

STRATEGIC CO-OPERATION AGREEMENT

THIS STRATEGIC CO-OPERATION AGREEMENT in the field of information technology (hereinafter referred to as this "Agreement") is made on the date given below by and between:

1. **Microsoft Ireland Operations Limited**, with its registered office in Atrium Building Block B, Carmenhall Road, Sandyford Industrial Estate, Dublin 18, Ireland, represented by the undersigning representative (hereinafter referred to as "MIOL"),
2. **MICROSOFT s.r.o.**, with its registered office in BB Centrum, building Alfa, Vyskočilova 1461/2a, Praha 4, postal code 140 00, the Czech Republic, corporate identification number 47123737, entered into the Commercial Register administered by the Municipal Court in Prague, Section C, Insert 12821, represented by Jane Marie Gilson, managing director, (hereinafter referred to as "Microsoft Czech"),

Whereas MIOL and Microsoft Czech act severally, and

3. **The Czech Republic - the Ministry of Interior**, with its registered office at Nad Štolou 3, 170 34 Praha 7 – Letná, corporate identification number 00007064, represented by MUDr. Mgr. Ivan Langer, Minister of Interior (hereinafter referred to as the "Ministry"),

(MIOL, Microsoft Czech, and the Ministry hereinafter collectively referred to as the "Parties).

RECITALS

WHEREAS:

- (A) Pursuant to Act 2/1969 Coll., on the establishment of ministries and other central bodies of the Czech Republic's state administration, as amended and supplemented, the Ministry is the central administration body for internal affairs and among other things fulfills a co-ordination role for information and communication technologies;
- (B) Pursuant to Act 110/2007 Coll., on certain measures in the system of the central state administration bodies, related to the dismantling of the Ministry of Informatics and on changes of certain other acts, all rights and obligations related to this Agreement were transferred from the Ministry of Informatics to the Ministry;
- (C) On 26 March 2008, the Government of the Czech Republic adopted its Resolution 332 to regulate contractual relationships with Microsoft, in which it commissioned the Minister of Interior to enter into this Agreement and into other agreements stated in the Resolution;
- (D) The Ministry is committed to use only software validly licensed and to support only validly licensed use of software at all levels of the public administration and education;
- (E) The Ministry is committed to stimulate the area of information and communications technologies (hereinafter referred to as the "ICT") and to promote the development of the ICT intelligence and knowledge among the population of the Czech Republic in accordance with Government Decree 624/2001 dated 20 June 2001, on rules, principles, and ways of securing the control of using computer programs;
- (F) The Ministry is committed to promote the observance of intellectual property rights in compliance with the EU standards and the WTO guidelines, and to enforce the observance of Czech intellectual property laws;
- (G) In order to support the efforts of the national governments, Microsoft Corporation a company that is organized and existing under the laws of the State of Washington, U.S.A., with its registered address at One Microsoft Way, Redmond, WA 98052-6399, U.S.A. (hereinafter referred to as "Microsoft Corporation") has developed a number of

far-reaching programs promoting the ICT among public and public sector and educational organizations, among the business community, as well as among entrepreneurs, and the Parties wish to further implement these programs in the Czech Republic, and thereby assist the Czech population to develop intelligence and knowledge in the area of the ICT and to accelerate the development of information society in individual regions of the Czech Republic;

- (H) The Parties wish to expand a co-operative effort which will include in particular (i) improvement of the ICT use in the public administration, education sectors, and in the business community in the Czech Republic, and (ii) promotion of e-government services in the Czech Republic;
- (I) The Parties wish to specify in this Agreement their vision of a long-term, mutually beneficial collaboration between the Parties which furthers the development of ICT in the Czech Republic.

NOW, THEREFORE, the Parties agree as follows:

1. SUBJECT OF THIS AGREEMENT

1.1 General Contractual Framework. This Agreement sets forth the terms and conditions for:

- (a) Co-operation between the Parties with respect to the use of the Microsoft technologies in the public administration and education institutions in the Czech Republic;
- (b) Microsoft Czech's support of the Ministry's ICT-related initiatives and programs;
- (c) further activities of Microsoft Czech leading to the development of the ICT sector in the Czech Republic.

2. INITIATIVES AND OBLIGATIONS OF MICROSOFT CZECH OR MIOL. In connection with the realization of the Ministry's initiatives described in Section 3 of this Agreement, Microsoft Czech and MIOL, both acting severally, will make available to the Ministry the Microsoft support campaigns and initiatives designed to stimulate the development of a modern ICT industry in the Czech Republic stated in Section 2 of this Agreement. The list of initiatives stated in this Agreement by Microsoft Czech and MIOL is not exhaustive and does not prevent the Parties' from co-operation in other areas not stated directly in this Agreement.

2.1 Support of the Public Sector.

2.1.1 E-government initiatives. Microsoft Czech will offer to the Ministry co-operation in order to develop a platform for e-government services to be deployed by the Ministry and other public institutions. To execute this and other high profile ICT projects, Microsoft Czech will provide expert assistance to the institutions designated by the Ministry by making available to them in total up to 10 man-days of consulting services free of charge. The Microsoft Consulting Services will be rendered pursuant to a separate agreement between the Parties.

2.1.2 Local Software Ecosystem. Microsoft Czech will offer to the Ministry a joint participation in the Local Software Ecosystem initiative, which involves engaging local policymakers, industry leaders and other key decision makers in building the local software ecosystem and enhancing the understanding of the role of the local software economy in creating economic opportunities.

2.1.3 Microsoft Innovation Centers. Microsoft Czech will offer to the Ministry the opportunity to benefit from Microsoft Innovation Centers which seek to showcase and promote some of the best practices in the public sector community and to inspire entrepreneurs in the Czech Republic to increase their productivity and efficiency through the use of Microsoft technologies.

2.1.4 Increasing Internet Safety. Microsoft Czech will, together with the Ministry and other non-commercial and commercial partners, organize initiatives and activities, aimed at increasing internet safety and especially online safety of children. These initiatives will include organizing educational seminars for IT experts, for Ministry employees and employees of other public institutions such as policemen and teachers to explain the importance of internet security and to educate them in internet security. The Ministry will, within the powers arising to it from the relevant regulations of law and tasks commissioned based on these regulations, create conditions conducive for the preparation of the relevant education materials of Microsoft Czech aimed at teachers, precautionary workers, police, parents, and children.

2.1.5 Government Security Program. The Ministry may continue to participate in the Government Security Program (hereinafter referred to as "GSP"). This is a global initiative from Microsoft Corporation that provides national governments and international organizations with access to source code for Microsoft products and platforms, technical information, and development staff. The GSP helps governments to better evaluate their existing systems and to more securely design, build, deploy, and maintain future computing infrastructures, while developing partnerships and mutual trust for future collaboration. Participation in the GSP is governed by a separate agreement that has already been concluded between the Czech National Security Office and Microsoft Corporation.

2.1.6 Security Co-operation Program. The Ministry may participate in the Security Co-operation Program (hereinafter referred to as "SCP"), under which governments and Microsoft Corporation may in a structured way participate in co-operative security activities in the areas of computer incident response, attack mitigation, and provision of support and information to citizens affected by the attack. The SCP provides a framework for information exchange and collaboration with government organizations responsible for IT infrastructure, law enforcement, public safety, and education. Participation in the SCP would be governed by a separate agreement between the Ministry and Microsoft Czech.

2.2 Support of the Education Sector.

2.2.1 Student Database. Microsoft Czech may offer to the Ministry or to other institutions designated by the Ministry co-operation in order to develop a public database that would provide electronic confirmation of a student status and thus allow Microsoft Czech and MIOL to provide even more efficient support to students and the education sector in general. The exact extent of co-operation to be provided by Microsoft Czech will be based on mutual discussion between the Ministry and Microsoft Czech specified in the offer of Microsoft Czech.

2.2.2 Education sector licenses. The Academic License Agreements are specifically tailored to address the needs and requirements of the education sector. To this end, MIOL will continue to offer to education institutions that are eligible education users under the conditions of the relevant program participation in the Microsoft Student Select Program and the Microsoft Campus and School Program.

2.2.3 Professional Development and Software Training. Microsoft Czech will offer delivery of professional development guidelines to the utilization of the up-to-date Microsoft software and hardware products in a 21st century modality. Microsoft Czech will provide free of charge top level administrator training in the deployment of the latest Microsoft software products to up to 30 participants designated by the Ministry. The trainings will be delivered by Microsoft Certified Partners selected by the Ministry in Microsoft Training Education Centers, Microsoft Partners in Learning Centers of Education or at the premises of the Ministry or by the Ministry designated institutions. Unless Microsoft Czech and the Ministry agree otherwise, the trainings will be limited to 3 weeks per participant.

2.2.4 Microsoft Partners in Learning. Microsoft Czech will offer to the Ministry the following initiatives, which form part of the Microsoft Partners in Learning initiative. Specific terms will be agreed in a stand-alone Memorandum of Understanding between Microsoft Czech and the Ministry of Education, Youth and Sports (hereinafter referred to as the "**Ministry of Education**").

(a) **Innovative Schools Network.** Microsoft Czech implement and grow the Innovative Schools Network, an online community and knowledge repository containing expert resources, research and learning from Microsoft Innovative Schools efforts.

(b) **Innovative Schools Forums.** Microsoft Czech will work towards ensuring full participation in this forum of local, regional and partner entities, consistently from year to year, and will ensure consistent and predictable forum timing.

(c) **Transformation of Educational system.** Microsoft Czech will assist in transformation of the 21st century learning; co-create blueprints and models of innovation for technology implementation, learning space design and content delivery, hand in hand with proactive engagement of its partners. All content and curriculum will be delivered in a 21st century manner.

(d) **Innovative Teachers' Forums.** Microsoft Czech will work with the Ministry of Education towards ensuring full participation in this forum of local, regional partner entities, consistently from year to year, and will ensure consistent and predictable forum timing.

(e) **Innovative Teachers' Network.** Microsoft Czech will implement and grow the Innovative Teacher's Network for the Microsoft Partners in Learning Teacher community, where all content and curriculum will be delivered in a 21st century manner and partners and Microsoft Czech will work in tandem with the Government of the Czech Republic, or the Ministry of Education to certify and align content to a set of standards.

2.2.5 Microsoft External Research. Microsoft Czech will offer to the Ministry and other institutions an opportunity to learn more about and to apply for a participation in the Microsoft External Research, a program that engages academic communities, researchers and students in the development of the Microsoft's technologies, and Microsoft Czech will provide them with information needed to keep abreast new solutions and technologies.

2.2.6 MSDN Academic Alliance. MIOL will offer to the Ministry participation in the subscription-based MSDN Academic Alliance program. This is an annual membership program for college and high school technical departments in the areas of computer science, engineering, and information systems. If the Ministry decides to participate in this program, the applicable terms and condition will be set forth in a separate agreement between MIOL and the Ministry.

2.2.7 Microsoft Dynamics Academic Alliance. MIOL will offer to the Ministry, in a specified extent, access to Microsoft Dynamics Academic Alliance. This is an initiative involving donating of business, management, accounting and analytical Microsoft Dynamics software for classrooms or labs (for educational purposes), which may be complemented by technical support for Microsoft Dynamics products and online training. The exact extent of this program will be agreed by the Parties in the future.

2.2.8 IT Academy Program. Microsoft Czech will offer to the Ministry participation in a subscription-based "IT Academy" program which empowers member high schools and colleges to deliver to their students training to help prepare credit and noncredit students for careers and certification in information technology, namely through access to training on current software and the latest Microsoft technologies.

2.2.9 Student Box. Microsoft Czech will offer to the Ministry participation in the Student Box program. This is a program which Microsoft Czech will offer to students and graduates of all Czech universities. This program consists of work on projects related to the ICT, manager shadowing program, allowing students to obtain practical vocational experience in their field of interest, help with diploma thesis program assisting graduating students with preparation of their diploma thesis, international internships program, allowing students to obtain practical vocational experience abroad, and granting students opportunity to develop their talents while working on projects within Microsoft Academy of College Hires program.

2.2.10 Microsoft Dream Spark. MIOL will in course of the academic year 2008/2009 offer to the Ministry participation in the Microsoft Dream Spark program, which provides no-cost access to the Microsoft's designer and developer tools for students, to support their learning and skills through technical design, technology, math, science and engineering activities. This program equips tomorrow's developers, designers and IT professionals with the professional tools.

2.2.11 Microsoft Live@edu. The Ministry may participate in the Microsoft Live@edu program, which will offer to eligible institutions designated by the Ministry, such as schools, access to hosted online services, called Microsoft Live@edu. These services include free personal mail for each student (Live mail), free personal websites for students, and personal account for MSN messenger and other services for smoother student's collaboration. If the Ministry decides to participate in this program, the terms and conditions will be set forth in a separate agreement between the Ministry and Microsoft Corporation.

2.2.12 Building PC literacy within disadvantaged groups of citizens. Microsoft Czech together with non-profit as well as commercial organizations has been taking an active part in development and a fair integration of disadvantaged citizens into the society through the support of information technologies. The main goal of this effort is to help build and equip training centers across the Czech Republic with the focus on handicapped, socially disadvantaged, and elderly citizens, parents on maternity leave, etc. Through the support of information technologies the underserved groups will be able to integrate into the society much easier or gain higher competitiveness on the job market. Connected with this, another goal of Microsoft Czech is to raise awareness and educate potential employers about the possibilities of employing disadvantaged groups of citizens, such as physically or mentally handicapped, elderly citizens, working mothers, and similar groups of citizens.

3. INITIATIVES OF THE MINISTRY

3.1 Initiatives of the Ministry.

3.1.1 Compliance with and enforcement of local laws. The Ministry will, with Microsoft Czech's support and within its constitutional and legislative competencies and within the tasks based on these, commit to (i) legislative and enforcement compliance of the country's legislation with EU directives and guidelines in the area of intellectual property, and (ii) the full enforcement of actions in compliance with the Czech Republic's laws protecting intellectual property rights. Microsoft Czech will assist the Ministry in its public awareness efforts in this area.

3.1.2 Inspections and training. As part of its activities related to the detection of potential violations of intellectual property rights, the Ministry will file a motion with the relevant bodies and institutions to perform inspections or potentially seize goods infringing intellectual property rights. The Ministry will, together with the relevant bodies and institutions, consider the possibility of training judicial officers, police and trade inspectors to recognize intellectual property infringements and to take effective action to prevent infringers from benefiting from infringements and to deter further infringement.

3.1.3 Education about intellectual property rights. The Ministry will, at its discretion and according to its abilities, actively work with Microsoft Czech and industry associations, such as the Business Software Alliance, to educate public and entrepreneurs in the Czech Republic about intellectual property rights.

3.1.4 Public campaigns. The Ministry will, at times and at its discretion, run a public campaign to inform citizens and entrepreneurs about regulations of law on intellectual property rights and about the impact of infringement of intellectual property rights.

3.1.5 Working Group. The Ministry and Microsoft Czech will work towards setting up a joint working group that will coordinate the activities foreseen under this Agreement, propose ICT-related policy initiatives, monitor performance of this Agreement by the Parties and periodically inform them about its activities.

4. COSTS. Each party will bear its own costs, fees and expenses in connection with the implementation of this Agreement.

5. TERM.

5.1 Effect. This Agreement will take effect on the day all the Parties sign it.

5.2 Term. This Agreement is entered into for a period of three (3) years calculated from its effective date. Any Party may terminate this Agreement at any time during its term, by written notice delivered to the other Parties. The notice period is three (3) months and begins to run on the day on which the notice is delivered to the other Parties. To the maximum degree permitted by regulations of law which govern the relevant rights and obligations of the Parties on termination of this Agreement, the Parties agree that the termination of this Agreement does not entitle the Parties to request any refund of expenses made whilst performing this Agreement, damages, or other compensation.

6. CONTACTS

6.1 Contacts. Within sixty (60) days of entering into this Agreement, each Party will communicate in writing to the other Party its main contact person for matters related to this Agreement. If any of the contact persons is not available during the term of this Agreement, the statutory agent or another authorized person of the relevant Party will be considered a contact person. The Parties undertake to inform one another about any change in their contact persons.

6.2 Powers of designated contacts. The contact persons will not be entitled to make and receive statements with binding effect on any of the Parties; this has no effect on the right of the authorized body to make a statement with binding effect on its Party. Each Party will be entitled to replace its contact person with another appropriate person by written notice to the other Party.

6.3 Notices. Notices and other communication between contact persons will be affected in writing by e-mail, facsimile, registered mail express courier or in other written form ensuring credible evidence of delivery in writing. Notices will be deemed delivered on the date shown on the postal return receipt or on the courier, facsimile or email confirmation of delivery.

6.4 Clearing center. Microsoft Czech and the Ministry have agreed to work together – as spelled out in this section - in order to create a so-called “clearing center” (hereinafter the “Clearing Center”) that will keep a record of all Microsoft products that individual entities of the public administration and public sector (hereinafter the “Public Entities”), a list of which shall be provided by the Ministry, acquire pursuant to Microsoft Volume Licensing programs (not, for example, as Full Package Software or OEM licenses), and enable the Ministry with remote access at any time to the record keeping system for the acquired Microsoft products in relation to the Public Entities, as well as provide a simple analysis of such recorded information.

Microsoft Czech undertakes to assist the Ministry in creating the Clearing Center by providing licensing data that it has in its possession – to the extent no confidentiality obligation is violated - and by sharing its know-how about the Microsoft Volume Licensing programs. It is anticipated that the Clearing Center will be operational within three (3) months from entering into this Agreement. The Ministry will, at its sole discretion and by its own choosing, enter into an agreement with a third party (hereinafter the “Clearing Center Operator”) in order that the Clearing Center operator would operate the Clearing Center.

Microsoft Czech and the Ministry acknowledge that the timely and successful creation and operation of the Clearing Center is conditioned by the following stipulations and will work towards their fulfillment as follows: (i) the Ministry shall encourage each individual Public Entity to treat all of the information attained under a given Volume License agreement such that it is in accordance with the applicable legal regulations (including, but not limited to, the Law on Free Access to Information, No. 106/1999 Coll., as amended), (ii) the Ministry shall, within one (1) month from entering into this Agreement, create a complete list of the Public Entities whose product acquisitions the Ministry wishes to cover in the licensing status reports provided by the Clearing Center and (iii) that Microsoft Czech shall keep encouraging all of its current and/or future Large Account Resellers (hereinafter the “LARs”) delivering Microsoft products to individual Public Entities to report to the Clearing Center the requested data that will be specified by the Ministry, e.g. any and all of the Microsoft products that the Public Entities have acquired within the Microsoft Volume Licensing programs from each LAR, the sufficient identification of the acquiring Public Entity, the time of acquisition and duration of the acquired rights (license(s)) or overall time of effectiveness of the relevant agreement, the price of the acquired Microsoft product(s), etc., and conditioned by the fact that such reporting breaches no confidentiality obligation. Microsoft Czech and the Ministry undertake without any unnecessary delay, but no later than within thirty (30) days from entering into this Agreement, and under the assumption the

LARs would assist to that, enter into an agreement that will stipulate the obligations of the parties contained in this Agreement in more detail in order that the Clearing Center will be operational. The Clearing Center Operator will be fully responsible and liable for the operation of the Clearing Center under the terms agreed between the Clearing Center Operator and the Ministry.

During the Clearing Center's operation, Microsoft Czech shall provide the Ministry with support in verifying the accuracy of the data provided by the LARs and/or the Public Entities and maintained at the Clearing Center, by using the non-confidential information that Microsoft Czech has at its disposal in the form of free of charge consultations conducted by the relevant personnel from Microsoft Czech's business division to the extent of up to (60) hours per year.

7. **CONFIDENTIALITY AND COMMUNICATION.** Either Party may make the existence and terms of this Agreement public in full after this Agreement takes effect. The Parties declare that no provision of this Agreement is subject to business secrecy.

8. **MISCELLANEOUS**

8.1 **Performance and timing.** The Ministry acknowledges and agrees that Microsoft Czech and MIOL may fulfill some of its obligations under this Agreement through other Microsoft affiliates or local partners. At the request of the Ministry, Microsoft Czech or MIOL will inform the Ministry in writing whether a specific local partner participates in the performance of a specific obligation under this Agreement. The Parties will commence to perform the obligations under this Agreement immediately after this Agreement takes effect.

8.2 **Language.** This Agreement will be signed in six (6) counterparts in the Czech language and in six (6) counterparts in the English language. Each Party will receive two (2) counterparts of this Agreement in the Czech language and two (2) counterparts of this Agreement in the English language. In the case of any dispute, the Czech language version prevails.

8.3 **Non-exclusive co-operation.** The co-operation of the Parties under this Agreement will be non-exclusive. Each Party will remain entitled to enter into similar contractual relations with third parties. The Ministry is entitled at its discretion to procure software products and/or services from any other vendor.

8.4 **No charge.** By this Agreement, the Ministry does not acquire any services or supplies for a charge and does not undertake to acquire services or supplies for a charge. in future.


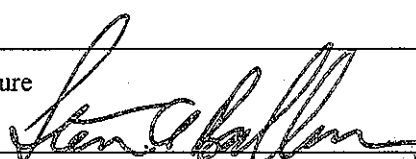
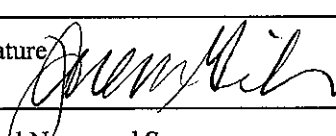
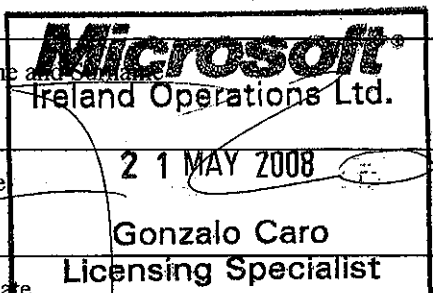
8.5 **Amendments.** In order to be valid, any amendment or modification of this Agreement requires written form.

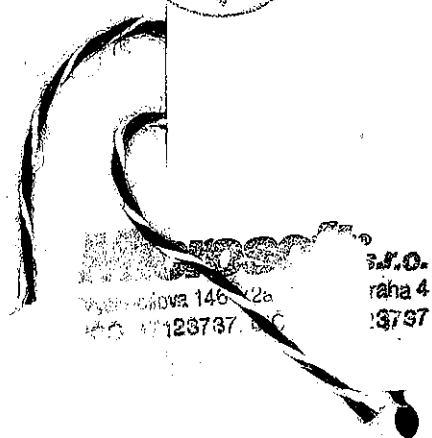
8.6 **Severability.** Should one or several provisions of this Agreement become invalid or unenforceable in total or in part, the remaining provisions of this Agreement will remain unaffected. The invalid or unenforceable provision will be replaced based on the Parties' agreement in writing by a valid and enforceable provision that comes closest to the original intention of the Parties.

8.7 **Applicable law, Jurisdiction.** This Agreement will be governed by the laws of the Czech Republic. The application of the UN Convention on the International Sale of Goods will be excluded. The courts of the Czech Republic will have exclusive jurisdiction for any disputes arising from or in connected to this Agreement.

8.8 Entire Agreement. This Agreement will constitute the entire understanding and agreement between the Parties concerning the subject matter of this Agreement and supersedes all prior discussions, agreements, understandings and representations whether oral or written and whether or not signed by the Parties.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement.

THE CZECH REPUBLIC - THE MINISTRY OF INTERIOR	WITNESSED BY
Signature 	Signature 
Printed Name and surname MUDr. Mgr. Ivan Langer	Printed Name and surname Steven Anthony Ballmer
Printed Title Minister	Printed Title Chief Executive Officer, Microsoft Corporation
Signature Date 22.5.2008	Signature Date 22.5.2008
MICROSOFT S.R.O.	MICROSOFT IRELAND OPERATION LIMITED
Signature 	Signature
Printed Name and Surname Jane Marie Gilson	Printed Name and Surname 
Printed Title Managing director	Printed Title 21 MAY 2008 Gonzalo Caro Licensing Specialist
Signature Date 22.5.2008	Signature Date



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