

Contract for Work No. LOM/19011/002/17
for Propeller strike engine inspection of LOM aircraft in-line piston engine
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

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, CEO

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 a Propeller strike engine inspection (the “PSEI” 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. PSEI shall be conducted in compliance with the Technical Instruction TI-1/17-KPM, Part 4. Damage inspection in case of greater damage to the propeller (see the text extract in the **Annex 1** at the end of this contract).
- 1.3. Particular inspection steps shall be performed in compliance with the Contractor’s valid approved documentation “LOM Procedures for OH of Engines (the “OHP” henceforth). **XXX**
- 1.4. Before PSEI 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.
- 1.5. If, based on the outcome of CE, additional costs beyond the standard PSEI incur, an amendment to this Contract shall be concluded, determining the scope of Partial repair (the “PR” henceforth), period of the repair and the price for PR, defining the additional costs. The amendment must be signed by representatives of both Contracting Parties in due form.
- 1.6. The Order Party shall pay the price for PSEI 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 PSEI shall be as follows:

Price excl. VAT
XXX

- 2.2. The price for the standard **XXX**
- 2.3. The price for PSEI specified in paragraph 2.1 **XXX**
- 2.4. The price for conducting PSEI 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. **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 PSEI, including additional costs for PR, if any - see item 1.5, 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 EUR to the Contractor's account.

Article 3.

Place of performance and term of delivery

- 3.1. The place of performance shall be **XXX**.
- 3.2. The term of delivery of PSEI for the engine concerned shall be **XXX**
- 3.3. The term of delivery of PSEI as established in paragraph 3.2 **XXX** In addition to describing the findings and proposal for extra work – Partial Repair (PR), this report shall specify an estimate of the time needed for to perform this PR. 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 performing the PR shall form the subject matter of a separate contract.

Article 4.

Performance of the subject of PSEI and quality control, guarantees

- 4.1. After PSEI 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 PSEI is paid in full, including potential price for PR, under the conditions delineated in Article 2.
- 4.2. In accordance with item 2.4, the place of handover of the engine shall **XXX**
- 4.3. The preservation of the engine shall be **XXX**
- 4.4. **XXX**
- 4.5. The Contracting Parties have agreed that Form-1 certificate shall be issued after quality is tested.
- 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 PSEI+PR under this Contract. **XXX**

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 settlement.
- 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 **XXX**
- 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 2.2. 2017

for the Order Party

In Prague, on 21.2.2017

for the Contractor

XXX

LOM PRAHA s.p.
Ing. Roman Planička
State Enterprise Director