

ANS CR

ACG

CCL

HCL

SCL

LPS

and

FABCE, Aviation Services, Ltd.

## **Settlement Agreement**

to the

# **FRAMEWORK AGREEMENT FOR THE PROVISION OF FRA CONOPS VALIDATION**

THIS Settlement Agreement to the FRAMEWORK AGREEMENT FOR THE PROVISION OF FRA CONOPS VALIDATION (hereinafter referred to as the "Settlement Agreement"), is entered into on BY AND BETWEEN:

- (1) **Air Navigation Services of the Czech Republic**, the state enterprise organized under the laws of the Czech Republic and registered with the Commercial Register of the Prague Municipal Court (entry number A 10771) with the business address Navigační 787, 252 61 Jeneč, Czech Republic, hereinafter referred to as "**ANS CR**" and
- (2) **Austro Control Österreichische Gesellschaft für Zivilluftfahrt mit beschränkter Haftung**, a limited liability company, registered with the Commercial Register of the Vienna Commercial Court (entry number 71000m) with Vienna as its principal place of business and having its registered office at 17 Schnirchgasse, A-1030 Wien, Austria, hereinafter referred to as "**ACG**" and
- (3) **Croatia Control Ltd., Hrvatska kontrola zracne plovidbe d.o.o.**, a limited liability company, registered with the Commercial register of the Zagreb Commercial Court, identification No. 33052761319, with Zagreb as its principal place of business at Rudolfa Fizića 2, Velika Gorica, Croatia, Postal Address: 10150 Zagreb Airport, Croatia, P.O.B. 45, hereinafter "**CCL**" and
- (4) **HungaroControl Hungarian Air Navigation Services Pte.Ltd.Co**, a private limited company organised under the laws of Hungary and registered with the Metropolitan Court of Budapest, acting as the Court of Registration (registration number: Cg 01-10-045570, EU VAT No. HU 17783051) with Budapest as its principal place of business and having its registered seat at 33-35 Igló utca, 1185 Budapest, Hungary, hereinafter referred to as "**HCL**" and
- (5) **Kontrola zračnega prometa Slovenije, d.o.o.** (Slovenia Control, Ltd.), a limited liability company organised under the laws of the Republic of Slovenia and registered with the District court of Kranj (identification number 1913301000) with Zgornji Brnik as its principal place of business and having its business address at Zgornji Brnik 130N, 4210 Brnik – Aerodrom, Slovenia, hereinafter referred to as "**SCL**" and
- (6) **Letové prevádzkové služby Slovenskej republiky, štátny podnik, (v skratke "LPS SR, š. p.")**, a state enterprise, established under the laws of the Slovak Republic and registered by Commercial Register of the Municipal Court Bratislava III., Section Pš, Item No. 418/B, Corporate Identification No. 35778458 with Bratislava as its principal place of business and having its registered seat at Ivanská cesta 93, 823 07 Bratislava, Slovakia, hereinafter referred to as "**LPS**",

(hereinafter collectively referred to as "**the Customers**" and individually also as "**the Customer**")

AND

- (7) **FABCE, Aviation Services, Ltd.**, a limited liability company organized under the laws of Republic of Slovenia and registered with the District court of Kranj, identification No. 6726909000, EU VAT No. SI40952240, Swift code: BACXSI22, IBAN: SI56 2900 0005 1413 834, with Zgornji Brnik as its principal place of business and having its business address at Zgornji Brnik 130N, 4210 Brnik – Aerodrom, Slovenia,

(hereinafter referred to as "**the Provider**")

(the Customers and the Provider are hereinafter sometimes collectively referred to as "**Parties**" and individually as "**Party**")

**WHEREAS**

- (A) On 26 October 2016 the Parties concluded the FRAMEWORK AGREEMENT FOR THE PROVISION OF FRA CONOPS VALIDATION (hereinafter: Framework Agreement).

- (B) Definitions from the Framework Agreement shall apply also for this Settlement Agreement . All words, written in capital letters in this Settlement Agreement shall have meaning defined in the Framework Agreement.
- (C) On 6 February 2024, the Supervisory Board of the Provider approved the execution of this Settlement Agreement by the Director of the Provider (Decision no. 93/2024, dated 6. 2. 2024, ref. number: 012-1/2024-15);
- (D) This Settlement Agreement is in accordance with the Memorandum of Association and the Shareholders Agreement;

**THEREFORE**, in consideration of mutual covenants and promises, the Parties have entered into the following Settlement Agreement:

Article 1  
**STATUS SUMMARY**

- 1.1. The Provider provided all Services to the Customers, including the Final Simulation report dated 10 February 2017, in accordance with the Framework Agreement, whereas the scope of the Services is specified in Article 3 of the Framework Agreement and documentation, referred to in captioned article of the Framework Agreement. Framework Agreement is considered as SLA for the FRA CONOPS Validation Services and for the reimbursement of the costs, as provided in Point 1.16, Article 1 of the Framework Agreement.
- 1.2. For fulfilling the obligations from the Framework Agreement, the Provider concluded FRA CONOPS Validation Specific Performance Contract, as defined in point 1.18. of the Framework Agreement with the Shareholder HCL.
- 1.3. FRA CONOPS Validation Specific Performance Contract was entirely implemented.
- 1.4. According to Article 8.1. of the Framework Agreement each Customer shall reimburse to the Provider such Customer's allotment as per the Sharing key on the Cost of the Task, demonstrably incurred by the Provider.
- 1.5. According to the point 1.2.(e), Article 1 of the Shareholders Agreement the Contract price shall mean the fixed remuneration or other price formula for the overall performance, which should be paid by all the SLA Participants to the Company under a particular SLA. In case of the Framework Agreement the Contract price is equal to 576.304,00 EUR (in words: five hundred seventy six thousand three hundred and four 00/100 euros) and consisting of the costs of the Services, provided by HCL in accordance with FRA CONOPS Validation Specific Performance Contract (equal to 567.304,00 EUR (in words: five hundred sixty-seven thousand three hundred and four 00/100 euros); Article 5, point 5.2.a) and External costs (equal to 9.000,00 EUR (in words: nine thousand 00/100 euros); Article 5, point 5.2.b).
- 1.6. The Shareholders Agreement (Article 1, point 1.2.(g)) provides, that Surplus shall mean the amount, by which the Contract price exceeds the Actual costs. According to the Shareholders Agreement (point 1.2.(a), Article 1) the Actual costs shall mean the aggregate of all In-house costs and the External costs, regardless of whether budgeted or not, demonstrably incurred by the Company under or in connection with a particular SLA and ascertained in the Assessment Report.

- 1.7. According to the point 5.2.a) of the Framework Agreement the value of the services, which were performed by the Shareholder HCL in accordance with the FRA CONOPS Validation Specific Performance Contract is equal to 567.304,00 EUR (in words: five hundred sixty-seven thousand three hundred and four 00/100 euros).
- 1.8. After the FRA CONOPS Validation Specific Performance Contract was fully implemented by both parties, HCL as the provider of the services in accordance with the FRA CONOPS Validation Specific Performance Contract managed to acquire the funds for partial co-financing of the services, which were provided by HCL to FABCE Ltd. in accordance with the FRA CONOPS Validation Specific Performance Contract. The Amount of such funds is 86.342,96 EUR (in words: eighty-six thousand three hundred forty-two 96/100 euros) (hereinafter: **FRA Additional Funds** or **FRAAF**). HCL as the recipient of FRAAF received these funds on 27 July 2022.
- 1.9. Acquiring of FRAAF is subject of the specific procedure. Due to the reasons outside control of the Parties outcome of the procedure for granting FRAAF was known in 2022.

#### Article 2

### COMMON UNDERSTANDING OF PARTIES

- 2.1. As provided in the Framework Agreement, the Provider was established as joint, non-market orientated and non-profit in-house entity of the Customers.
- 2.2. Article 3, section 3.1. of the Shareholders Agreement provides the Rules related to the SLAs. Point 3.1. (f) provides, that the Surplus may be either (i) redistributed to the Shareholders according to the SLA sharing key on the basis of written amendment of the respective SLA, adjusting the Contract price or (ii) kept by the Company as retained earnings/be dealt with at the Company level.
- 2.3. Actual costs, as defined in the Shareholders Agreement (Article 1, point 1.2.(a) and consequently definition of the Surplus covers only the In-house costs and the External costs, as defined in the Shareholders Agreement. However, considering economical effect each situation, where earnings (income) are higher than costs is considered as the generating surplus.
- 2.4. The Parties agree, that in relation to the Framework Agreement FRAAF shall be considered as the Surplus. Furthermore, the Parties agree, that FRAAF shall be redistributed between the Customers in accordance with this Settlement Agreement.

#### Article 3

### ECONOMICAL EFFECT OF FRAAF

- 3.1. The first effect of the acquisition of FRAAF is, that HCL received the refund for the part of the services, provided in accordance with the FRA CONOPS Validation Specific Performance Contract. This further means, that the costs, incurred by HCL with the provision of the Services and considered when forming the price for the Services are lower. Provided that the acquisition of FRAAF would be known when defining the Payment for the Services – the reimbursable costs (Article 5 of the FRA CONOPS Validation Specific Performance Contract) would be lower for the amount of FRAAF.
- 3.2. Considering in-house nature of the Provider HCL agrees to transfer the amount of FRAAF to the Provider in accordance with the SETTLEMENT AGREEMENT related to the FRA CONOPS VALIDATION SPECIFIC PERFORMANCE CONTRACT (hereinafter: **the Settlement Agreement HCL**). Draft of the Settlement Agreement HCL is attached to this Settlement Agreement as Appendix #1. HCL's successful effort to acquire FRAAF is beneficial for all the Shareholders, including HCL, since such funds lower the Provider's costs. Furthermore, FRAAF resulted in lower actual costs, incurred with the services, rendered by HCL to FABCE Ltd. and such positive economical effect shall be transferred to the Shareholders.

- 3.3. Since the Provider is non-profit in-house entity of the Customers, the Parties agree, that funds, received by the Provider from HCL, equal to FRAAF shall be transferred to the Customers, which are all the Shareholders of the Provider.

Article 4  
**PAYMENTS BY THE PROVIDER**

- 4.1. Within 3 (three) business days of the receipt of 86.342,96 EUR (in words: eighty-six thousand three hundred forty-two 96/100 euros) from HCL, the Provider shall transfer these funds to the Customers.
- 4.2. Each Customer shall receive the amount calculated observing the sharing key from Article 7 of Framework Agreement as follows:  
**CONOPS validation compensation**



Article 5  
**MISCELLANEOUS**

- 5.1. **GOVERNING LAW AND JURISDICTION:** Interpretation, performance and validity of this Settlement Agreement, rights and obligations established by this Settlement Agreement as well as the consequences of its nullity or termination and any relations whatsoever arising out of or in connection with this Settlement Agreement shall be governed by the laws of the Republic of Slovenia save for its rules on conflict of laws.
- 5.2. **SEVERABILITY:** If any one or more provisions of this Settlement Agreement or any portion thereof shall be invalid, illegal, or unenforceable in any respect, this Settlement Agreement shall be ineffective only as to such provision or portion thereof and only to the extent of such invalidity, illegality or unenforceability, and such invalidity, illegality or unenforceability shall not in any way affect or impair the validity, legality, and enforceability of any other provision contained herein. The Parties agree that each of them shall endeavour in good faith negotiations to replace any such invalid, illegal or unenforceable provision(s) or portion(s) thereof with valid, legal and enforceable provisions or portions thereof the economic effect of which is as close as possible to that of the invalid, illegal or unenforceable provision(s) or portion(s) thereof.
- 5.3. **ASSIGNMENT:** This Settlement Agreement and provisions hereof shall be binding upon and shall inure to the benefit of the Parties. Except as otherwise permitted in this Settlement Agreement each Party undertakes not to assign or transfer any of its rights or obligations under this Settlement Agreement to another Party or to a Third party without the prior written consent of all the Parties.
- 5.4. **WAIVER:** Save as otherwise provided herein, the failure of any Party to insist in any one or more instances upon strict performance of any of the provisions of this Settlement Agreement or to take advantage of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such right, but the same shall continue and remain in full force.

- 5.5. FURTHER INTERPRETATION RULES: This Settlement Agreement is executed in English. In the event of conflict between the English version and its translation into another language, the English version of this Settlement Agreement shall prevail and provide final guidance to the interpretation of this Settlement Agreement. The Article and other headings contained in this Settlement Agreement are for convenience of reference only and shall not affect the meaning and interpretation of this Settlement Agreement.
- 5.6. REPRESENTATIONS: Each Party represents and warrants to other Party that it has taken all steps and obtained all internal corporate or other consents or authorizations necessary to for the execution and delivery of this Settlement Agreement and that the delivery and execution of this Settlement Agreement does not violate or conflict with any provision of its articles of association, statute, resolution or its other governing documents.
- 5.7. This Settlement Agreement shall become effective on the day following the day of its publication in the central register of the contracts maintained in the Slovak Republic or on the day following the day of its publication in the register of contracts maintained in the Czech Republic, whichever occurs later. LPS and ANS CR shall arrange the publication of this Settlement Agreement within 2 (two) business days from its signing by all the Parties and shall inform the other Parties about the date of publication in the relevant register without delay.
- 5.8. COUNTERPARTS: This Settlement Agreement shall be executed in 9 (nine) counterparts, each of which when executed shall be deemed to be an original and all of which together shall be deemed to be one and the same Settlement Agreement. LPS and ANS CR shall each receive 2 (two) of such counterparts and each other Party shall receive 1 (one) of such counterparts.
- 5.9. ANNEXES: The following Annex is attached hereto: Draft of the Settlement Agreement HCL.

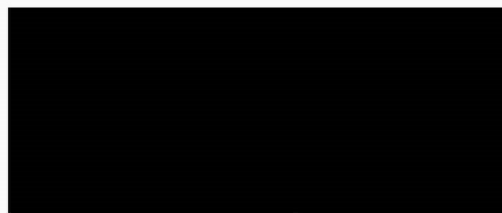
IN WITNESS WHEREOF, each Party has caused this Settlement Agreement to be executed on its behalf, by its authorized representative.

For and on behalf of

Signature

Air Navigation Services of the Czech Republic,  
the State Enterprise

Date: 28.2.2024



Austro Control Österreichische Gesellschaft  
für Zivilluftfahrt mit beschränkter Haftung

Date: 28.2.2024



Hrvatska kontrola zračne plovidbe d.o.o.

Date: 29.02.2024

HungaroControl  
Hungarian Air Navigation Services Pte.Ltd.Co.

Date: 28.2.2024

Date: \_\_\_\_\_

Kontrola zračnega prometa Slovenije, d.o.o.

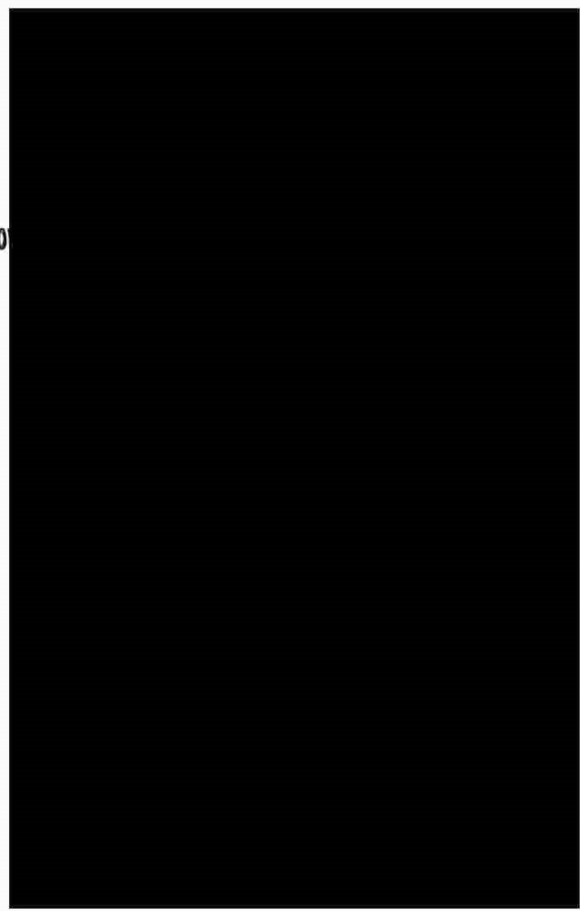
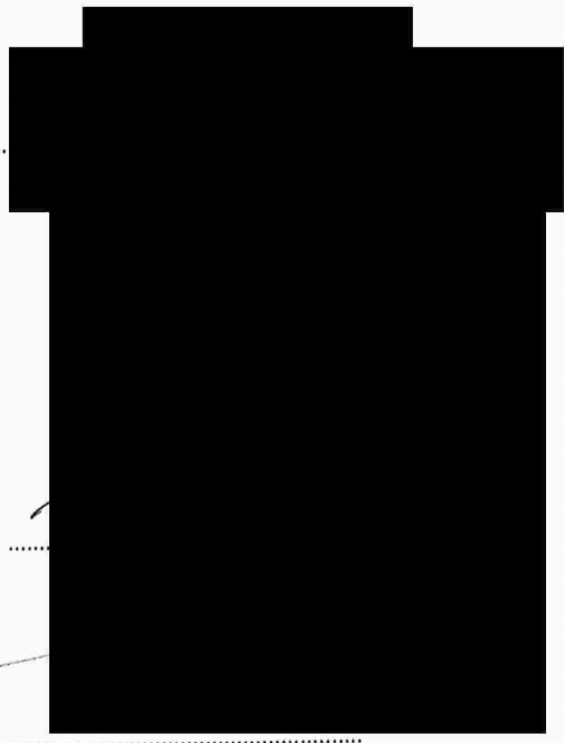
Date: 28.2.2024

Letové prevádzkové služby Slovenskej republiky,  
štátny podnik

Date: 28. 02. 2024

FABCE, Aviation Services, Ltd.

Date: 28.2.2024



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