



FOLLOW ON SUPPORT CONTRACT

BETWEEN

MINISTRY OF INTERIOR OF CZECH REPUBLIC

AND

SAFRAN HELICOPTER ENGINES GERMANY GmbH

**CONTRACT N° 27/16/IG.FOS;
LS-250-23/CJ-2016-9800KR**



Between: Ministry of Interior of Czech Republic

A company incorporated under the laws of Czech Republic
Principle location at:

Nad Stolou 936/3
170 34 Prague 7
Czech Republic

Duly represented by: **Ing. Tomas Hytych**

In his capacity of: **Director of Czech Police Aviation Department**

Hereinafter referred to as "the **BUYER**",

on the one hand,

And: SAFRAN Helicopter Engines Germany GmbH

A company incorporated under the laws of Germany
Principle location at:

Borsteler Chaussee 43
22453 Hamburg
Germany

Duly represented by: **Mr. Richard Musil**

In his capacity of: **CEO**

Hereinafter referred to as "**SELLER**",

on the other hand,

SELLER and **BUYER** hereinafter collectively referred to as the "Parties" and individually as the "Party".



INDEX

DEFINITIONS

ARTICLE	01	CONTRACT SCOPE AND PURPOSE
ARTICLE	02	INDENTING AUTHORITY
ARTICLE	03	SPARE PARTS AND TOOLS PROGRAM
ARTICLE	04	REPAIR/OVERHAUL OF MATERIAL AT SELLER'S FACILITY
ARTICLE	05	STANDARD EXCHANGE OF ENGINES/MODULES/ACCESSORIES
ARTICLE	06	ENGINE/MODULES RENTAL
ARTICLE	07	TECHNICAL ASSISTANCE
ARTICLE	08	TRAINING
ARTICLE	09	TECHNICAL PUBLICATIONS
ARTICLE	10	DELIVERY
ARTICLE	11	PACKING AND MARKING
ARTICLE	12	INVOICING
ARTICLE	13	CONFIDENTIALITY
ARTICLE	14	INTELLECTUAL PROPERTY RIGHTS
ARTICLE	15	WARRANTY
ARTICLE	16	QUALITY ASSURANCE – MONITORING - SECURITY
ARTICLE	17	PAYMENT TERMS AND CONDITIONS
ARTICLE	18	CORRESPONDENCE AND NOTICE
ARTICLE	19	RISK AND TITLE
ARTICLE	20	TAXES AND DUTIES
ARTICLE	21	ORIGIN OF GOODS
ARTICLE	22	EXPORT AUTHORIZATION
ARTICLE	23	INSURANCE
ARTICLE	24	INDEMNIFICATION - LIABILITY
ARTICLE	25	FORCE MAJEURE
ARTICLE	26	TERMINATION
ARTICLE	27	ASSIGNMENT
ARTICLE	28	DURATION
ARTICLE	29	ENTIRETY OF THE CONTRACT
ARTICLE	30	JURISDICTION AND ARBITRATION
ARTICLE	31	CONTENTS OF CONTRACT
APPENDIX	1	Certificate of completion of services
APPENDIX	2	SAFRAN HELICOPTER ENGINES' s Warranty Conditions
APPENDIX	3	Warranty Claim Procedure
APPENDIX	4	AOG Payment Procedure
APPENDIX	5	SAFRAN HELICOPTER ENGINES 's General Sales Conditions
APPENDIX	6	Owner Certificate
APPENDIX	7	Induction Form
APPENDIX	8	Rental Agreement Sample



PREAMBLE

- Whereas **BUYER** acquires and/or operates helicopter(s) equipped with **SELLER** gas turbine Engines and has asked **SELLER** to provide support services for these Engines.
- Whereas **SELLER** offers several support services for the maintenance of its Engines.
- And whereas **BUYER** wishes to benefit from these services.

Now therefore, **BUYER** and **SELLER** wish to set forth terms and conditions under which **SELLER** shall provide support services for the maintenance of **BUYER**'s Engines and agree as follows:



DEFINITIONS

Shall be construed as follows unless context requires otherwise:

'Aircraft' means the helicopter fitted with the Engine operating within the Territory

'Accessory' means any Engine accessory or item of equipment as defined in the **SELLER's** Maintenance Manual

'Agreed Repair center' means a facility which has been authorized by the **SELLER** to perform Overhaul and /or Repair and is permanently supervised by the **SELLER**.

'Contract' means this contract n° 27/16/IG. FOS; LS-250-23/CJ-2016-9800KR including its appendices attached hereto, as supplemented or amended from time to time.

'A.O.G.' (Aircraft on Ground) is a situation where the Material is unable to remain in service or is ineligible for return to service.

'Confidential Information' means any and all information disclosed by one Party to another Party, in whatever form and whether disclosed in writing, orally, by electronic means or otherwise provided always that where such Information is disclosed orally, it shall be identified as confidential at the time of disclosure and, within thirty (30) calendar days thereafter, shall be reduced to writing and communicated to the recipient Party.

'Cycle' means an operating cycle as quoted in the Material log book/log card, and calculated according to the **SELLER's** Maintenance Manual. Cycles are recorded since the last Overhaul or since new.

'Engine' means the **SELLER** gas turbine engine and any part thereof, as described in Article 1 hereof.

'Maintenance Manual' means the **SELLER's** Maintenance Manuals, service bulletins and service letters.

'Material' means according to context, an Engine, a Module, or an Accessory.

'Module' means a sub-assembly of the Engine as defined in **SELLER's** Maintenance Manual

'Operating Hour' means an hour of operation of the Material as quoted in the Material log book/log card and calculated according to the **SELLER's** Maintenance Manual. Operating



Hours are recorded since the last Overhaul (TSO) or since New (TSN) when the Material has not been previously Overhauled.

'**O.E.M.**' or Original Material manufacturer means the legal entity who holds the design type certificate of the Material or of any part thereof.

'**Operator**' means the operator/owner of the Aircraft.

'**Overhaul**' whether Scheduled or Unscheduled, shall mean work required which will enable the Material to begin a new Time-Between-Overhaul ("TBO") period.

'**Reference Documents**' shall mean the following OEM documentation and all the updates thereof:

- Maintenance Manual
- SAFRAN HELICOPTER ENGINES Service Letters
- SAFRAN HELICOPTER ENGINES Service Bulletins,
- Engine Spare Parts & Tools Catalogue,
- Illustrated Parts Catalogue.

'**Rental of Engines / Modules**' means Material loaned by the **SELLER** to the **BUYER** during the Turn Around Time of Repair or Overhaul. Such rental Material shall remain the **SELLER's** property during the entire rental period. As soon as the **BUYER's** Material is either returned repaired, said rental Material shall be returned to the **SELLER**.

'**Repair**' shall mean the work defined in the **SELLER's** repair manual which will enable the Material to be put back in serviceable condition.

'**SELLER's Factory**' means, depending on context, the **SELLER's** factory in BORDES or TARNOS, or the factories and /or installations of its subcontractors that could be designated by the **SELLER**.

'**SELLER's General Sales Conditions**' means the general sales conditions of the **SELLER** as may be amended from time to time and as annexed for reference in Appendix 6.

'**Scheduled Removal**' means the removal of Material performed in accordance with the time intervals specified in the **SELLER's** Maintenance Manual.

'**Serviceable Material**' means Material in airworthy condition.

'**Services**' means, according to context, the **SELLER's** Material, their Spare Parts and any such other products including but not limited to Tools, technical publications as defined in Article 1.2 of this Contract.



'Spare Parts' means all individual Parts and combination of Parts as defined in the **SELLER's** Spare Parts and Tools catalogue.

'Standard Exchange Material' means Material in Serviceable condition delivered from the **SELLER's** stock as replacement for the **SELLER's** repairable Material whatever are the previous Operator, place of operation, reason for its previous removal.

This Material shall include the mandatory modification level that the **SELLER** normally applies to its Standard Exchange Material.

'TBO' or 'Time Between Overhauls' shall mean the number of Operating Hours between Scheduled Overhaul as specified for the Material by **SELLER** in the **SELLER's** Maintenance Manual.

'Tools' means any tools to be used for field and / or modular maintenance and identified in the Spare Parts and Maintenance Tools Catalogue issued by the **SELLER**.

'Turn Around Time' or 'TAT' means the lead time necessary for the **SELLER** to perform Repair or Overhaul on the **BUYER's** Material. The Turn Around Time shall be calculated from the receipt of the **BUYER's** Material in the **SELLER's** Factory until said **BUYER's** Material is ready to leave the **SELLER's** Factory.

'Trade Name', 'Trade Mark', and 'Copyrights' mean all names, logos, trade names and signs used by the **SELLER** in carrying on its business including the marketing and promotion of any of its products whether they are registered as trademarks or not.

'Unscheduled removal' means the removal of Material performed outside the time intervals or limit intervals as specified in the **SELLER's** Maintenance Manual.

Note:

- i. Words used in the singular shall include the plural and vice versa unless contrary intention shall appear
- ii. Articles and appendices headings do not affect the interpretation of this Contract.
- iii. A reference to a law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- iv. A reference to a document is a reference to the document whether in paper or electronic form.



ARTICLE 1 - PURPOSE AND SCOPE

1.1 Purpose

The purpose of this Contract is to specify the terms and conditions under which **SELLER** shall provide to **BUYER**, and **BUYER** shall obtain from **SELLER**, the Services described under Sub-Article 1.2.

Under this Contract, the **SELLER** agrees to supply the **BUYER** with Services Spares Parts, Tools, Repair/ Overhaul /Rental or Retrofit of Material, technical assistance, publications, training of the **BUYER' s** technicians for maintenance of Arrius 2B2 Engine produced by the **SELLER** and owned and operated by the **BUYER**.

The total amount invoiced over the contract period shall not exceed 4.424.000 EUR (Four million four hundred twenty four thousand Euros) value added tax not included, but not later than four (4) years after the Effective Date. **BUYER** shall inform **SELLER** when this amount is reached.

BUYER informs **SELLER** that the ratio between delivery of Spare parts, Tools, repair and/or Overhaul shall be maximum ninety percent (90%) of the total amount invoiced and training services shall be limited to ten percent (10%) of the total amount invoiced.

1.2 SERVICES PROVIDED BY THE SELLER

The Services provided by the **SELLER** to the **BUYER** shall be as follows:

- 1.1.1 Supply and delivery of all Parts, Materials and Tools needed to maintain Engines, Modules, and Accessories as defined in the **SELLER' s** Maintenance Manual,
- 1.1.2 Overhaul, Repair, Retrofit, Standard Exchange and/or Mandatory Modification of Engines, Modules, Accessories,
- 1.1.3 Technical assistance
- 1.1.4 Training for the **BUYER' s** technicians
- 1.1.5 Supply and updating of technical publications
- 1.1.6 Engine/ Module/Tool Rental

1.3 SERVICES NOT PROVIDED BY THE SELLER

The supply of services which are not defined in Article 1.2 above and of items not listed in the Maintenance Spare Parts and Tools Catalogue issued by the **SELLER** shall not be covered by this Contract.

ARTICLE 2 - INDENTING AUTHORITY

All requests for quotation, purchase orders including routine requests and all Repair / Overhaul Modification requests shall be issued by:

Czech Police Aviation Department, post office 614, box 35, Prague – Vaclav



Havel airport, Hangar D, 161 01 Prague 6, Czech Republic

Purchase orders for Services on AOG demands shall be issued by:

Czech Police Aviation Department, post office 614, box 35, Prague – Vaclav Havel airport, Hangar D, 161 01 Prague 6, Czech Republic

Those indenting authorities are hereinafter designated as the **BUYER** depending on the request type. Orders shall be placed with the **SELLER's** respective departments as listed in Article 18 of this Contract.

ARTICLE 3 - SPARE PARTS & TOOLS PROGRAM

3.1 GENERAL

The **BUYER** shall order Spare Part and/or Tools in quantities reasonably calculated to provide adequate inventories for normal operation in accordance with Article 3.8.5 below.

3.2 QUOTATIONS

- Upon receipt of the **BUYER's** request, the **SELLER** shall send price quotations in accordance with the **SELLER's** General Sales Conditions attached hereto for reference as Appendix 5 and with the applicable price catalogue.
- AOG orders shall remain compliant with the procedures set forth in Article 10.3 below.
- If a Part/Tool is not included in the price catalogue, a special quotation shall be proposed by the **SELLER** to the **BUYER** for that particular item only.

3.3 ORDERING

The **SELLER** shall provide the **BUYER** with the annual price catalogue applicable that particular year.

Orders for Spare Parts and/or Tools shall be placed by the **BUYER** (in English) by fax, or e-mail.

Each order shall include:

- Contract reference number
- Order number
- Item number
- Part Number
- Spare Part /Tool Description
- Quantity of each Material requested
- Unit Price (if known by **BUYER**)
- Total Order Price
- Shipping addresses and instructions
- Invoicing details (including Documentary Credit if any)
- Signature by the Indenting Authority



3.4 ORDER ACKNOWLEDGEMENT

- The **SELLER** shall acknowledge receipt of **BUYER's** formal order within one (1) calendar day for all AOG requests and within five (5) business days maximum for routine orders.
- The order acknowledgement shall state at least the **BUYER's** order number, this Contract number, the part number, quantity, current unit price, validity and estimated delivery date.
- **SELLER's** order acknowledgement shall constitute the contractual basis for the performance of the purchase order.

3.5 ORDER FULFILLMENT

In processing orders for Spare Parts/Tools, the **SELLER** reserves the right to make any necessary corrections or changes in part number and nomenclature or to substitute Parts with equivalent Parts. However prices shall remain as per the original Part Number as described in the order acknowledgement except if said price has decreased, in which case the **SELLER** shall reflect it accordingly in the invoice issued to the **BUYER**.

3.6 CANCELLATION OF ORDERS

The **BUYER** may cancel orders by notifying the **SELLER** in writing and explaining its reasons. The **SELLER** shall answer within ten (10) business days maximum from receipt of the **BUYER's** cancellation request. However, the Parties agree that such cancellation shall not be allowed in the following circumstances, which may be updated yearly:

- Special orders which are not normally ordered by other operators of helicopters.
- Order having prices equal or greater than 2000 € (two thousand Euros) if the delivery process has already started.
- Orders having delivery lead time greater than six (6) months if the delivery process has already started.

Any cancellation of orders shall be in accordance with the **SELLER's** General Sales Conditions applicable at the time of said order acknowledgement by **SELLER**.

3.7 ORDER DELIVERY

For all Material(s) ordered, **SELLER** shall whenever possible indicate at least the delivery schedule of such Material(s).

In the event **SELLER** fails to deliver such Material, **SELLER** shall reimburse the full amount of any advance payment made by **BUYER** within sixty (60) working days.

3.8 PRICING

- 3.8.1 The Material list provided with the **SELLER** quotation shall only be valid when the **BUYER's** order has been placed in accordance with



SELLER's terms and conditions as specified in **SELLER's** quotation.

3.8.2 All prices quoted by the **SELLER** shall be firm and fixed.

3.8.3 All prices shall be quoted in EUROS (€).

3.8.4 At the beginning of each calendar year, the **SELLER** shall send to the **BUYER** the new applicable price lists to be used by the **BUYER** for all of its orders that particular year.

3.8.5 Minimum order value is applicable as follows:

The minimum order value for 2016 is: € 200, 00 (two hundred Euros) and may be adjusted annually by the **SELLER** on January 1st of each year.

The **SELLER** prices for each order or quotation shall be established for delivery **FCA SAFRAN HELICOPTER ENGINE facilities** pursuant to the 2010 issue of ICC Incoterms as per Article 10 below.

ARTICLE 4 - REPAIR/OVERHAUL OF MATERIAL AT THE SELLER's FACILITIES

4.1 ORDERING PROCEDURE

The **BUYER** shall send to the **SELLER** the corresponding order, which must specify at least the following information for each Material to be repaired or overhauled:

- Designation, part number and serial number,
- TSN / TSO / TSR as well as number of cycles recorded since new, since Overhaul, or since last Repair,
- Reason of removal / return to depot level,
- Work to be carried out, with clear mention of any specific requirement.
- Induction Form (as per specimen in Appendix 7 attached hereto)

Upon receipt of the **BUYER's** order, **SELLER** shall issue a fixed and firm Repair/Overhaul quotation.

SELLER's quotation shall become a firm order upon acceptance by **BUYER**.

The cost incurred for issuing the quotation is indicated in condition of application of the **SELLER's** price list in force at the time of the **BUYER's** order notification to the **SELLER** as per Sub-Article 4.2.4 hereunder.

- 4.1.2 In case the **SELLER** does not receive all documents as described here above, or does not get clear information about the work to be carried out, the **SELLER** shall immediately inform the **BUYER** by means of facsimile or any other written instantaneous means of communications. In case no answer is received from the **BUYER** within fifteen (15) calendar days, the **SELLER** shall send a reminder to the **BUYER**. In case no answer is received fifteen (15) calendar days thereafter the **SELLER** shall return the **BUYER's** unserviceable Material to **SELLER** and shall invoice **BUYER** for any expenses incurred including any assessment expenses.

4.2 PRICING



4.2.1 After disassembly, cleaning and inspection of the Engine / Module / Accessories, the **SELLER** shall issue a Repair/Overhaul estimated quotation which shall be valid for thirty (30) days, specifying:

- Import charges if any (customs, transit expenses, etc....)
- Total quotation amount reflecting labor and work scope (lump sum whenever practicable)
- Replacement Parts to carry out the given task
- Any Modification work
- Estimated delivery date **FCA SAFRAN HELICOPTER ENGINE facilities** as per Article 10 below.

In the event the **BUYER** requested an investigation technical report, said report shall be added to the Repair/Overhaul quotation.

An invoice bearing the **BUYER's** work order shall be issued by the **SELLER** for this purpose.

4.2.2 The **SELLER** shall then propose to the **BUYER** if needed to send a technical representative to the **BUYER's** facilities for necessary discussions of the issued reports and a teardown report.

All charges related to this additional request (travel, accommodation, etc...) shall be borne by the **BUYER**. Moreover, **BUYER** shall provide a minimum four (4) weeks advance notice to the **SELLER** in order to prepare for this visit.

4.2.3 In case the Repair / Overhaul quotation exceeds 60 % (sixty percent) of the price of the item when new, the lapse of time required from the **BUYER** to make its decision to proceed or not with the Repair/Overhaul shall be added to the Turn Around Time.

4.2.4 The **BUYER** shall inform the **SELLER** of its decision to proceed or not with the Repair/ Overhaul within thirty (30) calendar days of the **SELLER's** quotation issuance.

Should the **BUYER**:

- Either not answer within the thirty (30) day period of the quotation validity (a reminder shall be sent by the **SELLER** to the **BUYER** by fax accordingly); or
- Notify the **SELLER** within the thirty (30) day period that they do not accept the quotation,

Then, the **BUYER** shall pay to the **SELLER** all expenses already incurred to allow issuance of said quotation as well as any expenses for the return of the Engine/Module/Accessories.

Should the **BUYER**:

- Notify the **SELLER** after the thirty (30) day quotation validity period that they do not accept the quotation,

Then, the **BUYER** shall pay to the **SELLER** all expenses already incurred to



allow issuance of the quotation as well as all expenses for the return of the Engine/Module/Accessories and any supplementary expenses incurred by the **SELLER**.

- 4.2.5 Any Material considered as non-repairable shall be reported to the **BUYER**. Rejected Material shall be returned to the **BUYER** at his own expense upon written request by **BUYER** or it shall be scrapped under custom control following notification by the **SELLER** in accordance with **SELLER**'s General Sales Conditions. The **BUYER** shall pay the **SELLER** all the expenses already incurred to allow issuance of said quotation.

4.3 ESTIMATED TURN AROUND TIME

Turn Around Time shall be indicated by the **SELLER** on its quotation according to the Material conditions, the required Repair/Overhaul depth and the **SELLER** planned Repair and/or production schedule. The following indicative information may be considered also and shall not be held against the **SELLER** if not complied with:

- *ENGINE / MODULES and ACCESSORIES manufactured by the **SELLER**:*

A minimum of ninety (90) days from receipt of the **BUYER**'s approval on quotation when needed or one hundred and twenty (120) days from order notification when the **BUYER**'s approval is not required.

- *ACCESSORIES manufactured by accessory supplier:*

A minimum of one hundred and twenty (120) days from receipt of the **BUYER**'s approval of the **SELLER**'s quotation.

ARTICLE 5 - STANDARD EXCHANGE OF ENGINES / MODULES/ ACCESSORIES

5.1 ORDERING PROCEDURE

The **SELLER** may propose Standard Exchange procedure of Engine / Module / Accessory specified in the **SELLER**'s price list in force, at his own discretion.

The **BUYER** may request a Standard Exchange Material, and in any case shall provide two (2) months prior notice to the **SELLER**, while specifying all the information concerning the Material to be replaced (reference, serial number, TSN/TSO/TSR, cycles recorded since new/Overhaul/Repair,) as well as the expected date of the Material removal.

The **SELLER** shall inform the **BUYER** within fifteen (15) business days from receipt of **BUYER**'s Standard Exchange request about the availability of a Standard Exchange Material and the estimated delivery date.

SELLER reserves the right to supply **BUYER** with a Rental Material instead of a Standard Exchange depending on **SELLER**'s Standard Exchange stock availability. Said Rental shall be in accordance with the terms and conditions specified in Article 6 below.

5.2 PRICING

- 5.2.1 The price of Standard Exchange is defined in the **SELLER**'s quotation.



- 5.2.2 Prices are applicable for a complete Material removed due to time expired or due to Repair, with normal wear and tear, excluding erosion, corrosion, Foreign Object and any mishandling damages, to be exchanged with an overhauled/repaired Material of equivalent standard.
- 5.2.3 Accordingly, after inspection of the returned Material to the **SELLER's** factory, the **SELLER** may invoice supplementary expenses due to the returned Materials condition taking into account any non-disclosure by the **BUYER** regarding the Materials condition at the time of **BUYER's** request.
- 5.2.4 Prices shall be established for a delivery **FCA SAFRAN HELICOPTER ENGINE facilities** pursuant to the ICC Incoterms (Issue 2010) as per Article 10 below.

ARTICLE 6 - ENGINES / MODULES RENTAL

6.1 ORDERING PROCEDURE

The **BUYER** may request the Rental of an Engine / Module during the Repair / Overhaul of its Engine / Module in the **SELLER's** factory.

The Rental of Engine or Module shall be supplied pursuant to the terms and conditions of the current Rental Agreement to be signed between the Parties, of which a sample has been attached hereto for reference under Appendix 8.

The **BUYER** shall specify the Engine / Module to be repaired / overhauled, as well as the Scheduled Removal date of that Engine / Module and shall provide **SELLER** with two (2) months prior notice.

All documents, including Engine log book, Module log card and technical information related to the Rental Engine/Module shall be provided by the **SELLER** to the **BUYER**.

6.2 PRICING

The **SELLER** shall issue, on a case by case basis, a Rental Agreement in accordance with the **SELLER's** price list in force. Said price shall be subject to an annual review on the 1st of January of each year. This price update shall apply to any Rental Agreement in effect at that time.

The **BUYER** shall be required to have signed the Rental Agreement and met specific requirements before its implementation.

ARTICLE 7 - TECHNICAL ASSISTANCE

7.1 ORDERING PROCEDURE

In the event of an unscheduled event, the technician from the **SELLER's** network shall be available within seventy-two (72) hours, following receipt of an order from the **BUYER** provided that the timeframe required to get any country customs formalities does not extend such timeframe. If such timeframe were to be extended, **SELLER's** technician shall be available as soon as practicable.



In the event of a scheduled event, the technician from the **SELLER's** network shall be available within two (2) weeks following receipt of an order from the **BUYER**.

Regarding any extension of any scheduled detachment, the **BUYER** shall notify the **SELLER** in writing at least two (2) weeks before the end of the current period.

Any detachment of technicians shall be in accordance with the **SELLER's** applicable policy.

All orders for technical assistance shall mention the following:

- Contract number
- Type of maintenance task to be performed (if known)
- Quantity of Spares needed
- If removal(s) of Engine(s) from the aircraft is (are) needed
- The type, serial number and version of the helicopter from which the Material is removed
- The type, serial number and version of the Engine
- The part number, the serial number and the description of the removed Material (in the event of removal)
- Reason for removal
- The planned date of the need
- The place of intervention
- The number of Operating Hours
- The particular operating conditions
- Any tools needed

7.2 TECHNICIAN WORK SCOPE

The detached technician shall carry out the following tasks:

- Provide advice on servicing the **BUYER's** Engine(s) at maintenance Level 1 and Level 2 in accordance with the Maintenance Manual.
- Provide instruction and familiarization to the **BUYER's** personnel as a follow-up to the training courses already provided to the **BUYER's** engineers at the **SELLER's** training center.

The detached personnel shall not, in any circumstances, participate in any tasks associated with military or police operations.

7.3 MISCELLANEOUS

The **SELLER's** detached technician shall be regarded as the **SELLER's** employee and shall remain under **SELLER's** administrative supervision. The work time of the detached personnel shall not exceed forty (40) hours a week as per the **SELLER's** current German Laws and Regulations. The working week shall include two (2) full days of rest for the **SELLER's** personnel.

The **BUYER** undertakes to help the **SELLER's** technician in solving practical living problems. The **BUYER** shall provide the **SELLER's** technician with office space, material services (telephone, fax.....) and other amenities as may be reasonably required to carry out their work.



7.4 PRICING

The commercial conditions of such assistance are specified and shall be in accordance with the **SELLER's** price list in force at the time of the order.

ARTICLE 8 - TRAINING

8.1 ORDERING PROCEDURE

The **BUYER** may request from the **SELLER** training of its technicians. The **BUYER** shall indicate the number of trainees and the location where the training shall take place (the **SELLER's** Training Center / Tarnos Factory, or on site).

Within ten (10) days from receipt of the **BUYER's** request, the **SELLER** shall provide a response specifying the terms and conditions of such training.

8.2 PRICING

The commercial conditions of such training shall be in accordance with the **SELLER's** price list in force at the date of the order.

8.3 MISCELLANEOUS

When the **BUYER's** technicians are trained in France, they shall comply with the **SELLER's** plant rules and safety rules existing under French Laws including but not limited to rules and safety rules that are enforceable in factories working under the French Ministry of Defense and in particular, they shall comply with the necessary security permit regulations of the French Authorities. The **BUYER** shall provide the bio data of the trainees for security permits application by the **SELLER** at least six (6) weeks prior to the training session.

The **SELLER** undertakes to help the **BUYER's** trainees in solving practical living problems.

Travel expenses and accommodation shall be borne by the **BUYER**. Shuttle expenses from the hotel to the factory and lunch expenses on working days shall be borne by the **SELLER**.

ARTICLE 9 - TECHNICAL PUBLICATIONS

The **BUYER** may order from the **SELLER** technical publications by specifying: the type, the quantity and the Engine version. The **BUYER's** order shall be:

- Either to update the set of technical publications already supplied with the Engine when the sold aircraft was delivered originally.
- Or, to subscribe for an additional five (5) years beyond the initial five (5) year period from aircraft sale.

Within ten (10) working days of receipt of the order, the **SELLER** shall acknowledge said order in specifying delivery date and prices in accordance with the **SELLER's** price list in force at such time.



ARTICLE 10 - DELIVERY

10.1 DELIVERY TO BUYER

The **SELLER** shall deliver the Services to the **BUYER: FCA SAFRAN HELICOPTER ENGINES's facilities** pursuant to the 2010 issue of ICC Incoterms, to the attention of

Mrs. Stanislava Cirkvova
Czech Police Aviation Department,
post office 614, box 35,
161 01 Prague 6,
Prague – Vaclav Havel airport, Hangar D
Czech Republic

Whenever possible the **SELLER** shall deliver the Services on a consolidated shipment basis.

At the date of dispatch of part of or of all the Services, the **SELLER** shall issue the corresponding invoice itemized for payment of said items.

For each delivery, the **SELLER** shall notify the **BUYER** of the following delivery details:

- Order reference,
- Part number
- Serial number list,
- NATO code (if any)
- Invoiced Amount in € (Euro),
- Air Way Bill (AWB) including flight number and date in case of airfreight
- Delivery Note

To: **Mrs. Stanislava Cirkvova**

Czech Police Aviation Department
post office 614, box 35,
161 01 Prague 6,
Prague – Vaclav Havel airport, Hangar D
Czech Republic
Telephone : +420 97 4838344
Fax : +420 97 4838300
e-mail : lsobchod@pcr.cz

Each delivery shall include the following documents when applicable:

- One (1) Original commercial invoice
- One (1) Original Delivery Note
- One (1) Statement of Conformity or PART 145 /EASA Form 1

10.2 RETURN DELIVERY TO SELLER



The **BUYER** shall return all to be repaired/overhauled Materials/Parts/Tools, and/or Rental Engine/Module **DAP SAFRAN HELICOPTER ENGINES` s facilities** to **SELLER**, pursuant to the 2010 issue of ICC Incoterms, as follows:

- All to be repaired/overhauled Materials/Parts/Tools shall be returned within fifteen (15) calendar days maximum from delivery of a Standard Exchange Serviceable Materials/Parts/Tools by **SELLER** to **BUYER**, pursuant to the applicable Incoterms.
- All to be repaired/overhauled Engine/Module shall be returned within fifteen (15) calendar days maximum from delivery of a Rental Serviceable Engine/Module by **SELLER** to **BUYER**, pursuant to the applicable Incoterms.

Beyond these time limits, **BUYER** shall be invoiced the following penalty fee for each day of delay in returning abovementioned items to **SELLER**:

- €250,00 (two hundred fifty Euros) per day late (Economic Conditions 2016)

If the **BUYER` s** removed Material is not returned to the **SELLER** within a ninety (90) day limit from the time the Standard Exchange Material is at **BUYER` s** disposal, the Standard Exchange Material sent by the **SELLER** to the **BUYER** shall be considered a sale and as such, the **SELLER** shall have the right to invoice the **BUYER** accordingly and in addition to any penalty fee already invoiced to **BUYER**.

Said items shall be with all its components and complete up-to-date documentation (including the Induction Form as per Appendix 7 hereto) in the initial package used by the **SELLER** for shipment to **BUYER**.

All returned Material shall state whether the **SELLER** is military or civil using the appropriate **BUYER` s** form (Induction Form, AOG form, etc...).

10.3 EMERGENCY SUPPLY SERVICE (A.O.G. PROCEDURE):

Such exceptional procedure shall apply as follows:

The order shall cover the Material / Part essential to put the **BUYER` s** Engine back into serviceable condition. At its sole discretion, the **SELLER** may choose to deliver a Rental Material, a Standard Exchange Material or Spare Parts.

Regarding all AOG requests, the **BUYER** shall fill in the AOG request herein attached in Appendix 4.

The request shall be placed by fax directly to the **SELLER** in accordance with Article 18 below. A copy bearing the serial number of the Engine/aircraft concerned and the place of delivery if it is different from the usual address shall be sent to the shipping agent and the **SELLER**.

The **SELLER** shall consider this fax as a formal order and agrees to deliver the available Material/Parts within twenty-four (**24**) hours **DAP SAFRAN HELICOPTER ENGINES` s facilities**, pursuant to the 2010 issue of ICC Incoterms, to the attention of Stanislava Cirkvova.

An order acknowledgement shall be sent by fax to the **BUYER**, stating the lead time



for non available Part(s) or, if required, a delivery proposal for the next assembly.

Moreover, non identified items shall be notified to the **BUYER** for further information.

SPECIFIC CONDITIONS :

For all AOG orders, an additional charge shall apply to the Material / Spare Parts list price quoted by the **SELLER** provided the delivery is effectively made within the lead time, i.e. for 2016:

- Spares : 62 Euros by order
- Accessories & tools : 165 Euros by order
- Modules/FADEC unit/ FCU-HMU : 1.120 Euros by order
- Engines : 1.120 Euros by order

ARTICLE 11 - PACKING AND MARKING

After the **SELLER** has properly packed the materials in adequate cases suitable for shipping, each case shall be marked, as follows:

**Czech Police Aviation Department,
post office 614, box 35,
161 01 Prague 6,
Prague – Vaclav Havel airport, Hangar D
Czech Republic
Contract No: 27/16/IG.FOS; LS-250-23/CJ-2016-9800KR**

Any specific packaging (container, metallic boxes etc....) requested by the **BUYER** other than the **SELLER's** usual standard shall be separately invoiced to the **BUYER**.

All Repaired / Overhauled Material/Parts/Tools shall be sent from the **SELLER** in its initial package, except if said package has been damaged during travel from the **BUYER's** shop to the **SELLER's** factory. In that case, the **SELLER** shall inform the **BUYER** and shall supply an estimate either for the package reconditioning or for a new package and shall invoice the **BUYER** accordingly.

ARTICLE 12 - INVOICING

12.1 FOR SPARE PARTS, TOOLS & REPAIRED/OVERHAULED MATERIALS

At the date of dispatch, the **SELLER** shall issue an invoice to the **BUYER** containing the following details:

For Spare Parts, Tools and repaired/overhauled Materials:

- Complete bank details of the **BUYER** and the **SELLER**.
- The name of the country of the materials origin.
- The total amount of the invoice including the price of the Services and any transportation charges.

In addition, only for repaired/overhauled Materials:

- Import charges if any,
- Labor amount and parts (lump sum if applicable),



- Spare Parts, quantity and price
- Packing, conditioning and control charges,

12.2 FOR STANDARD EXCHANGE MATERIALS

At the date of order, the **SELLER** shall issue the corresponding invoice for Standard Exchange Material based upon the **BUYER's** Standard Exchange order. However, after inspection of the returned unserviceable Material from the **BUYER**, the **SELLER** may issue a complementary invoice as per Sub-Article 5.2.3 here above, if needed.

12.3 FOR TECHNICAL ASSISTANCE

Technical assistance shall be invoiced by the **SELLER** to **BUYER** based upon the **SELLER's** technician final report. The **BUYER's** authorized representative shall sign a "Certificate of Completion of Services" as per the specimen hereinafter referenced as Appendix 1.

For short term detachment, the **SELLER** shall issue an invoice once the technical assistance has ended.

For long term detachment, the **SELLER** shall issue monthly invoices.

12.4 FOR RENTAL ENGINE/MODULE

At the date of dispatch of the Rental Engine or Module, the **SELLER** shall issue the corresponding invoice as per the rental Contract signed with the **BUYER**.

The **BUYER** shall inform the **SELLER** at the end of each month and before the 10th (tenth) of the next month, of the flying hours / cycles operated with the Rental Engine. The **SELLER** shall issue the corresponding invoice monthly.

At the end of the Rental period, the **SELLER** may issue a complementary invoice depending on the hours / cycles recorded in the Engine log book and for any missing Parts or damage done to the Rental Material (cf. the Rental Contract).

12.5 FOR TRAINING

At the end of each training session, the **SELLER** shall invoice the **BUYER** for the relevant training expenses including any training aids supplied to the **BUYER** over and above the training list price.

12.6 INVOICING ADDRESSES

The invoicing addresses shall be directed as follows:

For Spare Parts and Tools shipment:

Czech Republic - Ministry of Interior
Nad Stolou 936/3
170 34 Prague 7
Czech Republic

For repaired/overhauled Materials, Rental Engine/Module and Standard Exchange Materials:



**Czech Republic - Ministry of Interior
Nad Stolou 936/3
170 34 Prague 7
Czech Republic**

ARTICLE 13 - CONFIDENTIALITY

13.1 Non-Disclosure

BUYER and **SELLER** undertake to use Confidential Information received from the other Party only for the purpose of performance under this Contract.

The Parties undertake to handle confidentially all business information of the other Party, such as technical data, commercial documents and correspondence, for the whole duration of this Contract and to limit dissemination of Confidential Information within its own company on a need-to-know basis. It shall make clear to such individuals their obligation to maintain such Confidential Information in strict confidence.

SELLER may freely disclose Confidential Information received from the **BUYER** to its affiliates and/or natural persons and/or legal entities with a need-to-know which are bound to **SELLER** by confidentiality obligations no less onerous than those provided in this Agreement.

The Parties agree neither to communicate nor to disclose to any non-authorized third party Confidential Information received from the other Party without the prior written agreement of the other Party.

Upon expiry or termination of this Contract, this obligation shall remain in effect for a period of ten (10) years and each Party shall except as otherwise provided herein immediately cease to use any Confidential Information it may have received pursuant to this Agreement and shall return to the disclosing Party any Confidential Information in its possession.

13.2 Confidentiality Exclusions

13.2.1 This confidentiality obligation shall not apply to information:

- (a) Which is in the public domain at the time of disclosure or becomes part of the public domain after disclosure otherwise than through a breach of this Contract; or
- (b) For which the receiving Party can provide documentary evidence that it was in its lawful possession prior to disclosure to it by the disclosing Party or which is lawfully and bona fide obtained thereafter by the receiving Party from a third party who, to the knowledge or reasonable belief of the receiving Party, did not receive such information directly or indirectly from the disclosing Party when under a duty of confidentiality; or
- (c) For which the receiving Party can provide documentary proof that it was independently developed by the receiving Party without prior knowledge of any Confidential Information obtained from the Disclosing Party.



13.2.2 If the receiving Party becomes compelled by judicial or administrative action or required by applicable law or any governmental or other authority or by any applicable regulations to disclose any Confidential Information of the disclosing Party, the receiving Party shall promptly notify the disclosing Party of such requirement in order for the disclosing Party to seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Contract.. If the disclosing Party wishes to challenge the validity of such order or requirement or the manner of disclosure, the receiving Party shall assist it in doing so.

ARTICLE 14 - INTELLECTUAL PROPERTY

14.1 The **BUYER** acknowledges that any and all the trade marks, trade names, copyrights, patents, licenses and other industrial and intellectual property rights (including not yet patented production methods, technical and confidential information so long as they are not public knowledge) embodied in or in connection with the Materials ("**SELLER's** rights") are and remain the sole property of the **SELLER** and its related companies and the **BUYER** shall not in any way question or dispute them.

14.2 The **BUYER** shall not directly or indirectly in its jurisdiction or anywhere else in the world at any time do or suffer to be done any act or thing which shall in any way impair the rights of the **SELLER** in and to the trade mark, the trade names, copyrights, patents, licenses and/or other information protected by intellectual property rights.

Nothing in this Contract shall be construed as any transfer of right, title or interest to the **BUYER** of any intellectual property right of the **SELLER**. The **BUYER** shall not acquire and shall not claim any title to the trade mark or the trade name adverse to the ownership of the **SELLER** by virtue of this Contract and shall not attempt to register any rights in the trade mark or the trade names or any other name or trade mark substantially identical with or deceptively similar to or which could be confused with the trade names or the trade mark of any of them.

ARTICLE 15 - WARRANTY

The warranty granted by the **SELLER** is defined in the **SELLER's** warranty conditions attached in Appendix 2 hereto. Any warranty claim shall be notified by the **BUYER** to the **SELLER** in writing by duly completing the form found in Appendix 3 hereto.

In respect of the Reference Documents delivered under this Contract, **SELLER** warrants that it will use due care and skill in preparing the Reference Documents. However, if any Reference Document is shown to **SELLER's** reasonable satisfaction to be incorrect or incomplete then **SELLER's** sole obligation and liability will be at its sole discretion to either correct or complete any such Reference Document free of charge and in a timely manner.

BUYER agrees and accepts that the above warranty is the sole and exclusive warranty granted by **SELLER** to **BUYER** with respect to the performance of this Contract.



ARTICLE 16 - QUALITY ASSURANCE – MONITORING - SECURITY

16.1 Quality assurance

Supplies as well as Repairs/Overhauls of Material supplied and/or carried out by **SELLER** shall be in accordance with "EN9100-2000" Standard and under EASA (Part 21G-Part 145) or any other equivalent certification.

16.2 Monitoring

Material under the terms of this Contract shall be supplied according to the [EASA] regulations, delivered by the [D.G.A.C. (Direction Générale de l'Aviation Civile) and monitored by the G.S.A.C (Groupement pour la Sécurité de l'Aviation Civile)]. All monitoring and acceptance testing are consequently delegated to this organisation, in accordance with the [European Aeronautic regulations].

16.3 Security

Under the regulation referred to above, visits to **SELLER's** Factory are subject to the prior agreement of the French security authorities.

An application must be submitted at least forty-five (45) days before the scheduled date of visit, providing for every person:

- name, first name,
- occupation/rank,
- date and place of birth,
- passport number and place of issue and validity period (when applicable),
- visa number and place of issue and validity period (when applicable),
- home address,
- company name and address.

During his/their stay at the **SELLER's** facility, the **BUYER's** representative(s) shall not act in such a way as to disrupt or cause any delay in the **SELLER's** normal manufacturing or Repair or Overhaul processes.

The **BUYER** and its personnel shall not be held responsible by the **SELLER** for any damage sustained by the property or personnel of the **SELLER** or any third party during the inspection of the Material, except where such damage is caused by the fault or negligence of **BUYER** and/or its personnel.

ARTICLE 17 - PAYMENT TERMS & CONDITIONS

The then current **SELLER's** General Sales Conditions shall govern this Contract except when they conflict with the provisions herein.

All invoices or advance payments shall be paid for the full amount due by **BUYER** to **SELLER** via swift bank at:

Deutsche Bank AG
IBAN: DE89 3607 0050 0113 1184 00
BIC (Swift): DEUTDE33XXX
BLZ: 360 700 50
Account No: 113 1184 00



Bank address:
Deutsche Bank AG
Lindenallee 29
45127 Essen
Germany

For Repair or Overhaul services, **BUYER** shall pay a down payment of thirty percent of the total amount of such purchase order. Such down payment is payable by **BUYER** within thirty (30) calendar days following the issuing of the down payment invoice based on the Technical report and respective commercial offer.

After completion of the Services, **BUYER** shall pay the balance amount of seventy percent (70%) to the **SELLER** thirty (30) calendar days following the issuing of the invoice by **SELLER**.

For all other purchase orders, one hundred percent payment (100%) payment shall be due thirty (30) calendar days following the issue of the invoice by **SELLER**.

BUYER undertakes that **SELLER** shall receive on account (as shown above) the full amount of payments falling due under this Clause 7 without any set-off, abatement or withholding.

ARTICLE 18 - CORRESPONDENCE AND NOTICE

The SELLER's address is as follows:

For all commercial correspondence, claims, inquiry, routine orders, and discrepancies or for shipment of Materials and/or Tools to be Repaired /Overhauled, technical requests, technical assistance and warranty claims:

SAFRAN HELICOPTER ENGINES Germany GmbH
Borsteler Chaussee 43
22453 Hamburg
Germany
Attention: Eveline Simon
Tel: +49 40 500 216 22
Fax: +49 40 500 216 61

For AOG Situation:

SAFRAN HELICOPTER ENGINES Germany GmbH
Borsteler Chaussee 43
22453 Hamburg
Germany
Attention: Eveline Simon
Tel: +49 40 500 216 22
Fax: +49 40 500 216 61

The BUYER's address is as follows:

As to the performance of this Contract, any notice, correspondence or communication to be given by the **SELLER** to the **BUYER** shall be made to the following address:



Czech Police Aviation Department
post office 614, box 35, 161 01 Prague 6
Prague – Vaclav Havel airport, Hangar D
Czech Republic
Tel : +420 97 4838344
e-mail: Isobchod@pcr.cz
Fax : +420 97 4838300

In case of change of address by any Party, immediate notification thereof shall be made by registered airmail to the other Party.

All orders for supply of the Services shall be established directly by:

Mrs. Stanislava Cirkvova
Tel : +420 97 4838344
e-mail: Isobchod@pcr.cz
Fax : +420 97 4838300

According to the type of request, orders shall be placed to the **SELLER's** departments concerned at the addresses given here above.

Any notice, request, requirement, approval permission, consent or other communication required, authorized, permitted or contemplated to be given hereunder by the **SELLER** to the **BUYER** shall be in writing, signed by or on behalf of the **SELLER**, and shall be deemed to have been given if mailed by registered mail to the **BUYER**.

Any notice, request, requirement, approval permission, consent or other communication required, authorized, permitted or contemplated to be given hereunder by the **BUYER** to the **SELLER** shall be in writing, signed by or on behalf of the **BUYER**, and shall be deemed to have been given if mailed by registered mail to the **SELLER**.

Any such notice, request, requirement, approval permission, consent or other communication so mailed shall be deemed to have been received by the addressee on the 10th (tenth) day following the day on which it shall have been mailed.

ARTICLE 19 - RISK AND TITLE

- 19.1** Material supplied by **SELLER** as Standard Exchange Material shall become the property of the **BUYER** from the time it is fitted to the helicopter owned/operated by **BUYER**.

The risk of loss and damage to the Standard Exchange Material and any damage caused by this Material shall be borne by **BUYER** in accordance with Article 10.1.

Standard Exchange procedure implies that **BUYER** agrees with the transfer of ownership provision above mentioned. Therefore **BUYER** shall produce, if applicable, before the Contract comes into effect, a legally valid authorization from the Owner as defined in Appendix 6.

- 19.2** Unserviceable **BUYER's** Material becomes the property of **SELLER** when it is removed from the helicopter owned and/or operated by **BUYER**.



The risk of loss and damage to the unserviceable Material and the damage caused by this Material shall be borne by **BUYER** until said Material is delivered to **SELLER** in accordance with Article 10.2.

19.3 In case of replacement of a Spare Part and/or Tool (not fitted on an aircraft), as per Article 3 herein, the transfer of property shall occur when the Spare Part/Tool is delivered to **BUYER** by **SELLER**.

The risk of loss and damage to the Part/Tool and the damage caused by said item shall be borne by **BUYER** when said item is delivered to **BUYER** in accordance with Article 10.1.

ARTICLE 20 - TAXES AND DUTIES

Any and all duties and taxes levied by the German Government in connection with the terms of the present Contract shall be borne by the **SELLER**.

Any and all duties and taxes levied by the Government of the **BUYER** in connection with the terms of the present Contract shall be borne by the **BUYER**.

ARTICLE 21 - ORIGIN OF THE GOODS

All Materials, Tools and/or Parts delivered under this Contract shall be genuine and from the O.E.M. (Original Material Manufacturer).

ARTICLE 22 - EXPORT AUTHORIZATION

22.1 The Party which is exporting in the case of exports, and the Party which is importing in the case of imports, shall be responsible for obtaining all necessary licenses, or other governmental authorizations required in connection with any export, re-export, or imports, as the case may be, under this Contract.

22.2 The Parties will cooperate with each other in securing any such licenses or governmental authorizations as may be required.

22.3 The Party which is importing shall provide the Party which is exporting the final destination of the Material whenever such destination differs from the contracted delivery address.

22.4 Any license or authorization, if required, shall be in accordance with the rules and regulations set out by the relevant governmental authorities.

22.5 The Party responsible for obtaining such license or authorization pursuant to Article 22.1 shall use all reasonable endeavors to secure all necessary governmental approvals (including any necessary export and re-export, and/or import licenses). However the refusal or withdrawal or suspension of such a license or authorization shall constitute a Force Majeure event (as defined in Article 25) provided that reasonable endeavors have been used to secure and maintain the said license or authorization.

22.6 **BUYER** undertakes not to sell, lend or deliver to any third party under any conditions whatsoever, with or without compensation, temporarily or permanently, the supplies which are the subject of this Contract (including Material and Spare Parts), documentation, operating manuals and information in any way whatsoever related to this Contract otherwise than in strict compliance with the applicable export control regulations.

ARTICLE 23 - INSURANCE

FOLLOW ON SUPPORT CONTRACT N° 27/16/IG. FOS; LS-250-23/CJ-2016-9800KR



23.1 SAFRAN HELICOPTER ENGINES shall take out and maintain in force at least the following insurances and amounts:

a) Workers' Compensation and Employers Liability Insurance

For all its employees engaged in performing Services as specified in Article 4, workers' compensation and employers' liability insurance or similar insurance in accordance with applicable law which may be applicable to those employees.

b) Aviation Products Liability insurance

BUYER shall maintain comprehensive aviation products liability insurance for an amount of not less than one hundred and fifty million US Dollars (150,000,000 US\$) for any one occurrence and aggregate per year, providing coverage for injury, death or property damage resulting from each occurrence.

23.2 Buyer shall subscribe any insurance required by law, regulations or orders in any state or country where this agreement is to be performed in amounts sufficient to comply with such laws, regulations or orders.

ARTICLE 24 – INDEMNIFICATION - LIABILITY

CUSTOMER shall be solely liable, indemnify and hold harmless SAFRAN HELICOPTER ENGINES, its officers, directors, employees or insurers from and against any and all claims, losses, liabilities, suits, judgements, expenses and costs (including attorney fees) or the like in any way connected with the death of or injury to any person whomsoever, or loss of or damages to any property of any person, entity or company (including SAFRAN HELICOPTER ENGINES) when arising out of, or having its origin in:

- the acts or omissions of CUSTOMER in connection with the performance of this Agreement, and
- the operation of the Equipment by Customer.

SAFRAN HELICOPTER ENGINES shall be solely liable, indemnify and hold harmless CUSTOMER, its officers, directors, employees or insurers from and against any and all claims, losses, liabilities, suits, judgements, expenses and costs (including attorney fees) or the like in any way connected with the death of or injury to any person whomsoever, or loss of or damages to any property of any person, entity or company (including CUSTOMER) when arising out of, or having its origin in:

- the acts or omissions of SAFRAN HELICOPTER ENGINES in connection with the performance of this Agreement

In no event will SAFRAN HELICOPTER ENGINES nor CUSTOMER be liable for any incidental, consequential, special or indirect damages, including but not limited to loss of profits, loss of revenue, loss of contract, loss of business opportunity or loss of use (including use of the Aircraft and/or the Equipment) even if informed of the possibility of such damages.

ARTICLE 25 - FORCE MAJEURE

25.1 Neither Party shall be liable for failing to perform its obligations under this Contract or for delay in performing where such failure or delay in performance is due to Force Majeure.

25.2 Force Majeure means any event which is beyond the reasonable control of a Party including but not limited to acts of war (declared or not declared), civil war, riots, acts of



terrorism, natural disasters, floods, earthquake, fires, unusually severe weather, disruption of essential services such as electrical power and broadband network including Internet, quarantine or any precaution taken against contagious, epidemic or pandemic disease, restraints of Government or any competent authority, laws, orders or regulations, industrial actions such as strike, machinery breakdown, computer virus, delays or accidents in the supply of essential raw material or in the dispatch of item related to the Equipment or in the shipment of the same or an exceptional combination of such events.

- 25.3** If a situation of Force Majeure occurs, the affected Party shall notify the other Party within seven (7) days of the occurrence of such situation. Such notification shall include at a minimum, the date on which such event commenced, the reasons and the nature thereof, and the estimated duration of the delay. The affected Party shall regularly update the other Party regarding the status of the event and any mitigating action being taken.
- 25.4** In the event of Force Majeure the time for performance shall be extended for a period equal to the time lost by reason of the Force Majeure event.
- 25.5** These provisions shall not however relieve a Party from using all commercially reasonable efforts to mitigate the effects of the Force Majeure, to remove such causes and to resume performance with reasonable dispatch whenever the cause of the Force Majeure stops or is removed.
- 25.6** Shall the Force Majeure event preventing the performance of this Contract lasts for more than thirty (30) days, the non-defaulting Party shall have the right to terminate this Contract without incurring any liability whatsoever in accordance with Article 26 below.
- 25.7** Notwithstanding the foregoing, Force Majeure shall not suspend the liability, for failure to perform, of any payment obligation here under.

ARTICLE 26 - TERMINATION

"The contract expires when the buyer will notify to the seller that the amount of 1.600.000 Euros is reached. The Buyer shall pay any current invoice for any provided delivery or service."

Okomentoval(a): [U05646201]: Article about termination and not expiration.
See article 28 - Duration

- 26.1** In the event the Contract is not renewed following the notice of one Party to the other or said Contract is terminated as per this Article, the orders placed during its validity period and not delivered up to the expiry date shall continue to be in effect under the terms and conditions of this Contract and deliveries shall be completed as scheduled. In such a case, the Documentary Credit, if any, shall be extended accordingly. The BUYER shall pay any current invoice for any provided delivery or Service."
- 26.3** The **BUYER** or the **SELLER** may terminate this Contract immediately if:
- The other Party makes an assignment for the benefit of creditors or files a voluntary petition in bankruptcy or shall be adjudicated as bankrupt or insolvent or shall file any petition or answer seeking merger, association, reorganization, arrangement, liquidation or similar relief, major change in capital owner and / or executive management of the other Party.
 - Within sixty (60) days after the commencement, any proceeding against the other Party seeking reorganization, arrangement, liquidation or similar relief shall not have been dismissed, or
 - The other Party ceases to carry on business, or



- The other Party becomes insolvent or fails to pay its debts when they become due,
- In the event of all of the assets, or any substantial part of it, of the other Party being seized or attached in conjunction with any action against it by any third Party.

26.4 The **SELLER** shall have the right to terminate this Contract during the term hereof with thirty (30) days notice in the event of one or more occurrence of the following:

- A failure on the part of the **BUYER** to make payments to the **SELLER** when due.
- Breach by **BUYER** of its obligations resulting from this Contract or from any legal, financial or administrative local obligations in the **BUYER's** country.
- In case **BUYER** should be subject to insolvency or bankruptcy proceedings or enter into receivership or equivalent procedures
- Change in control of **BUYER** by way of capital transfer, change of voting rights, contract or otherwise.
- An assignment by the **BUYER** of this Contract or any part of it, or the **BUYER's** rights and obligations hereunder to any third party, entity or corporation, without the prior written consent of the **SELLER**.
- If the other Party remains affected by a Force Majeure event in accordance with Article 25.6.

No claim or compensation based upon the termination of this Contract due to any of the events specified here above shall be initiated by **BUYER** against **SELLER**.

26.5 Consequences of termination or expiry

26.5.1 In the event of termination of this Contract due to the occurrence of any of the above events, the outstanding debts of each Party arising from the Contract shall be completely paid within two (2) months from the effective date of termination.

26.5.2 Return of **SELLER's** Material and its related documentation

Within fifteen (15) calendar days from the date of termination of expiry, **BUYER** shall, at its own expenses, return all **SAFRAN HELICOPTER ENGINES's** Material and related documentation in its possession), **DAP SAFRAN HELICOPTER ENGINES's** facilities.

If the returned **SELLER's** Material is found to be incomplete and/or damaged, then **SELLER** shall be entitled to claim an amount equivalent to the value of missing parts and/or requested repair.

If **SELLER** does not receive back the Equipment within the above mentioned 15 calendar day period, then **SELLER** shall be entitled to claim to **SELLER** the Material's replacement value as per the then applicable **SELLER's** price list.



26.5.3 Return of BUYER's Material

Upon termination or expiry of the Contract, **SELLER** shall, at **BUYER's** expenses, promptly deliver all **BUYER's** Material and related documentation to **BUYER** provided that **BUYER** has fulfilled all payment obligations under this Contract and has returned all **SELLER's** Material.

ARTICLE 27 - ASSIGNMENT

Neither Party shall assign or transfer this Contract or any part thereof to any other person, organization, company, entity without the prior written consent of the other Party.

Notwithstanding the foregoing, it is expressly agreed between the Parties that **SELLER** is entitled to assign at any time the benefits, rights and remedies and/or transfer all or part of its obligations under this Contract to any of its affiliates.

SELLER reserves the right, in its sole discretion, to sub-contract any part or all of its obligations under this Contract or any purchase order.

Article 28 – DURATION

The contract takes effect and comes into force upon signature of this contract by representatives of both contracting parties and expiry of presently still valid contract NO. 01/2013/IG.FOS dated 22.02.2013. Should expiry of the still valid contract (due to the agreed financial volume being reached) not occur until 31.12.2016, then present signed contract will nevertheless take effect and come into force on 01.01.2017. If the agreed financial volume is reached prior to the 31.12.2016, the buyer shall inform the seller without delay when this is the case. This Contract shall remain in effect until the **BUYER** notify to the **SELLER** that the amount of four 4.424.000 (Four million four hundred twenty four thousand Euros) Euros is reached, or four (4) years after coming into force, whichever comes first.

ARTICLE 29 - MISCELLANEOUS

29.1 Entirety of the Contract

There are no other agreements or understandings, either oral or written, between **SELLER** and **BUYER** affecting this Contract. This Contract cancels and supersedes all previous agreements between **SELLER** and **BUYER** relating to the subject matter covered herein.

29.2 Amendment

In the event, **BUYER** demands additional services, which are not covered by this Contract, the conditions for the performance of such Services, shall be subject to a specific agreement mutually agreed upon by both Parties. To this effect an amendment to this Contract shall be issued to set forth the terms and conditions of such specific agreement.

No change, addition to or deletion of any portion of this Contract shall be valid or binding unless the same is approved in writing by way of an amendment thereto by both Parties.

29.3 Language

The Contract has been drawn up in English and only this language version shall be authentic.

If this Contract is translated into another language for the convenience of **BUYER**, such translation shall be for information purposes only.



29.4 Order of precedence

All Appendices are expressly made a part of this Contract. In the event of any conflict between the Appendices and the articles of this Contract, the articles shall prevail. The then current **SELLER's** General Sales Conditions are applicable, in so far as they do not conflict with the terms of this Contract.

29.5 Severability

In the event any provision of this Contract is found to be invalid, this shall not affect any other provision of the Contract and the invalid provisions shall be replaced with an acceptable provision consistent with the original intent of the Parties.

ARTICLE 30 - JURISDICTION & ARBITRATION

This Contract shall be subject to and interpreted in accordance with the Laws of France, excluding its provisions on conflict of laws rules and excluding the Vienna Convention on Agreements for International Sale of Goods (CISG).

Any dispute arising between the Parties shall be amicably settled by way of direct negotiations, as far as possible.

In the event of the Parties being unable to amicably settle the disputes by direct negotiations within a time period of two (2) month as of its notification, they shall be finally settled by the courts of Paris, France. .

ARTICLE 31 - CONTENTS OF THIS CONTRACT

This Contract covers 31 Articles and 8 Appendixes and is drawn in 39 pages.

In WITNESS WHEREOF the **SELLER** and the **BUYER** have caused this Contract to be executed by their duly authorized officers.

Issued in four original copies in English language
at.....
On.....

For **Ministry of Interior of Czech Republic**

For **SAFRAN HELICOPTER ENGINES
Germany GmbH**

Name: Ing. Tomas Hytych

Name: Richard Musil

Occupation / Rank:
Director of Czech Police Aviation
Department

Occupation / Rank: CEO

Date: 06. 10. 2016

Date: 06. 10. 2016



APPENDIX 1

CERTIFICATE OF COMPLETION OF SERVICES

CERTIFICATE OF COMPLETION OF SERVICES

N°

We hereby certify that, in compliance with

Contract n° Dated n°.....

The following service(s) have been completed on:

.....

In

(Place where services were rendered)

SERVICE (s)

.....

.....

BUYER's REPRESENTATIVE

SIGNATURE

NAME.....

TITLE.....

AUTHORITY.....

DATE.....



APPENDIX 2
SELLER'S WARRANTY CONDITIONS



**APPENDIX 3
WARRANTY CLAIM PROCEDURE**



APPENDIX 4
A.O.G. REQUEST FORM



APPENDIX 5

GENERAL

To be included



APPENDIX 6

OWNER's Certificate

(If BUYER is not the OWNER of the helicopter)

For the attention of [SAFRAN HELICOPTER ENGINES]:

I, [TYPE IN LEGAL NAME OF OWNER], the undersigned, hereby certifies to be the owner of the [engine family] Engines with serial numbers [****] of the Contract No. [ENTER REFERENCE NUMBER] (hereinafter the "FOS Contract") entered into between [TYPE IN LEGAL NAME FOR CUSTOMER AS SHOWN IN CONTRACT] (hereinafter the "CUSTOMER") and SAFRAN HELICOPTER ENGINES on the [DATE] and further warrants that these Engines are free from any mortgages, liens, or encumbrances whatsoever.

I, also do hereby acknowledge and accept the terms and conditions of the FOS Contract and authorise without restriction the CUSTOMER and SAFRAN HELICOPTER ENGINES to enforce the FOS Contract, including (without limitation) through the performance of repair and overhaul on the Engines and the implementation of the Standard Exchange procedure.



**APPENDIX 7
INDUCTION FORM**

(This form must be filled by Contract Holder and remitted with all Material sent or returned to SAFRAN HELICOPTER ENGINES)



APPENDIX 8
RENTAL AGREEMENT SAMPLE