



Purchase Contract

On record at the Buyer's under Ref. No. 42/2016
(hereinafter the "Contract")

concluded on the basis of the results of the proceeding without announcement pursuant to Act No. 137/2006 Coll., The Public Procurement Act, as amended (hereinafter referred to only as "the PPA"),

and

further, pursuant to Section 2079 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, (hereinafter referred to as the "Civil Code")

between:

STÁTNÍ TISKÁRNA CENIN, státní podnik

with registered office at Růžová 943/6, 110 00 Prague 1
registered in the Commercial Register administered by the Municipal Court in Prague,
Section ALX, Entry 296, File No. Ps 296/1
represented by: **Ing. Pavel Novák**, Chief Executive Officer
Co. ID No.: 00001279
Tax ID No.: CZ00001279
bank connection UniCredit Bank Czech Republic and Slovakia, a.s.
Account No.: 200210010/2700
IBAN: CZ44 2700 0000 0002 0021 0010
BIC/SWIFT: BACX CZPP

(hereinafter referred to as the "**Buyer**")

and

KBA-NotaSys SA

with its registered office at Avenue du Grey 55, P.O.Box 347, CH-1000 Lausanne 22
registered in the Commercial Register of the Canton Vaud, Ref. No. H970/00998
represented by: **Mr Stefan Baumann**, Sales Delegate according to the Power of Attorney
from 16th February 2016
Company ID No.: CHE-105.759.995
bank connection: CREDIT SUISSE, Adresse, Rue du Lion d'Or 5-7, CH-1000 Lausanne
Account number: 282355-22-58
IBAN: CH87 0483 5028 2355 2205 8
BIC/SWIFT: CRESCHZZ80A

(hereinafter referred to as the "**Seller**")

(the "Buyer" and "Seller" are hereinafter referred to jointly as the "**Contracting Parties**" or "**Parties**")

Representatives authorized to negotiate contractual and economic matters.

on behalf of the Buyer: **Ing. Pavel Novák**, General Manger
on behalf of the Seller: **Mr Stefan Baumann**, Sales Delegate



Representatives authorized to negotiate factual and technical matters

on behalf of the Buyer: **Petr Fikar**, Director Product and Services Development
Department
on behalf of the Seller: **Mr Stefan Baumann**, Sales Delegate

I INTRODUCTORY PROVISIONS

1. This Contract is concluded on the basis of the results of the **proceeding without announcement** according to the PPA for the tender titled "Supply of a refurbished four-colour copperplate press", Order Number 512373 (hereinafter referred to only as the "**Tender Procedure**").
2. In the interpretation of the content of this Contract, the contracting parties are obliged to consider the conditions of the tender titled "*Supply of a refurbished four-colour copperplate press*", the purpose of the given tender and other acts of the contracting parties in course of the tender, as well as the relevant negotiations of the contracting parties on the content of the Contract prior to its conclusion. In case of any inconsistency between the Contract and the conditions of the tender the Contract shall prevail.
3. The purpose of this contract is supply of a refurbished four-colour copperplate press, which shall be used to print securities (particularly banknotes, duty stamps and passport pages) and shall be an adequate and compatible replacement for the current INTAGLIO COLOR "8" printing machine, Serial Number 63303501 from 1991, for the purpose of maintaining identical printing techniques and utilisation on the given machine of all materials and media used to date.
4. The supplied refurbished four-colour copperplate press shall be installed on the existing basics after the current INTAGLIO COLOR "8" printing machine, Serial Number 63302301 from 1978.

II SUBJECT-MATTER OF THE CONTRACT

1. The Seller undertakes to supply to Buyer 1 (one) refurbished four-colour copperplate press (hereinafter referred to as the "**equipment**" or "**machine**"), including related equipment and interleaf loaders. The detailed technical specification is given in Annex 1 hereto, including all related equipment essential for the operation of the machine, which is associated with this machine, provided the nature of the individual provisions of this contract do not stipulate otherwise.
2. An integral part of the Seller's undertaking according to the previous paragraph is:
 - a) the equipment accessories stated in Annex 1 hereto;
 - b) transport and insurance of the equipment, including packaging;
 - c) installation and commissioning of the machine including functional tests within the framework of trial operations of duration 45 (forty-five) days;
 - d) to fulfil Schedule of Works in Annex 5 hereto;
 - e) handover of the documentation related to usage of the supplied machine including other documents stated in Annex 2, which is an integral part hereto;

[Handwritten signatures]

[Handwritten signature]



- f) to deliver the drawings with location of the equipment on the installation site.
3. The Seller further undertakes to provide training of the designated employees of the Buyer in the operation and maintenance of the machine in the scope of minimum 10 (ten) people as specified in Annex 6 hereto (hereinafter referred to as "training of the operators").

III TERMS AND PLACE OF PERFORMANCE

1. The Seller is obliged to deliver the equipment according to the terms DAP, STÁTNÍ TISKÁRNA CENIN, státní podnik, Praha 1, Růžová 6, čp. 943, Postal Code 110 00, Czech Republic Printing Hall on the 1st Floor after prior arrangement (hereinafter the "**Buyer's Object**"), INCOTERMS © 2010, at the latest to 18th September 2016.
2. The Seller shall install the machine and commission it, train the operators and handover the machine documents to the Buyer in maximum 4 months of moving the equipment to the installation site and its sitting in accordance with the preceding paragraph. After performance of these tasks, the contracting parties shall compile Protocol No. 1, which shall be signed by the authorised representatives of both contracting parties responsible for negotiation of material and technical issues. The template of Protocol No. 1 is contained in Annex 3, which is an integral part of this contract. Upon ascertaining any defect on the machine, which hinders its usage to the usual purpose, periods shall be stipulated in this Protocol for remedy of ascertained defects, including method for Seller's performance of this obligation. By signature of Protocol No. 1, the Buyer becomes eligible to use the machine to the purpose stipulated hereof.
3. The operability of the machine shall be verified by trial operation of duration 45 (forty-five) days after signature of Protocol No. 1. After successful completion of the trial operation, the contracting parties shall compile Protocol No. 2, which shall be signed by the authorised representatives of both contracting parties responsible for negotiation of material and technical issues. The template of Protocol No. 2 is contained in Annex 4, which is an integral part of this contract.
4. The Buyer shall prepare the installation site to the basics after the current INTAGLIO COLOR "8" printing machine, Serial Number 63302301 from 1978 to 16th September 2016. The Buyer is not liable for damages in cases where this deadline is observed from its side.
 - i. The Buyer shall inform about the availability of installation site at least on 1st September 2016.
 - ii. The Seller is entitled to check the availability of the installation site.

IV DELIVERY TERMS

1. Delivery of the equipment to the Buyer's building will be preceded by a Factory Acceptance Test (FAT) at the place of refurbishment or installation of the equipment in the presence of the Buyer and Seller. The Seller is obligated at least 2 (two) weeks in advance to give written notice to the Buyer to attend FAT. The Seller shall have the right to carry out FAT on its own if the representatives of the Buyer do not show up at FAT.
2. The Seller agrees at its own cost to provide functional test material in sufficient quantities (at least paper and inks), test copperplates and equipment operators. The result of FAT shall be entered by Seller in a duplicate FAT protocol and signed by the



representatives of both contracting parties for factual and technical matters.

3. The FAT protocol shall either confirm to the contracting parties that the equipment has been delivered in the specified quality and design hereof, or they shall enter own comments and observations, including deadlines for removal of the identified deficiencies. If the results of functional tests confirm that the quality and design of the equipment comply with this contract, the equipment will be sent to the Buyer by the Seller.
4. The Seller is obliged to pack the equipment properly and ensure its safe transportation. The Seller is obliged to inform the Buyer in a verifiable manner at least 3 (three) business days in advance of the date of delivery of the equipment to the building of the Buyer.
5. The Seller claims that the packaging is non-returnable and the Buyer can dispose of it according to the applicable regulations in force according to the registered office of the Buyer.
6. At the same time, the Seller shall deliver the delivery note.
7. The supplied equipment shall be unpacked by the representative of the Seller in the Buyer's premises; the given representative is authorised to perform acts according to Article II. para. 2, c) and para. 3 hereof.
8. The Seller is obliged to deliver a fully installed and functional equipment to the Buyer, including technical and other documentation. Partial handover and backlog that hinder the normal usage of the equipment are not permissible.
9. The machine must be installed in such a manner that its operation shall comply with the technical and safety standards applicable in the EU for refurbished equipments. At the same time of which the Buyer shall fully inform and brief the Seller that apply to the technical design of the equipment and working safety pursuant to the laws in force at the time of delivery.
10. The Seller shall after commissioning of the equipment arrange a Site Acceptance Test (SAT) at Buyer's Object to the extent of minimum 2 (two) business days. The Seller undertakes to arrange for the test of the copper printing plates from the previous printing according to para. 2 of this Article from the refurbishment site and an operator of the equipment in the person of the printing instructor. The Buyer undertakes to arrange for and provide printing material in the necessary quantity as well as operators for the equipment (newly trained operators).
11. The parties shall prior to final acceptance test perform at least the following tasks to confirm the quality of the equipment:
 - i. Vibration diagnostics without disassembly and for this purpose, the Seller or a representative authorised by Seller is delegated to install or prepare a fixed measuring point according to the technical information given by the Buyer;
 - ii. Acceptance test according to the Buyers requirements in the specification equipment
 - iii. Acceptance test in the form of printing of real securities.

If the quality of the equipment does not meet mutually predefined criteria, the Buyer may refuse to accept the equipment and a written record of this shall be procured. In such event the Seller shall use best endeavours to fix the problem.

12. In the event that the Buyer successfully performs tasks according to para. 10 and 11 of this article and does not ascertain any further deficiencies, the contracting parties shall compile Protocol No. 1, which shall be signed by the representatives of both contracting parties for material and technical issues.

[Handwritten signatures]

[Handwritten mark]



13. The Seller for eventual sale of the equipment provides the contracting authority with an unlimited, non-exclusive right to use computer software that is used with the subject of the procurement contract within the scope of use of the equipment to the contracted purpose. The Buyer has the right to use all the delivered software products in accordance with respecting the copyrights of the Seller.
14. The Seller is obliged for the entire period until signature of Protocol No. 2 to maintain the contract third party liability insurance policy covering Seller or parties for which the Seller is responsible, a third party, with an indemnity limit of minimum twice the price of the subject-matter of the contract according to article V, paragraph 1, first sentence. The Seller is obliged to submit a document demonstrating fulfilment of this insurance duty to the Buyer within 5 (five) days upon call from Buyer.

V PRICE

1. The price of the subject-matter of the contract according to article II is set by agreement of the contracting parties in accordance with the Seller's bid submitted within the tender to the Buyer as the contracting authority and is (excluding VAT):

2.939.930 EUR

(in words: two million, nine hundred thirty-nine thousand, nine hundred thirty Euro),

of which, for:

subject matter of the contract according to article II para. 1	2.884.850 EUR
subject matter of the contract according to article II para. 3	55.080 EUR
customs duty, if applicable in the Czech Republic	0 EUR

Total **2.939.930 EUR** (hereinafter the "price").

2. The price set in para. 1 of this article is a fixed price, which cannot be changed. The price set in para. 1 of this article already includes all costs of transport, accommodation, and meals of the Seller's technicians during fulfilment of the subject matter of this Contract according to this Article II. para. 2, c) and para. 3 hereof, and includes all auxiliary costs.
3. The price set in para. 1 of this article already includes all the Seller's technicians for six business days in the week (Monday to Saturday) to the extent of 10 (ten) hours per day. During unloading and transport of the equipment to the installation location, work is planned for the weekend due to the traffic restrictions in the location (Saturday and Sunday) or on a national holiday.

VI PAYMENT TERMS

1. The price according to the article V para. 1 hereof shall be paid by Buyer to Seller by bank transfer as follows:
 - a) advance payment **equivalent to 30% of the price**, i.e. an amount of **881.979 EUR** (words: eight hundred eighty-one thousand, nine hundred seventy-nine Euro), after closing this Contract;



The Seller shall be entitled to issue an invoice for payment of the advance payment toward the price according to para. 1, a) of this article on the day following signature of this contract by both contracting parties. The Seller shall issue and deliver a proforma invoice to the Buyer within 1 (one) week after signature of this contract (maturity 30 days after sight).

- b) payment **equivalent to 50% of the price**, i.e. an amount of **1.469.965 EUR** (words: one million, four hundred sixty-nine thousand, nine hundred sixty-five Euro), at delivery as evidenced by shipping documents against submission of final invoice (tax document) for the total value of the subject matter of the contract.

The Seller shall be entitled to issue the final invoice (tax document) on the day following signature of the delivery as evidenced by shipping documents (the date of taxable performance is the date on which the delivery note is signed). An integral part of this invoice (tax document) is a copy of the shipping documents. This final invoice (tax document) shall also cover the advance payment of 30% made according to letter a) of this paragraph; the maturity of this portion of the price shall be according to letter b) of this paragraph and is 30 (thirty) days after receipt of final invoice (tax document).

- c) payment **equivalent to 20% of the price**, i.e. in the amount of **587.986 EUR** (words: five hundred eighty-seven thousand, nine hundred eighty-six Euro), after 45 calendar days after signature of Protocol No. 2 by both contracting parties after successful completion of the trial operation and start of permanent operations but no later than 120 calendar days after delivery against an invoice. The maturity of the part of the price stated under letter c) of this paragraph is 30 (thirty) days after the date of the invoice. A copy of Protocol No. 2 shall be in annex to the invoice (tax document issued after signature of Protocol No 1 by both contracting parties),

2. The Seller is obliged to deliver the proforma invoice/invoice (tax document) to the registered office address of the Buyer or other address specified by Buyer. The proforma invoice/invoice (tax document) shall show the bank account to which the payment is to be made. This account shall be identical to the bank account stated in this contract. Payment for the purposes hereof shall be deemed the day on which the concerned amount is debited from the Buyer's bank account.

3. Each proforma invoice/invoice (tax document) must at minimum include the following:
- identification details of the contracting parties (i.e. name, registered office address, identification number, registration details);
 - contract reference number;
 - identification of the payment according to the link to the appropriate article of this contract;

and all prerequisites of a proper tax document according to the applicable legal regulations and this Contract.

4. If any of the documents stated above (proforma invoice/invoice (tax document) does not contain any of the requirements, or contains incorrect price information, or if the proforma invoice/invoice (tax document) is issued in breach of payment conditions, the Buyer is entitled to return such proforma invoice/invoice (tax document) to the Seller for correction. In this case, the Buyer is obliged to indicate the reason for return of invoice on the proforma invoice/invoice (tax document) or in a cover letter. The maturity of the new (corrected) proforma invoice/invoice (tax document) shall start running from the date of its demonstrable delivery to the Seller.

5. Payments of the individual portions of the price are considered as paid upon debit from the Buyer's account.

Handwritten signature in blue ink.

Handwritten mark in blue ink.



VII QUALITY GUARANTEE, COMPLAINT PROCEDURES

1. The Seller shall supply equipment to the Buyer in such a manner that the Buyer shall be able to use it to the purpose hereof, and is also liable for the quantity and deadline for delivery of the equipment hereof.
2. The Seller is responsible for ensuring that the equipment will be delivered properly, in accordance with this Contract and shall be free of any defects for a period of 12 (twelve) months from the date of signature of Protocol No. 2 and over this period, the Seller provides warranty on its quality. For the plate cylinder specified in Annex 1, the Seller provides quality warranty for 24 (twenty four) months after signature of Protocol No. 2.
3. During the warranty period according to the previous paragraph the Buyer is entitled to claim to extend the warranty for another year under the following conditions:
 - the price of the extending warranty (the equipment) is **60.000 EUR** (excluding VAT),
 - the price of the extending warranty (the plate cylinder) is **17.000 EUR** (excluding VAT).
4. Under the warranty for quality, the Seller undertakes that the supplied equipment will be operational throughout the warranty period and meet its agreed specifications eof, and that it shall retain the agreed or usual properties. The Seller shall be liable for any defect, which occurs during the warranty period, except defects due to ordinary wear and tear, or improper use of the equipment by the Buyer. The Buyer is entitled to point out defects on the delivered equipment at any time during the warranty period stated.
5. The warranty for quality shall be extended by the period that lapses from submission of a proper claim till remedy of the defect on the equipment.
6. The Seller shall on own account in the warranty period repair all defects (particularly functional defects and damage from defective material, defective design or faulty assembly). The warranty also applies to the replaced parts. In the event of replacement of a spare part within a period shorter than 6 (six) months to end of warranty, the warranty for quality shall not end earlier than after lapse of 6 (six) months after delivery of such spare part.
7. Notification of defects must be done in writing and promptly. The Buyer is obliged to describe the defect, describe how it is manifest and the nature of the claim made against the Seller. This written notification shall be delivered to the e-mail address of the Seller: service@kba-notasys.com.
8. The Seller undertakes to remedy all defects on the equipment within warranty within 4 (four) business days of receipt of a detailed report on the defects..
9. The Seller undertakes to supply spare parts for the equipment to facilitate its smooth operation, as well as service for a minimum period of 10 (ten) years following signature of Protocol No. 2. The Seller further guarantees to supply suitable equivalent spare parts necessary for smooth operation of the equipment, as well as service for a minimum period of 15 (fifteen) years following signature of Protocol No. 2. The Seller at the same time guarantees to Buyer that all spare parts that is shall use to repair defects shall be genuine and new. If the Buyer so requests, the Seller may also offer refurbished or used spare parts to the Buyer.
10. A separate contract may be arranged for post-warranty service according to the operational requirements of the Buyer.



11. The labour prices that apply to the warranty and the prices of the consumables shall be billed to the Buyer at the rates stipulated in Annex 7 hereto. These prices exclude postage and packaging. These prices shall be specified in the Seller's bid.
12. Minor repairs, regular maintenance and service, which do not require co-operation with the Seller may be done by Buyer, and only through trained employees.

VIII PENALTIES

1. In case of Seller's delay fulfilment according to the periods stated in Article III. para. 1 and 2 hereof, for reasons on its part, the Buyer shall be eligible to receive a contractual penalty from Seller at the rate of 0.05 % of the total price of the machine for each day of delay or part thereof, such penalty not to exceed 10% of the amount of the delayed portion. Payment for the issued contractual penalty shall not affect the right of the Buyer to receive reimbursement for damages, even for damages exceeding the amount of the issued penalty.
2. In case of Seller's delay in remedy of a justified claim for a machine defect within warranty according to Article VII. para. 8 hereof, for reasons on its part, the Seller shall pay a contractual penalty to the Buyer at the rate of 0.05 % of the total price of the machine for each defect and day of delay or part thereof, such penalty not to exceed 10% of the amount of the delayed portion. Payment for the issued contractual penalty shall not affect the right of the Buyer to receive reimbursement for damages, even for damages exceeding the amount of the issued penalty.
3. The contractual penalty according to para. 1 and 2 is due within 30 (thirty) calendar days after delivery of the bill.
4. Before asserting their claim to a contractual penalty both Contracting Parties are obliged to invite the other Party to provide an explanation.

IX GOVERNING LAW AND RESOLUTION OF DISPUTES

1. This Contract and issues not regulated in it or only partly shall be exclusively subject to Czech substantive law, particularly Act No. 89/2012 Coll., Civil Code, as amended, and interpreted according to it.
2. Application of the United Nations Convention on Contracts for the International Sale of Goods of 11th April 1980, also known as the Vienna Convention, shall be hereby excluded.
3. Both Parties agree to solve disputes arising from this contractual relationship primarily in an amicable way. For all disputes arising hereof or in connection with the same, the jurisdiction of the Czech courts shall apply and the jurisdiction of a different State is excluded. The locally competent court shall be according to the seat of the Buyer.

X SPECIAL COVENANTS

1. Actual installation of the equipment and training of the operators shall usually be done on business days and non-business days from 06:00 to 22:00 Hrs., exceptionally also outside the stated period and during holidays provided the contracting parties so agree beforehand.
2. In order to successfully fulfill the subject of this Contract, the Buyer shall provide the



Seller with the following:

- a) access of the Seller's employees to the Buyer's premises during the period necessary for realisation of the subject matter of the contract, i.e. according to the preceding requirement also outside working hours;
 - b) advice for the Seller's employees on compliance with the security and safety measures in the Buyer's object;
 - c) space for safe storage of service documentation and necessary service accessories for realisation of the subject matter of contract.
3. The Seller is obliged to ensure that its employees realising the subject matter of the contract are equipped with valid personal documents for presentation to the Buyer on demand together with a valid personal ID document.
4. The Seller's employees are mainly:
- a) entitled to enter only the areas in the Buyer's objects that shall be agreed upon between by the material and technical representatives of both contracting parties;
 - b) obliged to carry on their person visible cards for access to the Buyer's object;
 - c) obliged to have own personal protection aids necessary for their work;
 - d) entitled to take meals in the catering facility of the Seller (dining room and canteen).

XI COMPLIANCE

1. Both parties agree to carry out their obligations hereunder in strict compliance with applicable legislation, in particular legislation combatting bribery and corruption and antitrust legislation. Both parties agree to ensure that their respective employees, consultants and agents comply with such legislation.

XII FORCE MAJEURE

1. Neither Party shall be responsible for any failure of the fulfilment of their obligations if such failure is due to an event beyond the relevant party's control.
2. The party for which it becomes impossible to meet the obligations under this Contract shall notify within 10 days the other party of the beginning and cessation of the above circumstances. In this case the dates of obligation fulfilment will be prolonged for the Force Majeure duration.
3. The certificates issued by the respective Chamber of Commerce or authorised state authorities of the countries of the Seller, the Buyer or the Manufacturer shall be sufficient proof of the existence and duration of the above circumstances.
4. If the Force Majeure event continues beyond a period of 6 months, the parties shall hold consultation to resolve the problem satisfactorily.

XIII LIABILITY LIMIT

1. The liability of the Seller arising from this Contract caused by non-functionality or late



delivery of the equipment itself shall be limited to damages caused by wilful misconduct or gross negligence of the Seller's personnel and/or agents and shall not exceed the cost of repairing any defects of the equipment or the purchase price for the equipment, whichever is lower. This limitation of the liability is linked to the purchased machine after the signature of Protocol No. 2.

2. In no event shall the Seller be liable for indirect, incidental, special or consequential damages including, but not limited to, loss of profit or goodwill.

XIV WITHDRAWAL FROM THE CONTRACT

1. The Buyer may withdraw from this contract if:
 - a) within 1 (one) month after futile lapse of the period for performance if the machine has not been delivered, installed, commissioned and handed over to the Buyer in consequence of circumstances on the part of the Seller. This provision does not affect Article VIII, para.1 hereof;
 - b) the technical specifications of the equipment given in Annex 1 hereto have not been complied with;
 - c) the machine was supplied with defects that are not repairable or whose repair is possible only at high cost or such repair would take too long, it being agreed that such right to terminate the contract shall be subject to Buyer having put the Seller on written notice and Seller not having remedied the breaches within 2 months of receipt of the written notice.
2. Either party shall be entitled to withdraw from the present Contract by a written announcement if the other party breaches its provisions in a material way. The legal effects of the withdrawal shall occur on the day of the delivery of the written notice to the other party. An entitlement to damages or contractual penalty or default payment of a withdrawing party shall not be affected by the withdrawal.

XV FINAL PROVISIONS

1. The rights and obligations arising from the present Contract may not be assigned to a third party without the consent of the other contracting party.
2. This Contract is subject to the conditions set out in paragraph 1 of this Article also binding for the respective legal successors of the Parties.
3. The Seller guarantees to the Buyer that the machine is not encumbered by third party rights.
4. This Contract may be changed or amended by mutual agreement of both Parties, which shall be made in writing, identified as such, numbered in ascending order and signed by authorised representatives of both Parties. These amendments shall form an integral part hereof and other arrangements shall be invalid. This provision shall not apply in the event of change of the authorised representatives stated in the contract, which may be solved in the form of an official letter.
5. Parties hereto shall assume risk of the change of conditions and shall perform their duties hereunder even in case when the conditions are so substantially changed that

Handwritten signatures and initials in blue ink at the bottom left of the page.

Handwritten initials 'A' and 'K' in blue ink at the bottom right of the page.



it causes gross disproportion by privileging one of them by disproportionate increase of the costs or disproportionate decrease of the value of the Subject of Performance, in particular they shall not be entitled to claim court decision on renewal of the balance of rights and duties or dissolution of the Contract. Even in a case where the performance of one Party is in gross disproportion to the performance of the other Party, the injured party shall not claim dissolution of the Contract and restitution of everything to a former state.

6. The Parties do not wish that any other rights and obligations, in addition to those expressly agreed in the Contract, should be derived from the existing or future practices established between the Parties or from general trade usage or from the usage in the field relating to the Subject of Performance hereof, unless expressly agreed otherwise herein. In addition to the provisions stated above, the Parties hereby confirm that they are not aware of any trading usage or practices established previously between them.
7. Pursuant to provisions specified in paragraph 147a of Act No. 137/2006 Coll., describing public project and tender regulations, as amended, this Contract shall be published by the Buyer on the client's profile.
8. This Contract is made out in Czech and English in 2 (two) copies with the force of an original, of which each of the contracting parties receives 1 (one) copy of each language version. In case of discrepancies between the Czech and English version, the Czech version shall prevail.
9. In proof of agreement with the entire content of this Contract, the authorised representatives of the contracting parties sign it hereunder in own hand.
10. This contract enters into force on the day of its signing by authorized representatives of both contracting parties.
11. Integral parts of the Contract are:

- Annex 1: Technical specifications
- Annex 2 - List of Documents and Technical Documentation
- Annex 3 - Protocol No. 1 - Template
- Annex 4 - Protocol No. 2 - Template
- Annex 5 - Schedule of Works.
- Annex 6 - Scope of Training
- Annex 7 - Post-warranty labour rates and prices of consumables


In Prague, dated 17.5. 2016




Ing. Pavel Novák
General Manager
STÁTNÍ TISKÁRNA CENIN, státní podnik

In Lausanne dated 30.5. 2016




Mr Stefan Baumann
Sales Delegate
KBA-NotaSys SA

Requested technical specification of the printing machine

Overhauled 4 colour sheet-fed four-plate Intaglio printing machine, arranged for water spray wiping and equipped **with interleave-feeder** which must be compatible with the current Intaglio printing machine INTAGLIO COLOR „8“ with production number 63303501 for using of the same printing plates. This Overhauled equipment must be able to be installed into the current fundamental from the current Intaglio printing machine INTAGLIO COLOR „8“ from 1978 with production number 63302301.

Including:

- a. 4x polychablon plate for polychablon plate including equipment to wash out, cylinders and the machines must enable the use of our old type chablon cylinders
- b. 1x Electrically operated crane for the safe work by changing from the polychablon cylinders for chablon cylinders and conversely
- c. Wiping tank equipped with the water fleece "ScotchBrite"
- d. 4x wiping cylinders
- e. Auto InkFeed (for four inks) connected to the compressed air distribution
- f. Compressor for the suction and compressed air
- g. 4x ink agitators - mixing system (for 4 ink fountain)
- h. service PC with modem and useful SW and hotline connectivity. The VPN router will be integrated into our network (internet access included) and will have an unofficial IP address.

Sheet-fed four color printing machine for intaglio printing by means of conventional or non-offset inks of portraits, main designs and ornamental features in one, two, three or four colors on banknotes or any other security documents.

Short train inking carriage for use of non-offset inks, The equipment must be fitted with new water fleece called "ScotchBrite" wiping.

The machine must be equipped with a brand new programmed electronic control for:

- All electrically generated switching functions belonging to the printing group.
- The automatic digital display of all error messages in the electronics and in the control of the machine.
- The accurate electronic counter of all printed sheets in the printing section and at the delivery.
- The automatic registration and central digital display of sheet quantities registered by all the counters.
- Interface joinable to the common ERP system (Enterprise Resource Planning) for standard production monitoring.

Standard equipment includes:

- Non-stop stream feeder with electronic side lay monitoring (missing sheet, double sheet or uneven sheet) .
- Special shock absorbers ensuring smooth running of the machine.

List of Documents and Technical Documentation

I.

No later than before the installation of the equipment is completed, the Seller shall hand over to the Buyer the following:

- a) in the Czech language in 4 (four) copies in printed and electronic format
 - (aa) Operation and Maintenance Instruction Manual for the equipment,
 - (ab) Work safety rules,

- b) in the English or German language in printed and electronic format
 - ba) in 4 (four) copies
 - A general description of the equipment and of all related devices and accessories,
 - Diagrams of electric connections, cooling and hydraulic systems
 - A plan for lubrication, cooling and hydraulic system checks and replacements of operation fluids,
 - A service manual for electronic components,

 - bb) in 1 (one) copy, especially for newly installed functional units
 - Declaration of Conformity pursuant to Directive 2006/42/EC and of the CE mark,
 - A list of technical standards, harmonized standards and IEC and CEE standards relevant to the equipment,
 - A risk analysis (description of methods adopted to eliminate or mitigate risks posed by the machine equipment),
 - A list of all consumable materials necessary for the equipment operation including recommended suppliers and the prices of such consumables.

- c) in 1 (one) original
 - Installation media for the supplied software
 - Original documentation for ancillary systems (e.g., hydraulic pumps, computers etc.)
 - list of installed computers including serial numbers
 - List of installed software including licence numbers and specification of type, Full licence or OEM

II.

1. The Seller agrees to provide inspection bodies of both Parties with the required technical documentation pertaining to the equipment and describing the method used to assess conformity, including all source documents in the scope defined by the applicable technical rules of both Parties.

2. The Seller acknowledges that the equipment manufacturer is obligated to keep technical documentation on its premises for 10 (ten) years after the manufacturing or sale of the equipment production was discontinued (this period of time may be specified differently). Furthermore, the Seller is upon request obligated to present these documents to inspection bodies at any time.

Protocol No. 1 (sample)

COPPERPLATE PRESS

Type:

Serial No.:

Buyer: STÁTNÍ TISKÁRNA CENIN, statni podnik
Růžová 6/943, 110 00 Prague 1, Czech Republic

The Buyer:

- a) hereby confirms the acceptance, installation and commissioning of the equipment and acceptance of all necessary documents and technical documentations as specified in the Purchase Contract No.;
- b) confirms that operators have been trained in the scope of ... business days;
- c) states that during the tests performed on, serial No., the final acceptance test was successfully completed and that no defects or deviations were established. The equipment complies with the requirements and technical parameters specified by the Buyer in the Contract.

The 45-day test operation period commences on the date of this Protocol.

REMARKS:

In line with the Contract, there are still **business days** to be used for additional training or support during the real production depending on the Buyer's needs.

Prague, dated

On behalf of the Buyer:

STÁTNÍ TISKÁRNA CENIN, statni podnik

name

title

On behalf of the Seller:

.....

name

title

Protocol No. 2 (sample)

COPPERPLATE PRESS

Type:

Serial No.:

Buyer: STÁTNÍ TISKÁRNA CENIN, statni podnik
Růžová 6/943, 110 00 Prague 1, Czech Republic

The Buyer:

- a) hereby confirms that the 45-day equipment test operation has been completed;
- b) hereby confirms that during the test operation of the equipment no defects or deviations were established. The equipment complies with the requirements and technical parameters specified by the Buyer in the Contract.

The contract warranty period for the equipment commences on the date of this Protocol.

REMARKS:

In line with the Contract, there are still **business days** to be used for additional training or support during the real production depending on the Buyer's needs.

Prague, dated

On behalf of the Buyer:

STÁTNÍ TISKÁRNA CENIN, statni podnik

On behalf of the Seller:

.....

[Handwritten signature]

[Handwritten mark]

Annex No. 5 to Contract No. 42/2016

• **Delivery schedule – important points**

- Factory Acceptance Test (FAT) at the place of refurbishment or installation of the equipment (article IV/2 of the Purchase contract)
 - **latest until 5. 8. 2016**
- Preinstallation check-up of the installation site readiness (article III/4ii of the Purchase contract)
 - **latest until 16. 9. 2016**
- Information of the buyer about the state of constructed area and final confirmation of the delivery date
 - **latest until 1. 9. 2016**
- Readiness of the installation site to 16. 9. 2016 (article III/4 of the Purchase contract)
- Delivery of the equipment to the Buyer's premises (article III/1 of the Purchase contract)
 - **latest until 18. 9. 2016**
- Unloading – transport to installation site – unpacking (during weekend days)
 - **latest until 18. 9. 2016**
- Installation of the equipment in **maximum range of 4 months** (article III/2 of the Purchase contract)
 - **Putting into operation latest until 21. 1. 2017**
- Operators and maintenance training
 - Operators **latest until 9. 12. 2016**
 - Production support - Print instructor **latest until 16. 12. 2016**
 - Electricians **latest until 13. 1. 2017**
 - Mechanics **latest until 20. 1. 2017**
- Site Acceptance Test SAT (article IV/10 of the Purchase contract)
 - Equipment is fully ready for manufacturing **latest until 21. 1. 2017**
- Signature of Protocol No. 1 (article IV/12 of the Purchase contract)
 - **latest until 21.1.2017**
- Trial operation in duration of 45 days (article III/3 of the Purchase contract)
 - **latest until 7. 3. 2017**
- Signature of Protocol No. 2 (article III/3 of the Purchase contract)
 - **latest until 7. 3. 2017**
- Start of the normal operation
 - **latest until 7. 3. 2017**

[Handwritten signature]

[Handwritten mark]

Training requirements within the scope of equipment delivery

- **Number of employees for training** (minimum 10 people)
 - Operators (printers) - **five** employees
 - Electricians – **three** employees
 - IT technicians – **two** employees
 - Mechanics - **three** employees
 - Others – according to the **recommendations of the seller**
- **Scope of training in days** (@ 8 hours) for the individual professions.
 - Operators (printers) - in the minimum scope of **two shifts**, provided the seller does not recommend longer training
 - + **one week (5 working days) of production support** within the scope of the first order with a printing instructor, within which the final training of the operators (printers) may be done
 - Electricians – to the extent **recommended by seller**
 - IT technicians – to the extent **recommended by seller**
 - Mechanics – to the extent **recommended by seller**
 - Others - to the extent **recommended by seller**
- **The requirement for training in the Czech language** shall not be exercised in the contract. The training shall be interpreted by the buyer's own employees within the framework of the production and operations section so as to retain know how.
- An integral part of the documentation shall be **the detailed structure of training** (itinerary) according to the offered scope for the individual professions, which shall be the basis for training.
- **Acceptance of the machines**
 - **Diagnostics without disassembly**
 - before signature of protocol no. 1 for the purpose of verifying the quality of the equipment and performance of the first initial measurement
 - second measurement before expiry of warranty to verify the quality of the equipment after one year in operation for the purpose of possible claims.
 - The buyer is entitled to do the **acceptance tests** in the specification equipment
 - Confirmation of machine speed **8000 sheets** / hour. (the operational requirements is about 80% of this value)

[Handwritten signature]

[Handwritten mark]

Annex No 7 to Contract No. 42/2016

Recommended Consumables for Intaglio 8 (1 year 8h/day)

Item Description	Qty	Unit price, Euro*	Total price, Euro*
Rubber blanket for Intaglio mm.780x1000x0,5 Code: 6-VA/026	80 pcs.	105.40	8'432.00
Presspan boards mm.750x750x1 Code: 6-PR/088	250 pcs.	20.95	5'237.50
Presspan boards mm.750x750x0,5 Code: 6-PR/023	500 pcs.	13.20	6'600.00
Steel blade for wiping (ground) (835x40x0,5 mm.) Code: 6-RAR/835x40x0,5	40 pcs.	15.20	608.00
Steel blade for wiping (ground) (835x50x1,0 mm.) Code: 6-RAR/835x50x1,0	20 pcs.	17.85	357.00
Roll of abrasive fabric type Scotch Brite CF-RL-Type A RED mm.370x9000 Code: 3-99-00067/370	5 pcs.	542.20	2'711.00
White rugs	300 kg.	n/a	To be found on the local market
Cleaning liquid	500 lt.	n/a	To be found on the local market
Consumables for wiping solution	n/a	n/a	Contact KBA- NotaSys for a quote

*The prices above serve only as an indication.