



Ministry of Defense of the Czech Republic

Armaments and Acquisition Division

CASA C-295MW - Purchase Contract

Contractual Terms and Conditions

náměstí Svobody 471, Prague 6, 160 01, Czech Republic



Purchase Contract No. 185210172 "CASA C-295MW"

BUYER:

Czech Republic – Ministr	y of Defence
Registered office:	Tychonova 1, 160 01 Praha 6, Czech Republic
Represented by:	Deputy Minister for Armaments and Acquisition
	Division
Office address:	nám. Svobody 471, 160 01 Praha 6
Reg. No.:	60162694
VAT reg. No.:	CZ60162694
Bank:	ČNB, Branch 701, Na Příkopě 28, 110 03 Praha 1
Bank account No .:	

Representative in the contractual matters:

Representative in the organizational and financial matters:

Representatives in the technical matters:



Representative in the classified information matters:

Postal address:

Sekce vyzbrojování a akvizic MO Odbor vyzbrojování vzdušných sil nám. Svobody 471, 160 01 Praha 6

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Contractual Terms and Conditions	
SELLER:	
AIRBU'S DEFENCE AND SPACE, S.A. "sociedad unipersonal" Registered at Commercial Register in Madrid at number general volume 530, Sections No. M-10082 Registered office: Avenida de Aragón 404, 280, 22 Madrid, Spain Sole Director VAT reg. No.: ES A-28 006104 Bank: Bank account No.:	on 41, page
Representative in the contractual matters: HO Commercial and Cont	tracts I&M
Representative in the organizational and technical and financial matters: Director Sales Military	
Aircraft,	
Postal address: AIRBUS DEFENCE AND SPACE, S.A. Avenida de Aragón 404 280 22 Madrid, Spain	
in accordance with the provisions under Section § 2079 and subsequent of the Act No. 89 the Civil Code, as subsequently amended enter into this purchase contract No. 185210172.	9/2012 Coll.,

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Contractual Terms and Conditions

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Article 1 Definitions and Interpretations

In addition to words and terms elsewhere defined in this Contract, the initially capitalized words and terms used in this Contract shall have the meaning set out below:

ACR	Army of the Czech Republic;
Act No. 412/2005 Coll.	Act No. 412/2005 Coll., on the protection of the classified information and security capacity, as subsequently amended;
Aircraft	CASA C-295MW aircraft fully described under Annex 1 of this Contract;
Aircraft Technical Acceptance	process described in Article 8.2 - 8.11 of this Contract;
Aircraft Technical Documentation	aircraft technical documentation described in Annex 11 of this Contract;
Balance Payment	Payment paid in date and amount, specified in Annex 4 Article 2 of this Contract;
Bill of Sale	document described in Article 9.5 of this Contract;
Business Day	a day, other than Saturday/Sunday, on which business of the kind contemplated by this Contract is carried on in Spain and the Czech Republic or, where used in relation to a payment, which is a day on which banks are open for business both in Spain and in the Czech Republic;
Buyer's Assets	technical equipment owned by the Buyer including, but not limited to, all equipment needed for execution of this Contract;
Buyer's Facility	
Buyer's Representative	person stated in Article 8.1 of this Contract;
CAM	Customer Acceptance Manual;
Certificate of Conformity	certificate issued by the Spanish Quality Assurance Authority;
CIG	Customer Inspection Guide;
Civil Code	Act. No. 89/2012 Coll., the Civil Code, as subsequently amended;
Committee	committee appointed by the Buyer according to the Program of the Military Tests in the Regulation;

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	Contract	purchase contract No. 185210172;	
	CR AF	Air Force of the Army of the Czech Republic;	
	CCI materiel	materiel described in Annex 15 of this Contract;	
	Delivery Date	date specified in Article 9.6 of this Contract (for a date specified in Article 9.9 of this Contract (for a date specified in Article 9.12 of this Contract (for	the IPL and GSE); or
	Delivery Location	Seller's Facility in Seville, Spain;	
	Delivery Note	document of delivery signed by the Seller's and H	Buyer's representatives;
	Down Payment	Payment paid in date and amount, specified in . Contract;	Annex 4 Article 2 of this
	Advance Payment	Any Payment paid according to Article 5.3 a 5. Payment and before the third Balance Payment;	4 in the time after Down
	Equipment	additional equipment fully described under Annex	1 of this Contract;
	Excusable Delay	event described in Article 10 of this Contract;	
	Final Account	final account of the down payment according to Art	ticle 5.11 of the Contract;
	Goods	2 Aircraft, Aircraft Technical Documentation, IPL a	nd GSE;
	GSE	ground support equipment described in Annex 3 of	this Contract;
	Invoice	document on its basis the Buyer pays the amou Article 2, and which is further described in Article 5	
	IPL	initial provisioning spare parts described in Anne	x 3 of this Contract;
	Manufacturers Change	change according to Article 11 of this Contract;	
	Military Tests	military tests performed according to Article 7 of t	his Contract;
	Modernization SW 10.1	modernization specified in Article 3.4 of this Cont Contract;	tract and Annex 15 of this
ŀ.	Modernization SW 10.1 Price	price for the Modernization SW 10.1 specified in A	rticle 4.5 of this Contract;
	Non-Prevented Party	Party not directly affected by the event that constitu	tes the Excusable Delay;
	Order	order processed in accordance with Annex 16 of thi	s Contract;
	Partial Delivery	individual partial delivery according to Annex 2 of a	this Contract;
	Party(ies)	Seller and/or the Buyer as the context requires;	
	Prevented Party	Party directly affected by the event that constitutes t	he Excusable Delay;
	Purchase Price	price set out in Article 4.2 of this Contract;	
	Record of the Provided Training	document issued after the successful completion of	the Training;
	Regulation	Regulation of the Chief of the General Staff of the A Republic published in accordance with the Normation of Defense No. 100/2015 Bull., on the implementation into the use of the Ministry of Defense, as amended No. 39/2018 Bull. and No. 26/2019 Bull;	ive Decree of the Ministry tion of military equipment
	Report	Final Report of the Results of the Military Tests;	privol:
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TAAs	Technical Assistance Agreements as described in Article 16.7
Tax Document	document describing the value of each Partial Delivery and billing relevant part of Down Payment and Early Payment; this document is used for VAT calculation and is further described in Article 5 of this Contract;
Training	flight crews training course and/or maintenance training course according to Annex 12 of this Contract;
Technical Specification	technical specification of the Aircraft described in Annex 1 of this Contract;
VAT	value added tax;
Warranted Part	part according to Article 14.1 of this Contract.

Article 2

Purpose of the Contract

2.1 The purpose of this Contract is to increase the air transport capabilities of the CR AF whilst meeting the higher demands placed on this component of the ACR in context of the presence of the ACR personnel in foreign missions, the training of the ACR personnel, carrying out the goals within the remit of the ATARES (Air Transport and Air to Air Refueling and Other Exchange Services) project in favor of NATO and the EU, and also the replacement of the transport capability of JAK-40 aircraft.

Article 3 Subject of the Contract

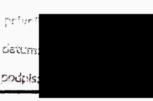
3.1 The Seller agrees to sell and the Buyer agrees to purchase from the Seller:

- a) 2 Aircraft (including the Aircraft Technical Documentation); and
- b) IPL and GSE;
- upon the terms and conditions included in the Contract.
- 3.2 In addition, the Seller is obliged to perform the Training according to Article 13 of this Contract. The price of the Training is included in the Purchase Price and is described in Annex 4 of the Contract.
- 3.3 The Seller is obliged to deliver the Goods in 8 Partial Deliveries in accordance with Annex 2 of this Contract, but not later than 30 November 2023.
- 3.4 The Seller is obliged to perform the Modernization SW 10.1 on 2 Aircraft in accordance with Annex 15 of the Contract and based on the approved Order under the terms stated in Article 20 of the Contract. The Modernization SW 10.1 Price is not included in the Purchase Price and is described in Article 4.5 of the Contract.
- 3.5 The Buyer undertakes to accept the properly delivered Goods and pay the Seller the Purchase Price in accordance with Article 4 of this Contract and Annex 4 of this Contract.

Article 4

Purchase Price and Modernization SW 10.1 Price

- 4.1 The Purchase Price and Modernization SW 10.1 Price are determined in accordance with Section § 2 of the Act No. 526/1990 Coll., on Prices, as subsequently amended, estimated on the basis of the calculation of economically eligible costs and reasonable profit, negotiated and agreed between the Parties.
- 4.2 The Purchase Price is: 70.155.921,70 EUR
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(in writing: seventy million and one hundred fifty-five thousand and nine hundred twenty-one EUR and seventy cents).

- 4.3 A detailed breakdown of the Purchase Price is stated in Annex 4 of this Contract.
- 4.4 The Purchase Price is the highest permissible price and may not be exceeded. The Purchase Price includes all costs of the Seller associated with the Goods and Training under this Contract, i. e. particularly performance of all tests stated in the Contract, transport costs, government quality assurance and codification costs, cooperation with the Buyer, custom fees and other associated costs.
- 4.5 The Modernization SW 10.1 Price is: 1.847.000,00 EUR (in writing: one million and eight hundred forty-seven thousands EUR)
- 4.6 The Modernization SW 10.1 Price is the highest permissible price and may not be exceeded. The Modernization SW 10.1 Price includes all costs of the Seller associated with the Modernization SW 10.1 under this Contract.

Article 5

Payments, Taxes and Custom Duties

- 5.1 The Purchase Price and Modernization SW 10.1 Price are calculated without VAT. The Seller has declared that according to the Czech law, the Seller is not established and registered for VAT in the Czech Republic. The amount of VAT shall be self-assessed by the Buyer in accordance with the relevant legal regulations effective at the date of the relevant taxable transaction.
- 5.2 All payments shall be made by the Buyer to the Seller in the amounts and dates (on the bank accounts stated in the heading of this Contract), specified in Annex 4 of this Contract. The Buyer hereby commits to comply with all applicable monetary and exchange regulations and to obtain the relevant authorization enabling it to make such payments in accordance with the terms of this Contract.
- 5.3 Buyer is entitled to anticipate payments in case of budget availability, the amount of the
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5.4 Once advance payment is confirmed, official letter will be issued by the Seller for the balance payment status.

- 5.5 Notwithstanding any other provision of this Contract, Seller shall at any time have the right, without the prior consent of Buyer and without any notification to Buyer, to assign any of its rights to receive money hereunder, as well as the guarantees and securities, as the case may be, provided by Buyer with respect to its payment obligations hereunder, and Buyer shall deliver to Seller, or the assignee, all documents which may be required to evidence Buyer's consent to such assignment.
- 5.6 The Buyer is obliged to provide to the Seller the following down payments in the amount of

The mentioned down payments will be transferred to the Seller in the dates specified in Annex 4 of this Contract.

Ded;

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- 5.7 The Seller is obliged to issue and deliver to the Buyer the Tax Document no later than 10 calendar days after signature of relevant Certificate of Acceptance of relevant Partial Delivery. The Tax Document shall include the particulars that are specified in Article 5.10, 5.11 and 5.12 of this Contract.
- 5.8 The Seller is obliged to bill the relevant part of the down payment by means of a written Tax Document after the proper delivery of the relevant Partial Delivery and fulfilment of all its obligations under the relevant provisions of this Contract. If the Seller does not account the relevant part of the down payment within 14 calendar days from the proper delivery of the Partial Delivery, the Seller is obliged to send the relevant part of the down payment to the Buyer within 14 calendar days from the day following the end of the above mentioned period for billing.
- 5.9 The balance payment for the relevant Partial Delivery will be paid by the Buyer, on the basis of the Invoice, that is issued on the Buyer's written request in accordance with Article 5.12 of the Contract and delivered to the Buyer in accordance with Annex 4 of the Contract, following the proper delivery of the relevant Partial Delivery and fulfilment of all Seller's obligations under the relevant provisions of this Contract.
- 5.10 The Tax Document shall include the particulars of the proper tax document, i.e. pursuant to the Act No. 235/2004 Coll., on Value Added Tax, as subsequently amended, and pursuant to Section § 435 of the Civil Code. The Tax Document is not considered to be the Invoice as per Article 5.9 of this Contract.
- 5.11 The Tax Document, Final Account and Invoice shall feature the following address of the Buyer:

Česká republika – Ministerstvo obrany Tychonova 1, 160 00 Praha 6 Reg. No.: 60162694, VAT Reg. No.: CZ60162694

Represented by:

Sekce vyzbrojování a akvizic MO odbor vyzbrojování vzdušných sil nám. Svobody 471/4, 160 01 Praha 6

- 5.12 The Tax Document issued according to Article 5.7 and the Invoice issued according to 5.9 of this Contract is required to include all the following information:
 - identification of the Seller including Reg. No and identification of the Buyer including Reg. No. and VAT Reg. No.;
 - designation of the document as Invoice and its registration number;
 - number of this Contract stated by the Buyer in the heading of this Contract;
 - date of the relevant delivery;
 - date of issue and due date of the Invoice;
 - price without VAT;
 - number of annexes and stamp of the Seller with the Seller's signature;
 - bank account of the Seller;
 - in the annex to the Tax Document, the Seller shall provide Delivery Note with IDED number, Certificate of Conformity and/or the Record of the Provided Training (if applicable) and Statement of The Czech Defense Standardization, Codification and Government Quality Assurance Authority about the fulfillment of Codification Clause.

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- 5.13 The maturity of Invoice in accordance with Article 5.12 of this Contract is up to 30 calendar days from its delivery to the Buyer in case it is issued in accordance with Annex 4 of this Contract. The Invoice is considered paid on the day when the invoiced amount will be debited from the Buyer's account and transmitted to the Seller's account.
- 5.14 The Buyer is entitled to return the Invoice before the expiry of 30 calendar days, if the Invoice does not contain the required particulars, is not substantiated by requested documents, contains incomplete or incorrect data, or has other shortcomings. In the case of a legitimate Invoice return, the Seller shall issue a new Invoice. A legitimate Invoice return discontinues the original maturity period and the new maturity period is running on the date of delivery of the reviewed Invoice to the Buyer. The Seller is obliged to deliver the new Invoice to the Buyer on the mailing address stated in the heading of the Contract within 5 Business Days from the date of receipt of a legitimately returned Invoice.
- 5.15 All fees associated with realization the of above mentioned payments are paid by each Party itself.

Article 6

Aircraft Certification, Quality Assurance and Codification

- 6.1 The Aircraft delivered under this Contract shall satisfy all the requirements of the Aircraft Type Certificate and Export airworthiness certificate issued by the Spanish Certification Authority and the Military Aviation Authority of the Ministry of Defense of the Czech Republic.
- 6.2 The Seller is obliged to allow the performance of Quality assurance in the extent of:

I. expert supervision of quality and final inspection according to AQAP-2110, Ed. D, NATO QUALITY ASSURANCE REQUIREMENTS FOR DESIGN, DEVELOPMENT AND PRODUCTION;

2. expert supervision of quality and final inspection according to AQAP-2210, Ed. A, NATO SUPPLEMENTARY SOFTWARE QUALITY ASSURANCE REQUIREMENTS TO AQAP 2110.

- 6.3 The Czech Defense Standardization, Codification and Government Quality Assurance Authority will delegate the performance of the Government Quality Assurance to the relevant Spanish Government Quality Assurance Authority.
- 6.4 The Aircraft and the performance of the Modernization SW 10.1 shall be subject to the Government Quality Assurance in the scope of the expert supervision of quality and final inspection in the meaning of the Act No. 309/2000 Coll., on Defense Standardization, Codification and Government Quality Assurance of Products and Services Designated for Ensuring National Defense and on Amendment of the Trades Act, as subsequently amended. After the final inspection with a successful result, the Certificate of Conformity will be issued and signed by the relevant Government Quality Assurance representative.
 - 6.5 The Seller acknowledges that the following item and all items described in a "Codification/Yes" column in Annex 3 of this Contract are subject to codification according to the Act No. 309/2000 Coll., on Defense Standardization, Codification and Government Quality Assurance of Products and Services Designated for Ensuring National Defense and on Amendment of the Trades Act, as subsequently amended:

Item:	ЈКМ	KMJ
Aircraft CASA C-295MW	1510	1

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The Seller undertakes to supply the Czech Defense Standardization, Codification and Government Quality Assurance Authority with the flawless and complete set of mandatory data for the codification in accordance with Annex 17 of this Contract. The handover of this data constitutes the Seller's obligation under this Contract and the Seller is not entitled any financial compensation associated with the creation of the codification data.

Article 7

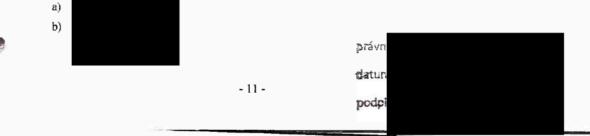
Military Tests of modernization SW 10.1

- 7.1 In the event that the Buyer issues the order for the performance of Modernization SW 10.1, the Military Tests will be prepared, carried out, managed and evaluated by the Committee in accordance with the Program of the Military Tests agreed by the Parties as defined in Annex 5 of this Contract. The Program of the Military Tests will be provided by the Seller to the Buyer no later than 3 months before the planned commencement of the Military Tests.
- 7.2 The Military Tests shall be performed at the Buyer's Facility.
- 7.3 Time required for the carrying out of the Military Tests shall be approximately within the range of
- 7.4 Prior to the commencement of the Military Tests, the Seller undertakes to provide the SW 10.1 differences course according to Annex 12.
- 7.5 In the event of damages caused by modernized systems SW 10.1 and which occurred during the carrying out of the Military Tests in accordance with the approved procedures (e.g. the Program of the Military Tests), the damages shall be borne by the Seller.
- 7.6 The Seller is obliged to provide the Buyer with necessary cooperation during the performance of the Military Tests. Before the commencement of the Military Tests, the Seller undertakes to pass to the Buyer reports on the results of all relevant tests (i.e. factory acceptance tests etc.) carried out so far as proof that the Goods meet the requirements as defined in this Contract.
- 7.7 In case any non-compliance is found on the Goods during the Military Tests, the Military Tests may be interrupted for a period of time necessary to eliminate such non-compliance. The Seller is obliged to remove such non-compliance on its own expense. This case shall be managed as defined in Article 14 of this Contract.
- 7.8 If the final result of the Military Tests carried out according to Annex 5 of this Contract and Regulation is unsatisfactory, the Military Tests shall be repeated after the complete removal of all detected non-compliances and defects by the Seller. Seller shall attend any repeated Military Test as observer to ensure full understanding of the problem and its potential resolution. The all repeated Military Tests costs shall be borne by the Seller.
- 7.9 The Buyer shall notify the Seller of the results of the Military Tests not later than 1 month after the conclusion of the Military Tests SW 10.1.

Article 8 Acceptance

Aircraft Technical Acceptance

8.1 For the purpose of this Article, the Buyer nominates a duly authorized representative, who shall sign the acceptance documents indicated herein below:



- 8.2 The Aircraft shall undergo at the Delivery Location the Aircraft Technical Acceptance process, which shall be conducted in accordance with the procedures as defined hereinafter. The Seller shall inform the Buyer 30 calendar days in advance about the date of the Aircraft readiness for the Aircraft Technical Acceptance. In the event that Buyer shall not be present at the plant of Seller on the date so notified, Seller shall inform to the Buyer of the new 30 calendar days period to start Aircraft Technical Acceptance. Should not been Buyer present for Acceptance after this last period, all costs related with aircraft persistence in Seller's facility shall be borne by Buyer.
- 8.3 The Aircraft Technical Acceptance shall be carried out as per the latest versions of the Seller's CAM and CIG which constitute Annex 6 of this Contract.
- 8.4 Completion of the Aircraft Technical Acceptance shall demonstrate the satisfactory functioning of the Aircraft and shall be deemed to demonstrate compliance with the Annex 1 of this Contract.
- 8.5 The Aircraft Technical Acceptance procedure shall:
 - a) be performed in accordance with Annex 2 of this Contract;
 - b) take place at the Delivery Location;
 - c) be carried out by the personnel of the Seller; and
 - d) include a technical acceptance flight, which shall not exceed a period of 5 hours. During such acceptance flight, only the pilots of the Seller shall be in command and control of the Aircraft.
- 8.6 The Buyer's Representative and the Buyer's personnel are obliged to attend the Aircraft Technical Acceptance process as participants. During the participation, the Buyer's Representative and the Buyer's personnel:
 - a) shall cooperate with the Seller and comply with the reasonable requirements of the Seller with the intention of completing the Aircraft Technical Acceptance within a maximum of 5 Business Days of its commencement; and
 - b) may have on a technical acceptance flight maximum of 10 of the Buyer's representatives accompany the Seller's representatives, with no more than 1 having access to the cockpit at the same time, and during such flight the Buyer's representatives shall comply with the instructions of the Seller's representatives.
- 8.7 The Buyer's Representative:
 - a) in case the Aircraft completes the Aircraft Technical Acceptance process successfully, shall sign:
 - List of Aircraft Loose Equipment;
 - List of Technical Publications;
 - Quality Log Book; and
 - Certificate of Acceptance for the relevant Aircraft;
 - or

b) as a result of the Aircraft Technical Acceptance process, the Buyer's Representative may refuse to accept the Aircraft and to sign the Certificate of Acceptance. In this case, the Buyer's Representative is obliged to notify the Seller without undue delay in writing giving the detailed list of non-compliances supporting such refusal. Within 5 Business days of the receipt by the Seller, the Parties shall agree upon the removal of the non-compliances (minor/major).

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- In case of removal of major non-compliances, the Aircraft shall undergo again the relevant part of the Aircraft Technical Acceptance process in order to demonstrate compliance with Annex 1 of the Contract. Upon successful completion of the repeated Aircraft Technical Acceptance process, the Buyer's Representative shall sign the documents according to Article 8.7 a) of this Contract.
- If the Parties do not reach an agreement upon the removal of the non-compliances (minor or major) of the receipt by the Seller of the Buyer's notice giving the detailed list of non-compliances supporting its refusal (as per Article 8.7 b) of this Contract), the dispute shall be settled in accordance with Article 21.4 and 21.5 of this Contract.
- \$.10 Upon the successful completion of the Aircraft Technical Acceptance, all risks of loss or damage to the Aircraft will be transferred to the Buyer.
- 3.11 Each Party shall bear all the consequences of any damage caused to its own property and/or own personnel arising out of or in connection with the Aircraft Technical Acceptance process and, except in the case of gross negligence or willful misconduct of the other Party hereby:
 - waives, releases and renounces all rights, claims and remedies thereto against such other Party; and
 - b) indemnifies and holds harmless such other Party from and against any third party claim in respect of any damage, injury to, or death, of its own personnel.

IPL and GSE Acceptance

- 8.12 IPL and GSE shall undergo a visual inspection process at the Buyer's Facility. Such inspection shall be conducted by the Seller's and Buyer's Representatives in accordance with Annex 2 of this Contract and
- 8.13 IPL and GSE shall be deemed to have been accepted by the Buyer upon the confirmation of the relevant Certificate of Conformity.

Training Acceptance

- 8.15 The Training shall be considered accepted by the Buyer upon its completion in accordance with Article 13 of this Contract.
- 8.16 Immediately upon the Training completion, the Buyer's Representative shall sign the Record of the Provided Training.

Article 9

Delivery and Transfer of Title and Risk

- 9.1 Annex 2 of this Contract may be modified by the written amendment under any of the following conditions:
 - a) by operation of the provisions relating to Excusable Delay according to Article 10 of this Contract;
 - b) by operation of the provisions relating to Manufacturer Changes according to Article 11 of this Contract.
- 9.2 Seller is entitled to early deliveries in respect to the delivery dates set forth in Annex 2, subject to at least 30 days previous written notice to the Buyer communicating the anticipated new delivery date.

Aircraft Delivery

9.3 Upon Aircraft Technical Acceptance, the Seller shall have the Aircraft ready for delivery to the Buyer at the Delivery Location in accordance with Annex 2 of this Contract. privník

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- *4 The Aircraft shall have been painted by the Seller in accordance with detailed Buyer's Aircraft livery scheme showing the location of emblems, markings and insignia notified by the Buyer within 5 months after the signature of the Contract. Any delay by the Buyer in providing such information to the Seller shall be considered as an Excusable Delay as per Article 10 of this Contract.
- 3.5 The delivery shall be made by the Seller to the Buyer and the Seller shall simultaneously transfer to the Buyer the title to the Aircraft free and clear of all encumbrances. For such purposes, the Seller shall provide to the Buyer with the Bill of Sale evidencing the transfer of title free and clear of all encumbrances. The Seller shall also provide to the Buyer with the Delivery Note according to Annex 9 of this Contract (IDED number will be submitted by the Buyer's Representative). The Buyer's Representative will sign the Delivery Note.
- 9.6 The Aircraft Delivery Date shall be the Delivery Note date.
- In the event that the Aircraft must be inscribed in any registry in the country of the Buyer, the 9.7 Seller shall not be liable to carry out said registration.

IPL and GSE Delivery

- 9.8 Upon the successful acceptance of the IPL a GSE according to Article 8.13 of this Contract, IPL and GSE shall be delivered to the Buyer according to INCOTERM 2010 DAP conditions. In this event, the Seller provide to the Buyer with the Delivery Note in accordance with Annex 9 of this Contract (IDED number will be submitted by the Buyer's Representative). The Buyer's Representative will sign the Delivery Note.
- 9.9 The date on which the Buyer signs the Delivery Note shall be IPL and GSE Delivery Date.
- 9.10 The Seller shall transfer title to the IPL and GSE free and clear of all encumbrances to the Buyer upon the IPL and GSE delivery. Risk of loss or damage to the IPL and GSE shall pass from the Seller to the Buyer upon the IPL and GSE delivery.

Training Delivery

- 9.11 The Training shall be rendered in accordance with Article 13 of this Contract.
- 9.12 The date on which the Buyer's Representative signs the Record of the Provided Training shall be considered as the Training Delivery Date.
- Article 10 Excusable Dela 10.2 Any delay or interruption resulting from the financial incapacity of the Seller is not considered as the Excusable Delay. právník:

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10.3 If the Excusable Delay occurs:

datum: podpis;



- a) the Prevented Party shall notify the Non-Prevented Party of such Excusable Delay as soon as practicable after becoming aware of the same (by a written notice);
- b the Prevented Party shall not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay;
- c) the Prevented Party shall not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Non-Prevented Party; and
- d) the Prevented Party shall as soon as practicable after the removal of the cause of the delay resume performance of its obligation under this Contract and in particular shall notify to the Non-Prevented Party about necessary changes in Annex 2 of this Contract with all the relevant information.
- 10.4 However, if the Excusable Delay and the expired of the Party may terminate partially this Contract with respect to the Partial Delivery so delayed by giving written notice to the other Party within 30 calendar days of the expire so delayed by giving written notice to the other discharge the Parties of all obligations and liabilities hereunder with respect to such Partial Delivery, provided that the Seller shall refund to the Buyer all amounts paid by the Buyer only in respect of such Partial Delivery.

Article 11 Manufacturer Changes

- 11.1 The Seller may, with the prior consent of the Buyer, modify Annex 1 of this Contract in order to correct errors or defects or to make improvements to the Aircraft, and to ensure compliance with the terms of this Contract, provided that such changes in no way affect, to the Buyer's detriment, weights, interchangeability or replaceability, terms and dates specified in Annex 2 of this Contract and the Purchase Price.
- 11.2 In any such case, the Seller shall, as promptly as practicable, notify the Buyer, by a written notice, of any such Manufacturer Change and of its effects, if any, on the other terms of this Contract. Such Manufacturer Change and effects shall be deemed to have been accepted by the Buyer upon the approval of the said notification by the Buyer.

Article 12

Aircraft Technical Documentation

- 12.1 Upon delivery of the Aircraft, the Seller shall provide to the Buyer the following documents:
 - a) Documents specific to the Aircraft (1 copy per Aircraft):
 - type certificate;
 - export airworthiness certificate;
 - certificate of aircraft deregistration from the aircraft register;
 - accompanying technical documentation;
 - additional instructions for continuing airworthiness (if issued);
 - in the case of Modernization SW 10.1, release to service after retrofit;
 - Certificate of Conformity;
 - certificates in accordance with Article 6.1 of this Contract;
 - documents in accordance with Article 8.7 a) of this Contract;
 - Bill of Sale;

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- b) Aircraft Technical Documentation published by the Seller (supplied electronically in an Electronic Flight Bag, or equivalent):
 - on the Aircraft operation as described in Annex 11 of this Contract;
 - on the Aircraft maintenance as described in Annex 11 of this Contract;
- c) Technical Documentation published by the engine and equipment manufacturers as per Annex 11 of this Contract.
- 12.2 Unless otherwise specified in this Contract, all documents supplied under this Article shall be written in the English language.
- 12.3 The Aircraft Technical Documentation list and formats to be delivered under this Article reflects the status as at the time of the Aircraft delivery. The Seller undertakes to inform the Buyer of any changes to the contents, list and formats of the Aircraft Technical Documentation originating from the development activities regarding the Aircraft. The Seller is obliged to update the Aircraft Technical Documentation for a period of 1 year from the Aircraft Delivery Date. The price of such updates is included in the Purchase Price.
- 12.4 The Aircraft Technical Documentation under this Article will be delivered at the time of delivery of each Aircraft at the corresponding development status. Further update of the Aircraft Technical Documentation will be provided to the Buyer to amend any potential discrepancies.
- 12.5 In order to contribute to the Aircraft operation, performance, maintenance, safety and operational costs enhancement, the Buyer shall keep the Seller duly informed of any relevant operation and/or maintenance problems, incidents, accidents or any similar occurrences arisen during the operation of the Aircraft throughout its service life. Additionally, the Buyer shall provide to the Seller, at mutually agreed intervals, operational and maintenance information to allow the Seller to monitor the reliability of the Aircraft. Failure of the Buyer to comply with such obligations shall discharge the Seller from any obligation stated in Article 12.6 of this Contract.
- 12.6 Reciprocally, the Seller shall keep the Buyer duly informed of the contents of all mandatory service bulletins for flight safety purposes as well as other Seller's service bulletins that may affect the Buyer's Aircraft during its service life and the Buyer agrees to incorporate on the Aircraft, without undue delay, all mandatory service bulletins communicated by the Seller.

Article 13 Training

- 13.1 In accordance with Article 3.2 of this Contract and for the purpose of familiarizing the Buyer with the operation and maintenance technical characteristic of the Aircraft, the Seller shall provide the following Training, more precisely defined in Annex 12 of this Contract:
 - a) Flight crews training course

A flight crew training course shall be performed by the Seller's instructors to the number of the Buyer's flight crews (composed each of 2 pilots) as specified in Annex 12 of this Contract, which shall receive instruction on the technical characteristics and operations of the Aircraft on ground and flight operations.

b) Maintenance training course

A maintenance training course shall be performed by the Seller's instructors to the number of the Buyer's ground mechanics as specified in Annex 12 of this Contract, which shall receive instruction on the technical characteristics, operations and maintenance of the Aircraft.

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- 3.2 Unless specified otherwise herein, training courses shall be conducted at the Delivery Location. The Training must be performed making use of the Buyer's Aircraft delivered under this Contract, before their transfer of title and risk to the Buyer, and shall take place at dates mutually agreed upon between the Buyer's Representative and the Seller.
- 3.3 The Buyer shall be in charge of any arrangements with its authorities to ensure that the Buyer's Assets, that are essential to the Training, are available. The Buyer shall bear all the cost related to the maintenance and operation of the Buyer's Assets.
- 13.4 All costs relating to the Buyer's personnel attending training courses at the Delivery Location such as insurance, travelling, lodging, salary, per diem, social security and living expenses shall be borne by the Buyer. Instructors, materials, classrooms, fuel, ground equipment and tools, parking and servicing of the Aircraft shall be provided by the Seller at its expense.
- 13.5 Each Party shall take care, free of charge to the other Party, of the ground and flight risks insurance of its own personnel against any damages, including injury or death, and third parties' liabilities.
- 13.6 Each Party shall bear all the consequences of any damage caused to its own property and/or own personnel arising out of or in connection with the activities performed under this Article and, except in case of gross negligence or willful misconduct of the other Party, hereby:
 - a) waives, releases and renounces all rights, claims and remedies thereto against such other Party, and
 - b) indemnifies and holds harmless such other Party from and against any third party claim in respect of any damage, injury to, or death, of its own personnel.

Article 14

Warranty Terms and Conditions

- 14.1 For the purpose of this Contract, the term Warranted Part shall mean the Aircraft (in case the Aircraft is not operational), components of the Aircraft, accessories or any other part, which is delivered to the Buyer in accordance with this Contract, the IPL and GSE:
 - a) which is manufactured by the Seller or the Seller's subcontractor; and/or
 - b) which bears a part number of the Selier at the time of such delivery.
- 14.2 The Seller warrants to the Buyer that the Warranted Part shall be free from defects in material. in workmanship, and in design for
- 14.3 For Warranted Parts serviced under warranty, the unexpired portion of the original warranty period applies.
- 14.4 If within the duration of the warranty, a defect becomes apparent in any of the Warranted Parts, the Buyer's remedy, and the Seller's obligation and liability under this Article are limited to, at the Seller's own expense and option, the repair, replacement or correction of the defective Warranted Part by the Seller. In the event of replacement, by a new, overhauled or serviceable replacement item (with the same or higher remaining service life as the relevant replaced item), the replaced item shall become the property of the Seller.
- 14.5 The costs of the troubleshooting, removal of the defective item from the Aircraft, reinstallation on the Aircraft of the repaired or replacement item and tests performed after reinstallation, except transportation charges, insurances and custom duties, shall be borne by the Buyer unless agreed otherwise by the Parties.
- 14.6 The warranty set forth hereunder shall not apply to:

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- a) the Aircraft flown in violation of any airworthiness certificate granted for such Aircraft or in violation of any regulation of the authorities or government of the country in which such Aircraft is operated; or
- b) any Warranted Part which after its delivery to the Buyer has undergone modifications which have not been approved by the Seller; or
- c) any Warranted Part which has not been inspected, maintained, repaired, stored or operated between its Delivery Date and the date of appearance of the defect either according to the instructions of the relevant manuals and/or any other instructions provided by the Seller or, in the absence of such instructions, in accordance with normal practice, by the Buyer's personnel who shall be in possession of the appropriate maintenance training and qualification; or
- any defect deriving from fair wear and tear, negligence or misuse by the Buyer, or from material failure not anticipated with the existing knowledge at the time of manufacturing; or
- e) any Warranted Part used in combination with another item which is defective or which is not designed for such combination; or
- f) any Warranted Part whose trademark, identification plate or seal has been removed; or
- any Warranted Part that has not been subjected to the incorporation of any mandatory service bulletin for flight safety purposes.
- 14.7 The warranty defined above shall be subject to compliance by the Buyer with all of the conditions set forth below:
 - a) the Seller must be informed by the Buyer in writing (by e-mail) of the alleged defect within of its discovery on the Warranted Part, with details of the characteristics, the nature and basis of the warranty; and
 - b) the allegedly defective item shall, if the Seller so requests, be returned by the Buyer within (in case the Aircraft is not operational for the seller) of the receipt by the Buyer of the request of the Seller, to the Seller;
 - c) the Buyer must, if the Seller so requests, provide the Seller with the records of the relevant operating data of the Aircraft during preceding the discovery of the defect, as well as with the records of the same data for any prior significant incident of operation such as hard landing, flight under heavy turbulence, etc.
- 14.8 When the Buyer requests the application of the warranty, the Buyer shall permit the Seller the exercise of its right to examine the Aircraft or the alleged defective part and to inspect the relevant log-book and maintenance records.
- 14.9 The Seller is obliged to remove the defect to the seller in accordance with Article 14.7 a) of this Contract, unless agreed otherwise by the Parties.

Article 15 Contractual Penalties

15.1 In the event the Seller is in default with the proper delivery of the Partial Delivery in accordance with Annex 2 of this Contract, the Seller is obliged to pay to the Buyer a contractual penalty

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15.2 In the event the Seller is in default with a defect removal in accordance with Article 14.9 of this Contract, the Seller is obliged to pay to the Buyer a contractual penalty

every commenced day of default until a

completion of the obligation.

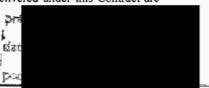
- 15.3 In the event that the Buyer is in default with payment of the Invoice, the Buyer is obliged to pay the Seller an interest at the statutory rate in the Czech Republic in accordance with the Act. No. 351/2013 Coll., Laying Down the Amount of Interest on Late Payment and Costs Associated with the Claim, the Renumeration of the Liquidator, the Liquidation Administrator and the Member of the Body of a Legal Entity Appointed by Court, and Regulations Certain Issues of the Commercial Bulletin and the Public Registers of Legal Entities and Individuals, and the Evidence of Trust Funds and the Evidence of Actual Owners, as subsequently amended.
- 15.4 The contractual penalty is due within 30 calendar days from the receipt of the relevant invoice it is billed with by the liable Party.
- 15.5 The liable Party will absolve itself of the obligation to pay the contractual penalty or interest, if the Party proves that the breach of its obligation was caused by the Excusable Delay.
- 15.6 Contractual penalties and interest shall be paid by the liable Party regardless of whether and to what extent the other Party incurred damages in this respect. The damages are enforceable in addition to contractual penalties and interest separately in full. It is agreed that the Seller shall not be liable for any Buyer's consequential damages as a result of the failure of the Seller to perform any of its obligations hereunder.

Article 16

Export and Import Control

- 16.1 The Buyer shall be responsible for meeting all obligations, provisions and limitations concerning export control laws and regulations and export or import licenses or authorizations from the respective countries of the Parties or any other third countries.
- 16.2 The Seller shall support the granting of the relevant export licenses as required by the Spanish laws and by the relevant authorities of the countries of origin of the vendors' equipment, for the delivery of the supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract, and the Buyer agrees to provide to the Seller, within the seller, within the official certificates of destination or import declarations, as applicable, required by the Spanish authorities or the relevant authorities of the countries of origin of the vendors' equipment for obtaining such licenses.
- 16.3 The Buyer shall be responsible for obtaining any import licenses that may be required in the Buyer's country or by any of its authorities and which are relevant for the delivery of the supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract.
- 16.4 The Buyer shall use the supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract only for the purposes described in this Contract. The Buyer shall not reexport, transfer, resold, provide disposal or access to the supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract to any third parties.
- 16.5 The Buyer acknowledges and agrees that certain supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract are military or dual use.

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- 36.6 The Buyer agrees that some of the supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract are subject to the United States of America (U.S.A.) International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR), so the Buyer agrees and accepts that these commodities are authorized for the export by the U.S. Government only to the country of ultimate destination. They may not be resold, diverted, transferred, transhipped, or otherwise be disposed of in any other country, either in their original from or after being incorporated through an intermediate process into other end-items, without the prior written approval of the U.S. Department of State or the U.S. Department of Commerce, as may be applicable.
- 16.7 In the event that TAAs are required to be set up for the performance of this Contract, the Buyer shall be responsible to provide to the Seller any relevant data from its organization, or from the organization of its service providers if applicable, as may be requested under such TAAs.
- 16.8 The Buyer shall indemnify and hold the Seller harmless against any losses, damages, fees or monetary sanctions imposed as a result of the Buyer's failure to comply with any applicable export control law or regulation.
- 16.9 Without prejudice to the remedies set out in this Article 16, in the event that there is a default or delay, which is not attributable to the Seller, in obtaining any export or import licence related to any of the supplies, equipment, parts, components, systems, services and/or software and technical data to be delivered under this Contract, but which enables the Delivery of the Aircraft in accordance with this Contract, the Buyer shall take Delivery of the Aircraft and then the Parties shall agree on the price impact of the non-inclusion of such supplies, equipment, parts, components, systems, services and/or software and technical data at Delivery of the Aircraft, if any.

Article 17

Termination of the Contract

- 17.1 Unless the Partied mutually agreed otherwise, the Contract is terminated by:
 - a) written agreement of the Parties with mutual settlement of effectively and demonstrably incurred costs as of the day of the termination of the Contract;
 - b) unilateral withdrawal from the Contract by the Buyer for its substantial breach, while the substantial breach is especially regarded as:
 - default with the Partial Delivery
 - unsatisfactory results
 of this Contract;
 - repeated and intentional breach of the obligation as per Article 14.9 of this Contract by the Seller;
 - breach of the obligations as per Article 18 by the Seller;
 - delay with completion of Modernization SW 10.1 according to Article 20 of this Contract

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c) unilateral withdrawal from the Contract by the Buyer for the case of insolvency procedure on the Seller's assets, in which a ruling was made on bankruptcy or in case the insolvency petition on the Seller was rejected for insufficient assets to cover the insolvency procedure;

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d) unilateral withdrawal from the Contract by the Buyer in case the Seller included in the bid information or documents that do not correspond to reality and would or might have affected the outcome of the procurement procedure;

e) unilateral withdrawal from the Contract by the Seller in the event that:

- the Buyer fails to fulfil any of the actions required for the setting up of the payment instruments required for any payments under this Contract
 from the relevant Due Payment Date specified in Annex 4 of this Contract, or
- the Buyer fails to make any payment in full Date specified in Annex 4 of this Contract, or
- the Buyer refuses to sign the Certificate of Acceptance as per the provisions under Article 8 "Acceptance" following
- due to whatever the reason, the Czech Republic General Budget in which funds are allocated for the acquisition of the Aircrafts in this contract is altered or cancelled during the execution of the contract.

In the event that the defaulting Party is the Buyer under Article 17.1 of the Contract the Seller shall be entitled to recover all reasonable and justified costs.

17.2 In the event of termination of the Contract through the unilateral withdrawal, the Parties are obliged to mutually settle rights and obligations in accordance with the relevant legal regulations.

Article 18 Protection of Classified Information

- 18.1 The Seller is obliged to proceed, in the case of national classified information, in accordance with the Bilateral Agreement between Czech Republic and Kingdom of Spain for the mutual exchange and protection of classified information (Madrid, 8th October 2009).
- 18.2 The Seller is obliged to notify the Security Director of the Ministry of Defence (SD MoD) within 5 Business Days of any changes in the legal conditions mentioned in Section § 17 of the Act No. 412/2005 Coll., which could lead to a threat to its economic stability.
- 18.3 The Seller shall immediately notify in writing the SD MoD of the incapacity with respect to classified information pursuant to Section § 19 of Act No. 412/2005 Coll., in particular the revocation of the entrepreneur's certificate, or the Seller shall be obliged to return the classified information or classified military material to the Buyer.
- 18.4 The Seller is obliged to notify the SD MoD without undue delay of any unlawful treatment of or loss of classified information.
- 18.5 The Seller is required to allow the Buyer's expert bodies, respectively the Buyer's Security Department, on the basis of a written authorization of the SD MoD to control treating of classified information of the Ministry of Defence within itself and its subcontractors.
- 18.6 The Seller is required to allow the presence of the Buyer's representative in the matter of classified and CCI materiel for the time necessary to work with this materiel. The costs of transport to the place of implementation and the accommodation in this place in connection with the above mentioned Buyer's representative shall be borne by the Buyer. The Seller is obliged to provide a secure area for storing CCI materiel in the off-work time for the duration of the presence of a representative in the matter of classified and CCI materiel.

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- The Seller is obliged to deliver to the Buyer within 15 Business Days all fact changes listed in the Entrepreneur's Information Form, see Annex 14 of this Contract.
- 13.8The Seller is obliged, in contractual relations with its subcontractors, to prohibit the subcontractors from the provision of classified information to the third parties.
- Duties in the area of protection of classified information in relation to the Buyer are fulfilled by the Seller's representative responsible for the protection of classified information, who is stated in the heading of this Contract.
- 10 If the Seller fails to meet the above mentioned terms of access to classified information, it is classified as a substantial violation of the Contract in accordance with Article 17.1 b) of this Contract.

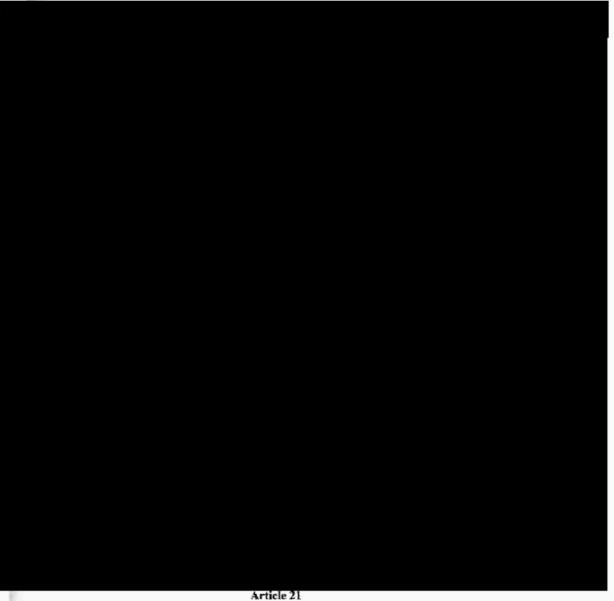
Article 19 Limitation of Liability

- Notwithstanding any other provision, expressed or implied in this Contract, the total aggregate liability of the Seller to the Buyer arising in connection with this Contract,
- 19.2 Under no circumstances shall the Seller be liable for any consequential loss, loss of production, loss of profit (direct or indirect), loss of revenue, loss of contract, loss of business or business opportunity resulting from the negligence of a Party or from a breach of this Contract. In no event the Seller shall be penalized twice for the same default, regardless of such default being related to an obligation in this Contract or any other Contract between the Parties.
- 19.3 Under no circumstances shall the Seller be liable for any failure to fulfill its obligations under this Contract which is resulting from a breach of its obligations that may be contained in any other contract concluded between the Parties.
- 19.4 Without prejudice to the rights of either Party to seek interlocutory or non-financial relief, the Parties agree that the rights and remedies contained in this Contract are the sole and exclusive rights and remedies between the Parties in relation to any matters arising under this Contract not either Party shall not be able to claim any right or remedy against the other which does not arise by virtue of the operation of this Contract.
- 19.5 The limitation of liability set out in the Article 19.1 will be without prejudice of the content of Insurance in Article 19.5 a) and 19.5 b):
 - a) The Seller shall be held liable for damage to the aircraft, that the Buyer, being their owner, has delivered to the Seller for Modernization SW 10.1, which are directly caused by Modernization SW 10.1.
 - b) The Seller shall ensure full insurance coverage without financial participation for aviation liability including hangar keeper's liability (while the aircraft is under Seller custody or control, and related to the Modernization SW 10.1 contracted activities).

Article 20 Modernization SW 10.1

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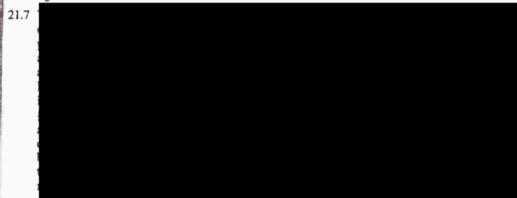


Miscellaneous Provisions

21.2 The Contract enters into force by signature of both Parties (T0) and becomes effective within 30 days when the following conditions are met:

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- the Contract is published in Contract Register Information System in accordance with the Act No. 340/2015 Coll., on the Register of Contracts as subsequently amended; and
- (ii) the first Down Payment is received by Seller in accordance with Article 5.6 "Payments, Taxes and Custom Duties"; and
- (iii) the Seller receives evidence from the Czech Ministry of Finance confirming allocation of funds for the purchase.
- 21.3 This Contract and all amendments thereto shall be governed and construed in accordance with the laws of the Czech Republic, especially the Civil Code.
- 21.4 The Parties will use their best efforts to negotiate in good faith and settle any dispute that may arise out of or relate to this Contract or any breach of it. If any such dispute cannot be settled amicably through ordinary negotiations by the Parties' representatives, the dispute shall be referred to the senior representatives nominated by the managing director of each Party who will meet in good faith in order to try and resolve the dispute.
- 21.5 All disputes not amicably solved shall be finally settled by arbitration in Vienna (Austria), in accordance with the International Chamber of Commerce (ICC) Arbitration Rules, which arbitration award shall be acceptable and shall bind both Parties in an unappeasable manner, and none of the parties will be entitled to bring forward the dispute to a competent court to obtain a different award. The language to be used in the arbitral proceedings shall be English.
- 21.6 The Seller declares that subject of the Contract is not encumbered with any third person's rights. The Seller is liable for potential breach of third persons' industrial or other intellectual property rights.



- 21.8 In performance of its obligation under the Contract and after its completion, the Seller is not entitled without a written approval to provide any information disclosed to the Seller in the connection with the performance of its obligation and documents in written or electronic form provided to the Seller in the connection with the performance of the Contract to third persons (except for the Seller's subcontractors). In the sense of the provisions under Section § 1730 the Civil Code, the provided information is confidential.
- 21.9 During processing of personal data, the Buyer proceeds in accordance with the Act No. 110/2019 Coll., on the processing of personal data.
- 21.10 The Seller is entitled to cede to third parties neither any of its rights, either in part or in full, nor any of its obligations arising from this Contract, nor this Contract as a whole.
- 21.11 The Contract may be amended only through a written upwardly numbered amendment signed by both Parties, which become an integral part of the Contract. The Parties are not obliged to make a

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written amendment as per this Article concerning the changes in persons and persons' identification data. The Parties note and agree that notification of such changes only requires a written note to the other Party, which however must be made without undue delay after the occurrence of the decisive fact.

- 21.12 Except for information stated in Article 21.7 of this Contract, the Seller agrees that the text of this Contract will be published, as well as the Purchase Price and Modernization SW 10.1 Price, in accordance with the Act No. 340/2015 Coll., on the Register of Contracts, as subsequently amended.
- 21.13 The Buyer's and Seller's representatives stated in this Contract are only authorized to perform such acts as they are authorized by this Contract.
- 21.14 In case of discrepancy between the text of the Contract and a text of its Annex, the text in the Contract prevails, while the relevant text of the Annex is invalid in the scope that it is in discrepancy with the text of the Contract.



for the BUYER

Prague, on .14.12 2019 Sole Difector

for the SELLER

