

**Fyzikální ústav AV ČR, v. v. i.,**

**and CRYTUR, spol. s r.o.**

with registered office at Na Slovance  
1999/2, 18221 Prague 8

with registered office at Na Lukách  
2283, 511 01 Turnov

Identification no.: 683 78 271

Identification no. 25296558

Incorporated in the register of public  
research institutions, kept by the Ministry  
of Education, Youth and Sports of the  
Czech Republic

Represented by RNDr. Michael Prouza,  
Ph.D., Director

Represented by Dr. Jindřich  
Houžvička, Company CEO

Bank account no.: IBAN:

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Bank account no.: IBAN:

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(hereinafter referred to as the  
“**Contractor**”)

(hereinafter referred to as the  
“**Subcontractor**”)

(the Contractor and the Subcontractor hereinafter referred to  
individually as the “**Party**” or collectively the “**Parties**”)

on the day, month and year set forth below and pursuant to Section 2586 et seq. of the Act  
no. 89/2012 Coll., the Civil Code, as amended (hereinafter the “**Civil Code**”), conclude this

## **Contract for Work**

(hereinafter referred to as the “**Contract**”)

### **PREAMBLE**

- A. The Contractor is a member of a Consortium established based upon Regulation (EU) 2018/1092 of the European Parliament and of the Council of 18 July 2018 establishing the European Defense Industrial Development Program (EDIDP) aiming at supporting the competitiveness and innovation capacity of the Union's defense industry, later transformed into Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 ;
- B. The parties of the Consortium have submitted a proposal to the European Commission for topic EDIDP-CUAS-2020 – Counter Unmanned Air Systems (C-UASs) capabilities, as part of the EDIDP-CUAS-2020 Call;
- C. The European Commission has awarded the parties of the Consortium with the project, the purpose of which is to develop a European new generation C-UAS system, that is a single unified digitalized defense and security system relying on distributed and dynamically allocated services as provided/supported by sensing, neutralizing and C2 components operating in complete real-time (hereinafter the “**Project**”);
- D. The Subcontractor is a business company with experience in lasers and laser systems design and manufacturing, high-precision optical components manufacturing, and high-

precision metallic parts manufacturing; Further in optical and laser systems such as laser head manufacturing, integration and testing.

- E. The Contractor is interested in engaging the Subcontractor into the Project, mainly the [REDACTED] as described in details further in this Contract;
- F. The Subcontractor is interested in delivering the below specified work to the Contractor, as part of the [REDACTED], and the Subcontractor hereby affirms to have gained full understanding of the scope and nature of delivery concerning the subject matter of this Contract, to have knowledge of all technical, quality and other terms and to dispose of such capacities and expertise as necessary to perform this Contract.

## **1. Subject Matter**

- 1.1 Upon the terms and subject to the conditions defined herein, the Subcontractor undertakes to supply the Contractor at its own risk and cost with Technical Analysis and requirements review: High Power Laser development: phase analyser design. The analysis shall contain:
  - 1.1.1. [REDACTED],
  - 1.1.2. [REDACTED],
  - 1.1.3. [REDACTED];(hereinafter the “**Work**”).
- 1.2 The Contractor undertakes to pay the price to the Subcontractor for the Work under the terms and conditions defined hereinafter.

## **2. Price of the Work and Payment Terms**

- 2.1 The total contractual price for the Work is EUR [REDACTED] (hereinafter the “**Price**”). The value added tax shall be paid according to the applicable legislation.
- 2.2 The terms of payment are as follows:
  - 2.2.1. First payment amounting to EUR [REDACTED] i.e. 30% of the Price, shall be paid by the Contractor as an advance payment upon an invoice issued by the Subcontractor after the conclusion hereof. Provided the Contractor’s Project payment is not transferred to its bank account at the time of receipt of the invoice issued by the Subcontractor, the invoice maturity shall not be running; By derogation of Art. 2.6 of the Contract, in such case the invoice maturity shall start to run on the day when Project payment is transferred to the Contractor’s bank account and such invoice shall be payable within 30 (thirty) days after the Project payment is transferred to the Contractor’s bank account.
  - 2.2.2. Second payment amounting to EUR [REDACTED], i.e. 70% of the Price, shall be paid by the Contractor upon an invoice issued by the Subcontractor. Subcontractor is entitled to issue the invoice only after conclusion of the feasibility study by the European Commission and receipt by the Contractor of the consideration for the feasibility study from the principal of the Consortium, of which the Contractor is obliged to inform the Subcontractor without undue delay.

- 2.3 The Price is fixed and covers all costs, duties, charges and taxes related to the performance of the Work according to this Contract and covers all other services, rights and delivery provided by the Subcontractor.
- 2.4 The Subcontractor according to Section 2620 par. 2 of the Civil Code hereby declares that it accepts the risk of the change of circumstances and that in this case it has no right to increase the Price.
- 2.5 Invoices issued by the Subcontractor shall have only the electronic form and shall be submitted to the email address: [REDACTED].
- 2.6 The invoiced amount is due in thirty (30) days of the date of delivery of the invoice to the Contractor. If the invoice stipulates different due period such period is deemed irrelevant and the period stipulated herein applies. Payment of the invoiced amount means the date of its remitting to the Subcontractor's account. In conformity with the applicable tax regulations of the Czech Republic, the tax documents – invoices issued by the Subcontractor hereunder shall include the following details:
- the business name/designation and registered office of the Contractor
  - the tax identification number of the Contractor
  - the business name/designation and registered office of the Subcontractor
  - the registration number of the tax document
  - the subject matter of the delivery
  - the date of issue of the tax document
  - the date of the supply or the date of acceptance of the consideration, whichever is earlier, if it differs from the date of issue of the tax document, as stipulated in Art. 2.2.2.;
  - the price
  - the registration number of the Contract, which the **Contractor** shall communicate to the Subcontractor at his request before the invoice is issued
  - declaration that the performance of the Contract was executed for the purposes of the project "Joint European sYstem for Countering Unmanned Air Systems", reg. number: EDIDP-CUAS-2020-78-JEY-CUAS.
- 2.7 Any of the invoices must be delivered by the Subcontractor to the Contractor's no later than by December 15 of the given calendar year. In case that the invoice shall not contain the above mentioned information or the invoice does not comply with the requirements stipulated by law or the invoice is delivered to the Contractor later than by December 15 of the given calendar year, the Contractor is entitled to return it to the Subcontractor during its maturity period and this shall not be considered as Contractor being in delay with the payment of the Price. The new maturity period shall begin from the receipt of the supplemented or corrected invoice to the Contractor.

### 3. Terms and Place of Delivery

- 3.1 The Parties agree that the Work shall be delivered no later than 16 months from signature of this Contract.
- 3.2 The Subcontractor declares and confirms that it is aware of the necessity of timely delivery of the Work according to this Contract, with regard to the character of the Project.
- 3.3 The Parties agree that in case of the Subcontractor's delay with the delivery of the Work longer than 1 (one) month, the Contractor is entitled to withdraw from this Contract in writing with immediate effect. In such case, the Subcontractor shall be obliged to return to the Contractor the advance payment received in accordance with Article 2.2.1 hereof. The Parties further agree that in case of the Contractor's withdrawal from this Contract in

accordance with this Article, the Subcontractor shall not be entitled to claim from the Contractor any compensation or any performance whatsoever related to this Contract.

- 3.4 The place of delivery is HiLASE Centre, Za Radnicí 828, ZIP 252 41, Dolní Břežany, the Czech Republic.

#### **4. Rights and Obligations of the Subcontractor**

- 4.1 The Subcontractor is obliged to perform the Work with all necessary diligence and care in the agreed time and provide for everything that is needed therefore.
- 4.2 The Subcontractor shall perform the Work independently. The Subcontractor shall follow the instructions of the Contractor throughout the performance of the Work.
- 4.3 The Subcontractor shall advise the Contractor of inappropriateness of a given instruction without undue delay, unless the Subcontractor was not able to detect such inappropriateness despite exercising due diligence.
- 4.4 In case an inappropriate instruction impedes the due performance of the Work, the Subcontractor shall discontinue such performance until change of the instruction. Should the Contractor insist on performance of the Work according to the given instruction, the Subcontractor is entitled to be given such instruction in writing.

#### **5. Rights and Obligations of the Contractor**

- 5.1 The Contractor has the right to check the performance of the Work. The Contractor is entitled to request correction and due performance of the Work in case the Subcontractor breaches its obligation.

#### **6. Copyright and Intellectual Property**

- 6.1 The Subcontractor affirms that it has the right to furnish and grant license to any and all intellectual property according to this Contract. The Subcontractor hereby grants to the Contractor the right to use any and all intellectual property rights of the Subcontractor contained in the Work in the manner allowing due use of the Work as a whole for the purpose of the Project. The license is granted as unlimited in time, non-exclusive and transferable. The Contractor shall be entitled to grant a sub-license to the European Commission as the end-user of the Work.
- 6.2 The Subcontractor shall clear the Contractor of legal liability and shall protect it from any claims made against supposed breach of copyright, patent right or any other intellectual property right as a result of the use and/or any handling of the Work by the Contractor on the condition that the Contractor provides the Subcontractor with the opportunity to protect itself and reach settlement. This clause regarding exemption of liability shall not apply to a case where the Work is used for purpose other than stated herein.
- 6.3 Should a court finally establish that there has been an infringement of copyright, patent right or any other intellectual property right the Subcontractor shall reimburse the Contractor for any costs, fines or damage incurred by breaching its obligations hereunder.

## **7. Force Majeure**

- 7.1 The Parties agree that they are not liable for failing to meet all or some of the provisions hereunder, if such failure was caused by an event of force majeure. However, the Party affected by an event of force majeure shall perform its obligations hereunder as soon as the effects of an event of force majeure cease. All the terms hereunder shall be postponed for a period equal to the time when an event of force majeure lasted. The Party affected by an event of force majeure shall notify the other Party as soon as possible after any occurrence thereof.

## **8. Confidentiality**

- 8.1 The Parties agree that all information they provided each other in negotiations on this Contract and in connection herewith shall be confidential and neither Party to which such information has been provided may either divulge the same to a third person or use for its own interests the same in conflict with the purpose hereof.
- 8.2 The confidentiality duty hereunder does not apply to information that:
- (a) may be disclosed without breach of this Contract, namely its disclosure is necessary for the due fulfilment hereof;
  - (b) were exempted from these restrictions by mutual written consent of both Parties;
  - (c) are already in public domain or were disclosed without breach of this Contract;
  - (d) the recipient knows such information before its disclosure by the Party;
  - (e) are requested by the court, the public prosecutor or by a competent administrative body in accordance with law, or whose disclosure is required by law;
  - (f) the Party discloses to the person bound by a legal obligation of confidentiality (e.g. a lawyer or tax consultant) for the purpose of exercising its rights.

## **9. Anti-Corruption Clause in Relation to the Criminal Liability of Legal Persons**

- 9.1 The Parties hereby declare and undertake that upon carrying out the subject matter of this Contract, the Parties shall not develop any activity that fits the criteria of a crime, as defined in Section 7 of Act no. 418/2011 Coll., on the criminal liability of legal persons, as amended (hereinafter the "Act on Criminal Liability"), including, but not limited to, the form of aiding and abetting or, where appropriate, fits the criteria of one preparing to commit a crime, as defined in Section 7 of the Act on Criminal Liability or that is in conflict with generally binding legal regulations or international agreements.
- 9.2 The Parties hereby further declare and undertake that upon carrying out the subject matter of this Contract, neither Party shall use any or all means, resources or equipment obtained from the other Party in a manner that fits the criteria of a crime, as defined in Section 7 of the Act on Criminal Liability including, but not limited to, the form of aiding and abetting or, where appropriate, fits the criteria of one preparing to commit a crime, as defined in Section 7 of the Act on Criminal Liability or that is in conflict with generally binding legal regulations or international agreements.
- 9.3 The Subcontractor hereby declares and undertakes that it shall use any and all means, resources or equipment obtained from the Contractor in accordance with generally binding legal regulations and international agreements.

- 9.4 The Contractor hereby confirms and declares that no means, resources or equipment provided to the Subcontractor under this Contract originate from or are intended for use in criminal activity.
- 9.5 The Parties represent that neither of them has paid, offered, promised to pay or authorized and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value to (i) any person or entity employed by or acting for or on behalf of the end-user, whether private or governmental, or (ii) any government official or employee or any political party or candidate for political office for the purpose of influencing any act or decision or inducing or rewarding any action by the customer in any commercial transaction or in any governmental matter or securing any improper advantage to assist any of the Parties in obtaining or retaining business or directing business to any person.

## **10. Settlement of Disputes**

- 10.1 Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity therefore, which cannot be settled by Parties in a friendly manner, shall be finally settled under the appropriate court of the Czech Republic.
- 10.2 This Contract is governed by the laws of the Czech Republic.

## **11. Special Provisions**

- 11.1 By signing this Contract, the Subcontractor becomes a person that must cooperate during the finance control within applicable European as well as national legislation on finance control and shall provide to control bodies (such as, but not only, Project granting authority, European Anti-Fraud Office, European Court of Auditors) access to all parts of the Contract, Work documents or other documents that are related to the legal relationship formed by this Contract. This duty also covers documents that are subject to the protection in accordance with other acts (business secrets, secret information, etc.) provided that control bodies fulfil requirements stipulated by applicable legislation. For this purpose, and as required within Grant Agreement, as annexed to this Contract, *Art. 29 (Checks, Reviews, Audits and Investigations)*, as well as *Art. 16 (Conflict of Interest)*, *17 (Confidentiality)*, *21 (Security related obligations)*, *37 (Liability for Damages) of the Grant Agreement, Annex I*, shall apply accordingly to the Subcontractor.

## **12. Final Provisions**

- 12.1 This Contract shall be valid upon signature by the Contractor and the Subcontractor. This Contract is subject to mandatory publication according to the applicable Czech law.
- 12.2 This Contract may be changed or supplemented solely in writing.
- 12.3 In the event that any of the provisions of this Contract shall later be shown or determined to be invalid, putative, ineffective or unenforceable, then such invalidity, putativeness, ineffectiveness or unenforceability shall not cause invalidity, putativeness, ineffectiveness or unenforceability of the Contract as a whole. In such event the Parties undertake without undue delay to subsequently clarify any such provision or to replace after mutual agreement such invalid, putative, ineffective or unenforceable provision of the Contract by a new provision, that in the extent permitted by the laws and regulations of the Czech

Republic, relates as closely as possible to the intentions of the Parties to the Contract at the time of entering hereto.

- 12.4 Neither Party to this Contract shall be entitled to assign or transfer any of its contractual rights or obligations to any third party without prior written approval from the other Party; such approval shall not be denied unreasonably.
- 12.5 The Subcontractor shall not be entitled to subcontract any part of this Contract without the prior written consent of the Contractor.
- 12.6 Both Parties declare that regarding their own national regulations they are fully entitled to sign the Contract.
- 12.7 The following annexe form an integral part of this Contract:  
Annex no. I – Project Grant Agreement
- In case of any discrepancies between this Contract and its annex, the provisions of this Contract shall prevail.

In Prague on \_\_\_\_\_

In Turnov on \_\_\_\_\_

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RNDr. Michael Prouza, Ph.D.

Director

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Dr. Jindrich Houžvička

Company CEO

**Annex no. I – Project Grant Agreement**  
*(attached as separate document)*

