Contract No.

with

CONTRACT

Between:



of the one part,

and:

Výzkumný a zkušební letecký ústav, a.s. (hereinafter called the "Sub-contractor"),

whose Registered Office is at:

Beranevých 130, 199 05 Praha 9 - Letňany, Czech Republic,

represented by Mr. Josef Kašpar, its Chairman of the Board and Mr. Petr Matoušek, its Member of the Board,

of the other part,

the following has been agreed between the Sub-contractor and the Contractor hereinafter also referred to individually as "Party" and collectively as the "Parties":

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DEFINITIONS

"Advance Payment"

means a payment foreseen in the Contract intended to provide the Contractor with liquidity to allow the initiation of the contractual works.

"Day"

"Intellectual Property Rights"

"Legitimate Commercial Interests" means calendar day.

means all Registered Intellectual Property Rights, and all unregistered intellectual property rights granted by law without the need for registration with an authority or office including all rights in information, data, blueprints, plans, diagrams, models, formulae and specifications together with all copyright, unregistered trademarks, design rights, data base rights, topography rights, know-how and trade secrets or equivalent rights or rights of action anywhere in the world.

means an interest the Contractor can demonstrate which is important to its ability to commercially exploit Intellectual Property Rights arising from work performed under the Contract for a defined period of time which includes but is not limited to an economic position visà-vis a competitor, loss of profits or survival of an undertaking.

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"Participating State's Own Public Requirements"

means a public programme in the field of space research and technology and their space applications fully funded or funded to a substantial extent by the Participating State.



"Registered Intellectual Property Rights"

means all rights granted by law through registration with an authority or office (whether actually registered or in the form of applications) including all registered patents, utility models, designs, topography rights, domainnames and trade marks or equivalent rights and rights of action anywhere in the world.

"Third Party"

means a natural or legal person not having signed the Contract.

ARTICLE 1 - SUBJECT OF THE CONTRACT; GENERAL TERMS OF EXECUTION

1.1. The Sub-contractor undertakes to perform the activity (all hereafter deliver all the items listed in Article 2 of this Contract.

1.2. The Work shall be performed in accordance with the provisions stated in the following documents, listed in order of precedence in case of conflict:



- 1.3 General Terms of Execution
- 1.3.1 The Sub-contractor's own sales conditions shall not apply.
- 1.3.2 The language of this Contract and of all communications hereunder shall be English.

 The substantive Law according to which this Contract shall be construed is Czech Republic.
- 1.3.3 The Parties shall use their best endeavours to amicably settle any dispute arising out of the Contract.

Failing an attempt towards an amicable settlement, all disputes shall be finally settled by the competent courts of the Czech Republic.

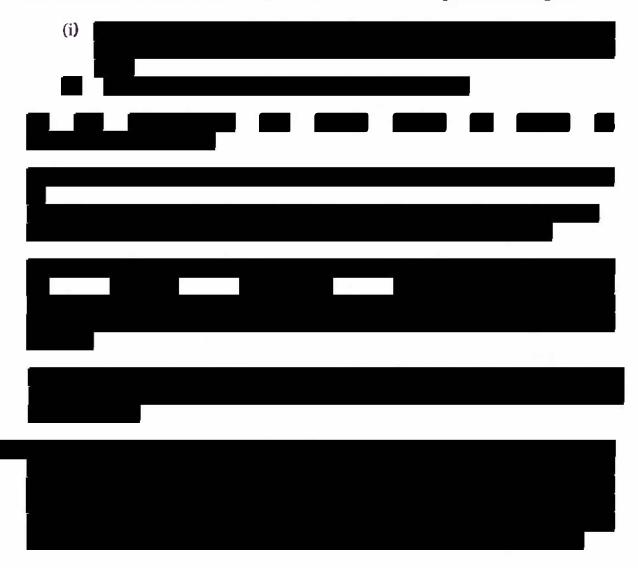
1.3.4The Sub-contractor shall be fully responsible towards the Contractor for the proper execution of the Work. Sub-contracts other than those specified in Article 3.1 below are expressly excluded.

The Sub-contractorshall have the same rights and obligations in relation to the work to be performed under the Sub-contract that the Contractor has agreed in relation to the Work performed under the Contract

Notwithstanding the normal communication lines within the consortium, and the overall responsibility of the Contractorto ensure proper and timely performance and

payments throughout the consortium, the Contractor shall ensure that below provisions are duly reflected in sub-contracts entered into for the purpose of his Contract

Should Sub-contractor encounter serious difficulties in the process leading to:



ARTICLE 2 - DELIVERABLES, DELIVERY REQUIREMENTS; PLACE AND DATE OF DELIVERY

- 2.1 General
- 2.1.1 Delivery shall be considered as effected only when the relevant deliverable items are in the possession.
- 2.1.2 Should it seem likely that the originally specified delivery date(s) may be exceeded, the Sub-contractor shall immediately notify the Contractor in writing and provide a detailed justification for the delay.
- 2.1.3 No price adjustment in favour of the Sub-contractor will be applicable for the period of delay in delivery.

No penalty to be deducted from the Sub-contract price shall apply in case of late delivery.

Should the Contactor conclude that the delays in delivery have impaired the intended objectives of the Work, the provisions of Article 5.5 below shall apply.

2.1.4 The Sub-contractor shall be responsible for the appropriate marking, packing, package labelling, insurance, freight, carriage and delivery relative to all deliverable items due hereunder and shall bear any cost relative to all of the above. Deliverable items shall furthermore be packed to guard against loss, damage or deterioration during transport and delivery. If found damaged or defective upon delivery, the reserves the right to return the affected items at the Contractor's expenses.

Should in the execution of this Contract a need arise to provide the Contractor with information which is subject to export control laws and regulations, the Subcontractorshall be responsible to ensure in all cases that such information is passed on to the Contractor in strict compliance with the provisions of such export control laws and regulations.

2.2 Acceptance and Rejection

The acceptance by the Contractor of the deliverables shall be declared upon verification, by the Contractor, that the Work has been performed in compliance with the agreed requirements and that the required results have been achieved. The said deliverables shall be considered as accepted in the absence of an explicit reaction in respect to the same, by the Contractor, within one (1) calendar month counting from the time of submission for acceptance. The provisions of Article 5.5 below shall apply in this respect.

2.3 Deliverable Documents

The Sub-contractor shall, during the performance of this Contract, deliver all documentation and reports specified in the Applicable Documents under Article 1.2, in the format specified therein.

These shall be sent to the Contractor's Technical Officer mentioned in Article 5.1, unless otherwise specified, in accordance with the following specific provisions:

- 2.3.1
- 2.3.2 The finalised versions thereof shall be issued in electronic searchable, indexed and not encrypted PDF and original (W●RD) format not later than four (4) weeks after the Contractor's approval of the draft versions and shall be sent by email to:
 - the Contractor's Technical Officerspecified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract and
- 2.3.3 At the same time as delivery of the final documents, the inputs to Technical Data Package, containing all approved Technical Notes, shall be delivered by email in an electronic searchable, indexed and not encrypted PDF and original (WORD) format to the Contractor's Technical Officerspecified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract.

ARTICLE 3 - PRICE

3.1 The total price of this Contract amounts to:



The Contractor may decide that certain items produced or purchased under the Contract during its implementation (see Article 7 below) shall become Fixed Assets. Such items shall be identified as becoming Fixed Assets through the means of a Contract Change Notice.

The abovementioned price is hereby defined as a Firm Fixed Price and as such, it shall not be subject to any adjustment or revision by reason of the actual costs incurred by the Sub-contractor in the performance of this Contract.

3.2 Any amount stated above does not include any added value taxes or import duties in the Member States of the



ARTICLE 4 - PAYMENTS AND INVOICING

4.1 Payments

Payments shall be made within calendar days of receipt payment for MS from Contractor to Sub-contractor.

Requirements to be fulfilled:

4.1.1 Advance Payment:

• Advance Payment Request (if any): to be submitted after signature of this Contract by both Parties.

4.1.2 Progress Payment(s):

• Milestone Achievement Confirmation

) with supporting documentation as necessary, submitted by the Sub-contractor. The supporting documentation shall justify the actual achievement of the milestone(s) as defined in the Payment Plan specified in Article 4.2 here below;

and

Invoice.

4.1.3 Final Settlement:

• Confirmation, submitted by the Sub-contractor with supporting documentation as necessary. The supporting documentation shall justify the actual achievement of the milestone(s) as defined in the Payment Plan specified in Article 4.2 here below;

and

• Invoice;

and

• Delivery, and acceptance by the Contractor, of all due items and fulfilment of all other obligations in accordance with the terms of this Contract;

Payments shall be made according to the provisions hereunder:

- 4.1.4 The Contractor shall credit the account of the Sub-contractor to the Sub-contractor's benefit. The Contractor shall be responsible for approving or rejecting, within thirty (30) calendar days of receipt and the relevant Sub-contractors'
 - The Contractor shall be afforded all the necessary visibility, whether remotely or by means of inspection of the Sub-contractor's and Sub-contractors' premises, in order to ascertain the progress of the Work prior to authorising the relevant payment.
- 4.1.5 If applicable, invoices shall separately show all due taxes and/or duties.
- 4.1.6 In the event that the achievement of a milestone is delayed but the milestone is partially met at the milestone planning date foreseen, the Contractor may as an exception, effect a payment against an approved confirmation of the partially achieved milestone, not exceeding the value of the Work performed at the date of payment.
- 4.1.7 When releasing the payment for a given milestone, if applicable, the Sub-Contractor's payment shall be made after duededuction of the corresponding offset of the Advance Payment(s) as per conditions of Article 4.2 here below. In case of partial payment(s), the Sub-Contractor shall deduct from the corresponding invoice(s) relative to the same milestone any outstanding amount of the Advance Payment(s) still to be off-set.
- 4.1.8 All invoices shall be submitted to the Contractor in electronic form.
- A.1.9 Payments shall be made by the Contractor in EURO to the account specified by the Sub-contractor. Such account information shall clearly indicate the IBAN (International Bank Account Number) and BIC/SWIFT (Bank Identification Code). The Parties agree that payments shall be considered as effected by the Contractor on time if the Contractor's orders of payment reach the bank within the payment period stipulated in Article 4.1 above.
- 4.1.10 Any special charges related to the execution of payments shall be borne by the Contractor.

The following payment plan is agreed for this Contract: 4.2 Advance Payment and other Financial Conditions:

ARTICLE 5 - SPECIFIC PROVISIONS

5.1 Approval / Representatives of the Parties during Contract Execution

For the purpose of this Contract, the authorised representative of the Contractor's Director General is:



The contractor's representatives are:

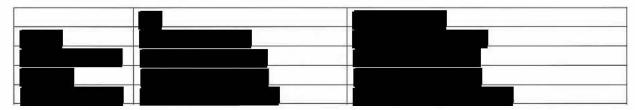
- Technical Officer: fortechnical matters, or a person duly authorised;
- Contracts Officer: for contractual or administrative matters, or a person only authorised.
- 5.1.1 All correspondence for the Contractor shall be addressed as follows:



a) for technical matters as follows:



b) for contractual and administrative matters as follows:



5.1.2 Sub-contractor's Representatives:

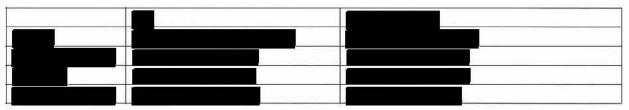
The Sub-contractor's representatives are:

- Technical Officer for technical matters, or a person duly authorised;
- Contracts Officer: for contractual or administrative matters, or a person duly authorised.

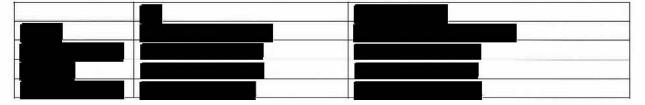
All correspondence for the Sub-contractor shall be addressed as follows:

Výzkumný a zkušební letecký ústav, a.s. Beranových 130, 199 o5 Praha 9 - Letňany, Czech Republic,

a) for technical matters as follows:



b) for contractual and administrative matters as follows:



- 5.1.3 Communications related to the Contract affecting its terms and conditions shall only bind the Parties, if signed by the Contractor's and the Sub-contractor's duly Authorised Representatives.
- 5.2 Infringement of the Iaw Infringement of third party rights
- 5.2.1 The Contractor shall not be responsible if the Sub-contractor infringes the laws or statutes of his country or of any other country whatsoever.
- 5.2.2 In the event of a reasonable suspicion of infringement of any patent rights and other Intellectual Property Rights of third parties, the Work being performed under this Contract shall be stopped immediately. Assessment of the suspicion shall be performed by the Sub-contractor and if confirmed, both Parties shall agree on a new approach to achieve the objectives of this Contract, either by obtaining

the applicable licence(s) from third party(ies) by the Sub-contractor and/or by signing a Contract Change Notice (CCN) agreed upon between both Parties, in order to avoid the infringement. The purpose of the CCN shall be either to restart the Work, if plausible due under the changed circumstances; or to terminate the Contract, in accordance with Article 5.5.4 hereunder, if the infringement cannot be avoided.

Notwithstanding the above, the Sub-contractor shall indemnify the Contractor from and against all claims, proceedings, damages, costs and expenses arising from infringement or alleged infringement of any patent rights and other Intellectual Property Rights of third parties with respect to the Work under this Contract. This obligation does not extend to infringements resulting from the use of documents, patterns, drawings or items supplied by the Contractor or from a modification or combination of the deliverables due hereunder made by the Contractor after their acceptance.

- 5.3 Liabilities
- 5.3.1 Claims between the Parties in respect of damages to staff and goods occurring during the execution of the Contract shall be settled in the following manner:
- 5.3.1.1 Claims for injuries, including death, sustained by the Parties' representatives or employees (staff) by virtue of their involvement in the Contract shall be settled in accordance with the Law governing the Contract.
- 5.3.1.2 Claims for damage caused by one of the Parties to goods owned by the other Party shall be settled in accordance with the Law governing the Contract. The liability of either Party for damage to goods owned by the other Party, except in cases of gross negligence or wilful misconduct, shall however not exceed the amount which is quoted in the Contract as the total Contract price.
- 5.3.2 Except in case of gross negligence and wilful misconduct, the Parties shall not be liable towards each other for consequential damages sustained by the Parties, arising from and during the execution of the Contract. For the sake of clarity and as an example, consequential damages include, but are not limited to: loss of contract; income or revenue; loss of profit or interests; loss of financing; loss of customer; loss of availability and use of facilities; loss of availability and use of employees' productivity or loss of services of such persons; loss of opportunity; loss of rental expenses.
- 5.4 Items made available by the Contractor
 - It is not foreseen that the Contractor will make any items available to the Subcontractor.
- 5.5 Contractor's Rights in Case of Contractor's Under-Performance
- 5.5.1 Should any of the results of the Work fail to meet the agreed requirements and/or specifications, the Contractor reserves the right to reject such results and require

- 5.5.2 Should any of the results of the Work fail to meet any of the agreed requirements and/or specifications to such an extent as to seriously jeopardise the performance of this Contract and/or to defeat its objectives, the Contractor reserves the right to terminate this Contract.
- 5.5.3 Should the Sub-contractor fail to obtain an export authorisation from the competent national authority, the Contractor shall have the right to terminate this Contract without further notice.
- 5.5.4 Termination of this Contract as specified above shall entail no compensation being due to the Sub-contractor other than the amounts corresponding to the Milestone Payments already made hereunder at the time of serving of the termination notice. Any amounts corresponding to Advance Payments not entirely offset hereunder shall remain payable to the Contractor.
- 5.5.5 Additionally, the Contractor reserves the right not to further proceed with this Contract at the end of a technical phase, if any, as specified in the Applicable Documents under Article 1.2. The Contractor shall exercise such right by serving a termination notice to the Sub-contractor within thirty (30) calendar days counting from the completion of the preceding phase.
- 5.6 Changes to this Contract
- 5.6.1 The Contractor reserves the right at any time to request a change to the requirements covered by this Contract. The Contractor may also accept changes proposed by the Sub-contractor. The requesting Partyshall communicate all change requests to the other Party in writing through the Parties' Representatives indicated in Article 5.1 above.
- 5.6.2 The cost impact relative to any change resulting from a request, by the Contractor, to modify the requirements covered by this Contract shall be borne by the The Sub-contractor shall be responsible for the consequences and shall bear the cost of any other change.
- 5.6.3 When responding to a change request issued by the Contractor or as a means to propose changes to the Contractor, the Sub-contractor shall submit a committing change proposal including a detailed quotation of the effects of the change on the contractual work, price, schedule, deliverable items and any other contractual terms and conditions.

ARTICLE 6 - INTELLECTUAL PROPERTY RIGHTS

- 6.1 Information to be provided by the Sub-contractor Protection of information
- 6.1.1 Information, data, reports and results arising from Work performed under this Contract shall be delivered to the Contractor. The Contractor shall have the right to make such information, data, reports and results available to the Participating States and any Persons and Bodies under their jurisdiction, to use on the terms set forth in the following clauses.
- 6.1.2 For the purpose of this Contract "Proprietary Sensitive Information" shall mean information corresponding to business related information (e.g. businessplans) and/or Intellectual Property Rights vesting in an entity, the uncontrolled dissemination of which is likely to impair the entity's long-term ability to use and exploit the aforesaid and/or to maintain a competitive advantage.

The Sub-contractor shall not mark any (electronic) documentation as Proprietary Sensitive Information, unless agreed in advance with the Any request from the Sub-contractor shall be submitted in writing accompanied by an appropriate justification.

- 6.1.3 Neither Party shall disclose any documentation obtained from the other Party, and which both Parties recognise as being Proprietary Sensitive Information without the other Party's previous written authorisation. Without prejudice to the foregoing and limited to the purpose and scope of this Contract, both Parties may circulate such documentation to their employees or collaborators that require the said documentation for the sole purpose of complying with, or inspecting the progress of, this Contract.
- 6.1.4 The obligations provided in Articles 6.1.2 and 6.1.3 shall not apply to (electronic) documentation:
 - which at the time of circulation has already entered in public domain or which
 after circulation enter in public domain other than through a breach of the
 Contract;
 - which at the time of circulation is already known by the receiving party and is not hindered by any obligation not to circulate;
 - which is later acquired by the receiving party from another source and is not hindered by any obligation not to circulate;
 - which is required to be circulated by law or order of a court of competent jurisdiction.

6.2 Ownership and Use of Intellectual Property Rights

6.2.1 Ownership of Intellectual Property Rights

The Contractor shall own all Intellectual Property Rights and have the right to apply for, and to own, any registered Intellectual Property Rights arising from Work performed under this Contract. Sub-contractor shall as soon as possible report to the Contractor any results arising from such a Work which may in his opinion be protected as registered Intellectual Property Rights and state whether he intends to apply for such protection. At the Sub-contractor's specific request in order to allow for filing of patent applications the Contractor shall not disclose any relevant information and results for a period of twelve (12) months from the date it was reported to the Contractor.

6.2.2 Use of Intellectual Property Rights

All Intellectual Property Rights arising from Work performed under the Contract shall be available to:

a) the Participating States and Persons and Bodies, to use on a free of charge, worldwide licence, with the right to disseminate and/or to grant sublicences, for the own requirements.

For the avoidance of doubt, the term "use" for the purposes of software and/or hardware (design) shall include, but not be limited to, use to operate, integrate, validate, maintain, modify and upgrade items developed under the Contract.

- Participating States as well as any Persons and Rodies under their jurisdiction, to use on "favourable conditions" (i.e. more favourable for the purchaser than market conditions but still allowing reasonable profit for the seller) forown public requirements of such States.
- c) Academic and research institutions within the Participating States to use on a free licence without the right to grant sub-licences, for their own scientific research purposes, excluding commercial purposes and providing the Contractoragrees such use is not contrary to its legitimate commercial interests.

6.3 Background Intellectual Property

6.3.1 Background Intellectual Property - Definition

For the purpose of this Contract, "Background Intellectual Property" means all Intellectual Property, belonging to the sub-contractor to a third party, which:

- a) has not been generated under contract with the Contractor either prior to or during execution of this Contract, and
- b) is relevant to the work carried out under this Contract, and
- c) the Sub-contractor uses to achieve the objectives of this Contract, and
- d) is delivered to the Contractor to enable it to use, operate, copy, distribute and sub-license the deliverable items due under this Contract as specified in the requirements, and
- e) is duly identified as such in this Contract.

Conversely, "Foreground Intellectual Property" means all Intellectual Property generated through work carried out under, or directly or indirectly funded through, this Contract.

6.3.2 Use of Background Intellectual Property

The Contractor acknowledges that the Sub-contractor will use Background Intellectual Property to achieve the objectives of this Contract.

The price agreed for this Contract includes all the fees relative to access to and use of the said Background Intellectual Property, including, but not limited to, the right to sub-license, by the for the purposes set forth in this Contract.

Any deliverable documents and reports containing Background Intellectual Property shall consist of distinct, appropriately marked and separable parts or volumes in order to precisely identify and segregate the Background Intellectual Property itself.

The Background Intellectual Property owned by the Sub-contractor or a third party shall remain the property of the owner.

Background Intellectual Property to which the Contractor requires access for the sole purpose of technical or legal inspection during the execution of this Contract shall be treated as Proprietary Sensitive Information as set forth under 6.1.2 and 6.1.3 above.

The following conditions shall apply to Background Intellectual Property which the Sub-contractor delivers together with, or as part of, the deliverable items due under this Contract:

- a) For Background Intellectual Property delivered in a format making it readily decipherable and meaningful by inspecting, accessing or using the said deliverable items:
 - i. The Subcontractor shall grant to the Contractor, or ensure that the Contractor be granted, an irrevocable, free of charge, world-wide licence to enable the Contractor to autonomously use, operate, copy, modify and sub-license the Background Intellectual Property limited to its own requirements relative to this Contract and/or the projects or activities listed under ii. below;
 - ii. Projects or activities for which the Contractor is entitled to a licence as described under i. above:
 Activities under this Contract.

- b) For Background Intellectual Property delivered in protected format:
 - i. The Sub-contractor shall grant the Contractor, or ensure that the Contractor be granted, an irrevocable, free of charge, world-wide licence to enable the Contractor to autonomously use, copy, distribute and sub-license, without any restrictions, the Background Intellectual Property delivered in protected format under this Contract as part of other deliverable items, limited to its own requirements relative to this Contract and/or the projects or activities listed under a) ii. above;
 - ii. The Sub-contractor shall grant the Contractor, or ensure that the Contractor be granted, an irrevocable, free of charge, world-wide licence to enable the Contractor to autonomously use, operate, copy, distribute and sub-license the Background Intellectual Property delivered in protected format as a separate item under this Contract, limited to the Contractor's own requirements relative to this Contract and/orthe projects or activities listed under a) ii. above;
 - The Contractor shall not decrypt, decompile or reverse-engineer Background Intellectual Property delivered in protected format and shall reflect this obligation onto any (sub)licence or agreement into which it may enter to further distribute to any third party the said Background Intellectual Property as the Contractor sees fit.
- 6.4 The free licences <u>provided</u> for the benefit of

The free licences provided on Intellectual Property arising from Work performed under this Contract and/or Background Intellectual Property indicated in 6.3 for the benefit of shall be deemed granted through signature of the present Contract and without the need to implement a separate licence.

6.5 Transfer outside the Member States.

Any transfer of Intellectual Property Rights orany product, process, application or result arising from work performed under the Contract by the Sub-contractor to any entity in a non-Member State or any international organisation shall comply with all applicable laws including all export control laws, regulations, rules and procedures and any relevant international agreements relating to the export of goods and services.

ARTICLE 7 - MANAGEMENT AND CONTROL OF INVENTORY ITEMS/FIXED ASSETS UNDER THE CONTRACT

The following provisionsapply to any items other than those items which fall within the scope of Article 2 of the Contract.

The Sub-contractor shall specify, record, manage and control any and all Customer items and Fixed Assets under Construction (reference is made to Article 3.1 above) that are subject of this Contract. Such items are:



The Sub-contractor shall operate an inventory control system of all above mentioned items and shall mark them as falling under this Article of the Contract.

The Inventory Control System shall:

- record the existence, location, operational status and condition of all inventory items, and
- record the value and estimated life duration of all inventory items, and
- record changes in inventoryvalue, and
- enable financial reconciliation to be made and status reports to be prepared for incorporation of the relevant data into the annual financial accounts.

The Sub-contractor shall, as part of the Inventory Control System, maintain an Inventory/Fixed Asset Record (in an electronic tool of its choice) which shall, as a minimum, contain the information as shown in Appendix 2 to this Contract.



If the Inventory/Fixed Asset Record also includes any of those items which fall within the scope of Article 2 of the Contract, these items are to be clearly set apart.

Items, for which no place of delivery has been identified in Article 2 of this Contract, are subject to the following provisions.



The contract will enter into force on the date of its signing by both parties and into the efficiency on the date of publication in the register of contracts. VZLU will therefore after its signing by both parties submit the contract to register of contracts for publication.

Done in two (2) originals, one for each Party to this Contract,

In:

On: 16+4 May 2019

In: Prague

On: 21/05/12/19

For Výzk umný a zkušební letecký ústav, a.s.

Mr Josef Kašpar Chairman of the Board

Mr Petr Matoušek Member of the Board

> výzkumy a zkuštehí latecký ústavas. (1) Eleranových 130 199 05 Praha - Letňany IČO: 99019394, DIČ: 0200010669