

CONTRACT FOR WORK NO. 302033001

Article I Contracting parties

Name: **Vojenský výzkumný ústav, s. p.**
Registered in the Commercial Register maintained by the Regional Court in Brno, Section A,
File 25718
Address: Veslařská 337/230, 637 00 Brno, Czech Republic
Acting person: Dr. Pavel ČUDA, Director of the Enterprise
Business ID No.: 29372259
VAT Reg. No.: CZ29372259
Bank: Komerční banka, a. s.
Account No.: 115-1174260237/0100
Deals with contractual matters:

Deals with technical – organisational matters:

Mailing Address: Vojenský výzkumný ústav, s. p.
Veslařská 337/230, 637 00 Brno, Czech Republic
(hereinafter referred to as „the Contractor“)

and

Name: **Lubawa SA**
Registered in Register of Entrepreneurs kept by the District Court Poznań – Nowe
Miasto and Wilda in Poznań, IX Economic Department of the National
Court Register under the number 0000065741
Address: Staroprygodzka 117, 63-400 Ostrów Wielkopolski Poland
Acting Person: Marcin Kubica – President of the Board
Business No.: 510349127
VAT Reg. No.: 7440004276
Deals with contractual matters:

Deals with technical- organisational matters:

Mailing Address: Lubawa S.A. ul. Staroprygodzka 117, 63-400 Ostrów Wielkopolski Poland
(hereinafter referred to as „the Client“)

are concluding this Contract for Work (hereinafter referred to as the “Contract”) pursuant to Section 2586 et. seq. of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the “CivC”).

Article II Purpose of the Contract

1. The purpose of this Contract is to conclude the conditions of performing the work consisting of testing the samples of masking coverage in laboratory conditions regarding to respective ČOS and issuing of the test reports (the “Work”). The Contractor undertakes to perform accredited tests by the accredited testing laboratory No. 1449 (accredited by ČIA). Non-accredited tests will be made in accordance with valid ČOS.

Article III
Subject matter of the Contract

1. Subject of the Contract including a detailed price breakdown is specified in the Annex No. 1, which constitutes an integral part of this Contract.

Article IV
Date and place of performance

1. The Contractor undertakes to perform the Work within 4 months from the delivery of the tested samples at the premises of the Contractor at Veslařská 337/230, Brno.
2. Test results and related protocols in Czech language shall be send to the Client in electronic form (MS WORD and PDF) by e-mail to the address xxx and in a written original in one copy to the mailing address stated on the front page, except of the accredited protocols, which will be delivered only in one (paper) version. The handover and takeover of the Work will be confirmed in the "Record of handover and takeover of the Work".
3. If any test cannot be performed for any reason, it will not be considered as a failure to comply with this Contract. The total price of the Work will be then reduced by the price of this partial test, as specified in Annex 1 to this Contract.
4. The Work is fulfilled by its proper and timely execution and written acceptance by an authorized representative of the Client. The Client shall also accept the performance offered before the date agreed in paragraph 1.

Article V
The price of Work

1. The total price of the Work agreed by the Parties is 508 266,- CZK.
2. The price exclude Value Added Tax, which the Client pays to the Financial Bureau in Poland in the legally defined amount.
3. Pursuant to Paragraph 1 of this Article, the Price includes all of the Contractor's costs incurred with the fulfilment pursuant to this Contract. The price is final and cannot be exceeded.

Article VI
Payment and invoicing terms and conditions

1. The Contracting Parties have agreed that the Client shall pay the Contractor xxx % of the price of the subject matter of this Contract as an advance payment after the signature of the Contract on the basis of the advance invoice issued by the Contractor. The advance invoice is due within 14 days of the issue.
2. After the advance payment has been credited to the Contractor's account, the Contractor is obliged to issue a tax document (confirmation of receipt of the advance payment) and send it immediately to the Client. The tax document must comply with all requirements defined by the Czech legal regulations.
3. The Client shall pay the remaining part of the price to the Contractor on the basis of an invoice issued after the handover of the work based on a mutually confirmed Record on Handover and takeover of the Work. The invoice must indicate the names of the Contracting Parties, the Contract number, the total price of the Work and the remaining part of the price. The invoice is due within 14 days of the issue.
4. Record of handover and takeover of the Work will be enclosed with the original invoice.

Article VII
Transfer of ownership rights

1. Ownership of the Work is transferred from the Contractor to the Client at the moment of payment of the balance of the price.
2. Risk of damage to the subject matter of this Contract is transferred onto the Client once the Work has been taken over by the Client after the confirmation of the Record of handover and takeover of the Work.
3. The Contractor shall be liable for any breach of industrial or other intellectual property rights of third parties in the course of the Work. The Contractor is obliged to hand over the Work without any legal defects.

Article VIII
Sanctions

1. If the Contractor breaches his obligation regarding the delivery of the Work pursuant to Article IV(1) of this Contract, the Contractor shall pay the Client interest from delay in the amount of xx % of the price of Work without VAT, for every day of delay until the date of delivery or until the contractual relationship is terminated, depending to which happens first.
2. If there is a breach of obligations with regard to paying the invoices within the due date, pursuant to Art. VI of this Contract, the Client shall pay the Contractor contractual penalty of xx % of the outstanding amount, for every day of delay until the date of full payment or until the contractual relationship is terminated, depending to which happens first.
3. The right to charge an interest from delay or a contractual penalty arises for the eligible Contracting Party on the first day following the day the due date elapsed.
4. Contractual penalties and interests from delay, are payable within 30 days of delivering the tax document or commercial invoice on which they are charged to the liable party.
5. The contractual penalty and interest from delay shall be borne by the liable party, regardless of whether and to what extent the other party incurred damage in this respect, which is enforceable separately in full.

Article IX
Protection of confidential information

1. The Contractor undertakes not to publish or otherwise make the test results available to third parties without the Client's consent.

Article X
Termination of the contractual relationship

1. The Contracting Parties have agreed, that the Contractual relationship shall be terminated in following cases:
 - a) by a written agreement between the Contracting Parties, related to the mutual settlement of effectively incurred and properly documented costs and the mutual settlement of the already provided fulfilment, including interests and financial obligations,
 - b) unilateral withdrawal from the Contract by the Client for the Contractor's unfulfilled obligation to deliver the subject matter of this Contract pursuant to Art. III(1) at the place and time of performance pursuant to Art. IV(1) of this Contract duly and/or in time,
 - c) unilateral withdrawal from the Contract by the Contractor if the Client is more than 30 days in delay of paying the price of Work or any other amount due under the Agreement.

Article XI
Final provisions

1. Unless otherwise stated, the Contractual Relationship is governed by the relevant provisions of the Czech Legal Code.
2. This Contract comes into force on the day it is signed by both Contracting Parties and into effect on the date it is published in the Register of Contracts pursuant to Act. No. 340/2015 Coll., on the Special Effective Conditions of Some Contracts, the Publication of These Contracts, and on the Register of Contracts (the Register of Contracts Act).
3. It is possible to amend or change the concluded Contract with the consent of both Contracting Parties only. The change or amendment must be in written form only, by annexes numbered in ascending order.
4. The following annex makes an integral part of this Contract:

Annex: 1 - Specification of the tests and price breakdown

On behalf of the Contractor:

On behalf of the Client:

In Brno

In

Ing. Pavel ČUDA, Ph.D.
the Director