

[REDACTED]

Contract No.

[REDACTED]

with

Výzkumný a zkušební letecký ústav, a.s

MEMBER OF CONSORTIUM

SUBCONTRACTING FOR PROJECT [REDACTED]

[REDACTED]

[REDACTED]

SUBCONTRACTING – TESTS & TESTING PROCEDURES
& ENGINEERING

CONTRACT

Between:

[REDACTED]
[REDACTED])
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

of the one part

and:

Výzkumný a zkušební letecký ústav, a.s.

(Hereinafter called "VZLU" or "the Sub-contractor")

A corporation duly organized under the laws of Czech Republic,
registered under number section B , # 446 of the Companies' Register of Trade Register – Court
Praha
registered office in Beranových 130, 199 05 Praha-Letňany, Czech Republic

Taxpayer/VAT code number CZ00010669

Represented by Mr. Josef KAŠPAR, its chairman of the Board and Mr. Viktor KUČERA, its vice-
chairman of the Board

of the other part,

the following has been agreed:

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ARTICLE 1 - SUBJECT OF THE CONTRACT - APPLICABLE DOCUMENTS

1.1. Subject of the Contract

The Sub-contractor undertakes cooperate with Prime contractor and other members of the consortium [REDACTED] to deliver the tests, test procedures and documentation as described herein, and to make an oral presentation of the results.

1.1.1 The work shall be performed in two Phases (hereafter "Phase" or "Phases") as defined in Appendix 2 hereto.

[REDACTED] reserves the right not to proceed further with the work at the end of any Phase. A decision by [REDACTED] not to continue further with the work at the end of a Phase does not lead to the application of [REDACTED].

1.1.2 The decision whether to proceed further or not shall be taken after completion of the preceding Phase and after acceptance, [REDACTED], of the deliverables due, under such preceding Phase.

1.1.3 The Sub-contractor shall start Phase 2 only upon receipt of written notification from the Prime contractor's representatives nominated in Article 5, Clause 5, Sub Clause 5.1, of the relevant authorization to proceed with each specific Phase.

1.2. Applicable Documents

The work shall be performed in accordance with the following documents, listed in order of precedence, in case of conflict:

- a) [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

ARTICLE 2 – DELIVERY

2.1. Place and Dates of Delivery

2.1.1 Documents

The Sub-Contractor shall, during the performance of this Contract, deliver all documentation and reports specified in Appendix 2, in the required number of paper copies and in an electronic file. The scope and specifications supplied documents is further defined by individual WP to perform the work, their detailed description and the description of activities for individual members of the consortium. These documents form an integral part thereof. These are the following documents:

- [REDACTED]
- [REDACTED]
- [REDACTED]

These shall be sent to the Prime contractor's Technical Officer mentioned in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract, unless otherwise specified, in accordance with the following specific provisions:

2.1.1.1 Sub-contractor acknowledges that the draft Phase 1 Report, shall be submitted in three (3) paper copies for approval, [REDACTED]

The final version of the Phase 1 Report shall be issued in three (3) paper copies, and an electronic file, not later than four (4) weeks after [REDACTED] approval of the draft version.

2.1.1.2 Sub-contractor acknowledges that the draft versions of the Summary Report and Executive Summary Report, as specified in Appendix 2, shall be submitted for approval, in electronic format, to the [REDACTED] specified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract, not later than [REDACTED]

2.1.2 Mathematical Models

Sub-contractor acknowledges that the mathematical models, data files, design files and computer programmers, specified in Appendix 2 shall be delivered to the [REDACTED] [REDACTED]r specified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract, not later than:

- | | |
|------------|------------|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |

2.1.3 Hardware

Sub-contractor acknowledges that the hardware specified in Appendix 2 shall be delivered [REDACTED] specified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract, not later than [REDACTED]

2.1.4 Contract Closure Documentation

Sub-contractor acknowledges that the Contract Closure Documentation (Appendix 3, Annex A) shall be delivered in one (1) set of documentation each, to the [REDACTED] authorized representatives not later than the time of submitting the invoice(s) for the Final Settlement (see also Article 3.2.3).

ARTICLE 3 - PRICE & PAYMENT

3.1. Price

The price of this Contract amounts to: **230.582** [REDACTED]

Broken down per Phase and Contractor and Sub-contractors as follows:

| Company name | [REDACTED] | [REDACTED] | Country (ISO code) | Phase 1 | Phase 2 | Total amount | Currency |
|--------------|------------|------------|--------------------|------------|------------|--------------|----------|
| VZLU | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | Euro |

3.1.1 The type of price is the following:

A Firm Fixed Price as defined in [REDACTED]

3.1.2 The above amount does not include any taxes or duties in the Member States [REDACTED]

3.1.3 The price is deemed to include all applicable fees for licenses to be purchased and delivered in the frame of the Contract, indicating [REDACTED] as the end user. The price is further deemed to include any and all license fees payable according to [REDACTED].

3.1.4 The price is Delivered Duty Paid for all deliverables, exclusive of import duties and VAT in accordance with the INCOTERMS 2010, to the addressee(s) specified in Article 5, Clause 5, Sub-Clause 5.1 a) of the Contract. Reference to INCOTERMS in this provision is exclusively for the purpose of price definition.

3.2. Payment

Sub-contractor acknowledges [REDACTED] payment terms set out in section 3.2. These payment terms will be used for payment of invoices, which will be exhibited Prime Contractor. Prime contractor is committed while the invoice immediately, as soon as all conditions are met [REDACTED]

The Payment Plan and other financial conditions applicable to this Contract are specified in Appendix 1 hereto.

Payments shall be made according to the provisions hereunder.

The advance payment constitutes a debt of the Sub-contractor to the Prime contractor until it has been set-off against subsequent milestones as shown in Appendix 1 hereto. The advance payment shall nominally be set-off against the 1st progress payment and the remaining amount, if any, against the next following milestone(s).

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

3.2.1 Advance Payment:

- Advance Payment Request (APR): to be submitted after signature of this Contract by both Parties.¹
- Advance Payment Request (APR): to be submitted after receipt of the Prime contractor's written Authorization to Proceed with a Phase.

3.2.2 Progress Payment:²

- Milestone Achievement Confirmation (MAC) hereinafter referred to as "confirmation" with supporting documentation, attached in [REDACTED]. The supporting documentation shall justify the actual achievement of the milestone(s) as defined in the Payment Plan specified in Appendix 1 hereto.

and

- Invoice(s);

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3.2.3 Final Settlement:

- Confirmation, with supporting documentation attached in [REDACTED]. The supporting documentation shall justify the actual achievement of the milestones as defined on the Payment Plan Specified in Appendix 1 hereto.

and

- Invoice(s);

and

- Receipt and/or acceptance, by the [REDACTED] and Prime contractor, of all deliverable items, of the services to be rendered and other obligations to be fulfilled, in accordance with the terms of this Contract;
- The Contract Closure Documentation using the template provided in Appendix 3, Annex A.

In case of non-authorization [REDACTED] at the end of a Phase, of the subsequent Phase, the last payment milestone of the last authorized Phase shall be deemed to constitute the Final Settlement of the Contract and all conditions associated to the Final Settlement shall be fulfilled for payment of such milestone.

3.2.4 The Sub-Contractor, furthermore, undertakes to provide further supporting documentation as required by the Contract, e.g. Summary Cost Reports etc., with the electronic invoices and confirmations in support of the claims

3.2.5 [REDACTED] shall credit the account of the Contractor to the Contractor's benefit and to the benefit of the Contractor's Sub-contractors. The Contractor shall be responsible for paying the accounts of its Sub-contractors, for this Contract, within [REDACTED] working days. The Contractor shall indemnify [REDACTED] against any claims arising from such Sub-contractors, caused by the Contractor's failure to pay the Sub-contractors. The Contractor shall supply to [REDACTED], upon request, evidence of payments made to its Sub-contractors.

[REDACTED] and Prime contractor reserves the right to visit the Sub-contractors' premises and ascertain the progress of the work being performed under the Contract, prior to making the progress payment concerned.

The Prime Contractor shall approve the Sub-contractors' invoices within [REDACTED] calendar days from their receipt/submission to [REDACTED] and achievement of the relevant milestone - whichever the latter.

The Prime Contractor shall, upon request at any time by [REDACTED], submit the payment conditions / provisions of individual Sub-Contracts to [REDACTED] for approval (if requested before the Sub-Contract is placed) or verification.

3.2.6 If applicable, invoices shall separately show all due taxes or duties.

3.2.7 In the event that the achievement of a milestone is delayed but the milestone is partially met at the milestone planning date foreseen, the Prime contractor 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.

3.2.8

a) The Prime Contractor shall ensure that all invoices and confirmations, including those of its Sub-contractors if applicable, are submitted for payment exclusively through the [REDACTED] system. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

b)

(i) Should the Prime Contractor find the [REDACTED] [REDACTED] system technically inoperative at the moment of submission of the invoices, the Prime Contractor may submit invoices in paper format in [REDACTED] [REDACTED]

[REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]

(ii) In cases where the [REDACTED] system is inoperative at the moment of submission of the confirmation, the Prime Contractor may submit the confirmation in paper format in three (3) copies [REDACTED]

[REDACTED]
[REDACTED]

c) The Prime Contractor undertakes to submit as well as require its Sub-contractor(s) - in case of direct payments by [REDACTED] - to submit, complete invoices and confirmations, and to strictly adhere to the instructions (including those for billing taxes and duties, where applicable) contained in [REDACTED] In the case of invoices submitted by the Prime

Contractor which are free of VAT, reference shall be made to the serial number indicated on the VAT Exemption Form which [REDACTED] provided to the Prime Contractor when forwarding two (2) originals of the present Contract for signature. On invoices submitted via [REDACTED], the number shall be put in the respective field 'VAT Exemption Serial Nr.'

3.2.9 Payments shall be made by [REDACTED] in EURO to the account specified by the Prime Contractor. Such account information shall clearly indicate the IBAN (International Bank Account Number) and BIC/SWIFT (Bank Identification Code). The Parties agree that payments shall be considered as effected by [REDACTED] on time if the [REDACTED] orders of payment reach the [REDACTED] bank within the payment period stipulated in Article 3.2 above.

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

3.2.11 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

ARTICLE 4 - ITEMS PRODUCED OR PURCHASED UNDER THE CONTRACT - FIXED ASSETS

4.1. Sub-contractor acknowledges [REDACTED] conditions set out in Chapter 4. The following provisions apply to any items other than those items which fall within the scope of Article 2 of the Contract.

4.2. The title to the property of any items produced under the Contract, including electronic components, special jigs, tools, test equipment, and which are paid for under the Contract, with an individual or batch value in the national currency equivalent to, or above 5,000 Euro, shall pass to the Prime Contractor unless otherwise decided by the Prime Contractor.

In view of the above, all such items are to be delivered to the Prime Contractor at the end of the Contract. They may also be delivered at an earlier stage if so requested by the [REDACTED] where this will not cause a problem to the Contractor in completing the work specified in the Contract.

4.3. The Sub-contractor shall maintain an inventory of all such items (called "Contract Inventory") and shall mark those items as falling under this Article of the Contract. The inventory shall be updated and made available to the [REDACTED] during the execution of the Contract. A final issue of that inventory shall be submitted with the final contractual deliverables as foreseen in Appendix 3, Annex A, Table 2.1.2.

If that inventory also includes any of those items which fall within the scope of Article 2 of the Contract, these items are to be clearly set apart.

4.4. Upon completion of the work specified in the Contract, the [REDACTED] shall take decisions regarding the final destination and the final owner of each of the items listed in the Contract Inventory, apart from those which are governed by the provisions of Article 2. The [REDACTED] shall be free to choose amongst the following options with respect to final destination and final owner:

- a) the right to claim delivery to the [REDACTED] and transfer of ownership - with issue of appropriate instructions concerning packing and shipment (at the Sub-contractor's expenses),
- b) the right to claim transfer of ownership and to negotiate with the Sub-Contractor a loan agreement if the Sub-Contractor is interested in keeping and using an item that the [REDACTED] and/or Prime contractor wants to acquire without delay, with loan conditions making the Sub-Contractor responsible for the custody, the delayed delivery and the risks involved (at the Sub-contractor's expenses),
- c) the right to extend the custody of an item to the Sub-Contractor (for instance: as a protection measure for further work contracted by the [REDACTED] and/or Prime contractor) and to postpone its delivery to the and/or Prime contractor and the associated transfer of ownership - on conditions to be negotiated,
- d) the renunciation of any rights to claim delivery and to claim transfer of ownership, leaving definitively the item in the possession and in the ownership of the Sub-contractor, with or \ without financial compensation for the [REDACTED] and/or Prime contractor (e.g. repurchase by the Sub-contractor) and with or without special instruction,

e) the right to request the Sub-contractor to dispose of an item on conditions to be negotiated. The decisions taken by the [REDACTED] and/or Prime Contractor shall lead to instructions or negotiations, as the case may be.

4.5. The Sub-contractor shall comply with the [REDACTED] and/or Prime contractor 's instructions and with the agreements referred to in Article 4.4 above.

4.6. This process will be recorded as per the relevant part of the Contract Closure Documentation.

ARTICLE 5 - COMPLEMENTS AND AMENDMENTS TO [REDACTED]

The General Clauses and Conditions for [REDACTED] Contracts, ref. [REDACTED] apply to this Contract with the following complements and amendments:

PART I: CONDITIONS APPLICABLE TO [REDACTED] CONTRACTS CLAUSE 2: APPROVAL AND ENTRY INTO FORCE

Subcontractor acknowledges that for the purpose of Contract between [REDACTED] a Prime contractor the authorized representative of the Director General is:

[REDACTED]

[REDACTED]

CLAUSE 5: THE PARTIES' REPRESENTATIVES

Sub-Clause 5.1:

The Prime contractor's Representatives are:

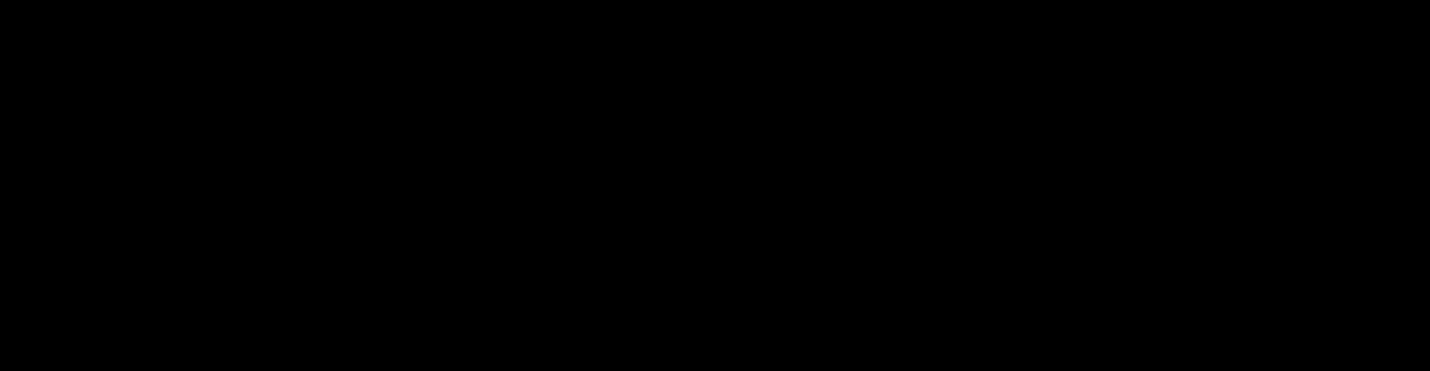
- a) [REDACTED] for technical matters or a person duly authorized by him ("Technical Officer").

All correspondence for technical matters will be addressed as follows:


[REDACTED]

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

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




Sub-Clause 5.2: The Sub-contractor's Representatives are:

- a)  for technical matters or a person duly authorized by him (“Technical Officer”).

All correspondence for technical matters will be addressed to:



- b)  for contractual and administrative matters or a person duly authorized by him. (“Contract Officer”).

All correspondence for contractual and administrative matters will be addressed to:



CLAUSE 9: KEY PERSONNEL OF CONSORTIUM

The Contractor's key personnel is listed as follows:

[Redacted list of key personnel]

Výzkumný a zkušební letecký ústav, a.s.:

[Redacted list of personnel for Výzkumný a zkušební letecký ústav, a.s.]

CLAUSE 10: SUB-CONTRACTS

Part of the work is to be sub-contracted to the Sub-contractors listed in Article 3.1 above.

CLAUSE 11: CUSTOMER FURNISHED ITEMS (CFI)

It is not foreseen that the [Redacted] will provide any items in accordance with [Redacted] to the Sub-contractor.

CLAUSE 12: ITEMS MADE AVAILABLE BY THE [Redacted]

It is not foreseen that the [Redacted] will make any items available to the Sub-contractor in accordance with [Redacted]

CLAUSE 13: CHANGES

The template of a Contract Change Notice (CCN) is attached hereto as Appendix 4.

CLAUSE 15: HANDLING, PACKING AND TRANSPORT, TRANSFER OF OWNERSHIP AND RISK

Sub-contractor acknowledges that the following provision is added as Sub-[Redacted]

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.

CLAUSE 17: PENALTIES/INCENTIVES

Sub-contractor acknowledges that the penalties, as provided for in [Redacted] apply to the following deliverable items, and shall be calculated based on the penalized value as follows:

The following provisions are added:

CLAUSE 36: GENERAL

The following provision is added to [REDACTED]

The term "documentation" as defined in [REDACTED] 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 [REDACTED]

The electronic files containing these items shall be delivered to the [REDACTED] in the format agreed with the [REDACTED]

CLAUSE 37: INFORMATION TO BE PROVIDED

Sub-contractor acknowledges that the following provision is added to [REDACTED]

The Sub-contractor shall not mark any documents as "Proprietary Information" unless agreed in advance with the [REDACTED]. Any request from the Sub-contractor shall be submitted accompanied by an appropriate justification.

The following provisions are added to [REDACTED]

- a) The [REDACTED] shall have the right to disclose, at any time including throughout the duration of this Contract, any information generated in the frame of this Contract, to any [REDACTED] Contractor or Sub-Contractor performing work for the [REDACTED] Own Requirements.

Exceptions from this are as detailed in Clause 43 paragraph c) here below. Such documents which are not subject to the [REDACTED] disclosure rights, will be marked "Proprietary Information" by the Sub-Contractor and will not be disseminated outside of the [REDACTED] without the Sub-Contractor's prior written consent.

- b) If approved by the Member/Participating States, the [REDACTED] right of dissemination detailed under a) here above, is also extended to non-Member States and to individuals, companies, bodies or organizations, residing in non-Member States, collaborating or participating in official activities or programmes of the [REDACTED] provided that the information concerned is exclusively used for the purpose of the [REDACTED] mission.

CLAUSE 38: DISCLOSURE

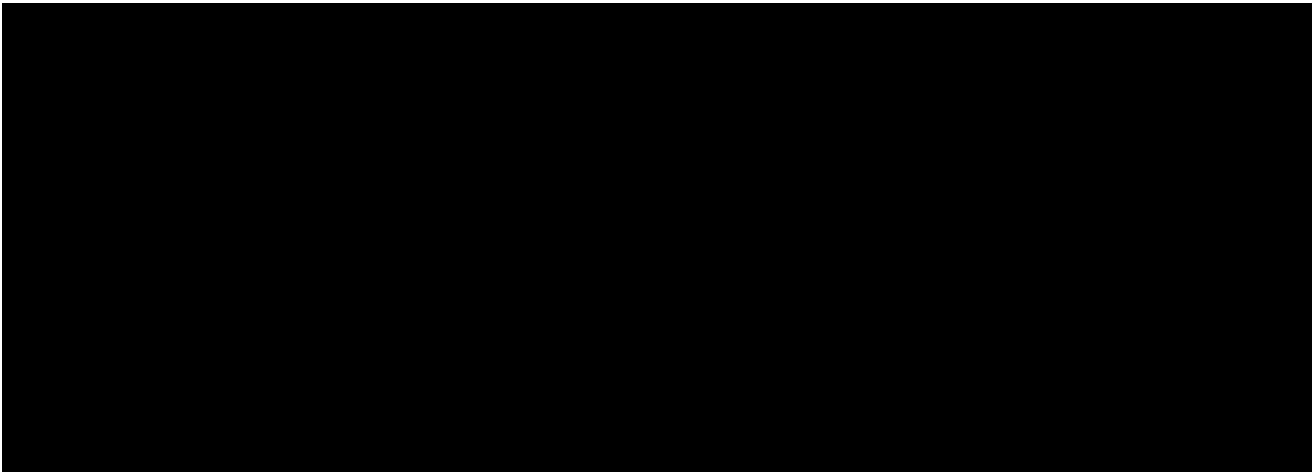
Sub-contractor acknowledges that the following provisions are added to [REDACTED]

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

CLAUSE 43: BACKGROUND INTELLECTUAL PROPERTY RIGHTS

Sub-contractor acknowledges that in pursuance of the requirements of [REDACTED] the following is recorded:

- a) [REDACTED] and Prime contractor, on the basis of evidence provided by the Sub-Contractor, recognizes the following information to be provided by the Sub-contractor as Background Intellectual Property:



- b) The Sub-contractor shall include the Background Intellectual Property exclusively in the following deliverables [REDACTED] and shall mark them conspicuously as 'Background Intellectual Property - Proprietary Information'. [REDACTED]. All other deliverables shall not contain any Proprietary Background Information, shall not be marked 'Proprietary Information', and shall not fall under the protection [REDACTED].
- c) 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 Contractor shall provide conclusive evidence to the [REDACTED] and Prime Contractor 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, the Parties shall formalize a Contract Change Notice to specify in detail which Information has been recognized as Background Intellectual Property.

Conversely, if such evidence and justification are not provided, all information delivered shall be deemed as having been generated in the frame of the Contract.

[REDACTED]

[REDACTED]

CLAUSE 49: TRANSFER OUTSIDE THE MEMBER STATES

Sub-contractor acknowledges that the request for a transfer outside the Member States shall be addressed to the [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

CLAUSE 50: FINAL PROVISIONS

This contract was drawn up in accordance with the main contract signed between the Prime Contractor and [REDACTED]. All [REDACTED] requirements defined in this contract are to be regarded as superior to.

LIST OF ANNEXES:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Done in two originals, one for each Party to this Contract,

In: Praha

On: **23** -01- 2015

For the Výzkumný a zkušební letecký ústav, a.s.

~~Vice~~-chairman of the Board

Mr Václav Kučera

Vice-chairman of the Board

VÝZKUMNÝ A ZKUŠEBNÍ LETECKÝ ÚSTAV a.s.

(1)

Beranových 130

199 05 Praha - Letňany

IČO: 00919669, DIČ: CZ00010669