

1. Parties

This Contract for Work ("Contract") is concluded between:

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

(hereinafter "**Contractor**")

with registered office at: Na Lukách 2283, 511 01 Turnov

Identification no. 25296558

Represented by: Dr. Jindrich Houžvička, Company CEO

Bank account no.: [REDACTED]

2. **Fyzikální ústav AV ČR, v. v. i.**

(hereinafter "**FZU - HiLASE**")

with registered office at: Na Slovance 1999/2, 18220 Prague 8,

Identification no.: 68378271,

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

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

Bank account no.: [REDACTED]

3. **Czech Technical University in Prague, Faculty of Nuclear Sciences and Physical Engineering**

(hereinafter "**CTU**")

with registered office at: Jugoslávských partyzánů 1580/3, 160 00 Prague 6

Identification no. 68407700

Represented by: doc. Ing. Václav Čuba, Ph.D., dean

Bank account no.: [REDACTED]

Crytur, FZU - HiLASE, and CTU are hereinafter jointly referred to as the "**Parties**".

FZU - HiLASE, and CTU are hereinafter jointly referred to as the "**Subcontractors**".

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

CONTRACT FOR WORK

2. Background and Subject Matter

2.1 Crytur is the Prime Contractor under European Space Agency (**ESA**) **Contract No. 4000150547/25/NL/GM/fm** ("Main Contract"), concluded within the ESA ARTES ScyLight program with a start date of 5th January 2026.

2.2 The Main Contract concerns the development of a **2.1 µm laser-based optical free-space communication system**, project named "Exploring Laser Satellite communication at 2100 nm wavelength region" (project "**ELSA21**").

2.3 FZU - HiLASE as public research organization together with CTU as public university shall contribute with work, scientific and technical expertise to the Project.

2.4 This Contract defines:

2.4.1 The Roles and Responsibilities of the Parties,

- 2.4.2 Scope of Work and Allocation of Work Packages (WP 100–800),
 - 2.4.3 Deliverables and milestones (hereinafter the “Work”),
 - 2.4.4 Price of the Work and Payment Terms
 - 2.4.5 Provision of Materials, Equipment, and Dependencies
 - 2.4.6 Place and terms of delivery
 - 2.4.7 Rights and obligations of the Subcontractors
 - 2.4.8 Rights and obligations of the Contractor
 - 2.4.9 Copyright and Intellectual Property
- 2.5 Nothing in this Contract creates any contractual relationship between ESA and FZU - HiLASE or CTU.

3 Project Governance and Responsibilities within the ELSA21 project

3.1 Crytur as the prime contractor within the ELSA21 project:

- 3.1.1 remains fully responsible towards ESA for execution of the Project,
- 3.1.2 manages schedule, reporting, finances, and interfaces with ESA,
- 3.1.3 performs system integration and hardware manufacturing, procurement, and system integration.
- 3.1.4 ensures compliance with ESA contractual, financial, export-control, and security requirements.
- 3.1.5 performs work according to the Scope of Work and Work Package Allocation defined below in section 5.
- 3.1.6 Crytur may engage external service providers to support specific technical activities within the Project. Such external service providers shall act under the sole responsibility and direction of Crytur and shall not be considered Parties to this Contract nor have any contractual relationship with ESA. Crytur shall inform the Subcontractors in writing of any material Project responsibilities that have been outsourced, and that may affect the execution of their assigned Work Packages.
- 3.1.7 External service providers shall not acquire any rights under this Contract and shall not be considered Parties hereto.
- 3.1.8 In particular, Crytur intends to engage Brno University of Technology (VUT/BUT) as an external service provider to support activities related to the data layer implementation, modulation support, and measurement setup within selected Work Packages. All activities performed by VUT/BUT shall be carried out under Crytur’s responsibility and supervision.

3.2 FZU - HiLASE as the subcontractor within the ELSA21 project:

- 3.2.1 performs laser physics modeling, thin-disk laser design, fiber front-end design, pump laser integration, and system prototyping,
- 3.2.2 performs amplifier optimization and laboratory validation,
- 3.2.3 contributes scientific and technical expertise to the laser subsystems.
- 3.2.4 performs work according to the Scope of Work and Work Package Allocation defined below in section 5.

3.3 CTU as the subcontractor within the ELSA21 project:

- 3.2.1 develops receiver optics and detection concepts,
- 3.2.2 performs communication link modelling and data analysis,
- 3.2.3 supports system-level validation and environmental testing.
- 3.2.4 performs work according to the Scope of Work and Work Package Allocation defined below in section 5.

4. Personal Data Protection

- 4.1 The Parties shall comply with Regulation (EU) 2016/679 (GDPR) and applicable Czech personal data protection legislation in connection with the performance of this Contract and the Main Contract.
- 4.2 Each Party acts as an independent data controller with respect to personal data of its own employees and collaborators involved in the Project.
- 4.3 Personal data exchanged between the Parties shall be limited to what is necessary for Project coordination, reporting, financial administration, and audit purposes.
- 4.4 Each Party shall implement appropriate technical and organizational measures to protect personal data against unauthorized access, loss, or misuse.
- 4.5 Personal data shall be retained only for the period required to fulfil contractual and statutory obligations, including ESA audit requirements.

5. Scope of Work and Work Package Allocation of the ELSA21 project:

- 5.1 The project execution is divided into eight main Work Packages (WP) with their respective numbers WP100 – WP800.
- 5.2 The Work of the Subcontractors under this Contract is limited to the Scope of Work defined in Section 5 and detailed in Annex II and Annex III.
- 5.3 The Parties acknowledge that the Project is performed under the Main Contract with ESA. ESA may request clarifications, corrections, or reasonable refinements of submitted deliverables during the review and acceptance process. Such revisions, provided they remain within the defined Scope of Work and technical objectives of the respective Work Packages, shall be considered part of the normal deliverable finalization process and shall not constitute additional work.
- 5.4 Requests that introduce new technical tasks or materially extend the Scope of Work shall require a separate written amendment to this Contract, including agreement on schedule and financial conditions.
- 5.5 Each work package has its own leader responsible for delivering the deliverables and contributors as defined below. The work packages have tasks that are assigned numbers and correspond to the tasks and descriptions as filed in the Project’s full proposal.

5.6 Work Package WP100 – System Architecture and Design

Lead: FZU - HiLASE | Contributors: Crytur, CTU

Tasks:

110 Target parameters confirmation	CRY
120 Transmitter architecture design	HIL
130 Transmitter components specification	HIL

- 140 Receiver components design CRY
- 150 Technology demonstration test procedure CTU

**Deliverable: D1 – System design and demonstration plan (text document, report),
Milestone (MS): MS 1**

5.7 Work Package WP200 – Fiber Front-End Prototype

Lead: FZU - HiLASE | Contributors: Crytur

Tasks:

- 210 Fiber master oscillator HIL
- 220 Optical modulator integration HIL
- 230 Fiber power amplifier development CRY
- 240 Laboratory testing HIL

**Deliverable: D2 – Fiber front-end prototype performance test (text document, report)
Milestone (MS): MS 2**

5.8 Work Package WP300 – Main Amplifier Components

Lead: Crytur | Contributors: FZU - HiLASE

Tasks:

- 310 Thin-disk and pump module manufacturing CRY
- 320 Pump laser development CRY
- 330 Pump laser testing HIL
- 340 Main amplifier components integration CRY

**Deliverable: D3 – Main amplifier components tested (text document, report)
Milestone (MS): MS 3**

5.9 Work Package WP400 – Data Interface and Laboratory Demonstration

Lead: Crytur | Contributors: CTU, FZU - HiLASE

Tasks:

- 410 Modulator data interface CRY
- 420 SWIR detector evaluation CRY
- 430 Data acquisition and demodulation CRY
- 440 Laboratory data transfer demonstration HIL

**Deliverable: D4 – Laboratory data transfer demonstrated (text document, report)
Milestone (MS): MS 4**

5.10 Work Package WP500 – Main Amplifier Assembly and Testing

Lead: FZU - HiLASE | Contributors: Crytur

Tasks:

- 510 Main amplifier assembly HIL
- 520 Optimization HIL
- 530 System laboratory testing HIL

Deliverable: D5 – Main amplifier and transmitter verified (text document, report)
Milestone (MS): MS 5

5.11 Work Package WP600 – Transmitter and Receiver Optics

Lead: CTU | Contributors: Crytur, FZU - HiLASE

Tasks:

610 Receiver optics design and assembly	CTU
620 Beam-aiming system	HIL
630 Transmitter output optics	HIL/CRY
640 1550 nm reference laser integration	CRY
650 Laboratory communication link test	HIL

Deliverable: M5/D5 – Multi-wavelength link tested (text document, report)

5.12 Work Package WP700 – Technology Demonstration

Lead: Crytur | Contributors: CTU, FZU - HiLASE

Tasks:

710 Test site preparation	CRY
720 Outdoor data transfer demonstration	CRY
730 Performance versus temperature	CRY
740 Environmental data analysis	CTU

Deliverable: D6 – Final technology demonstration (physical hardware delivered, text report document)

Milestone (MS): MS 6

5.13 Work Package WP800 – Project Management

Lead: Crytur | Contributors: CTU, FZU - HiLASE

Tasks:

810 Project management, reviews, reporting	CRY
820 IPR management and exploitation strategy	CRY
830 Industrial perspectives and product requirements	CRY

Deliverables: ESA progress reports and final report

6. Price of the Work and Payment Terms

6.1 FZU - HiLASE and CTU shall receive financial contributions for the work execution exclusively from Crytur.

6.2 The total contractual price for the Work for FZU - HiLASE is **270,000 EUR (in words: Two hundred seventy thousand EUR)**.

6.3 The total contractual price for the Work for CTU is **29,986 EUR (in words: Twenty-nine thousand nine hundred and eighty-six EUR)**.

6.4 The Price is fixed and covers all costs, duties, charges, and taxes related to the performance of the Work according to this Contract and covers all other services, rights, and deliveries provided by the Subcontractors.

- 6.5 The Subcontractors, according to Section 2620 par. 2 of the Civil Code, hereby declare that they accept the risk of the change of circumstances and that, in this case, they have no right to increase the Price. For the sake of clarity, it is hereby agreed that new Crytur's requests that go beyond the Scope of Work and/or this Contract itself shall not be considered as the change of circumstances within the meaning of Section 2620 par. 2 of the Civil Code.
- 6.6 The Parties acknowledge that this Contract is performed within the framework of the Main Contract and that Crytur's payments to the Subcontractors are dependent on ESA milestone acceptance and corresponding payment to Crytur, as stipulated in details in this Contract.
- 6.7 Payment of any milestone amount to the Subcontractors shall be subject to the cumulative fulfilment of the following conditions:
- completion of the relevant Work Package tasks and submission of the corresponding deliverable to Crytur
 - written acceptance of such deliverable by Crytur
 - formal acceptance of the corresponding milestone by ESA under the Main Contract
 - actual receipt of the corresponding milestone payment from ESA by Crytur
 - An invoice for the respective period is submitted by the Subcontractor
- 6.8 If ESA does not accept a milestone created and delivered by the Subcontractor ("non-conforming milestone"), requests modifications to non-conforming milestone, or withholds payment as a direct consequence of the non-conforming milestone, Crytur shall not be obliged to make the corresponding payment to the particular Subcontractor until such milestone has been accepted and ESA has made payment.
- 6.9 In the event ESA reduces, suspends, or refuses payment for reasons attributable to a Subcontractor's performance, Crytur shall be entitled to proportionally reduce or withhold the corresponding payment, but only to the extent of the proven impact of such Subcontractor's non-performance on the ESA payment, and after providing the Subcontractor with supporting documentation and an opportunity to remedy.
- 6.10 Crytur shall make payment to the Subcontractors within thirty (30) days after receipt of the corresponding payment from ESA, provided that all contractual conditions have been fulfilled.
- 6.11 Invoices issued by the Subcontractors shall have only the electronic form and shall be submitted to the email address: [REDACTED]
- 6.12 Payment of the invoiced amount means the date of its remittance to the Subcontractors' account. In conformity with the applicable tax regulations of the Czech Republic, the tax documents – invoices issued by the Subcontractors hereunder shall include the following details:
- the business name/designation and registered office of Crytur
 - the tax identification number of the Contractor
 - the business name/designation and registered office of the Subcontractors
 - the registration number of the tax document
 - the subject matter of the delivery
 - the date of issue of the tax document
 - the date of the supply or the date of acceptance of the consideration, whichever is earlier, if it differs from the date of issue of the tax document
 - the price
 - the registration number of the Contract, which the Contractor shall communicate to the Subcontractor at his request, before the invoice is issued
- 6.13 Any of the invoices must be delivered by the Subcontractors to the Contractor's office no later than December 15 of the given calendar year. In case that the invoice shall not contain the above mentioned information or the invoice does not comply with the requirements stipulated by law or the invoice is delivered to the Contractor later than by December 15 of the given calendar year, the Contractor is entitled to return it to the Subcontractors during its maturity period and this shall not be considered as Contractor being in delay with the payment of the Price. The new maturity period shall begin from the receipt of the supplemented or corrected invoice to the Contractor.

6.14 Detailed payment schedules are defined in **Annex III**.

7. Provision of Materials, Equipment, and Dependencies

7.1 Crytur shall provide to the Subcontractors such materials, components, documentation, software, and equipment as are necessary for the performance of the Work and as specified in **Annex II**.

7.2 The materials provided by Crytur may include, in particular:

- laser crystals (Ho:YAG material),
- components for the fiber front-end
- pump lasers
- pump modules (thin-disk pump chamber, or similar)
- optomechanical and mechanical components
- optical components,
- electronic modules,
- system documentation and design data.

7.3 Crytur shall deliver such materials in a timely manner consistent with the Project schedule.

7.4 The Subcontractors acknowledge that their performance may depend on the timely delivery of such materials and shall promptly notify Crytur in writing of any delay or deficiency.

7.5 Ownership of all materials supplied by Crytur shall remain with Crytur unless explicitly agreed otherwise in writing.

7.6 The risk of damage, loss, or destruction of materials supplied by Crytur shall transfer to the respective Subcontractor upon physical receipt of such materials.

7.7 The Subcontractors shall:

- Handle all materials with due professional care,
- Store them under appropriate environmental conditions,
- Protect them against damage or misuse.

7.8 Any damage or loss shall be immediately reported to Crytur.

7.9 In the event of damage, loss, or destruction of materials or equipment supplied by Crytur, Subcontractor shall, at Crytur's discretion, either repair or replace the affected items without undue delay, or reimburse Crytur for the full cost of repair or replacement.

7.10 Materials supplied by Crytur may be used solely for the purpose of performing the Work under this Contract unless agreed otherwise.

7.11 The Subcontractors shall not:

- transfer such materials to third parties except for cases when such material is needed to be modified by a third party solely for the Project implementation,
- modify them beyond the agreed scope,
- use them for other projects, unless stipulated otherwise in the Contract.

7.12 Upon completion or termination of the Contract, unused materials shall be returned to Crytur unless otherwise agreed.

7.13 The Parties further acknowledge that the Work Packages are technically interdependent and require coordinated execution, in particular:

- subsystem development activities depend on the availability of Crytur-supplied components,
- integration and testing activities depend on the completion of preceding subsystem tasks,
- System-level demonstrations depend on the successful integration and verification of all subsystems.

- 7.14 Each Party shall promptly inform the others of any event that may materially affect technical interfaces, integration readiness, or schedule and cooperate to mitigate technical or schedule risks.
- 7.15 Where a delay is demonstrably caused by late delivery of components supplied by Crytur, the affected deadlines for the respective Subcontractor shall be reasonably adjusted, provided that the Subcontractor has notified Crytur without undue delay.
- 7.16 Where materials supplied by Crytur are integrated into intermediate prototypes or assemblies, the Subcontractor shall:
- document integration steps,
 - provide test results,
 - allow inspection by Crytur upon request.
- 7.17 Crytur shall confirm acceptance in writing within a reasonable time after delivery. In particular, Crytur shall review each submitted deliverable within fifteen (15) business days of receipt and shall either (i) issue a written acceptance, or (ii) provide a single consolidated written list of material non-conformities with reference to the agreed acceptance criteria within the review period. Requests for changes that go beyond the agreed Scope of Work or acceptance criteria shall be treated as new requests not covered by the Price.
- 7.18 The Subcontractors shall not be liable for defects inherent in materials supplied by Crytur, provided such defects were not caused by improper handling.
- 7.19 Each Subcontractor remains liable for damage caused by its own negligent handling, improper storage, or unauthorized modification.

8. Terms and Place of Delivery

- 8.1 The Parties agree that the final delivery of Deliverable D6 (Final Technology Demonstration Report) shall be completed no later than 31 December 2028.
- 8.2 The schedule of intermediate deliveries shall follow the milestones defined in Annex II.
- 8.3 All physical hardware developed, manufactured, or assembled within the scope of this Contract and for the purposes of the ELSA21 project, including but not limited to:
- laser sources and thin-disk laser modules,
 - fiber front-end prototypes,
 - pump modules,
 - transmitter optics,
 - receiver optics,
 - integrated transmitter and receiver subsystems,
 - measurement setups intended to form part of the final demonstrator,
- shall be physically delivered to Crytur.
- 8.4 Delivery shall be made to:
- Crytur, spol. s r.o.
Koškova 742
511 01 Turnov
Czech Republic
- 8.5 Hardware shall not be delivered directly to ESA or any third party without prior written consent of Crytur.
- 8.6 Ownership of hardware specifically developed or manufactured under this Contract shall vest in Crytur upon full payment of the corresponding milestone, unless otherwise agreed in writing or unless such hardware is subject to ESA ownership provisions under the Main Contract.

- 8.7 Risk of loss or damage shall transfer to Crytur upon physical receipt and written confirmation of delivery. Until delivery, the Subcontractors shall protect the hardware from damage, loss, or unauthorized use.
- 8.8 The Subcontractors acknowledge that the Project is subject to strict ESA milestone deadlines. Deliverables to Crytur shall therefore be submitted sufficiently in advance of the corresponding ESA milestone, as stipulated in **Annex III.**, to allow for internal review, evaluation, consolidation and integration by Crytur.
- 8.9 Crytur shall have a reasonable period to review and comment on submitted deliverables; where corrections or clarifications are required, the Subcontractors shall implement them, as stipulated in the Contract, mainly in Art. 7.16.
- 8.10 The Parties shall cooperate in good faith to ensure timely fulfilment of ESA milestones.
- 8.11 Timely delivery of hardware and deliverables is essential for Crytur to fulfil its obligations towards ESA.
- 8.12 The Subcontractors shall immediately inform Crytur of any circumstance that may affect the agreed delivery schedule.
- 8.13 If a Subcontractor is in material delay attributable to that Subcontractor and such delay exceeds three (3) months, Crytur shall be entitled to terminate this Contract with respect to that Subcontractor by written notice, provided that Crytur has first issued a written notice specifying the delay and allowed the particular Subcontractor to remedy the delay within at least thirty (30) days. No delay shall be deemed attributable to a Subcontractor to the extent it is caused by (i) late delivery of Crytur-supplied components, (ii) changes or requests from Crytur or ESA outside the agreed Scope of Work, or (iii) Force Majeure.
- 8.14 Upon termination,
- the Subcontractor shall:
 - return any payments received except for payments for all Work properly performed and accepted up to the termination date,
 - deliver all partially completed Work and transfer all documentation and data corresponding to the paid amounts to Crytur.
 - Crytur shall:
 - pay the Subcontractor for all Work properly performed and accepted up to the termination date.
- 8.15 Withdrawal shall not affect Crytur's right to claim damages in accordance with applicable law.
- 8.16 The Subcontractors acknowledge that:
- Crytur is required to deliver the final integrated hardware to ESA,
 - hardware delivered under this Contract may form part of the ESA deliverables
 - the hardware must comply with ESA technical and documentation requirements.
- 8.17 Equipment, tools, instruments or hardware items purchased specifically for the purposes of the ELSA21 Project with a unit acquisition value exceeding 10,000 EUR (in Words: ten thousand EUR), and declared under the Main Contract as ESA-funded equipment, shall be the property of the ESA in accordance with the Main Contract provisions. Crytur shall inform both Subcontractors and indicate this information about particular equipment, tools, instruments or hardware items.
- 8.18 Such ESA-owned equipment shall:
- remain under the custody of Crytur unless otherwise instructed by ESA,
 - be used exclusively for the purposes of the Project,
 - Not be disposed of, transferred, pledged, or otherwise encumbered without ESA's prior written consent.

If such equipment is physically located at the premises of a Subcontractor, the Subcontractor shall:

- ensure appropriate protection and maintenance,
- clearly identify the equipment as ESA property,
- allow inspection by Crytur or ESA upon reasonable notice.

8.19 Upon completion or termination of the Project, ESA-owned equipment shall be:

- returned to Crytur
- transferred or disposed of in accordance with ESA instructions.

8.20 The Subcontractors shall provide all necessary assistance in such return or transfer.

8.21 Unless otherwise agreed in writing, the transport of ESA-owned equipment shall be organized by Crytur in accordance with ESA requirements. The costs of such transport shall be borne by Crytur as reflected in the Project budget. The Subcontractors shall ensure that the equipment is properly prepared for shipment and provide reasonable assistance with packaging and handover.

9. Rights and Obligations of the Subcontractors

9.1 The Subcontractors are obliged to perform the Work with all necessary diligence and care within the agreed time and provide for everything that is needed for this purpose.

9.2 The Subcontractors shall perform the Work independently. The Subcontractors shall follow the Contractor's instructions throughout the performance of the Work.

9.3 The Subcontractors shall advise the Contractor of the inappropriateness of a given instruction without undue delay, unless the Subcontractors were not able to detect such inappropriateness despite exercising due diligence.

9.4 In case an inappropriate instruction impedes the due performance of the Work, the Subcontractors shall discontinue such performance until the change of the instruction. Should the Contractor insist on performance of the Work according to the given instruction, the Subcontractors are entitled to be given such instruction in writing.

9.5 Each Subcontractor shall be liable only for the performance of its own tasks, deliverables and obligations under this Contract and shall not be jointly and severally liable with the other Subcontractor. Nothing in this Contract shall be construed as creating any guarantee, suretyship, partnership, joint venture or association between FZU - HiLASE and CTU.

9.6 In no event shall any Subcontractor be liable for any indirect, consequential or special damages, or for loss of profit, loss of revenue, loss of production, loss of opportunity, or loss of goodwill, arising out of or in connection with the Contract or otherwise. Each Subcontractor's total aggregate liability to Crytur arising out of or in connection with this Contract shall not exceed an amount equal to one hundred percent (100%) of the total Price payable to that Subcontractor under this Contract. Nothing in this Contract shall limit or exclude liability to the extent such limitation or exclusion is prohibited by applicable law, including liability for damage caused intentionally or by gross negligence.

10. Rights and Obligations of the Contractor

10.1 The Contractor has the right to check the performance of the Work. The Contractor is entitled to request correction and due performance of the Work in case the Subcontractors breach their obligation.

11. Copyright and Intellectual Property

- 11.1 Each Party retains full ownership of all intellectual property, know-how, patents, designs, software, technical solutions and other proprietary rights developed or acquired prior to the commencement of the Project (“Background IP”).
- 11.2 Nothing in this Contract shall be interpreted as transferring ownership of any Background IP between the Parties.
- 11.3 To the extent necessary for execution of the Project, each Party grants to the other Parties a non-exclusive, royalty-free, non-transferable license to use its Background IP solely for the purposes of performing the Work under this Contract.
- 11.4 Such license shall not extend to commercial exploitation beyond the Project unless otherwise agreed in writing.
- 11.5 Intellectual property generated within the framework of the Project (“Foreground IP”) shall belong to the Party that has created it. For the purposes of this Contract, the Party responsible for the execution of a specific task, as identified in Section 5 and Annex II by the abbreviations CRY, HIL or CTU, shall be deemed the creator and owner of the Foreground IP arising from that task, unless the contributions of multiple Parties cannot be clearly separated.
- 11.6 In the event that Foreground IP is jointly created by two or more Parties and the individual contributions cannot be clearly separated, such Foreground IP shall be jointly owned by the contributing Parties in proportion to their respective contributions.
- 11.7 Each Party hereby grants to Crytur a non-exclusive, royalty-free license to use the Foreground IP for:
- execution of the Main Contract,
 - delivery of the Project outputs to ESA,
 - integration and testing of the demonstrator system.
- 11.8 Crytur shall have the right to grant sub-licenses to ESA to the extent required under the Main Contract.
- 11.9 The Parties acknowledge that the laser system developed under the ELSA21 Project represents a technology demonstrator at approximately TRL6 level.
- 11.10 The Project results/Foreground IP do not constitute a final commercial product.
- 11.11 Additional technical development, industrialization, qualification, certification and investment will be required before commercial exploitation.
- 11.12 The Parties agree that any commercial exploitation of the laser system or derivative products developed from the Project results shall be subject to a separate written agreement.
- 11.13 Prior to commercialization, the Parties shall negotiate in good faith the terms of:
- license agreements,
 - revenue sharing arrangements (if applicable),
 - rights to further development,
 - access to Background IP required for commercialization.
- 11.14 Nothing in this Contract grants automatic commercial exploitation rights to any Party beyond the scope necessary for Project execution.
- 11.15 Such Background IP remains the exclusive property of the respective Party and shall not be considered Foreground IP.
- 11.16 In case of third-party claims related to Background IP contributed by a Party, that Party shall cooperate in defending such claims.

12. Force Majeure

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

13. Confidentiality

13.1 The Parties agree that all information they provided each other in negotiations on this Contract and in connection herewith shall be confidential, and neither Party to which such information has been provided may either divulge the same to a third person or use the same for its own interests in conflict with the purpose hereof.

13.2 The confidentiality duty hereunder does not apply to information that:

- may be disclosed without breach of this Contract, namely, its disclosure is necessary for the due fulfilment hereof;
- were exempted from these restrictions by mutual written consent of both Parties;
- are already in the public domain or were disclosed without breach of this Contract;
- the recipient knows such information before its disclosure by the Party;
- are requested by the court, the public prosecutor or by a competent administrative body in accordance with law, or whose disclosure is required by law;
- the Party discloses to the person bound by a legal obligation of confidentiality (e.g. a lawyer or tax consultant) for the purpose of exercising its rights.

14. Anti-Corruption Clause in Relation to the Criminal Liability of Legal Persons

14.1 The Parties hereby declare and undertake that upon carrying out the subject matter of this Contract, the Parties shall not develop any activity that fits the criteria of a crime, as defined in Section 7 of Act no. 418/2011 Coll., on the criminal liability of legal persons, as amended (hereinafter the "Act on Criminal Liability"), including, but not limited to, the form of aiding and abetting or, where appropriate, fits the criteria of one preparing to commit a crime, as defined in Section 7 of the Act on Criminal Liability or that is in conflict with generally binding legal regulations or international agreements.

14.2 The Parties hereby further declare and undertake that upon carrying out the subject matter of this Contract, neither Party shall use any or all means, resources or equipment obtained from the other Party in a manner that fits the criteria of a crime, as defined in Section 7 of the Act on Criminal Liability including, but not limited to, the form of aiding and abetting or, where appropriate, fits the criteria of one preparing to commit a crime, as defined in Section 7 of the Act on Criminal Liability or that is in conflict with generally binding legal regulations or international agreements.

14.3 The Subcontractors hereby declare and undertake that they shall use any and all means, resources, or equipment obtained from the Contractor in accordance with generally binding legal regulations and international agreements.

14.4 The Contractor hereby confirms and declares that no means, resources, or equipment provided to the Subcontractors under this Contract originate from or are intended for use in criminal activity.

14.5 The Parties represent that neither of them has paid, offered, promised to pay or authorized and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value to (i) any person or entity employed by or acting for or on behalf of the end-user, whether private or governmental, or (ii) any government official or employee

or any political party or candidate for political office for the purpose of influencing any act or decision or inducing or rewarding any action by the customer in any commercial transaction or in any governmental matter or securing any improper advantage to assist any of the Parties in obtaining or retaining business or directing business to any person.

15. Records, Audits, and Compliance

- 15.1 FZU - HiLASE and CTU shall maintain auditable records of personnel effort and costs related to the Project for at least **three (3) years** after final payment.
- 15.2 Crytur and ESA shall have the right to audit such records upon reasonable notice; such Crytur's right shall be limited to audit initiated by ESA.
- 15.2.1 Export control, confidentiality, and security obligations flowing down from the Main Contract apply.

16. Governing Law and Dispute Resolution

- 16.1 The laws of the Czech Republic shall govern this Contract.
The competent courts of the Czech Republic shall resolve any disputes.

17. Special Provisions

- 17.1 By signing this Contract, the Subcontractors become persons that must cooperate during the finance control within applicable European as well as national legislation on finance control and shall provide to control bodies (such as, but not only, Project granting authority, European Anti-Fraud Office, European Court of Auditors) access to all parts of the Contract, Work documents or other documents that are related to the legal relationship formed by this Contract. This duty also covers documents that are subject to the protection in accordance with other acts (business secrets, secret information, etc.) provided that control bodies fulfil requirements stipulated by applicable legislation.

18. Final Provisions

- 18.1 This Contract shall be valid upon signature by the Contractor and the Subcontractors. This Contract is, in its redacted form, subject to mandatory publication according to the applicable Czech law; the Parties hereby agree that Annexes shall be part of the Contract's redaction and thus shall not be published in the Czech register of contracts.
- 18.2 This Contract may be changed or supplemented solely in writing.
- 18.3 In the event that any of the provisions of this Contract shall later be shown or determined to be invalid, putative, ineffective or unenforceable, then such invalidity, putativeness, ineffectiveness or unenforceability shall not cause invalidity, putativeness, ineffectiveness or unenforceability of the Contract as a whole. In such event the Parties undertake without undue delay to subsequently clarify any such provision or to replace after mutual agreement such invalid, putative, ineffective or unenforceable provision of the Contract by a new provision, that in the extent permitted by the laws and regulations of the Czech Republic, relates as closely as possible to the intentions of the Parties to the Contract at the time of entering hereto.
- 18.4 Neither Party to this Contract shall be entitled to assign or transfer any of its contractual rights or obligations to any third party without prior written approval from the other Party except for the transfer to a legal successor; such approval shall not be denied unreasonably.

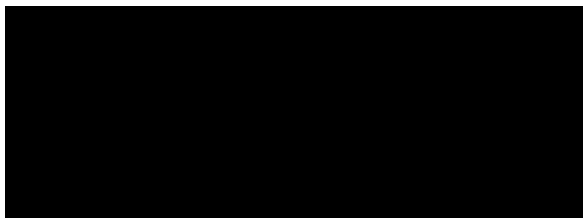
- 18.5 The Subcontractors shall not be entitled to subcontract any part of this Contract without the prior written consent of the Contractor.
- 18.6 All Parties declare that, regarding their own national regulations, they are fully entitled to sign the Contract.

19. Annexes

- **Annex I:** Reference to ELSA21 project full proposal and the Main Contract.
- **Annex II:** Detailed WP and deliverable tables
- **Annex III:** Financial conditions and payment schedule

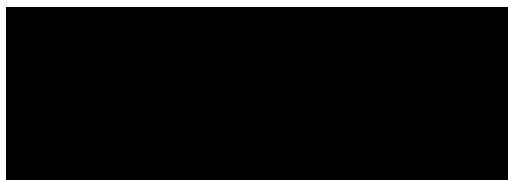
In Turnov on _____

Dr. Jindřich Houžvička,
CEO of Crytur, spol. s r.o.

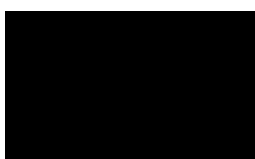


In Prague on _____

RNDr. Michael Prouza, Ph.D.,
Director of Fyzikální ústav AV ČR, v.v.i.



n Prague on _____



Doc. Ing. Václav Čuba, Ph.D.
Dean of FNSPE, CTU in Prague
