least a system check that all</li> </ul>	<p>[YES / NO]</p>

	<p>appropriate cards are applied correctly. For data protection reasons, the card cannot be placed next to the address field.</p> <ul style="list-style-type: none"> <li>• A folding module that folds the cover letter with the card(s). This module can be adjusted according to different types of folds (minimum C or Z). If the folding composition is correct, the layer moves to the next step. <ul style="list-style-type: none"> <li>○ If not, the layer must be separated to a place/tray for suspicious (Reject) or the machine must stop. The system must be adjustable so that if any error in the process is repeated, it will raise an alarm or shut down the system.</li> </ul> </li> <li>• Inserting stations will insert any prepared attachments to be assigned to the layer.</li> <li>• The enveloping station sucks an envelope from the envelope magazine into the system, opens the flap of the envelope so that it is possible to insert the prepared layer (with cover letter(s), card(s) and possible attachments). Ready layer is inserted into an open envelope, flap of the envelope is moistened, and the entire envelope is sealed tightly.</li> <li>• 24.A scale will weigh the entire envelope and compare it to the predicted weight of the entire envelope. <ul style="list-style-type: none"> <li>○ If the weight does not match the expected weight of the envelope, it will be discarded as suspicious (REJECT). The system must be adjustable so that if any error in the process is repeated, it will raise an alarm or shut down the system.</li> </ul> </li> <li>• REJECT bin for putting aside suspicious or incomplete envelopes for manual inspection.</li> <li>• A delivery conveyor belt onto which properly sealed envelopes with the correct contents fall. The conveyor belt must enable the acceleration of travel for the envelope removal, or separation according to a pre-specified number of envelopes according to the customer's request.</li> </ul>	
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**The supplier fills the cells marked in yellow.** To fulfil the tender conditions, the supplier must fill “YES” in each item. If “NO” will be filled in any of the items, the tender conditions will not be fulfilled, and the supplier will be excluded.

## **List of documents and technical documentation**

### **I.**

No later than before the installation of the Device is completed, the Contractor shall hand over to the Client the following:

- a) in Czech language and in 4 counterparts or in 1 counterpart and electronically on a USB Flash drive:
  - aa) operating and maintenance instructions,
  - ab) safe work rules,
  
- b) in the English or the German language
  - ba) in 4 counterparts or in 1 counterpart and electronically on a USB Flash drive
    - a general description of the Device, including any associated equipment,
    - electrical wiring diagram,
    - service manual for electronic devices,
  
  - bb) in 1 counterpart
    - declaration of conformity pursuant to 2006/42/EC and the CE mark,
    - list of technical standards, harmonized standards and IEC and CEE standards relevant to the Device,
    - risk analysis (description of the accepted methods of removing or reducing the hazards posed by the mechanical equipment)
    - a list of all consumables for the operation of the Device, including Material safety data sheets, recommended suppliers of the consumables and their prices.

### **II.**

1. The Contractor agrees to provide inspection bodies of both Contracting Parties with the required technical documentation pertaining to the Device and describing the method used to assess conformity, including all source documents in the scope defined by the applicable technical rules of both Contracting Parties.
  
2. The Contractor acknowledges that the Device manufacturer is obligated to keep technical documentation on its premises for 15 years after the manufacturing or sale of the Device production was discontinued; this period of time may be specified differently.

## Time Schedule

	<b>Deadline:</b>	<b>Activity:</b>	<b>Note:</b>
		Contract signature	
		Publication of the Contract in the Register of contracts (= taking effect of the Contract)	
#1	according to Art. VI para. 1 point a) of the Contract	Handover of the proforma invoice of 30 % of the total price	Art. VI para. 1 point a)
#2	Before delivery of the Device	The Contractor's proclamation of eligibility of the Device for acceptance by the Client and of the successful testing of the required basic parameters	Art. IV para. 2
#3	No later than 17 weeks after taking effect of the Contract	<ul style="list-style-type: none"> <li>• delivery of the software development kit (SDK) and any related technical documentation – confirmed in writing by representatives of Parties authorized to negotiate in factual and technical matters</li> </ul>	Art. II para. 2 point a)
#4	No later than 25 weeks after taking effect of the Contract	Delivery of the Device – signing of the Delivery Note	Art. IV para. 3
#5	No later than 27 weeks after taking effect of the Contract	Protocol No. 1 signing confirming: <ul style="list-style-type: none"> <li>• installation and commissioning of the Device</li> <li>• delivery of necessary documents required by the Contract including handover of documents and technical documentation according to Annex No. 2 in Czech language</li> <li>• training of the Buyer operator and maintenance personnel</li> <li>• device acceptance tests in the Client's premises (SAT offline test)</li> <li>• delivery of the SDK</li> </ul>	Art. IV para. 4 + Art. VIII para. 3
#6	No later than 2 weeks after delivery Client's request for SAT in production system	Protocol No. 2 signing confirming: <ul style="list-style-type: none"> <li>• device acceptance tests in the Client's premises (SAT production system test)</li> <li>• beginning of the 30-days test run</li> </ul>	Art. IV para. 5 + Art. VIII para. 4
#7	No later than 31 days after signing Protocol No. 2	Protocol No. 3 signing confirming: <ul style="list-style-type: none"> <li>• end of the 30-days test run</li> <li>• start of the warranty period</li> </ul>	
#8	according to Art. VI para. 1 point b) of the Contract	Handover of the final invoice of 100 % of the total price, payment of 50% of the total price	Art. VI para. 1 point b)
#9	30 days after beginning of the test run	End of the 30-day test run signing of the Protocol No. 2 (=beginning of the warranty period)	Art. VIII para. 6
#10	according to Art. VI para. 1 point c) of the Contract	payment in amount of 10% of the total price	Art. VI para. 1 point c)
#11	according to Art. VI para. 1 point d) of the Contract	payment in amount of 10% of the total price	Art. VI para. 1 point d)
#12	12 months after signing Protocol No. 2	End of the warranty period for the Device	Art. IX para. 2



**(template)**  
**Protocol No. 1**

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**Enveloping machine for ID1 cards** (hereafter referred to as the "Device")

**Serial No.:**

[REDACTED]

**Client:**

**Státní tiskárna cenin, s. p.**

with its registered office at Růžová 943/6, Nové Město, 110 00 Praha 1, Czech Republic

**Court**

registered in the Commercial Register administered by the Municipal in Prague, Section ALX, File 296, File Ref. ALX 296

Comp. Reg. No.: 00001279

**Contractor:**

[REDACTED]

with its registered office [REDACTED]

registered [REDACTED] administered by [REDACTED]

Comp. Reg. No.: [REDACTED]

The Client:

- a) hereby confirms the acceptance in offline operation, installation and commissioning of the Device, and the acceptance of all necessary documents and technical documentation specified in the Contract for supply and service of enveloping machine for ID1 cards No. [REDACTED] (hereafter referred to as the "Contract")
- b) confirms the completion of the operator training (as specified under the Contract);
- c) states that during the tests performed on [REDACTED], serial No. [REDACTED] the acceptance test (SAT offline test) was successfully completed and that no defects or deviations were reported. The Device complies with the requirements and technical parameters specified by the Client under the Contract.
- d) Delivery of the functional software development kit (SDK).

**NOTES:**

[REDACTED]

This Protocol is drawn up in two counterparts and signed by the Representatives authorised to negotiate in factual and technical matters of both Contracting Parties.

In Prague, on [REDACTED]

On behalf of the Client:

Státní tiskárna cenin, s. p.

name [REDACTED]

On behalf of the Contractor:

[REDACTED]

name [REDACTED]

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**(template)**  
**Protocol No. 2**

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**Enveloping machine for ID1 cards** (hereafter referred to as the "Device")

**Serial No.:** [REDACTED]

**Client:** **Státní tiskárna cenin, s. p.**  
with its registered office at Růžová 943/6, Nové Město, 110 00 Praha 1,  
Czech Republic  
registered in the Commercial Register administered by the Municipal Court  
in Prague, Section ALX, File 296, File Ref. ALX 296  
Comp. Reg. No.: 00001279

**Contractor:** [REDACTED]  
with its registered office [REDACTED]  
registered [REDACTED] administered by [REDACTED]  
Comp. Reg. No.: [REDACTED]

The Client:

- a) hereby confirms the acceptance of the Device in operation in the production system, confirms the completion of the complete delivery (as specified under the Contract);
- b) states that during the tests performed on [REDACTED], serial No. [REDACTED] the acceptance test (SAT test in production system) was successfully completed and that no defects or deviations were reported. The Device complies with the requirements and technical parameters specified by the Client under the Contract;
- c) hereby we confirm that next working day will start the 30-day test run of the Device in the production system.

**NOTES:**

[REDACTED]

This Protocol is drawn up in two counterparts and signed by the Representatives authorised to negotiate in factual and technical matters of both Contracting Parties.

In Prague, on [REDACTED]

On behalf of the Client:

Státní tiskárna cenin, s. p.

name [REDACTED]

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On behalf of the Contractor:

[REDACTED]

name [REDACTED]

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**(template)**

## Protocol No. 3

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**Enveloping machine for ID1 cards** (hereafter referred to as the "Device")

**Model:** [REDACTED]

**Serial No.:** [REDACTED]

**Client:** **Státní tiskárna cenin, s. p.**  
with its registered office at Růžová 943/6, Nové Město, 110 00 Praha 1,  
Czech Republic  
registered in the Commercial Register administered by the Municipal Court  
in Prague, Section ALX, File 296, File Ref. ALX 296  
Comp. Reg. No.: 00001279

**Contractor:** [REDACTED]  
with its registered office [REDACTED]  
registered [REDACTED] administered by [REDACTED]  
Comp. Reg. No.: [REDACTED]

The Client:

- a) hereby confirms the completion of the 30-day test run of the Device in the production system;
- b) hereby confirms that no defects or deviations were recorded during the test run of the Device. The Device complies with the requirements and technical parameters specified by the Client in the Contract for supply and service of enveloping machine for ID1 cards No. [REDACTED].
- c) The warranty period covering the Device commences on the date when this protocol is signed.

**NOTES:**

[REDACTED]

This Protocol is drawn up in two counterparts and signed by the Representatives authorized to negotiate in factual and technical matters of both Contracting Parties.

In Prague, on [REDACTED]

On behalf of the Client:

Státní tiskárna cenin, s. p.

name [REDACTED]

title [REDACTED]

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On behalf of the Contractor:

[REDACTED]

name [REDACTED]

title [REDACTED]

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		<h1>LIST OPRAVY</h1> <h2>MAINTENANCE FORM</h2>  <h1>STC</h1> <p>Státní tiskárna cenin, s.p. Production Plant II Za Viaduktem 8, 170 00 Prague 7, Czech Republic Tel: 00420 236 031 333</p>	
<b>Záruční oprava / Guarantee conditions:</b> * ANO / YES NE / NO <b>Požadavek přijal / The call received by:</b>		<b>Intervention No.:</b> Intervention N°:	
Šedou plochu vyplní STC / Grey areas are to be filled by STC			
<b>Oprava objednána dne, čas / Date and time of intervention order:</b>			
<b>Jméno objednatele / Name of customer representative:</b>		<b>Operátor stroje / Machine operator:</b>	
<b>Zařízení / Device: ENVELOPING MACHINE FOR ID CARDS</b>			
<b>Výrobní číslo / Serial number:</b>		<b>MACHINE stop: * ANO / YES NE / NO</b>	
<b>Defect description: / Failure description:</b>			
<b>Defect diagnosis: / Diagnostic:</b>			
<b>Jméno technika: / Technician's name:</b>			
<b>Průběh opravy: / Repair description:</b>			
<b>Oprava dokončena / Problem solved:</b>		* ANO / YES NE / NO	
<b>Datum - čas objednání opravy / Intervention order date - time:</b>			
<b>Datum - čas začátku opravy / Intervention beginning date - time:</b>			
<b>Datum - čas ukončení opravy / Intervention end date - time:</b>			
<b>Použitý materiál při opravě / Spare used:</b>		* ANO / YES NE / NO	
Reference	Popis / Designation	Počet / Quantity	
<b>Jméno / Name :</b>		ZÁKAZNÍK / CLIENT Státní tiskárna cenin, s.p. Production Plant II	
<b>Podpis/ Signature :</b>		<b>Jméno / Name :</b> <b>Podpis / Signature :</b>	

\* Cross what does not apply

## Testing of the Device

### **SAT TESTS OF THE DEVICE FOR ENVELOPING MACHINE**

The Client will evaluate the level of adequate quality and stability of card enveloping in accordance with the requirements of the technical specification (hereinafter referred to as the "Device").

#### **Tests of the enveloping machine as part of SAT 1 (SAT offline test)**

As part of this test, the Client will perform tests within the scope of the technical specification and the contract to confirm the fulfilment of all requirements. The main reason for performing the SAT 1 tests is to confirm the functionality of the equipment in the Online mode. As part of the test, the responsible employees from Client will also fulfil all parts of the deliveries according to the required technical specification and contract, such as the delivery of the operating instructions in the Czech language.

- Performance test for purpose the required of the minimum speed of hourly performance 1,000 envelopes with one ID1 card inside per hour.
  - The test starts by entering all the necessary input material and test data into the equipment.
  - By turning ON the machine (with the start button), the time will start to be measured. In the event of a lack of test material, the test can be shortened to at least 20 minutes of operation and the hourly output can be added. If the test time of 60 minutes is reached, the test is stopped and the number of envelopes on the exit belt (wrapped and weighed) is recorded. Only correctly wrapped envelopes with the required content count towards to the hourly performance.
  - The test can be repeated several times according to the Client's requirements.
- Test for purpose input and output capacity requirements.
  - ID1 format cards – minimal 400 cards
  - A4 format papers – minimal 500 sheets
  - C5 and DL Envelopes input tray for minimal 250 envelopes
  - Attachments in attachment station for size requirements
  - Output tray of wrapped envelopes
  - Reject stacks.
- Print test.
  - Print of cover letter
    - The entire cover letter on clean paper
    - Reprint to pre-printed cover letter
    - Printing of static data
    - Printing variable data
    - Print image information (for example logo or other graphic information)
    - Duplex printing of cover letter
  - Print of another sheet with printed data
  - Output log (production or batch report) print test
  - Checking the possibility of entering static data in online mode
  - Checking the entry of variable data
    - From the envelope machine system
    - From the database



- Czech diacritics printing control (if is possible to print all Czech letters)
- Test the correct application and fastening of the card to the paper (cover letter)
  - Card position (all card positioning options on the cover letter)
  - Card fixation strength
  - Possibility to separate the card from the cover letter.
  - Checking that the card is not dirty or damaged after tearing it off from the cover letter.
- Test of the folding of the cover letter and possibly other printed information
- Envelope sealing test.
  - Correct insertion and non-damage of inserted products and components
  - Correct sealing of the envelope and checking the strength of the glued joint. After drying the envelope must not be unglued non-destructively.
- Checkweigher test
  - Weighing envelopes and checking the weight specified in the system.
- Test of the transport system and machine guidance
  - The equipment must not damage the processed product, including envelopes, cover letter, cards, and all attachments.
- Test of control systems
  - Removing the card from the folder before sealing the envelope and confirming the correct functionality of the checkweigher, which must detect the missing card.
  - Removing the attachment from the folder before sealing the envelope and confirming the correct functionality of the checkweigher, which must detect the missing attachment.
- Test of other required functionalities
  - Generating an output log (production or batch report)
  - Test of machine safety systems
  - Test the functionality of the emergency stop of the machine by pressing the STOP button during the production.
  - Functionality test of safety contacts for opening parts
  - Device status indication test
  - Setting of the Czech language of the operations system
  - Batch separation test on output tray.
  - Electricity supply failure test Energy. During operation, the circuit breaker of the entire device will be turned off and the entire device will be restarted.
- Test of communication interfaces
  - Test the functionality of inserting production data in online operation.
  - Text editor test for entering variable print data.

**Tests of the enveloping machine as a part of SAT 2 (SAT test in production system)**

As part of this test, the Client can perform the same tests as in SAT 1. The main reason for performing SAT 2 tests is to confirm the functionality after the final connection to the production system. Additionally, compared to the SAT 1 test, it will be tested.

- Test of communication interfaces in online operation
  - Test the functionality of the connection with the production system.
  - Test the functionality of obtaining data from the production system.
  - Test returning data to the production system after batch processing.
- Print test.
  - Printing a cover letter from variable and static data from the production system
- Production test with the real customer product and real data from the production system

- With the completion of the entire process and the printing of the report of the production batch (Output log)