

Contract for Work No. LOM/19011/005/16
for repairs of aircraft in-line piston engines of range M
entered into as per Sections 2586 et seq. of Act No. 89/2012 Coll.

Order Party:

XXX

(the “**Order Party**” henceforth),

and

Contractor:

LOM PRAHA s.p.

Registered office: Tiskařská 270/8,
108 00 Prague -10 Malešice,
Czech Republic

Company ID: 00000515

Tax ID: CZ00000515

**Registered in the Commercial Register maintained by the Municipal Court in Prague,
Section ALX, Insert 283, date of incorporation: 30.06.1989**

Represented by Ing. Roman Planička, Company Director

Representative for financial issues: Ing. Michal Geist, Financial Director
tel. + **XXX**, e-mail: **XXX**

Representative for contractual and technical issues: Ing. Radek Mazal, Head of the Office of
Piston Engine Design
tel. + **XXX**, e-mail: **XXX**

(the “**Contractor**” henceforth)

Article 1.

Subject matter of the Contract for Work

- 1.1. The Contractor shall conduct an overhaul (the “OH” henceforth) of an engine that shall be delivered by the Order Party under the specification provided below.

Type	Serial no.	Number of pcs	Description of service
XXX	XXX	XXX	XXX

- 1.2. OH shall be conducted in compliance with the rules and conditions stipulated in the Contractor's valid approved documentation "LOM Procedures for OH of Engines (the "OHP" henceforth). **XXX**
- 1.3. Before OH is carried out, the Contractor shall perform a commission examination (the "CE" henceforth) in order to confirm the condition of the engine and its aggregates.
- 1.4. If, based on the outcome of CE, additional costs beyond the standard OH incur, material 1:1, an amendment to this Contract shall be concluded, determining the period of the repair and the total price for OH, including additional costs. The amendment must be signed by representatives of both Contracting Parties in due form.
- 1.5. The Order Party shall pay the price for OH as determined in Article 2 hereof.

**Article 2.
Price and payment terms**

- 2.1. Unless otherwise agreed by the Contracting Parties with respect to the outcome of CE, the contractual price for performing OH shall be as follows:

Price excl. VAT
XXX

- 2.2. The price for the standard OH **XXX**
- 2.3. The price for OH specified in paragraph 2.1 **XXX**
- 2.4. The price for conducting OH has been determined on the condition that the engine shall be delivered under FCA LOM PRAHA s.p., Tiskařská 270/8, 108 00 Prague 10 - Malešice Incoterms® 2010, and under the condition that the engine shall be collected after the repair under EXW LOM PRAHA s.p., Tiskařská 270/8, 108 00 Praha 10 - Malešice Incoterms® 2010.
- 2.5. The price for OH s **XXX**
- 2.6. The Order Party shall **XXX**

- 2.7. After such advance payment invoice is settled in full (the invoiced value is credited to the Contractor's bank account), an invoice - tax document shall be issued by the Contractor within 15 days and sent to the Order Party's address.
- 2.8. The Order Party shall pay the remaining balance of the total price for OH, including additional costs, if any - see item 1.4, based on a final tax document (invoice) issued by the Order Party within 7 days of the day of conclusion of the completion control run of the engine in the Contractor's overground test room, with a due period of 14 days of the day when the tax document is delivered to the Order Party.
- 2.9. VAT at the rate under the legal regulations valid as at the date of taxable supply shall be added to the price invoiced. The Order Party shall remit any payments related to the performance of the subject matter of this Contract for Work in CZK to the Contractor's account.

Article 3.

Place of performance and term of delivery

- 3.1. The place of performance shall be the Contractor's establishment located at the address Tiskařská 270/8, 108 00 Prague 10 - Malešice.
- 3.2. The Order Party shall deliver the engine concerned including complete documentation to the Contractor's establishment no later than by: date.
- 3.3. The term of delivery of OH for the engine concerned shall be **XXX**
- 3.4. The term of delivery of OH as established in paragraph 3.3 **XXX** The Order Party undertakes to provide the Order Party's response in writing within 14 days of the date of receiving the report. The final agreement as to extending the performance of OH shall form the subject matter of an amendment hereto.

Article 4.

Performance of the subject of OH and quality control, guarantees

- 4.1. After OH is completed, the engine shall be delivered to the Order Party or a representative nominated by the Order Party (e.g. a forwarding company) only after the price for OH is paid in full under the conditions delineated in Article 2.
- 4.2. In accordance with item 2.4, the place of handover of the engine shall be **XXX**
- 4.3. The preservation of the engine shall be **XXX**
- 4.4. The Contracting Parties have agreed that **XXX**

- 4.5. The Order Party undertakes to provide the Contractor with information about the final user of the engine.
- 4.6. **XXX**
- 4.7. In compliance with the applied legal order, the Contracting Parties have agreed to restrict the right for compensation for loss to the maximum price paid for OH under this Contract. Any loss in excess of the above restriction shall be compensated if caused intentionally or out of gross negligence. No loss shall be compensated if the cause of the given loss claim consists in the Order Party's failure to abide by all instructions and recommendations for transport, installation, operation, maintenance and preservation of the engine as provided in the complex applicable set of instructions for retaining airworthiness, in the wording of any amendments.

Article 5. Final provisions

- 5.1. This Contract shall be governed, construed and enforced under the law of the Czech Republic. Rights and obligations of both Contracting Parties shall be governed in compliance with provisions of Act No. 89/2012 Coll., the Civil Code, unless otherwise provided in this Contract.
- 5.2. Both Parties are obligated to exert utmost effort to solve any disputes and disagreements that might arise from or in connection with this Contract, specifically in manner of amicable negotiations.
- 5.3. Any disputes arising from this Contract, directly or indirectly, which cannot be solved amicably shall be resolved by the general court determined according to the registered office of the respondent.
- 5.4. Neither of the Contracting Parties is entitled to pass its rights and obligations ensuing from this Contract to any third parties without a prior written consent of the other Party to this Contract.
- 5.5. Any changes of and amendments to this Contract shall be valid only if executed in writing and duly signed by authorized representatives of the Contracting Parties. Such changes and amendments shall become integral parts of this Contract. The Contracting Parties expressly exclude any other regulations of this Contract, obligations arising from this Contract or the content of legal acts in relations hereto in other than a written form.
- 5.6. This Contract for Work shall become valid and effective on the day when signed by both Contracting Parties.

- 5.7. This Contract for Work has been executed in the Czech language and in two copies, with each Contracting Party holding one copy. Both copies shall be valid as the original text.
- 5.8. Both Contracting Parties have read this Contract for Work, which is an expression of their free will. In witness whereof, the Contracting Parties have signed this Contract below.

In Prague, on ___2.12. 2016

for the Order Party

In Prague, on _____13.12. 2016

for the Contractor

LOM PRAHA s.p.
Ing. Roman Planička
Company Director