

Contract No. SM230129

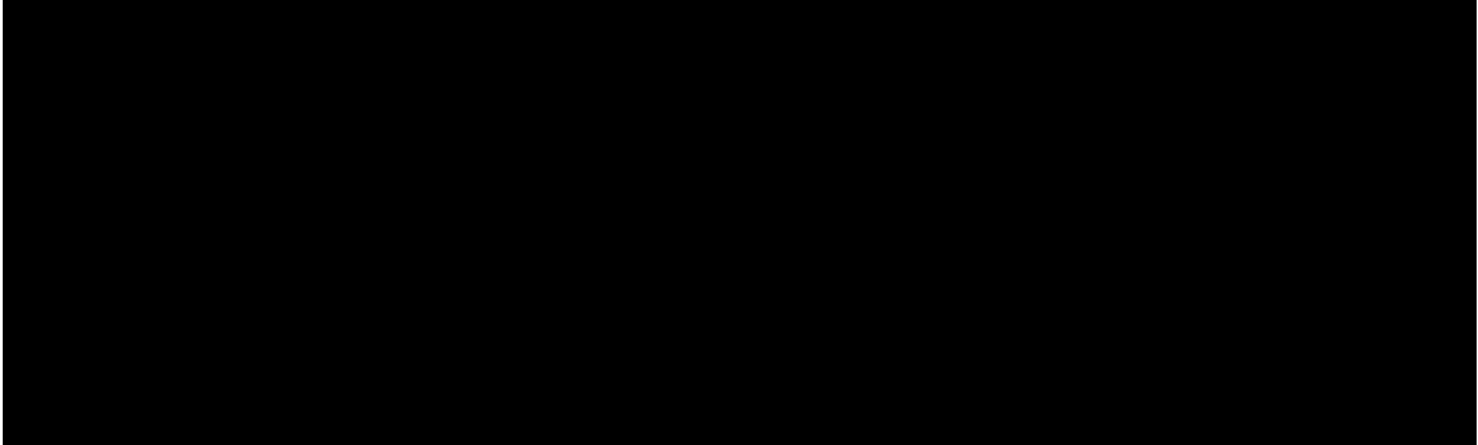
with

Výzkumný a zkušební letecký ústav, a.s.



CONTRACT

Between:



of the one part,

and:

Výzkumný a zkušební letecký ústav, a.s.

(hereinafter called the "VZLU" and appropriately "sub-contractor" or "Subcontractor")

whose registered office is at:

Beranových 130,
199 00 Praha – Letňany, Czechia

ID No.: 00010669

Registered in Commercial Register kept by the Municipal Court in Prague, File No.: 446

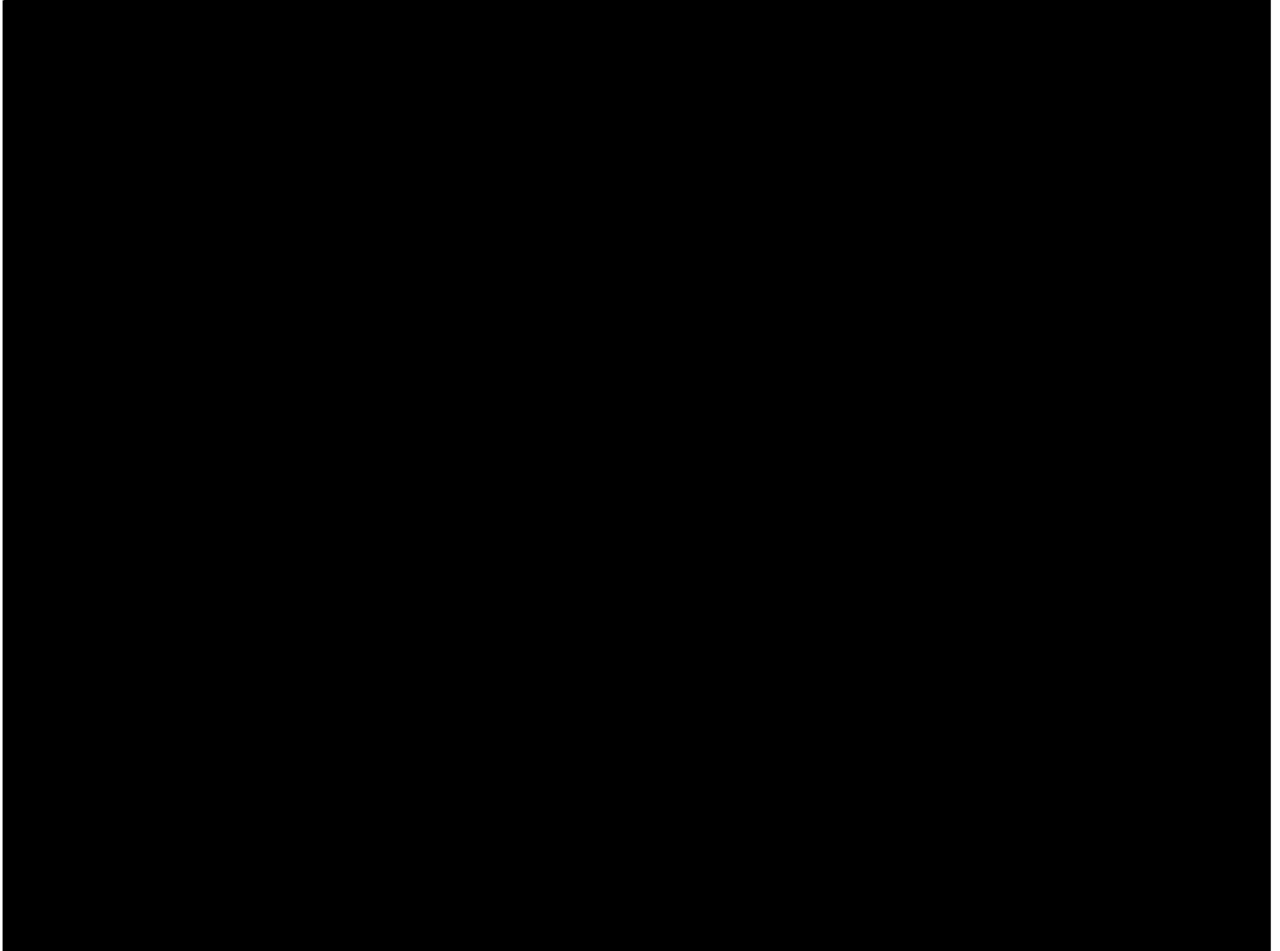
represented by Josef Kašpar, Chairman of the Board and
Petr Matoušek, Member of the Board

of the other part,

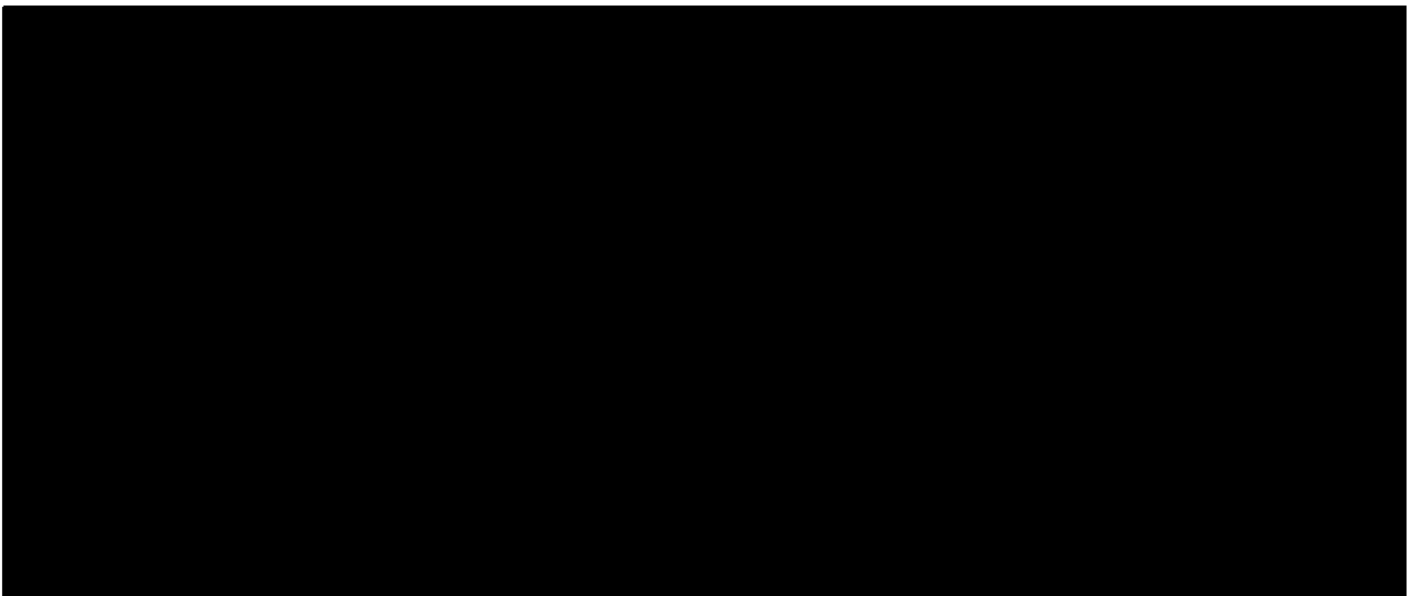
the following has been agreed:

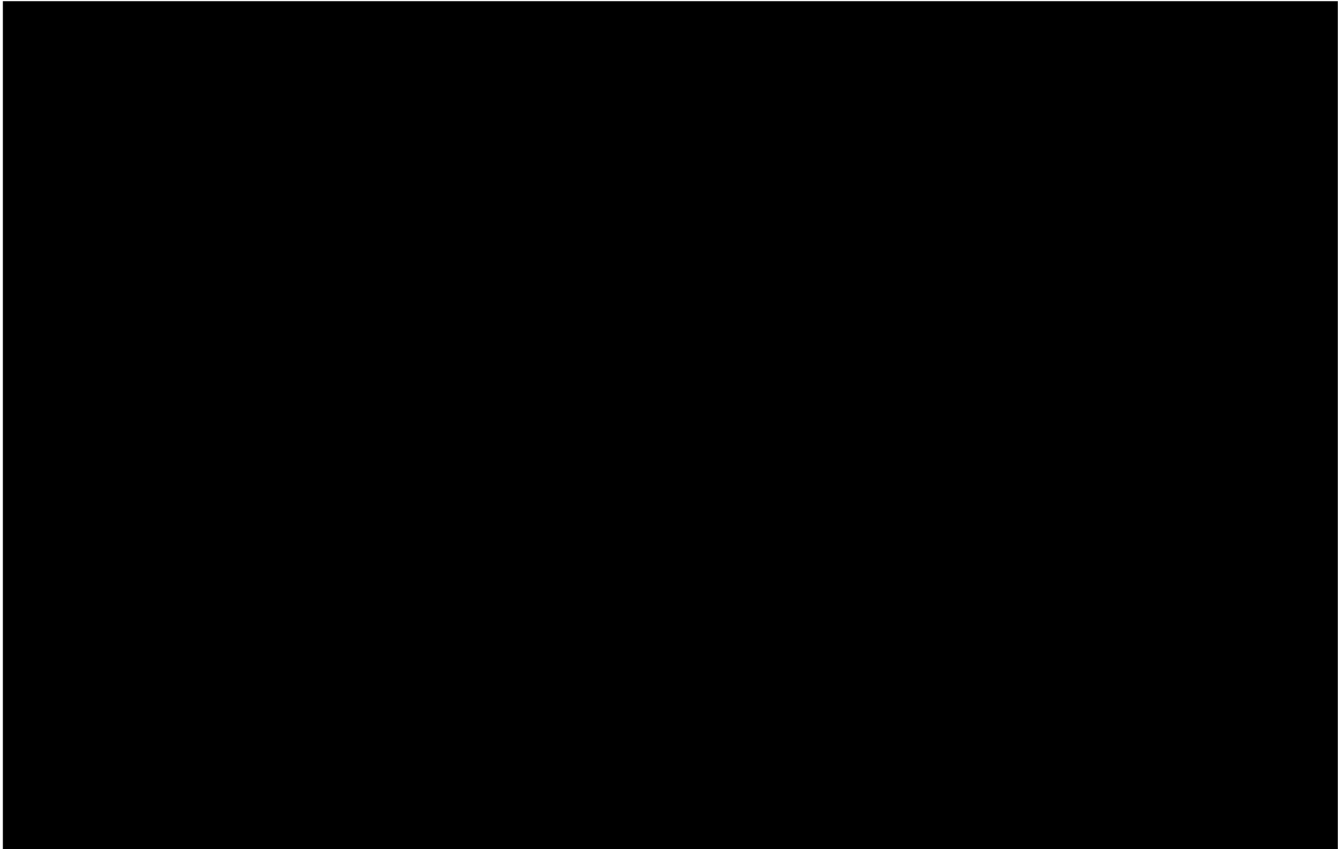
PREAMBLE

WHEREAS



WHEREAS





WHEREAS

VZLU is the Czech national center for research, development, innovation and testing for the aerospace industry and is interested in participating in the [REDACTED] project [REDACTED] and becoming a sub-contractor (from [REDACTED] point of view a “sub-sub-contractor”) of [REDACTED]

VZLU properly familiarized himself with relevant regulations (including internal legislation and GCC) relating to the [REDACTED] in their entirety, agrees with them and undertakes to comply with them;

The present Contract is functionally and causally chained to the contractual relationship between [REDACTED] and the European [REDACTED] concerning the realization of the [REDACTED]

The Parties are willing to each contribute to the cost of the activity;

The Parties have now agreed to execute the work at the specific conditions set forth hereafter:

ARTICLE 1 SUBJECT OF THE CONTRACT – APPLICABLE DOCUMENTS

1.1. Subject of the Contract

With this contract, the Sub-contractor undertakes to carry out for [REDACTED] the development, research and other activities under the conditions specified in this contract and in the entire scope of the Work Packages (WP) specified in points WP 5.5, 5.6, 6.5, 6.6, 7.5, 7.6 of Management Proposal [REDACTED] Appendix 1 of this contract and do it for payment according to the payment conditions specified in the PSS documentation, which form Appendix 2 of this contract in order to properly fulfil the obligations arising for [REDACTED] from the contract between [REDACTED] and [REDACTED] functionally and causally chained to this contractual relationship concerning the realization of the [REDACTED]

In accordance with the terms of the [REDACTED] as well as in accordance with the contract between [REDACTED] and [REDACTED] for the purpose of complying with the obligations and ensuring the rights of VZLU, this contract is viewed as a "sub-contract" and VZLU as a sub-contractor of [REDACTED]. This "sub-contract" automatically secure the [REDACTED] rights as provided for under the Contract between [REDACTED] and [REDACTED] and furthermore reflect the rights and obligations of VZLU tailored to the VZLU's area of responsibility.

It is considered that VZLU, in the position of sub-contractor of [REDACTED] receives and takes note all [REDACTED] conditions (even those not mentioned in this contract) that [REDACTED] is obliged to implement on the sub-contractor.

1.2. Applicable Documents

The work shall be performed in accordance with the following documents in case of conflict:

- a) **The Articles of this Contract**
- b) **Management Proposal Annex [REDACTED] (with Work Packages) - Appendix 1**
- c) **PSS Annex (Payment Plan and Advance Payment(s) and other Financial Conditions) – Appendix 2**
- d) **General conditions and relevant legislation associated with [REDACTED] projects including GCC – Appendix 3**
- e) **Contract between [REDACTED] and [REDACTED] functionally and causally chained to this contractual relationship concerning the realization of the [REDACTED] project [REDACTED]**

Since PPC is covered by the [REDACTED] the Sub-contractor is obliged to familiarize himself with the relevant regulations (including internal legislation and GCC) relating to the [REDACTED] and to strictly comply with them. GCC of [REDACTED] are available on the website [REDACTED]. The Sub-contractor confirms that he has properly familiarized himself with them in their entirety, that he agrees with them and undertakes to comply with them. The Sub-contractor himself is responsible for any violation of these regulations.

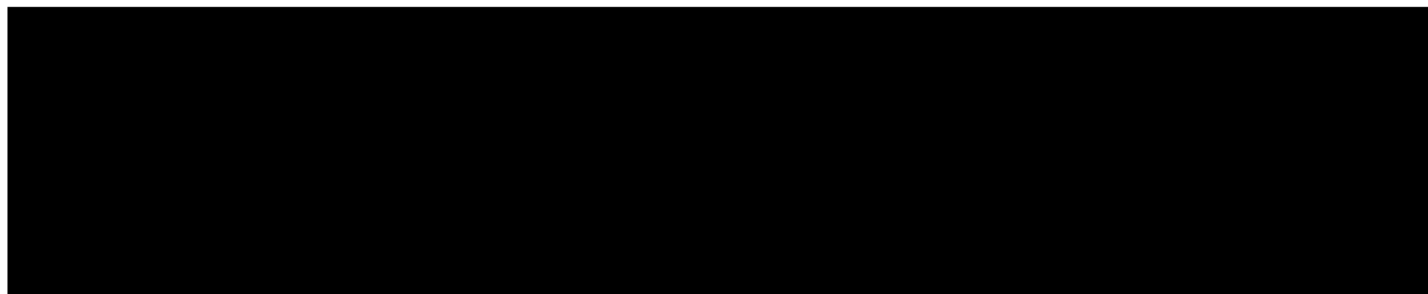
The documents listed in Article 1 paragraph 1.2 shall form the Contractual Baseline. Any change to the Contractual Baseline shall require the signature of a Contract Change Notice. A document generated or to be generated by any party in the course of the contract execution shall only form part of the Contractual Baseline after approval by the [REDACTED] Baseline by signature of a Contract Change Notice.

Mere approval of any such document without making it a part of the Contractual Baseline shall not alter the rights and obligations of any party.

ARTICLE 2 DELIVERY

2.1. Place and Dates of Delivery

2.1.1 Documents



Final Data Package:

At the same time as delivery of the final documents, the Final Data Package, shall be delivered by email in an electronic searchable, indexed and not encrypted PDF and native (WORD) format to the [REDACTED]. The final data package shall include all documents described in the WP shall be deliverables under this contract. The Final Data Package shall contain the most recent version of all deliverable documents.

The finalised and approved versions of all documents forming the Final Data Package shall be uploaded to the tool agreed by the Parties. For these purposes folder on [REDACTED] Nextcloud document storage will be created.

2.1.2 Hardware and Software

The hardware and software specified in the WP shall be a deliverable not later than on the date specified for particular WP in Appendix 1 to the [REDACTED]

2.1.3 Other services and goods

Other services and goods specified in the WP shall be a deliverable not later than on the date specified for particular WP in Appendix 1 to the [REDACTED]

If any delivery date is not met and at the same time it may threat the implementation of the project, or there is a risk of delay, the Sub-contractor is responsible for the resulting damage and will indemnify [REDACTED] for any losses and penalties. The sub-contractor's liability for incurred damages and penalties is limited to [REDACTED] of the Contract agreed price according to article 3.1.

Sub-contractor will deliver WP according to Contract article 1.1 on time, provided that inputs from [REDACTED] are also delivered on time. In case of delay with inputs providing, the deadlines for sub-contractor are shifted for the time of delay.

ARTICLE 3 PRICE & PAYMENT

3.1. Price

██████████ undertakes to pay the Sub-contractor for performance of the work according to Article 1.1 of the Contract the agreed price in the amount of ██████████ without VAT. VAT will be determined and paid according to valid legal regulations.

The budget of the project is considered a firm fixed price. The detailed budget is outlined and approved by ██████████ in the form of PSS tables. The agreed cost presented by the Sub-contractor for this Contract and other payment conditions are outlined and approved by ██████████ in the form of PSS tables, which form Appendix 2 of this contract ("the contract Price").

The difference between the agreed cost of the activity and the Contract Price shall be funded by the Sub-contractor through its internal funds and shall not be recharged to the ██████████ in other Contracts, nor in the form of overheads. This is not relevant for Changes according to Article 4.6 of the Contract.

The ██████████ financial contribution to the Contract shall not be used for purposes other than those for which they were originally granted.

The ██████████ total liability shall be limited to the firm fixed price mentioned in paragraph 3.1 and the ██████████ shall have no liability for any cost incurred by the Sub-contractor in excess to this price.

3.1.1 The type of price is the following:

A Firm Fixed Price as defined in PSS tables, which form Appendix 2 of this contract.

3.1.2 The above-mentioned price does not include any taxes or duties in state of the ██████████

3.1.3 The price is deemed to include all applicable fees for licences to be purchased and delivered in the frame of the Contract. Sub-contractor realizes, that end-user of the project is ██████████ Price is further deemed to include any and all licence fees payable.

3.2. Payment

3.2.1 General provisions

Payment Plan is as follows:

After delivery of WP 5.5, once the PDR milestone is closed will be issued invoice for ██████████
EUR without VAT

After delivery of WP 5.6, once the PDR milestone is closed will be issued invoice for ██████████
EUR without VAT

After delivery of WP 6.5, -once the [REDACTED] milestone is closed will be issued invoice for [REDACTED] EUR without VAT
After delivery of WP 6.6, once the [REDACTED] milestone is closed will be issued invoice for [REDACTED] EUR without VAT
After delivery of WP 7.5, once the [REDACTED] milestone is closed will be issued invoice for [REDACTED] EUR without VAT
After delivery of WP 7.6, once the [REDACTED] milestone is closed will be issued invoice for [REDACTED] EUR without VAT

The Advance Payment constitutes a debt of the Sub-contractor to the [REDACTED] until it has been set-off against subsequent milestone(s) as shown in Appendix 2 hereto.

In the event that the achievement of a milestone is delayed but the milestone is partially met at the milestone planning date foreseen, the [REDACTED] may, as an exception, effect a payment against an approved confirmation of the partially achieved milestone, not exceeding the value of the work performed at the date of payment.

When releasing the payment for a given milestone, if applicable, the [REDACTED] payment shall be made after due deduction of the corresponding off-set of the Advance Payment(s).

In case of partial payment, the [REDACTED] shall deduct from the corresponding invoice(s) relative to the same milestone any outstanding amount of the Advance Payment(s) still to be off-set. The partial payment will be defined based on mutual agreement.

Payments shall be made within thirty (30) calendar days of receipt at [REDACTED] of the documents listed and fulfilment of the requirements as specified. Only upon acceptance of [REDACTED] shall the invoice be regarded as due by the [REDACTED]

Payments shall be made by the [REDACTED] to the account specified by the Sub-contractor. Such account information shall clearly indicate the IBAN (International Bank Account Number), which i [REDACTED]

[REDACTED] The Parties agree that payments shall be considered as effected by the [REDACTED] on time if the [REDACTED] orders of payment reach the [REDACTED] bank within the payment period stipulated in the paragraph above.

Any special charges related to the execution of payments will be borne by the Sub-contractor.

Any questions concerning the latest status of due invoices can be addressed to the [REDACTED]

The first Progress Payment shall only be paid by the [REDACTED] upon achievement of the corresponding milestone. Final Settlement shall include confirmation, with supporting documentation. The supporting documentation, signed milestone MoM defining the milestone is closed and milestone payment authorized, shall justify the actual achievement of the milestones as defined in the Appendix 1 and 2 hereto.

SUB-CONTRACTOR'S OBLIGATIONS ARE CONSIDERED FULFILLED AFTER ACCEPTANCE BY [REDACTED] – delivery of the physical hardware and sharing of the milestone datapack as defined above.

3.2.2 Implementation of payments conditions

The Sub-contractor shall ensure that all invoices and confirmations are submitted for payment exclusively to the [REDACTED] or in the case of unexpected events to the [REDACTED]

The Sub-contractor undertakes to adhere strictly to the law (including those for billing taxes and duties, where applicable) when submitting invoices and confirmations to the [REDACTED]

The [REDACTED] shall credit the account of the Sub-contractor to the Sub-contractor's benefit.

The [REDACTED] reserves the right to visit the Sub-contractor's premises, based on the prior the agreement between the [REDACTED] and VZLU and ascertain the progress of the work being performed under the Contract, prior to making the progress payment concerned.

[REDACTED] is not responsible for VZLU for changes in performance or non-fulfilment of obligations resulting from the requirements or conditions of the [REDACTED] or for non-fulfilment of obligations due to circumstances beyond [REDACTED] control (force majeure).

ARTICLE 4 OTHER COMPLEMENTS AND AMENDMENTS

4.1. ELECTRONIC SIGNATURE

[OPTION 2 below to be selected by the Sub-contractor. N.B. Electronic signature encompasses both simple electronic signature (handwritten scanned) and the use of e-signing digital tools.]

[OPTION 2: electronic signature. Each of the Parties can use either e-signing digital tools or simple electronic signature (handwritten scanned)]

The Parties agree that electronic signature of this Contract shall have the same force and effect as hand-signed originals and shall be binding on both Parties to this Contract.

[END OPTION 2]

4.2. THE PARTIES' REPRESENTATIVES

Sub-Clause A: The Sub-contractor's Representatives

The Sub-contractor's representatives are:

- a) [REDACTED] for technical matters or a person duly authorised by him (the "Technical Officer").

All correspondence for technical matters shall be addressed as follows:

	To:	With copy to:
Name	[REDACTED]	[REDACTED]
Telephone No.	[REDACTED]	
Email Address	[REDACTED]	
Mail Address	[REDACTED]	

- b) [REDACTED] for contractual and administrative matters or a person duly authorised by her ("Contracts Officer").

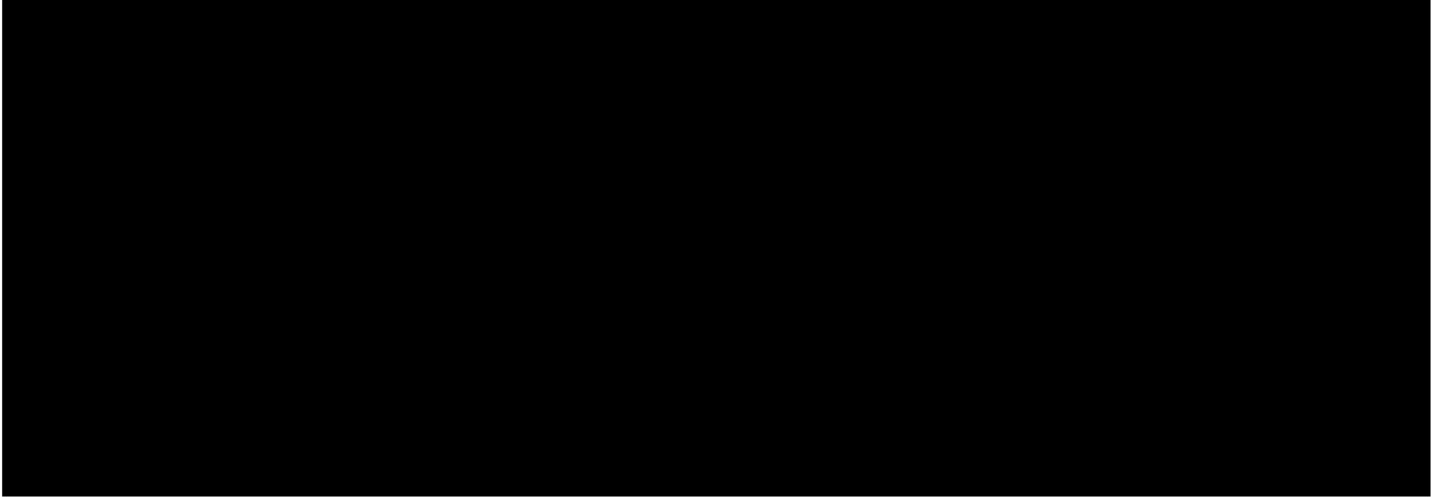
All correspondence for contractual and administrative matters will be addressed as follows:

	To:	With copy to:
Name	[REDACTED]	[REDACTED]
Telephone No.	[REDACTED]	
e-mail address	[REDACTED]	
Mail Address	[REDACTED]	

- c) Personal Data Protection matters shall be addressed to the [REDACTED].

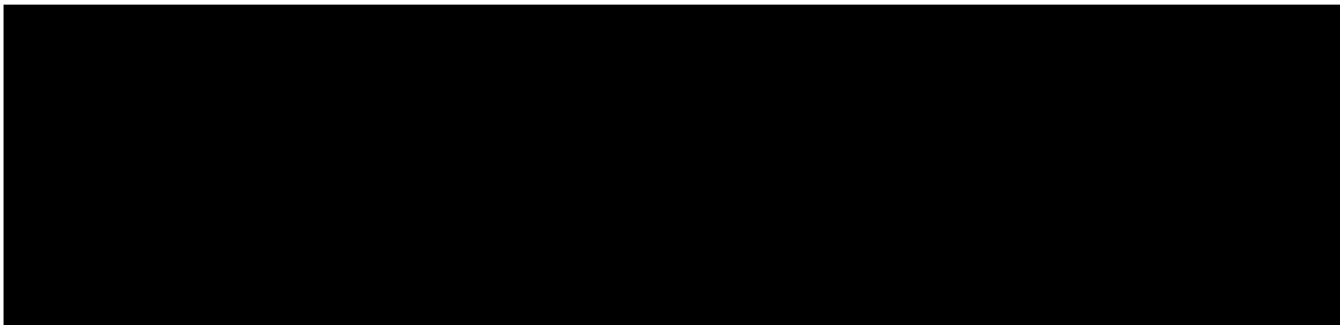
Sub-Clause B: The [REDACTED] Representatives

The [REDACTED] representatives are:

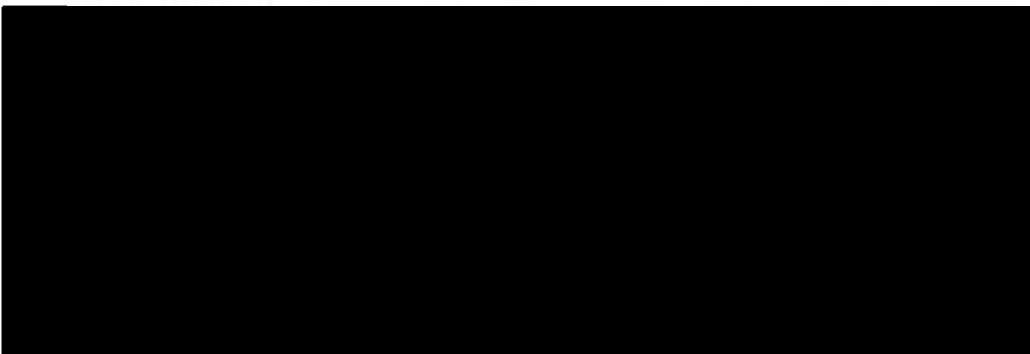


- b) Mr [REDACTED] for contractual and administrative matters or a person duly authorised by him (the “Contracts Officer”).

All correspondence for contractual and administrative matters shall be addressed as follows:



- c) Personal Data Protection matters shall be addressed to the Data Protection contact point as follows:



4.3. PUBLICITY RELATING TO CONTRACTS

The Parties shall agree on a communication plan to be jointly implemented.

4.4. INVESTIGATION

The Sub-contractor shall, in accordance with the [REDACTED] Policy on the Prevention, Detection and Investigation of Fraud, cooperate with the [REDACTED] investigation team in any investigation of fraud initiated by the [REDACTED] and inform its personnel of their obligation to cooperate accordingly.

4.5. SUBCONTRACTS OF [REDACTED]

In accordance with the terms of the [REDACTED] as well as in accordance with the contract between [REDACTED] and [REDACTED] for the purpose of complying with the obligations and ensuring the rights of VZLU, this contract is viewed as the "Subcontract" and VZLU as the "Subcontractor" of [REDACTED]

A) With a view to optimise Subcontractors' (VZLU) time to payment and financial coverage, and to facilitate, when needed, the resolution of such issues, the [REDACTED] has established a dedicated centralised email address.

Should any Subcontractor encounter serious difficulties in the process leading to:

- (i) timely payment of due invoices (i.e. related to a milestone already achieved) to be made by the Subcontractor's direct customer (i.e. not [REDACTED])
 - (ii) contractual coverage of activities already kicked-off,
- the said Subcontractor may directly contact the [REDACTED] at: [REDACTED]

Any Subcontractor contacting the [REDACTED] through the above email shall document the steps already taken towards its direct customer in the consortium in order to resolve the issue and shall document that the Sub-contractor has been informed of the issue.

In doing so, such Subcontractor shall attach the Standard Contact Form available at: [REDACTED] properly filled in or provide the same information in the body of the email.

In case any Subcontractor has SME status, as per the definition of SMEs given by the European Commission:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003H0361&from=EN>, the [REDACTED] shall ensure that the relevant subcontract foresees an automatic grant of a [REDACTED] Advance Payment.

VZLU is responsible to [REDACTED] for all the necessary certifications and licenses required for the proper fulfilment of VZLU's obligations arising from this contract.

4.6. CHANGES

Should the scope of the works and services be reduced or increased by the changes accepted by [REDACTED] or by any other change that will have the same result, the VZLU Contract Price will be decreased or increased proportionately.

4.7. HANDLING, PACKING AND TRANSPORT, TRANSFER OF OWNERSHIP AND RISK

Should in the execution of the Contract a need arise to provide the [REDACTED] with information which is subject to export control laws and regulations, the Sub-contractor shall secure that such information is only passed on to the [REDACTED] in accordance with the provisions of such export control laws and regulations.

To the extent the [REDACTED] has not acquired ownership in the Deliverable Items or parts thereof, the [REDACTED] reserves the right to replace the [REDACTED] as party to any subcontract the [REDACTED] has placed.

In case of infringement by the Contractor of any provision of this Contract the [REDACTED] shall be entitled to a full and immediate repayment by the Contractor of all payments made by the [REDACTED] under the Contract.

4.8. PENALTIES/INCENTIVES

In consultation with the [REDACTED] the [REDACTED] may apply penalties or incentives in the subcontracts placed by the [REDACTED]. The application of such penalties or incentives shall be agreed with the [REDACTED] before-hand.

4.9. LIABILITY AFTER ACCEPTANCE

The owner of the tangible assets developed, produced or procured under the Contract shall be liable under international, national or regional law whatever the legal basis for such liability. The [REDACTED] shall not be liable for the operations of such assets, and the Sub-contractor shall hold the [REDACTED] harmless in case of any such claim being brought against it.

4.10. PRICING AND OTHER RIGHTS OF [REDACTED]

The Sub-contractor shall provide, upon completion of the works, the following documents signed by a senior financial representative:

- The PSS-A2 forms of the Prime with relevant Exhibit A, of the cost actually incurred for work and services under the Contract.
- A cost certification from the Sub-contractor, if any, as follows:

“I, (*insert name*) do hereby certify that the costs presented in the enclosed PSS-A2 forms are, to the best of my knowledge and belief, a true statement of the costs incurred under [OPTION: Phase .. of] this Contract, an internal audit of the costs having been conducted to verify that the company’s cost accounting system and rules and the [REDACTED] requirements to the GCC with respect to costs incurred under this Contract have been observed. I further certify that the company’s contribution to this co-funded Contract has been provided from (*specify source*) and has not been and will not be included in rates and overheads applied for this Contract or any other contract with the [REDACTED]

The Sub-contractor undertakes to permit the [REDACTED] to perform cost control operations as stipulated in Annex I to the GCC, at any time during the execution of the Contract, in order to ascertain whether the co-funding element is in place and also with regard to the information included in the Sub-contractor’s cost certification and corresponding PSS-A2 forms.

The [REDACTED] right to exercise the above cost control shall be enforceable for three (3) years after submission of the Contractor’s certified statement of cost unless it is delayed for reasons the Contractor is responsible for. For this purpose, the Contractor and the Subcontractors shall keep records and other supporting documentation in order to prove the proper implementation of the Contract, including the co-funded element. The records and supporting documentation shall be made available upon the [REDACTED] or [REDACTED]’s request or in the context of checks, reviews, audits or investigations. If there are on-goings checks, reviews, audits, investigations or other pursuits of claims under the Contract, the Contractor shall keep the records and other supporting documentation until the end of these procedures.

Notwithstanding the price type of this Contract being Firm Fixed Price, the [REDACTED] and [REDACTED] reserves the right to request to the Contractor (subcontractor) the pro rata adjustment of the Contract Price if, as a result of the above cost control operations, the [REDACTED] concludes that the maximum percentage contributed by the [REDACTED] has been exceeded. The pro rata adjustment of the Contract Price may result in the reduction of the [REDACTED] payments or the Contractor’s obligation to refund part of the amounts already paid.

4.11. TERMINATION

The [REDACTED] may terminate the contract, in whole or in part, in the following cases:

- a) In the event of failure to meet the co-funded element (partial or totally) to be provided by the Sub-contractor;
 - b) If the Sub-contractor becomes insolvent or if its financial position is such that within the framework of its national law, legal action leading towards bankruptcy may be taken against it by its creditors;
 - c) If the Sub-contractor resorts to fraudulent practices in connection with the Contract, especially by deceit concerning the nature, quality or quantity of the supplies, and the methods or processes of manufacture employed;
 - d) If the Sub-contractor continues to materially breach its obligations under the Contract, and this breach is not remedied within 60 days after formal notification or within a longer reasonable period if agreed by the [REDACTED];
 - e) If the Sub-contractor has not observed the provisions concerning the disclosure and use of information provided by the [REDACTED] or [REDACTED];
 - f) If the Sub-contractor transfers the Contract without the [REDACTED] authorisation or concludes subcontracts against the [REDACTED] explicit wishes; and
 - g) In case of a change of ownership of the Sub-contractor without the formal consent of the [REDACTED] and in case of failure to insure the assets as required.
2. In the event of such a termination, the [REDACTED] shall only pay the contractual value of Deliverable Items accepted under the Contract prior to the receipt of the termination notice, or Deliverable Items to be accepted under the special conditions of termination.
- In no case shall the total amount paid or to be paid by the [REDACTED] under the Contract exceed the total price. The [REDACTED] shall always claim compensation.
3. In case of termination in accordance with the above provisions, the [REDACTED] or [REDACTED] shall be entitled to replace the Sub-contractor as party to any subcontract the Sub-contractor has placed.

4.12. APPLICABLE LAW AND DISPUTE RESOLUTION

The substantive law is the law of the Czech Republic.

4.13. INTELLECTUAL PROPERTY RIGHTS

For the purpose of this Contract:

Part II, Option **B** of the GCC shall apply, as modified by the special provisions below.

The free licences provided for the benefit of [REDACTED] in the present Contract and in Part II of the GCC, shall be deemed granted through signature of the present Contract and without the need to implement a separate licence.

The following provisions are added:

CLAUSE 50: GENERAL

The following provision is added to Sub-Clause 50.2 of the GCC:

The term “documentation” as defined in Annex IV to the GCC shall be interpreted to also include data files, CAD files, EXCEL® files and similar electronic files, which shall not be considered as “software” in the sense of Clause 56 of the GCC.

The electronic files containing these items shall be delivered to the [REDACTED] in the format agreed with the [REDACTED] Technical Officer specified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract.

Pursuant to the provisions of Article 50.6 of the GCC, [REDACTED] and the Subcontractor have agreed that the intellectual property and related rights shall remain the property of the party that has generated them. Clause 55.1 of the CCG is not affected by this provision.

CLAUSE 51: INFORMATION TO BE PROVIDED

The following provision is added to Clause 51 of the GCC:

Clause 51 shall not be interpreted as to add any deliverables to or change any deliverables in the Deliverable Items List provided in the SoW.

CLAUSE 52: DISCLOSURE

The following provision is added to Sub-Clause 52.2 of the GCC:

The access rights granted to the [REDACTED] employees under Sub-Clause 52.2 of the GCC are hereby extended to Contractor personnel providing technical, management, legal or administrative support to [REDACTED] as long as they have signed an engagement of confidentiality.

CLAUSE 57: BACKGROUND INTELLECTUAL PROPERTY RIGHTS

The [REDACTED] and [REDACTED] on the basis of evidence provided by the Sub-contractor, recognises the following information, expected to be provided by the Sub-contractor, as Background Intellectual Property:



The Sub-contractor shall include the Background Intellectual Property exclusively in the indicated deliverables on the table above and shall mark them conspicuously

as 'Background Intellectual Property – Proprietary Information'. [REDACTED] shall protect those deliverables under Clause 52 of the GCC. All other deliverables shall not contain any Proprietary Background Information, shall not be marked 'Proprietary Information', and shall not fall under the protection of Clause 52 GCC of [REDACTED]

- a) Notwithstanding the above, the following is agreed:
- if the Sub-contractor, after the signature of the Contract, invokes the existence of any additional Background Intellectual Property to be used for the purposes of the present Contract, the Sub-contractor shall provide conclusive evidence to the [REDACTED] of the existence of this Background Intellectual Property and shall justify the reasons for which the existence of this Background Intellectual Property was not invoked before the Contract signature.
- If conclusive evidence and appropriate justification are provided by the Sub-contractor for such additional Background Intellectual Property, the Parties shall formalise a Contract Change Notice to specify in detail which Information has been recognised as Background Intellectual Property.
 - Conversely, if such evidence and justification are not provided, such additional information shall be deemed as having been generated in the frame of the Contract.
- b) If, by the end of the Contract, the Sub-contractor has not identified the effective use of Background Intellectual Property Rights, all Intellectual Property Rights used during the execution of the Contract shall be deemed as arising from work performed under the Contract, unless and until the Sub-contractor provides the [REDACTED] with evidence of the relevant use of Background Intellectual Property rights.

4.14. CONTRACT REGISTER

VZLU, the Subcontractor, is the obliged entity pursuant to Czech Act No. 340/2015 Coll., on special conditions for the effectiveness of certain contracts, the publication of these contracts on the Contracts Register (Act on Contracts Register). The contract, excluding parts which are subject to commercial confidentiality, will be in accordance with this Act published in the register of contracts. In the agreement and its annexes will be obliterated all parts containing technical data, drawings or any other technical information, personal data of the customer, identification of the customer, financial information, price, trade secrets and classified information.

Electronically/Digitally signed by the Parties to this Contract,

In:

In:

On:

On:

For VZLU

Ing. Josef Kašpar Digitálně podepsal
Ing. Josef Kašpar
Datum: 2023.12.07
10:46:17 +01'00'

Josef Kašpar
Chairman of the Board

JUDr. Petr Matoušek Digitálně podepsal
JUDr. Petr Matoušek
Datum: 2023.12.05
14:22:15 +01'00'

Petr Matoušek
Member of the Board

