

Contract [REDACTED]

regarding development, qualification and industrialization of structural Components [REDACTED]
[REDACTED]

between

[REDACTED]
[REDACTED]

and

VÝZKUMNÝ A ZKUŠEBNÍ LETECKÝ ÚSTAV, a.s., having its registered seat at Beranových 130, 199 05 Praha – Letňany, Czech Republic, hereinafter referred to as **"VZLU"** or **"the Contractor"**;

VZLU and [REDACTED] may be individually referred to as **"Party"** and both referred to as the **"Parties"**

PREAMBLE

Whereas, the [REDACTED] [REDACTED] or [REDACTED] placed a prime Contract (**"the Prime Contract"**) to [REDACTED] [REDACTED] for the development of the [REDACTED] [REDACTED] [REDACTED];

Whereas, [REDACTED] meanwhile placed a [REDACTED] Development Contract [REDACTED] (**"Development Contract"**) for the [REDACTED] [REDACTED] [REDACTED];

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED];

Whereas, [REDACTED] shall develop, industrialize and deliver under a separate subcontract [REDACTED] [REDACTED];

Whereas, VZLU shall develop and manufacture the testing tools and equipment as well as perform the testing [REDACTED] [REDACTED], deliver the necessary documentation and provide support to [REDACTED] and [REDACTED].

In consideration of the above, [REDACTED] wishes to contract work packages from the Development Contract to VZLU.

Now, therefore the Parties agree as follows:

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[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

PART 1:

CHAPTER 1: SPECIFIC PROVISIONS

1. Definitions and Acronyms

In addition to the definitions provided here above [REDACTED] (as defined hereunder), the terms used with initial capitals or acronyms shall have the following meaning:

“Acceptance”: means the Customer’s written certification that Deliverable(s), Delivery Items and Work meet the Requirements of this Contract’s SOW as per “Article Acceptance and Rejection”.

[REDACTED]

[REDACTED] or **“Prime Contractor”**: [REDACTED]

“Approval”: means the Customer’s concurrence that based on the situation prevailing on the date of Approval, the Contractor has satisfactorily interpreted the Requirements of this Contract. Approval shall neither constitute an incremental Acceptance nor a release of the Contractor’s responsibilities before Acceptance. Approval also constitutes the agreement of the Customer to use such documentation and data as inputs for its activities as Launcher System design authority.

“CCN”: means Contract Change Notice based on the template of Appendix 9.

“Customer”: means [REDACTED].

“Deliverables”: means the items, goods, products, documentation and services (if any) to be rendered by the Contractor as per the Contract and stated in the SOW and the Specifications.

“Deliverables Items List” (DIL): means the list of Deliverable items as specified in the SOW.

“Development Contract”: means the [REDACTED] [REDACTED] Contract amended [REDACTED]
[REDACTED]

“ERKP”: means Exploitation Readiness Key Point

“Exploitation Phase”: means the programme phase [REDACTED]

[REDACTED]

“Launcher System”: means the [REDACTED] launcher system.

[REDACTED]

[REDACTED]

“Management Plan”: means the management plan of the Contractor answering to the Management and Quality Specifications agreed to and signed by the Customer.

“Milestone”: means the milestones as defined in the Milestone Payment Plan (MPP) and the SOW.

“MPP”: means the Milestone Payment Plan described in Appendix 2.

“Prime Contract”: means the main contract entered into between [REDACTED] and [REDACTED] for the development of the [REDACTED].

“Programme”: means [REDACTED] development and exploitation programme.

“SOW”: means the Scope of Work applicable and attached to this Contract as Appendix 3.

“Contract”: means this Contract between VZLU and [REDACTED] for work packages regarding testing [REDACTED]

“Contractor”: means VZLU.

“Subcontractor” means the economic operator who is under contract to the Contractor undertaking research and development work on the basis of functional requirements specifications defined by the Contractor

“Supplier”: means an economic operator who is under contract to the Contractor who works on the basis of a manufacturing file and build according plan or receives an order for drawing or computing design solutions defined by the Customer.

“Work”: means all the activities paid under this Contract to be performed by the Contractor necessary for the successful accomplishment of the objectives described in this Contract’s SOW including but not limited to:

- The delivery of the Deliverables referred to in the SOW,
- The modification, manufacturing and/ or erection of all necessary other items as related jigs, tools and means including all manufacturing -test and/or storage facilities
- All of its necessary services and activities to meet such objectives referred to in the SOW.

“Working Day”: means a Day which is not a Saturday, Sunday or an official public holiday in [REDACTED] with respect to the Customer’s obligation nor in Czech Republic with respect to the Contractor’s obligations.

2. Purpose and Scope of the Contract

2.1. The work, services and support to be provided by the Contractor according to the SOW shall ensure the successful development, manufacture and delivery of flightworthy Deliverables for [REDACTED] and finally demonstrate the full flightworthiness of the Deliverables by [REDACTED] under a separate subcontract.

The Contractor is as well committed to perform the maintenance activities on the [REDACTED] Items as specified herein.

2.2. The Work shall be performed in accordance with the specific articles of this Contract and the following documents which, including the appendices and document called out therein are listed in their order of precedence, in case of conflict or for the sake of interpretation, and constitute the “Contractual Baseline”:

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

3. Contractor's and Customer's Responsibilities

3.1. General

- 3.1.1. The Contractor shall be responsible to perform the Work and provide the services in compliance with this Contract at the agreed dates and prices and in compliance with the applicable laws, regulations, norms and directives
- 3.1.2. The Contractor shall be responsible for approaching the Customer in due time to collect the information that could not be provided to it at the time of signature of this Contract and necessary for their implementation of this Contract. The Contractor and the Customer undertake to provide any available information at any time which may be deemed necessary for the performance of the Contract and / or the use of the Work either at its own initiative or upon request of the other Party. The Contractor has the right to stop the performance under the Contract until necessary information will be provided by the Customer. In case this stop has direct effect on the delivery dates, the Parties will start negotiations with the goal to mitigate these delays. In case of a possible delay caused by the Customer, Article 3.2. shall apply accordingly.
- 3.1.3. The Contractor shall at all time during the performance of this Contract ensure that risks are managed in such a way as to control the Work and Deliverables' (Documentation) inherent technical and financial constraints. In particular, the Contractor shall give complete and regular information to the Customer with respect to the identification of potential or actual risks that may impact the performance of the Contract as per the Management and Quality Specifications.
- 3.1.4. The Contractor warrants that the Work shall be performed in a skilful and workmanlike manner and shall conform with this Contract and high professional standards applicable to the space industry, and in particular for the design activities to be performed by the Contractor.
- 3.1.5. The Contractor will provide quarterly a statement of the project completion to the Customer. This statement shall include the project fulfilment percentage, split into major elements, such as Machines, Toolings, Testing and Engineering.

3.2. Customer's Responsibilities

The Contractor shall inform the Customer immediately in writing in case a delay in the performance of the Customer's responsibility or obligation will have a significant impact on the schedule of the Contractor. In that case the Parties shall meet as soon as possible in good faith in order to discuss the impacts and to find appropriate solutions to mitigate the situation. Such mitigation might be an adjustment of the Contractor's schedule, if no other measures can be found to keep it, as the Parties acknowledge that the schedule is of the essence for this project. To the extent a delay is caused by the Customer, penalty regulations and related penalized milestone(s) will apply commensurately to the Customer's delay.

3.3. [REDACTED] Early Warning

Each Party shall forthwith inform the other in writing (telex or mail) of any event coming to its notice which can significantly affect the performance of the Contract within the time limits set forth in the Management and Quality Specifications.

Within fifteen (15) working days or the time period agreed between the Parties of its coming to his notice the Contractor shall furthermore analyse the impact of any such occurrence and propose corrective actions. Such obligation does not relieve the Contractor in any way whatsoever from providing the Customer with visibility as regards the analysis of the impact of such event and the resulting risk reduction action plan and to diligently respond to any of the Customer's request. The Contractor shall be responsible in accordance with this Contract for all direct consequences of its late warning.

- 3.4. The Contractor shall at all time during the performance of the Contract ensure that risks are managed in such a way as to control the Work and Deliverables' inherent technical and financial constraints. In particular the Contractor shall give complete and regular information to the Customer with respect to the identification of potential or actual risks that may impact the performance of this Contract.
- 3.5. The Contractor warrants that the Work will be performed in a skilful and workmanlike manner and shall conform with this Contract and high professional standards applicable to the space industry and the [REDACTED] Programme.

Each Party undertakes to promptly and duly execute and deliver to the other Party such documents and take such actions as the other Party needs for the execution of the work and if the other Party reasonably requests in order to effectively carry out the intent and purpose of the Contract.

- 3.6. The Contractor shall inform the Customer immediately in writing in case a delay in the performance of the Contractor's responsibility or obligation will have an impact on the schedule of the Contractor. This information duty will not affect the obligation to comply with the agreed dates. The Contractor shall be responsible in accordance with this Contract for all consequences of its late warning.

4. Prices

- 4.1. The total price of the Contract is separated into three parts:

a) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] financial Matters. The Parties assume that the total price will not be lower than [REDACTED] Euro excl. VAT.

- 4.2. 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 a possible end-user. The price is further deemed to include any and all license fees payable according to Clause 43.4.

5. Payments

- 5.1. General

5.1.1. The payments will be affected according to the Milestone Payment Plan contained in Appendix 2. Milestone payments become due upon achievement of the defined payment Milestone in accordance with the Contract and the SOW.

5.1.2. In the event that a Milestone is not achieved or partially not achieved due to the default of the Contractor, the Customer may withhold any progress or final payments in full or part in such an amount for the part and for such time as the Milestone is not achieved. Such withholding of payment shall not give rise to any claim from the Contractor concerning financial losses due to such withholding.

5.1.3. Except if otherwise stated in the individual MPP or agreed on a case by case basis, the final milestone payment may not be invoiced unless all milestones occurring earlier have been achieved

5.1.4. Final Settlement under the Contract shall be made subject to the

- Acceptance of all of the Work, of the services to be rendered and the respective obligations to be fulfilled by the Contractor towards the Customer in accordance with the terms of this Contract; and
- Receipt of a duly established invoice as per Art. 5.2. and
- Signature by the Parties of the Contract Closure Documentation using the template provided in Appendix 6. Such Documentation shall include all CCNs, in order to financially close the Contract.

The Contractor shall be responsible for the timely payment of its Subcontractors and Suppliers in accordance with applicable laws and regulations and shall hold the Customer harmless from any claim from the latter's resulting from the Contractor's failure hereof.

5.2. Payment Procedure and Invoices

The Contractor shall establish its invoice in Euro and shall state the all information required by the applicable law or regulation applicable to the Contractor, as well as:

- The reference of the Contract and the Purchase Order number, if applicable
- The relevant Customer representatives
- The date of completion of the Milestone entitling payment
- Precise description of the Deliverables
- The Price of the Milestone
- Contractor's bank account reference

[REDACTED]

Payments will be made by the Customer from receipt of the duly established invoice, within 30 calendar days, to the accounts specified by the Contractor.

If the Customer does not comply with the contractual terms of payment for reasons not attributable to the Contractor, the Customer will be liable to pay interest as legally defined.

Any special charges related to the execution of payments shall be borne by the Contractor.

5.3. [REDACTED]'s Visibility on Subcontractor's Payments

The Contractor shall grant directly to [REDACTED] after signature of the Contract, full visibility on the respective Milestone Payment Plan as defined in Appendix 2. Furthermore, the Customer is allowed to provide directly [REDACTED] with quarterly reports on deviations (if any) and associated justifications concerning the payments of the Contractor.

In case the Contractor awards work packages to Subcontractors, the Contractor shall directly grant to [REDACTED] [REDACTED] within 2 months after the signature of each Subcontract, full visibility on the payment plan as per the Article below. In addition, the Contractor will provide directly [REDACTED] with quarterly reports on deviations (if any) and associated justifications concerning payments to Subcontractors.

In case payments by the Contractor to their Subcontractors are not released in accordance with the Subcontracts, and the Contractor does not provide a proper justification, [REDACTED] may require corrective action that cannot be refused by the Contractor. The above mentioned quarterly reporting will be provided directly by the Subcontractor to [REDACTED]

The Customer will forward to [REDACTED] within two months after signature of this Contract and rider when relevant, the following elements:



- Name of the Subcontractor
- [REDACTED] Vendor code, or if not available (i) European VAT number or national registration number (ii) if the entity is to be considered as SME (as per EU definition) and (iii) contact person & coordinates for verification data
- Description of the type of activity performed by the Subcontractor in view of assessing of weighting factors as per [REDACTED] charts of accounts (e.g. propellant, MGSE)
- Amounts contracted, currency and price type (Firm Fixed Price, Fixed Price with Variation, Cost Reimbursement)
- Type of contract (one-to-one, multi-party, call off)
- Date of Subcontract
- Subcontract Payment Plan

The Contractor will flow down this obligation to their Subcontractors and request them to flow down it down to their own Subcontractors throughout the supply chain.

- 5.4. The Contractor shall indemnify [REDACTED] and the customer against any claims arising from such Subcontract(s), caused by the Contractor's failure to pay the Contractor(s), provided such failure results from the sole fault of the Contractor. In case of such a claim, [REDACTED] shall forthwith consult the Contractor through the Customer before proceeding with the payment. In such a case, the Contractor shall supply to [REDACTED] through the Customer, upon request, evidence of payment made by the Contractor to the concerned Subcontractor(s) or lower level Subcontractors.
- 5.5. As part of audit rights set forth in Article 7.4., [REDACTED] reserves the right to audit the compliance of the Contractor with its obligations under Article 5.3. as regards the release of payments and the flow down of these obligations to Subcontractors. This audit right shall be downflowed in Subcontracts within the contractual chain.
- 5.6. In case of delay in concluding a Subcontract where the Subcontractor is not at the origin of such delay and if the Contractor agrees on the urgency in initiating the activities, then the concerned Subcontractor shall have a right to a Preliminary Authorisation to Proceed with associated payments provided [REDACTED] grants the Customer with appropriate contractual and financial coverage.
- 5.7. [REDACTED] provide its Subcontractors with the following e-mail address: [REDACTED], so as to give them the possibility to contact [REDACTED] on payment issues.

6. [REDACTED] Items

- 6.1. [REDACTED] Items listed in Appendix 4 List of [REDACTED] Items are items developed under other contracts than the present Contract, the ownership of which has been or is to be transferred to [REDACTED] and which are made available by [REDACTED] to the Contractor or to any of its Subcontractors in accordance with the provisions of the present Article 6 for use, accommodation and / or integration for the purpose of Work.
- 6.2. It is understood that the Contractor will not use any [REDACTED] Items under this Contract.

7. Access to work in progress and data -- Maturity Gates

- 7.1. The Customer will assess the timely and technical performance of this Contract. Hardware, data and documentation generated hereunder by the Contractor are subject to examination, evaluation and inspection by the Customer and/or [REDACTED] as per the provisions of this Article and the SOW.
- 7.2. The Contractor shall, for the purpose of this Contract, grant to the representative of the Customer and its Customers and /or [REDACTED] (including its authorized agents and representatives) full visibility over the performance of this Contract.
- 7.3. Upon the Customer's request, the Contractor or its Subcontractors or Suppliers shall make available to the Customer's representatives and those of the Customer's Customer and of [REDACTED] available any

technical data and / or documentation required for the performance of this Contract. The Contractor shall not oppose the confidentiality of such data to prohibit the Customer's access to such data and/or documentation.

- 7.4. At any time, the Customer or its Customers or [REDACTED] or his duly designated representatives, may conduct audits at the premises of the Contractor, to assess the progress and the schedule status of the Work as per the SOW. To this effect, the Contractor shall give the Customer and its Customers or [REDACTED] duly designated representatives, all reasonable assistance in this respect. The Contractor shall inform the Customer of any [REDACTED] request for audits with at least five (5) working days' notice.
- 7.5. The Contractor shall provide [REDACTED] with full audit rights, including internal costs, broken down per Subcontractor and country, in order for [REDACTED] to have the capacity to monitor and control the implementation of the development activities, and perform independent assessment (excluding Contractor's internal costs for information) to the Customer. To that end, [REDACTED] shall be granted the right to access to industrial premises and to all documentation produced in the execution of the Contract, which shall be provided to [REDACTED] upon its request with at least five (5) working days' notice, in accordance with applicable export control and security restrictions.
- 7.6. The Contractor is aware of the obligation of the Customer towards its Customer to secure the access rights granted above and hereby declares their written consent that this Contract will be made available to [REDACTED] and the Customer's Customer.
- 7.7. The Contractor undertakes in each of its subcontracts, to secure the rights provided to the Customer and to [REDACTED] in this Article 7. At the time of signature of this Contract, the parties agree that no subcontracting is foreseen by the Contractor. However, in the event a subcontract will be concluded by the Contractor during the term of this Contract, the above obligation shall apply.
- 7.8. The Contractor shall make available to [REDACTED] the contracts at Subcontractors and lower tier levels (work orders and related frame contracts) concluded by the Contractor for the performance of the Contract, at Contractor or Subcontractors' premises as soon as signed and at [REDACTED] in 1 (one) paper copy within 2 (two) months after their signatures. [REDACTED] shall not provide such copies to any third party. Signed contracts shall be sent by the Contractor to [REDACTED] at the following address:

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

The Customer shall be provided by the Contractor with a copy of the cover letter (without the signed subcontracts annexed to it).

- 7.9. Reporting on subcontracts
- 7.9.1. The Contractor shall report to [REDACTED] on up to date signed subcontracts for geo return purposes to [REDACTED]. Such report shall include at least the following information:
- Name of Subcontractor
 - [REDACTED] Vendor code of the Subcontractor
 - Description of the activity performed by the Subcontractor (e.g. item/element)
 - Type of the activity performed by the Subcontractor as per the following categorisation: [REDACTED]
[REDACTED]
 - Subcontract committed price, currency and price-type (Firm Fixed Price, Fixed Price with Variation, Cost Reimbursement)
 - Type of contract (one-to-one, multi-party, call-off, IWO)
 - Date of Subcontract
 - Contract action class (e.g. ATP, CTR, Rider, ...)

These reports shall be done to the Customer through an Excel file supplied by the Customer, according to the template supplied in Appendix 11. The Customer shall then supply this data to [REDACTED]. For the sake of clarity, it is understood between the Parties that the Prices of the Subcontractors are only provided for the purpose of reporting to [REDACTED] under this Contract.

- 7.9.2. The Contractor shall request from its direct Subcontractors the same elements as set forth in Article 7.9.1. related to their own subcontracts and request them to further flow down this request to their own Subcontractors throughout the industrial subcontracting chain.
- 7.9.3. Reporting made by each Subcontractor to its customer shall include both information directly available at that Subcontractor's level and reports obtained from lower level in the industrial subcontracting chain.
- 7.9.4. Reporting shall be performed by the Contractor and its Subcontractor every 3 months except in absence of any new element to report compared to the previous report. In that case, no report is requested.
- 7.9.5. In case of persistent difficulty for the Subcontractors to get the requested information from their lower levels subcontractors, the Contractor shall inform the Customer as soon as such persistent difficulty comes to its knowledge.
- 7.9.6. Reporting requirements shall only apply to Subcontracts fulfilling criteria that will be agreed between the [REDACTED] and the Customer, in consultation with the Contractor. Such criteria aim at achieving both required transparency and efficiency in reporting; combining for instance the technological content and nature of [REDACTED] activities, the total price of the subcontract and the geographical return targets applicable to the subcontractor country. Once agreed such criteria shall be reflected in the Contractor's IPP.
- 7.9.7. The Contractor shall also provide as part of last updated Industrial Procurement Plan of each year, the Customer with updated forecast at country level with respect to agreed geographical return targets and highlight possible issues on that respect.

8. Items used, produced and / or purchased under the Contract

- 8.1. The title of property of any Fixed Asset shall pass to [REDACTED] as per Article Acceptance and Rejection and shall be used in accordance with the regulations stated below, without prejudice to the IPR Regulations, which prevails as regards ownership of intellectual property rights generated under this Contract.
- 8.2. A Fixed Asset is defined in accordance with [REDACTED] and [REDACTED] as (cumulative condition):
- i) a tangible item procured or produced under the Contract, including space segments, electronic components, special jigs, tools, test equipment, and which is paid under this Contract; and an intangible item which is any identifiable non-monetary asset without physical substance, separable from the entity (capable of being separated and sold, transferred, licensed, rented, or exchanged, either individually or as part of a package) which arises from binding arrangements (including rights from contractors or other legal rights), regardless of whether those rights are transferable or separable from the entity or other rights and obligations, procured or produced and which is paid for under the Contract; for the avoidance of doubt any tangible or intangible item financed by the Contractor itself shall not be considered as Fixed Assets;
 - ii) which is held for use during more than one (1) year,
 - iii) with an individual or [REDACTED] value (cost or fair) in the national currency which can be measured reliably to or above [REDACTED] and
 - iv) which is controlled by [REDACTED] implying that
 - a. for what concerns tangible assets one of the following conditions is fulfilled:
 - i. [REDACTED] assumes all risks and benefits of the item concerned;
 - b. [REDACTED] is solely entitled to decide over the use, the custody and the maintenance of the item; or
 - i. Gains or losses from fluctuation of the fair value (according to IFRS) or production capacity (according to IFRS) of the items are assumed by [REDACTED]
 - c. for what concerns intangible assets all of the following conditions are fulfilled:
 - i. [REDACTED] has the power to obtain the future economic benefits or service potential flowing from the underlying resources; and
 - ii. to restrict the access to others to those benefits or that that service potential.

- 8.3. Components can constitute together a Fixed Asset. Such components can have different life-time duration and sometimes different uses. Each of the individual components, constituting together a Fixed Asset, has to be given a value and must be individually considered as an "Fixed Sub-Asset" if it corresponds to the definitions quoted above. Any commercial off-the-shelf intangible item incorporated in a tangible or intangible item, which is considered as a Fixed Asset according to the definition above, must be considered as a Fixed Sub-Asset. The value of a Fixed Asset is made of the sum of all its Fixed Sub-Asset.
- 8.4. Spare parts are not considered as Fixed Assets. However, major spare parts must be recorded as parts of Fixed Assets and be given a value if, for each of them, the following conditions are cumulatively fulfilled:
- They are expected to be used over more than one (1) year;
 - They are dedicated to a specific asset (not interchangeable) or they are compulsory to ensure the security of the users of the linked item (the expected useful life of the spare part has to be defined and cannot be longer than the linked item); and
 - Their cost or fair value (according to IFRS) exceeds the threshold of [REDACTED]
- 8.5. The Contractor commits to provide [REDACTED] through the Customer, every year, in time as specified in the Milestone Payment Plan, with an Inventory listing Fixed Assets which shall be valued and shall include all Fixed Assets, Fixed Sub-Assets and major spare parts (the "Inventory"). The Inventory must reflect the exact status of the patrimony of [REDACTED] held and used in the premises of the Contractor. The Contractor shall specifically mark those items as falling under this Article.
- 8.6. The Contractor shall update the value of Fixed Assets when the Work is performed on Fixed Assets for their extraordinary maintenance and the value of these Fixed Assets is therefore modified; (i.e. a Fixed Sub-Asset or a major spare part of the Fixed Asset is replaced or added and modifies consequently the value of the Fixed Asset).
- 8.7. The Contractor shall fill the fields as required in the document attached in Appendix 7 (Requirements for the Management of [REDACTED] Owned Fixed Assets) for the registration of the Fixed Assets created within this Contract and provide the information through electronic means.
- 8.8. [REDACTED] will take decisions regarding the final destination of the Fixed Asset(s) transmitted as final output of the Contract in conformance with the [REDACTED] exploitation conditions, which will be reflected in the Contract Closure Documentation of Appendix 6.
- 8.9. The Contractor shall flow-down the provisions of this Article to those Subcontractors who will have to purchase Fixed Assets and shall then perform a review of the Inventories provided by its Subcontractors in order to check their completeness and consistency with the Contract and its list of Deliverables.

9. Miscellaneous

- 9.1. Where one (or several) provisions of the Contract is or are found to be null or unenforceable by a court, all the other provisions of this Contract shall remain in effect, unless agreed otherwise by the Parties.
- 9.2. No waiver or non-implementation by the Contracting Party of any right granted hereunder shall be construed as a waiver of any right arising out of the Contract.
- 9.3. If one or more provisions of this Contract that is (are) not central to this Contract is (are) found to be null and void, the provision(s) shall be null and or be considered modified by the smallest possible extent needed to make it effective while respecting the Parties' intentions as much as possible. In such case, the rest of the Contract shall not be affected and shall remain fully in force.
- 9.4. This Contract is prepared in the English language and the English version shall prevail over any translations. Unless otherwise mutually agreed, the English language shall be used in all documents, reports, correspondence, drawings, and other writings and consultations between the Parties

CHAPTER 2: AMENDMENTS TO THE [REDACTED]

Unless modified by this Contract, the [REDACTED] shall apply to this Contract as resumed in the table below, except [REDACTED] Part II which is cancelled and replaced by Appendix 1 Intellectual Property Rights hereto.

The term "[REDACTED]" or "[REDACTED]" in the [REDACTED] shall be automatically deemed replaced by the "Customer" throughout the applicable [REDACTED] as resumed in the table below, except for the purpose of the following clauses where the term "[REDACTED]" or "[REDACTED]" shall remain:

- [REDACTED]
- Annex I to the [REDACTED]

In addition, the term "[REDACTED]" or "[REDACTED]" shall automatically be deemed replaced by "the Customer and / or [REDACTED]" for the purpose of Section 5 of Annex II to the [REDACTED]

In case of contradiction, Contract Chapter 1 shall prevail over Contract Chapter 2, which in turn prevails over the [REDACTED]

[REDACTED] CLAUSES ([REDACTED])	SUBCONTRACT APPLICABILITY
1. Applicability of Clauses and Conditions	Not Applicable
2. Approval And Entry Into Force	Replaced by Article 30
3. Languages	Applicable
4. Originals Of The Contracts	Applicable
5. Parties' Representatives	Replaced by Article 10
6. Publicity Relating to Contracts	Applicable as per Article 11
7. Transfer of Contract	Replaced by Article 12
8. General Conditions of Execution	Applicable as per Article 13
9. Key Personnel	Not Applicable
10. Subcontracts	Applicable as per Article 14
11. Customer Fumished Items	Applicable as per Article 15.1
12. Items Made Available By [REDACTED]	Applicable as per Article 15.2
13. Changes	Replaced by Article 16
14. Time Limits For The Provision Of Deliverables And Services	Applicable as per Article 17
15. Handling Packing And Transport, Transfer Of Ownership and Risk	Applicable as per Article 18
16. Acceptance and Rejection	Replaced by Article 19
17. Penalties / Incentives	Applicable as per Article 20
18. Liability For Damage To Staff And Goods	Replaced by Article 21
19. Liability For Consequential Damage During The Execution Of The Contract	Applicable
20. Liability After Acceptance	Not Applicable
21, 22 To 23 (Warranty Provisions)	Not Applicable
24. Disclosure And Use Of Classified Information By The Subcontractor	Applicable as per Article 24
25. Infringement Of The Law	Applicable as per Article 25
26. Infringement Of Third Party Rights	Applicable
27. Pricing	Applicable as per Article 4
28. Payments	Applicable as per Article 5
29. [REDACTED] Exemptions	Applicable as per Article 26
30. General Rule (Termination)	Applicable as per Article 27.1
31. Termination Without Fault Of The Subcontractor	Applicable as per Article 27.2
32. Termination With Fault Of The Subcontractor	Applicable as per Article 27.3

33. Termination In Special Cases	Applicable
34. Applicable Law	Applicable as per Article 28
35. Dispute Resolution	Replaced by Article 29
Part II	Applicable as per Appendix 1 Intellectual Property Rights
Annex I to IV	Applicable

10. Communications

10.1. All correspondence for [REDACTED] shall be addressed to

- a) For technical and programmatic matters, with copy to the Contract Manager:

Title: Deputy Program Manager [REDACTED]
Name: [REDACTED]
Phone: [REDACTED]
Fax:
Email: [REDACTED]

Title: Senior Test Engineer [REDACTED]
Name: [REDACTED]
Phone: [REDACTED]
Fax:
Email: [REDACTED]

- b) For contractual and administrative matters:

Title Contract Manager
Name: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

For Commercial matters

Title Senior Program Controller
Name: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]
Email [REDACTED]

10.2. All correspondence for VZLU shall be addressed to

- a) For technical and programmatic matters:

Title: Project Manager
Name: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]
Email [REDACTED]

Title: Head of Strength of Structures Department
Name: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

b) For contractual and administrative matters:

Title: Project Manager
Name: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

Title: Company Lawyer
Name: [REDACTED]
Phone: [REDACTED]
Fax: [REDACTED]
Email: p[REDACTED]

If, during the term of the Contract, a Representative should leave the company or, for other reasons, should no longer be in charge of the project, an equally qualified employee may, after due notification of the other Parties, will be appointed as successor.

11. Publicity

[REDACTED] shall apply and is completed by the following provisions:

"The content of any publicity material prepared by the Contractor under the Contract shall acknowledge the role of the Customer and the Customer's Customer and [REDACTED]"

12. Transfer of the Contract

The Contract is concluded on the basis of the Contractor's particular qualities (intuitu personae).

The Contractor shall not therefore assign or transfer all or part of its rights and obligations under this Contract to a third Party without the prior written consent of the Customer. The assignee shall undertake in writing to assume all of the rights and obligations undertaken by the Contractor under this Contract.

The Customer shall be informed as soon as possible of any proposed direct and /or indirect change in the share capital.

Where the Customer considers such a change is to the contrary of its industrial and /or commercial interest or has a detrimental effect on this Contract, the Parties shall meet in good faith to discuss about the situation as possible and the Customer may be entitled to terminate for convenience this Contract under the Conditions stated in Art. 28.2. (Termination without Fault of the Contractor or in Special Cases) being understood that [REDACTED] Sub-clause 31.3. shall apply in such circumstances.

The Contractor shall forthwith inform the Customer of:

- Any alert made by its accounting auditors or, its employees' representatives, or its shareholders or partners with respect to the Contractor's situation;
- Insolvency or bankruptcy filing.

13. General conditions of execution

- 13.1. [REDACTED] shall apply unless otherwise stated in the provisions of this Article with the term [REDACTED] replaced by „the Customer“.
- 13.2. Sub-clause 8.2. shall not apply and is replaced by Article “Access to work in progress and to data.”
- 13.3. Sub-clause 8.6. shall not apply and is replaced by the following:

“For the purpose of Article 7.1. to 7.1., the Contractor shall provide to [REDACTED] / Customer’s Representatives the needed office and communication facilities while [REDACTED] / Customer’s Representatives are present at the Contractor’s premises, subject to the company’s security and internal rules and the national security or similar restrictions. Except in case of urgency, the Customer representatives shall inform the Contractor in writing at least five (5) working days in advance of any intended visit to its premises and / or Subcontractors. In such latter case, a representative or representatives of the Customer shall be present.

The Contractor shall ensure the provision to the Customer’s or [REDACTED] nominated representatives of access badges to the Contractor’s sites of work, subject to the company’s security and internal rules and the national security or similar restrictions. The Contractor shall flow down such principles to its Subcontractors.

14. Subcontracts

- 14.1. Clause 10.2 is replaced by the following:
- “Subcontractors foreseen for the performance of activities under the Contract are those identified in the Appendix 2 Financial matters and those to be selected in application of [REDACTED] Best Practices and the Contractor’s Industrial Procurement Plan, if any.”.*
- 14.2. The following provisions are added to Clause 10:
- “10.5 The Contractor shall make available to [REDACTED] the Subcontracts with its Subcontractors at Contractor’s and / or Subcontractor’s premises as soon as signed and at [REDACTED] in 1 (one) paper copy within 2 (two) months after their signatures and inform [REDACTED] through the Customer on changes of Subcontractors. [REDACTED] shall not provide such copies to any third party. Signed Subcontracts shall be sent by the Contractor to [REDACTED] at the following address (tbd) and the Customer shall be provided by the Contractor with a copy of the cover letter (without the signed Subcontracts annexed to it).”*
- 14.3. Reporting on Subcontracts
- 14.3.1. The Contractor shall report, as per Article 14.3.4., on up to date signed Subcontracts for geo return purposes to [REDACTED]. Such report shall include at least the following information (through an Excel file to be supplied by [REDACTED])

- Name of Subcontractor
- [REDACTED] Vendor code of the Subcontractor
- Description of the activity performed by the Subcontractor (e.g. item/element)
- Type of the activity performed by the Subcontractor as per the following categorization:
[REDACTED]
- Subcontract committed price, currency and price-type (Firm Fixed Price, Fixed Price with Variation, Cost Reimbursement)
- Type of contract (one-to-one, multi-party, call-off, IWO)
- Date of Subcontract
- Contract action class (e.g. ATP; CTR; Rider, ...)

- 14.3.2. The Contractor shall request from its direct Subcontractors the same elements as set forth in Article 14.3.1. related to their own Subcontracts and request them to further flow down this request to their own Subcontractors throughout the industrial subcontracting chain.
- 14.3.3. Reporting made by each Subcontractor to its customer shall include both information directly available at that Subcontractor's level and reports obtained from lower level in the industrial subcontracting chain.
- 14.3.4. Reporting shall be performed by the Contractor and its Subcontractor every 3 months except in absence of any new element to report compared to the previous report. IN that case, no report is requested.
- 14.3.5. In case of persistent difficulty for the Subcontractors to get the requested information from their lower levels Subcontractors, the Contractor shall inform the customer as soon as such persistent difficulty comes to its knowledge.
- 14.3.6. Reporting requirements shall only apply to Subcontracts fulfilling criteria that will be agreed between the [REDACTED] and the Customer, in consultation with the Contractor. Such criteria aim at achieving both required transparency and efficiency in reporting; combining for instance the technological content and nature of [REDACTED] activities, the total price of the Subcontract and the geographical return targets applicable to the Subcontractor country. Once agreed such criteria shall be reflected in the Contractor's IPP.
- 14.3.7. The Contractor shall also provide as part of last updated Industrial Procurement Plan of each year, the customer with updated forecast at country level with respect to agreed geographical return targets and highlight possible issues on that report

15. Customer furnished items / Items made available

- 15.1. Clause 11 shall apply with following complements:

[REDACTED] Items shall not be considered as Customer Furnished Items.

Any element developed, or under development, under an [REDACTED] contract and that the Contractor decides to integrate in its Work shall not be a Customer Furnished Item under this Contract. The Contractor shall define in its development plan the intended process of demonstration that the product developed in a different contractual frame fulfils the Contract.

- 15.2. Clause 12 shall apply with following complements:

[REDACTED] Items shall not be considered as Items made available by [REDACTED] in the meaning of Clause 12.

Any element developed, or under development, under an [REDACTED] contract and that the Contractor decides to integrate in the Work shall not be an Item made available by [REDACTED] in the meaning of Clause 12. The Contractor shall define in its development plan the intended process of demonstration that the product developed in a different contractual frame fulfils the Contract.

16. Changes

- 16.1. General

The Contracting Parties reserve the right at any time, and in writing to request changes of this Contract Without written consent of both Contracting Parties shall not be implemented any change to the Contract,

Modifications strictly related to the articles of the present Contract, shall be the subject of a rider to the present Contract.

In the event of deviations to the agreed baseline the Parties will meet in good faith to discuss the impacts and find appropriate solutions to mitigate. In the event the Parties will not conclude on a solution after serious good faith negotiations, the Customer may introduce a Class A change in accordance with the procedure below.

16.2. [REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

16.4. Limitation of the Customer's Responsibility for Changes

The Contractor shall contribute to avoid any delay for the Programme caused by any changes, by re-planning the program or by taking any other appropriate measures.

The conditions governed a change shall be those contained in the Contractor's CCN as approved by the Customer. Any documentation related to a change supplied by a Subcontractor shall be considered as supporting information only and shall have no contractual implication whatsoever on this Contract.

The Customer shall not bear the cost of implementing changes deriving from any work which the Contractor may be performing for a third Party as long as not attributable to a Class A Change.

Further, the Contractor shall be precluded from making any claim whatsoever in connection with a change, if the Contractor should have failed to process the change in accordance with the time limits set forth in Article 16.5, unless in the specific case when the Customer grants an extension, upon the Contractor giving

due justification for the delay. This shall not relieve the Contractor from implementing the respective Change Request if required by the Customer.

16.5. Change implementation Procedure

A change procedure shall apply for the preparation, evaluation, approval and implementation of alterations to the tasks to be performed under this Contract.

16.5.1. Introduction of a Change

For all changes, the Contractor shall submit a committing and detailed technical and financial proposal for a CCN, within the deadline indicated by the Customer which cannot be less than [REDACTED] — [REDACTED] starting from the receipt of the Customer's request, unless otherwise agreed by the Parties, on the form attached hereto. This assessment shall include, but not limit to, the impacts of the change of the price, schedule and quality commitments of the Contractor in development and in exploitation.

The limit of validity of the Contractor's CCN proposal shall not be less than four (4) months, unless otherwise agreed by the Parties.

The Customer may as well request that the Contractor establishes within a maximum of [REDACTED] [REDACTED] a rough order of magnitude cost estimate for the change with an initial assessment of the technical and schedule impact, if available.

The CCN shall be filled in completely by detailing the impact it has on the baseline activities of this Contract, and boxes or lines that are not applicable shall be so designated by use of the letters "N/A". The form shall be signed by the Contractor's authorized representative(s) and submitted to the Customer's Contract Manager.

The Contractor shall ensure that each CCN proposal is coherent with the other on-going CCN proposal(s) and that all reasonably foreseeable implications of the change have been considered including programmatic and financial consequences on the Programme subsequent phases if relevant. If the CCN template is not sufficient to describe the change and its consequences, the additional information shall be annexed to the filled CCN. The Contractor shall, on request of the Customer, provide additional documentary evidence.

Upon receipt of such proposal signed by the Contractor, the Customer shall acknowledge receipt and indicate the respective evaluation schedule, which should not impact the overall implementation schedule of this change proposal. Should the document be signed by the Contract Manager and Program Manager of the Customer, it shall enter into force and change the Contract accordingly.

Without prejudice to the foregoing, when establishing the CCN proposal referred in case of Class A due to Article 16.2. 1, the Contractor shall strictly comply with the contract impacts assessed and registered in the minutes of meetings.

16.5.2. Change Procedure in Exceptional Circumstances

In exceptional circumstances, justified by programmatic constraints and urgency, the Customer reserves the rights, to instruct the Contractor in writing through the Customer's duly authorized representative, to implement a change to the Contract, on the basis of a preliminary quotation submitted by the Contractor on the effects of such change on the Work, price, schedule, Deliverables or any other terms and conditions by signing an Authorization to Proceed specifying the financial limit of liability, unless covered in a financial limit of liability already released.

When a change is so authorized, the Contractor shall proceed with its implementation in accordance with the Customer's instruction and within the limit of liability specified here above. It shall moreover submit to the Customer a committing and detailed quotation within reasonable time after receipt of the Customer's instruction. The resulting change to the Contract shall be introduced in accordance with Article 16.5.1.

16.6. Consequences of Approval or Rejection of a Change

18.2. The following Export Control provisions complement Clause 15.3 of the [REDACTED]

- A. The rules applicable to the selection of foreign equipment and technologies of the Work are defined in SOW and the Management and Quality Specifications. Where it is established that it is impossible for the Work to comply with these rules and the Customer agrees thereto, all necessary warranties shall be procured within the Contractor's Subcontractor(s) and / or Supplier(s) having to do with such foreign equipment in order to ensure in particular:
- the supply of such equipment throughout the duration of the Programme including the supply of spare parts,
 - the capacity to provide any required assistance and in particular in the context of the implementation of the warranty and the analysis of possible faults,
 - compliance with the Prices.
- B. The Work or part thereof may therefore be subject to the export and import control laws and regulations (hereinafter referred to as the "Export and / or Import Regulations") and the Parties acknowledge that diversion contrary to such Export and / or Import Regulations is prohibited.

The inputs of the Customer to the Work of this Contract are subject to the general licence granted by the French relevant authorities for the [REDACTED] Programme [REDACTED]

The Contractor shall identify in the form set out in Appendix 9 Export Control Form any part of the Work that is or may be subject to Export and / or Import Regulations at the time of the signature of the Contract by the Contractor. Amendments to such information shall be provided by the Contractor in the event of a change of the classification of the Work or in Export and / or Import Regulations or an envisaged change of the classification by any Government, and the Contractor shall provide the Customer with all information concerning such applicable Export and / or Import Regulations.

- C. Whenever all or part of the Work is subject to Export and / or Import Regulations, and without prejudice to its obligations under this Article 18.2 the Contractor shall:
- be responsible for obtaining in time, at no cost to the Customer all relevant official approvals, licenses and authorisations ([REDACTED]) required for the export, delivery, and use of the Work by the Customer and / or the End User in accordance with this Contract and / or as provided by the Customer in the End-Use Statement; and
 - clearly indicate on all controlled technical documents and all delivery documentation the export control classification number and the numbers of all applicable export licenses; and
 - mark all documentation provided in furtherance of a license with the appropriate applicable export license number and distribution restrictions; and
 - provide the Customer with a copy of the export license certificate, including a copy of all provisos that relate to the compliance obligations of the purchaser and / or the End User, including, but not limited to, any restrictions on sublicensing, any restrictions on retransfer, any requirements for non-disclosure agreements, any limitations on employees and any other restrictions or conditions that result in the authorization being more restrictive or not as broad as contemplated in the authorization or license request and / or this Contract documentation. Provisos that are classified or that do not relate to the compliance obligations of the Customer and / or the End User may be blanked out from the copy supplied to the Customer, if so required by the issuing authority.

The Customer hereby undertakes to provide the Contractor upon request by the Contractor, with the information (such as but not limited to the identification of the Subcontractors and the end user) and End Use Statements or End Use Certificates necessary for the review and granting of such Export Authorizations.

- D. If one or more [REDACTED] are required for the fulfilment of this Contract, the [REDACTED] and any amendments thereto shall be agreed with the Customer before being submitted to the export authorities, and a copy of the issued approval including a copy of all provisos

that relate to the execution of the Contract or the compliance obligations of the Customer, [REDACTED] and / or the End-User shall be provided to the Customer, [REDACTED] and / or the End-User.

- E. Notwithstanding anything to the contrary in this Contract, the customer's ability to develop and deliver a Launcher System incorporating the Work as well as [REDACTED] and the launch service providers' ability to use, operate and maintain the [REDACTED] are of the essence of this Contract.
- F. In the event that the Contractor does not fulfil its obligations under this Article 18.2 due to its fault the Customer shall have the right to terminate in whole or in part the Contract in accordance with Article 27.3 (Termination with Fault). It is understood that the termination will be considered as the ultima ratio by the Customer. In the event the Customer deems that other remedies might be sufficient to solve the problem, the Parties will meet in good faith to discuss these remedies.
- G. If, without any fault of the Contractor, within six (6) months after the Effective Date, the applicable governmental regulatory [REDACTED] fails to grant a required authorization to the Contractor or if at any time during the term of this Contract the applicable governmental regulatory [REDACTED] revokes or suspends such an authorization subsequent to its grant or grants such an authorization subject to unacceptable conditions, the Customer shall be entitled, without incurring any liability whatsoever, to terminate this Contract with immediate effect in whole or in part by giving a written notice to the Contractor as per [REDACTED] and Article [REDACTED] (Termination in Special Case - Force Majeure).
- H. Any failure by the Contractor to follow such obligations that affect delivery of the Work shall not constitute a delay due to Force Majeure and the Contractor shall be responsible for all damaging consequences thereof.
- I. The Contractor shall flow down the requirements and responsibilities of this Article 18.2 as appropriate to its Subcontractors and Suppliers at all levels, and obtain relevant information from its Subcontractors and Suppliers and pass this up to the Customer.

18.3. Clause 15.4 is amended as follows:

Transfer of risk of the Deliverables shall be vested in, or be transferred to, the Customer (or as applicable to [REDACTED] at the time of their delivery to the Customer (or as applicable by [REDACTED] as specified in the SOW according to DDP INCOTERM 2010).

Ownership of the Deliverables shall be vested in, or be transferred to, the Customer (or as applicable to [REDACTED] at the time of their Acceptance by the Customer (or as applicable by [REDACTED] as specified in Article 19 (Acceptance and Rejection).

For hardware items made available by the Contractor to the Customer for the purpose of the combined tests, transfer of risk to the Customer shall occur upon signature of the hand-over form.

Intellectual Property Rights contained in the Deliverables are governed by Appendix 1 Intellectual Property Rights.

The liability for damage to (i) the Deliverables items as from their Acceptance and (ii) the hardware items made available by the Contractor to [REDACTED] for the purpose of the combined tests as from their hand-over is governed by Article 21 (Liability for Damage to Staff and Goods) and Article 22 (Liability after Acceptance).

19. Acceptance and Approval of Documentation

19.1. General

Wherever Acceptance of the Customer is required by the Contract, Acceptance shall only be deemed to have been given if it is provided by the relevant Customer's representatives designated in ARTICLE 10, and whenever Approval is required by the Management and Quality Specifications, it shall be governed by the Management and Quality Specifications and not by this per this ARTICLE 19.

For the scope of the Work of the Contractor as per the SOW, Acceptance under this ARTICLE 18 by the Customer shall mean that the Customer recognizes that the Contract has been performed up to completion

by the Contractor, and shall not be deemed as a certification by the Customer of the flightworthiness of the [REDACTED] Deliverables nor as an Acceptance of the Work design.

19.2. Approval of the Documentation Deliverables

19.2.1. Documentation Deliverables related to Hardware

Approval of Documentation Deliverables related to the Hardware Deliverables (refer to DIL in the SOW) shall occur at the time of the Preliminary Acceptance of the related hardware to be held in accordance with the SOW and Management and Quality Specifications requirements. In that frame:

The Contractor submits all Documentation Deliverables identified in the SOW for each deliverable end item in conformance with the related Management & Quality Specification.

The Customer will either approve the Documentation Deliverables or request to implement the necessary remedies, in case of failure of the Documentation Deliverables to meet the SOW and Management and Quality Specifications requirements laid down in this Contract.

Once Approval is pronounced through the approval document by the Customer, the Contractor is entitled to issue the corresponding invoice as per Art. 5 of this Contract.

19.2.2. Documentation Deliverables

Besides the Documentation Deliverables identified to be subject to the Customer's Approval, all documents required to be delivered as per the SOW and Management Quality Specifications requirements are subject to the Customer's Approval. The Customer will either approve the Documentation Deliverables or request to implement the necessary remedies, in case of failure of the Documentation Deliverables to meet the SOW and Management and Quality Specifications requirements laid down in this Contract

Once Approval is pronounced through the approval document by the Customer, the Contractor is entitled to issue the corresponding invoice as per Article 5 of this Contract. Approval of Documentation Deliverables (refer to DIL in the SOW) shall occur within twenty [REDACTED]

19.3. Acceptance of Testing

The Tests shall be performed by the Contractor as per the requirements of the SOW and Management and Quality Specifications.

The procedure and conditions in which the acceptance meeting of the Deliverable hardware shall take place shall be determined according to the SOW.

The Contractor shall inform the Customer by fax at least [REDACTED] (and within normal working hours), prior to the scheduled start of the Acceptance meeting. This request shall only be made when the Deliverable hardware is deemed ready with regard to the scheduled acceptance meeting.

This notice shall be sent to the personal attention of:

- the acceptance inspection manager,
- the quality assurance manager,
- the Delivery Manager identified in Article 11 Communications.

The Acceptance of the Work shall result in the immediate transfer of title.

19.4. Acceptance of new assets (including means, jigs and tools) or any modification / adaptation of existing assets paid by [REDACTED] via the Customer under the Contract

[REDACTED] shall accept any new assets, or any modification / adaptation of existing assets paid by the [REDACTED] via the Customer under the Contract and undertaken by the Contractor as per the SOW and the Management and Quality Specification.

As soon as such new buildings, means, jigs or tools or any modification / adaptation of existing buildings, means, jigs or tools are ready for Acceptance, the Contractor shall invite [REDACTED] together with [REDACTED] and the Customer to proceed with the Acceptance procedure at the premises where the concerned asset is

located. The Contractor shall issue the invitation [REDACTED] in with the prior agreement with [REDACTED], and the Customer whenever duly justified by the Contractor by the development planning, before the foreseen date of such Acceptance procedure and transmit to [REDACTED] and the Customer the relevant documentation. Before the start of the Acceptance procedure as indicated in the Contractor's invitation, [REDACTED] and the Customer may request the Contractor to perform the Acceptance procedure on its behalf and provide remarks on the relevant documentation that the Contractor shall take into account.

The Acceptance shall be pronounced with regard to applicable requirements as set forth in the above mentioned relevant documentation. In case Acceptance is assorted with reserves, they shall be agreed between [REDACTED] AG, the Customer and the Contractor and associated with a specification of the necessary work to be performed and the deadline for the waiver of such reserves.

[REDACTED] AG or the Customer shall provide the Contractor with [REDACTED] decision within [REDACTED] as from the start of the Acceptance procedure. In the absence of decision after that delay, the new assets, or the modification/adaptation of existing assets shall be deemed accepted by [REDACTED]

The Contractor shall, in any event, participate in the Acceptance procedure.

Acceptance shall cause transfer of property and risks of the new assets, or the modification/adaptation of existing assets to [REDACTED] benefit, if not already occurred by law without formal Acceptance.

The Customer shall ensure via AG that [REDACTED] will be in charge of insuring the new assets, or the modification/adaptation of existing assets after acceptance by [REDACTED]

For sake of clarity, Acceptance that the design of any new assets, or any modification/adaptation of existing assets is compliant with the SOW objectives, is performed as per Article 19 above as part of the Acceptance of the Documentation.

19.5. Reserves

Where reserves are issued by the Customer during operations, the Customer shall indicate the nature of such reserves, the necessary Work where applicable, the latest deadline for the closing out of the reserves, and the amount of the temporary payment withholdings applicable pursuant to Article 5 Payments, if any.

Should the reserves be closed out in accordance with this Contract in the period of time stated in the RCI, the issue shall be considered to be closed.

Should the reserves not be closed out in accordance with this Contract in the period of time stated in the RCI, then the Customer shall decide either to:

- Postpone the delivery / performance,
- Accept the Deliverables / performance with a price reduction,
- Reject the Deliverables / performance.

19.6. Postponements

Where the Deliverables may comply with the provisions of this Contract with a few additional improvements or finalizations actions to be implemented by the Contractor, the Customer may call for a reasonable postponement which shall be motivated and indicate a deadline within which the Deliverables shall be modified.

The Contractor shall make written comments within [REDACTED].

Where the Contractor does not answer within the [REDACTED] period provided in the previous paragraph, or where the upgraded Deliverables are not presented to the Customer within the deadline set in relation thereto in the postponement decision, the Customer shall be entitled to pronounce either the Acceptance with a reduction or the rejection of the Deliverables.

The [REDACTED] period granted to the Contractor to make its comments and to precise the period of time necessary for it to present the Deliverables do not grant to the Contractor an additional grace period to the period agreed hereunder.

19.7. Price Reductions

Where the Customer deems that the Deliverables may be used in their current condition even though they do not fully meet this Contract, the Customer shall notify the Contractor of its motivated decision to receive the Deliverables with the withholding of a determined amount from the Deliverable Price.

The Contractor shall make its comments within [REDACTED] and once such period of time has elapsed, the Contractor shall be deemed having accepted the Customer's decision. Where the Contractor makes comments, the Customer shall confirm its previous decision or notify a new one within [REDACTED] failing which the Customer shall be deemed having confirmed its previous decision. In case of continued reasonable comments against the Customer's decision, the CEO's of the Parties shall meet to discuss the situation with the goal of a unanimous decision.

19.8. Rejections

Where the Customer deems that it is impossible to pronounce neither a postponement nor a price reduction, the Customer shall notify the Contractor a justified rejection decision relating to all or part of the Deliverables.

The Contractor shall make its comments within [REDACTED] and once such period of time has elapsed without response of the Contractor, the Contractor shall be deemed having accepted the Customer's decision. Where the Contractor makes comments, the customer shall confirm its previous decision or notify a new one within [REDACTED] failing which the Customer shall be deemed having confirmed its previous decision. In case of continued reasonable comments against the Customer's decision, the CEO's of the Parties shall meet to discuss the situation with the goal of a unanimous decision.

The seven [REDACTED] period granted to the Contractor to make its comments and the period of time necessary for it to present the Deliverables following the rejection do not suffice to justify the granting of a period of time in addition to the period agreed hereunder for the performance of the Deliverables or of a delay for delivery.

Where all or part of the Acceptance procedure is performed outside the Contractor's premises and the Customer rejects for justified reasons any of the Deliverables, the rejected Deliverable(s) shall be removed by the Contractor at his own expense within [REDACTED] after receipt of notice of rejection. If the Contractor fails to carry out his obligation within the specified time, the customer may have the rejected Deliverable(s) returned on the Contractor's cost and risk.

If a Deliverable is finally rejected by the Customer, this Deliverable shall be so marked as to ensure its subsequent identification as rejected Deliverable.

19.9. Handover Minutes

In case of reserves or postponement of a Deliverable, the Customer may request to the Contractor its handover through the signature of handover minutes describing the status of the Deliverable. The Contractor may refuse such handover on justified grounds only.

20. Penalties

Clause 17 of the [REDACTED] shall not apply and is replaced by the following provisions, except for Clauses 17.1.2., 17.1.3., 17.1.5. and Annex III of the [REDACTED] which shall apply.

Penalties shall apply to the non-achievement of the Milestones and shall be calculated based on the penalty scale of Annex III to the [REDACTED] paragraph 1.1. and the penalized value identified hereunder:

VZLU

ID	penalised event	penalised date	penalised value (w/o VAT)
1	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]

20.1. The penalties for late delivery shall be paid to the Customer by the Contractor according to the following payment procedure:

- The Customer shall notify in writing, to the correspondents of the Contractor designated in Article 10, its intention to apply penalties for late delivery and the related amount according to the above provisions;
- The Contractor shall express its possible comments and / or objections in writing within a maximum period of [REDACTED];
- The Customer shall then notify in writing its final decision within [REDACTED]. Such notification shall render the decision applicable and the Customer shall send an invoice to the Contractor of the corresponding amount of penalties. The invoice shall indicate the notification references, the contract / lot / event / ... references and the bank account references to be credited;
- The Contractor shall pay the corresponding amount to the Customer by bank transfer within a maximum delay of [REDACTED] from the date of receipt of the complete invoice.

20.2. The non-enforcement of a penalty for late delivery by the Customer shall not be construed as a waiver of the Customer's right to subsequently apply a penalty to the Contractor.

20.3. In case the maximum penalties for late delivery, if any, has materialised, the Customer may terminate for default of the Contractor the Contract, without further evidence.

20.4. For the purpose of Clause 17.1.3, the Contractor shall be entitled to get paid for penalties directly from the Subcontractors. Prior to the application of penalties, the Contractor shall inform [REDACTED] through the Customer.

21. Liability for Damage to Staff and Goods

The liability under clauses 23 and 24 deals with all loss of or damage to the property of each Party or the property of their respective Associate and any bodily injury (including death) and all consequences of such loss, damage or bodily injury (including death), which the either Party or its Associates may sustain, occurred during the performance of the Contract. For the avoidance of doubt, it is understood that Clause 19 [REDACTED] [REDACTED] shall apply as regards consequential damages which include but not limited to losses of contract, income or revenue, profit interests, loss of customers.

For the purpose of Articles 21 and 22 the following definitions apply, replacing definitions set forth in Definition part of the present Contract:

- "Associates" means any natural or legal person governed by public or private law acting directly or indirectly on behalf of [REDACTED] or of the Customer in the fulfilment of obligations undertaken by such Party pursuant to this Contract, including without limitation, any employee, officer, agent of either Party, of [REDACTED] and their respective contractors, subcontractors and suppliers at any tier:

- a) without prejudice to the above and without limitation, any natural or legal person governed by public or private law acting directly or indirectly on behalf of [REDACTED] or on behalf of the Third Party Customer(s) to fulfil the obligation undertaken by the Third Party Customer(s), and any individual or legal entity governed by private or public law, that is under contract to the Customer to provide supplies or services in support of the prime contract shall be deemed to be an Associate of the Customer;

"Associates" with respect to the Contractor shall mean any individual or legal entity governed by private or public law that is a Subcontractor to the Contractor, any employee of the Contractor or of its Subcontractors shall be deemed to be an Associate of the Contractor.

- "Auxiliary Payload(s)" means (a) payload(s) of small mass and volume (compared to the main passenger(s)) that can be accommodated together with the main payload(s) without altering the latter mission requirements, especially in terms of launch schedule and mission profile requirements. This definition also applies to an Auxiliary Dummy Payload replacing the Auxiliary Payload.

- "Launch" shall mean [REDACTED] that may have been integrated with the Payload supplied by [REDACTED] and with other payload(s) supplied by (a) Third Party Customer(s), and, if relevant, with (an) Auxiliary Payload(s) and/or (a) Dummy Payload(s) supplied by [REDACTED] or (a) Third Party Customer(s).

- [REDACTED]

- [REDACTED]

- [REDACTED]

- "Third Party" means any individual or legal entity other than the Parties, the Third Party Customer(s) and/or the Associates of each of the foregoing if any.

- "Third Party Customer" means a customer of [REDACTED] which has been selected by [REDACTED] using the Maiden Flight launcher model for a non [REDACTED] mission

21.1. Liability for damage caused by one Party and/or its Associates, to the other Party and/or its Associates

- 21.1.1. Except in the case of wilful misconduct (faute intentionnelle) or gross negligence (faute lourde) of the other Party or the other Party's Associates, each Party shall bear any and all loss of or damage to its property or the property of its Associates and any bodily injury (including death) of its employees and employees of its Associates, and all consequences, of such loss, damage or bodily injury (including death, which the either Party or its Associates may sustain, arising out of or relating to this Contract. Without prejudice to the foregoing, the Contractor shall be liable for damages to Deliverables until the time specified in this Contract for the transfer of:

- Ownership to [REDACTED] for new assets & buildings,
- Risk for the Hardware once delivered to Customer facilities as stated in Article 18 of the Contract.

Specific terms for the performance of the operations performed on the Customer's sites:

The liability of the Contractor in connection with damages or losses to goods of the Customer's property during the performance of the Contract within the Customer's premises or during warranty operations shall be limited to [REDACTED] per claim. It is hereby understood that the above liability limit does not apply to cases where change operations are not performed by the Contractor and/or its Subcontractors pursuant to the standard procedures applicable in the space industry or in the event of wilful misconduct or gross negligence.

- 21.1.2. Each Party irrevocably agrees to a no-fault, no-subrogation, inter-party waiver of liability, and waives the right to make any claims or to initiate any proceedings of any such loss of, or damage to its property or the

property of its Associates or bodily injury (including death) against the other Party or that other Party's Associates arising out of or relating to this Contract.

Each Party shall flow-down the provisions as described above on each and every of its Associates involved in the execution of the Contract.

These provisions are limited to the relationships between the Parties in the frame of the present Contract and, more particularly, do not waive the rights and claims that may arise from victims of such damages or injuries or from their family or from the social security organisms.

In the event that one or more Associates of the Contractor proceed against the Customer and/or Customer's Associates as a result of loss of or, damage to the Party's property or bodily injury (including death), the Contractor shall indemnify, hold harmless, dispose of any claim, and defend, when not contrary to the governing rules of procedure, the Customer and/or its Associates, as the case may be, from any liability, cost or expense, including attorneys' fees, on account of such loss, damage or bodily injury (including death), and/or Launch Mission and/or Satellite Mission failure and shall pay all costs and expenses and satisfy all judgments and awards which may imposed on or rendered against that other Party and or its Associates.

In the event that one or more Associates of the Customer proceed against the Contractor and/or Contractor's Associates as a result of such loss of or damage or bodily injury (including death), the Customer shall indemnify, hold harmless, dispose of any claim, and defend, when not contrary to the governing rules of procedure, the Contractor and/or its Associates.

Each Party shall take all necessary and reasonable steps to prevent or cause the withdrawal of claims for loss of, or damage to its property or the property of its Associates or bodily injury (including death) by any participant involved in the Contract activities.

The Parties waive all claims against each other for any indirect or consequential damage sustained in connection with the execution of this Contract.

Each Party shall require its Insurers, its Associate(s) and its Associate(s) insurers to agree to a non-fault, non-subrogation, inter-party waiver of liability and indemnity for loss of, or damage to its property or the property of its Associates or bodily injury (including death) identical to the Parties' respective undertakings under this Article 21.1.

For the sake of clarification, the Parties waive all claims against each other for any incidental damage sustained in connection with the execution of this Contract.

21.2. Liability for Damages Suffered by Third Parties

Without prejudice to the terms of Article 22 hereunder:

- 21.2.1. In case a Party is liable to Third Parties for all damages (including bodily injury and death) caused by such Party or its Associates during the performance of the Contract the Party shall hold the other Party harmless from any such claims arising from Third Parties.

Each Party shall flow-down the provisions as described above on each and every of its Associates involved in the execution of the Contract.

The Contractor and its Subcontractors shall take up an adequate insurance for injury to persons or to third party property for the period of this Contract. Upon request, insurance policy of the Contractor shall be communicated in certified copy to the Customer. The Contractor and its Subcontractors undertake not to reduce during the performance of this Contract the warranties provided at the signature of the Contract.

Except for gross negligence and wilful misconduct of the Contractor and/or its Subcontractors, [REDACTED] has undertaken in the Prime Contract to reimburse the Contractor and/or the Subcontractors the amount of a justified damage claim of a Third Party, which exceeds the maximum limit of the respective insurance coverage, in the sole case that the damages occurred as a result of this Contract performance. The Customer shall transmit to [REDACTED] all relevant files transmitted by the Contractor and its Subcontractors in order to allow the Contractor and its Subcontractors to be reimbursed by [REDACTED]. The Contractor and its Subcontractors undertake to waive any claims they may have against the Customer if and to the extent [REDACTED] does reimburse the Contractor and/or its Subcontractors the amount of the damage claimed by the Third Party.

- 21.2.2. In the event of any proceeding, whether judicial, arbitral, administrative or otherwise, by a Third Party against one of the Parties or its Associates on account of any loss damage to or bodily injury (including death) caused by the other Party or its Associates, the latter Party shall indemnify and hold harmless the former Party and/or the former Party's Associates, as the case may be.
- 21.3. Each Party causing damage to a Third Party shall take all necessary and reasonable steps to prevent or cause the withdrawal of claims for or bodily injury (including death) by such Third Party against the other Party.

22. **Liability after Acceptance**

After Acceptance by [REDACTED] of the [REDACTED] Launch Vehicle, respectively Customer's Work incorporating the Deliverable(s), neither the Customer nor [REDACTED] shall have any claim against the Contractor and/or its Associates for any damage resulting from the use by [REDACTED] the Customer and/or their Associates of the Contractor's Deliverable(s) incorporated in the [REDACTED] Launch Vehicle, except in case of fraud and/or wilful misconduct of the Contractor and/or of its Associates. In case [REDACTED] makes a claim after acceptance in violation of this principle, the Customer shall oppose to [REDACTED] the provision of its prime contract with the support of the Contractor to request [REDACTED] to withhold such claim. Such principle applies as well to the damages caused by the Contractor's Deliverables (product liability) once the launcher [REDACTED] becomes the property of [REDACTED]

Furthermore, the Customer shall ensure that [REDACTED] shall indemnify and hold the Contractor and its Associates harmless for any such claims damages, losses and expenses (including legal fees and expenses) raised against them by a Third Party. The Customer shall transmit to [REDACTED] all relevant files transmitted by the Contractor and its Associates in order to allow the Contractor and its Associates be indemnified and held harmless by [REDACTED]

However, the Contractor shall indemnify and hold the Customer and [REDACTED] and their Associates harmless against all claims, damages, losses and expenses (including legal fees and expenses) in case such damage occurs to [REDACTED] and/or the Customer and/or their Associates and/or Third Parties and arises from the fraud or wilful misconduct on the part of the Contractor and/or of its Associates.

In case a Third Party brings such a claim against [REDACTED] and/or the Customer and/or their Associates, the Contractor shall be bound to join [REDACTED] and/or the Customer and/or their Associates as co-defendant in the proceedings. Any action impacting both Parties in the course of the proceedings shall be taken following consultation between the Parties.

The provisions contained in this Article 22 do not limit the Parties' liabilities as specified in Article 24 and Article 25 and in Clause 38 of Appendix 1 Intellectual Property Rights.

23. **Warranty**

[REDACTED] 21 shall not apply and is replaced by the following provisions.
For the avoidance of doubt, it is understood that [REDACTED] 19 shall apply under this Article.

23.1. **Scope of the Warranty**

The Contractor warrants that Work and Deliverables are free from Defects which means that, notwithstanding prior inspection, Approval or Acceptance by the Customer as per Article 24:

- any Deliverable (i) complies with the specifications and requirements as defined in the SOW and (ii) is free from defects in design, development, manufacturing and/or workmanship, and (iii) is free from any claim, lien, pledge, mortgage, security interest and/or other encumbrances, arising from the performance of this Contract; and
- the Work to be performed hereunder shall be performed in a skilful and workmanlike manner and shall conform to the requirements of this Contract and high professional standards applicable to the space industry, and in particular for the design activities to be performed by the Contractor as per the requirements of the Contract.
- Failure to meet any of these requirements shall be referred to as "Defect" under this Article

The Contractor warrants that modifications and/or adaptations to existing assets shall be designed in a way compatible with the duration of the Programme.

The Parties may consider extending the warranty period of this Contract through a Class A CCN or under a subsequent contractual frame

23.2. Warranty period

██████████ shall apply with the term "██████████" replaced by "the Customer" except Sub-Clause 22.1 which is replaced by the following:

A. Warranty Period for Design

The design warranty period shall start as from the Acceptance of the Deliverable according to Article 19 and shall in principle run until the end of the exploitation phase. The warranty period on the design shall start as from the Product FOC demonstration and shall run under this Contract up to the ██████████. The Parties recognize that the design warranty will apply during the exploitation phase under an exploitation contract under conditions to be agreed upon.

B. Warranty period for Documentation Deliverables

The warranty period on the Documentation Deliverables shall start as from the date of Acceptance and shall run up to the ██████████.

C. Warranty period for new assets (if any)

The warranty period for new assets will start as from their Acceptance by each Contractor and shall run up to the ██████████.

D. Warranty period for means, jigs or tools

The warranty for the modified/adapted means, jigs or tools lasts for a period of twenty-four (24) months from their Acceptance by ██████████ through the Customer or from the successful performance of functional tests, whichever is the earlier.

The warranty for the new means, jigs or tools shall start as from their Acceptance by ██████████ through the Customer or from the successful performance of functional tests, whichever is the earlier, and shall last up to the ██████████. This includes their Maintenance by the Contractor up to the ██████████. Maintenance means maintenance without additional remuneration for the Contractor pertaining to all activities, services, and investments necessary to cover all activities ensuring the availability of the product at the MCO ("maintien en condition operationelle") right level of performance defined in the Contract. MCO also includes to keep all assets necessary for the ██████████ exploitation in a qualified status (source: ██████████). Maintenance furthermore includes MQO ("Maintien de la Qualification Operationelle") activities such as obsolescence treatment, anomaly treatment and maintenance of manufacturing, control, tests and storage facilities and means in operational and qualified status.

23.3. Warranty Enforcement

The Customer shall notify the Contractor of any warranty claim in a letter with acknowledgment of receipt.

Under the warranty, the respective Contractor shall remedy with due diligence any Defect which may appear during the warranty period at its own expenses, including but not limited to, any expense resulting from repair, replacement, work around solutions agreed by the Customer and/or redesign of the affected Work and Deliverable(s), as well as travel expenses, packing and transport charges incurred by the Contractor and/or its Subcontractors in connection with such repair, replacement and/or redesign.

For the avoidance of doubt, in case of a Defect concerning hardware or software, the warranty shall include the cost of re-supply and updating of appropriate documentation, as well as the cost of re-installation and re-testing incurred by the respective Contractor.

In addition, if the Defect observed in the course of the warranty period is found to be due to an error of a systematic nature within the Deliverable or part thereof, the provisions of this chapter shall apply to all

identical Deliverables or parts thereof already accepted. A Defect is considered systematic if it occurs several times and it can be demonstrated that the Defect will occur in other Deliverables or parts thereof, if exposed to representative conditions as applied when the Defect was observed and Contractor could not evidence the contrary.

If a Defect is detected in a Deliverable resulting from a modification that has not been communicated by the Contractor or from the lack of compliance with a qualified process by this latter, the Customer reserves the right to hold the Contractor responsible for all the financial consequences that it suffers due to this defect, in addition to the costs mentioned above, without prejudice to any damages and interest that it may claim from the Contractor.

The decisions as to whether a defective Deliverable hardware shall be replaced or repaired shall be taken by the Customer who commits to first discuss with the Contractor and to take its decision in particular in due consideration of the costs and time necessary for repair or replacement.

A working group shall be set up in case of disagreement of the Contractor regarding the existence and/or liability and/or remedy for a Defect. Each Party shall designate an equal number of members within this working group. In the event of a lack of majority in the vote with respect to the existence of the Defect the decision shall be made by the Customer and the decision shall be enforceable under the warranty.

██████████ may decide to set up an enquiry board for the purpose of determining the existence of a Defect identifying its origin(s) and its associated contractual framework, under which the design or the hardware was originally produced, and responsibilities, and determining the actions to be implemented, if any. The enquiry board shall not apply in the case of defect occurring on means, jigs and tools. ██████████ may require experts to participate and the Customer may require the Contractor to participate board enquiries.

The Contractor shall make available to the enquiry board all relevant documentation and necessary information in its possession so as to enable the enquiry board to implement its mission. The Contractor shall accept the decision of the enquiry board as to the existence of a Defect and implement the decided remedial actions.

Participation to the working group and as the case may be to the enquiry board at the Customer's request shall be at the Contractor's expenses.

23.4. Exclusions of Warranty

The right to warranty shall be void in case the Defect results from

- The use of a Deliverable not in accordance with the SOW / from misuse of the Deliverables after Acceptance
- Modifications implemented without the agreement of the Contractor if the Defect has been caused by interventions not approved or validated after Work of the Contractor.

23.5. Warranty Limitation

The remedies identified above constitute the sole remedy for warranty under this Contract, excluding all other warranty remedies expressed or implied by law or otherwise.

The warranty shall be capped at an amount of:

██

The Contractor shall demonstrate and duly justify to the Customer how the above limitation is reached and provide the Customer all relevant elements to this purpose.

24. Handling of Classified Information

██



25. Infringements

[REDACTED]

26.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

26.2. Documents to be used for customs purposes shall be bilingual (language of the exporting country/language of the importing country), as the case may be, subject to their remaining in compliance with the prescriptions of customs authorities.

27. Termination

27.1. General Rule

Upon written notice sent by registered mail with acknowledgement of receipt, the Customer may terminate the Contract, in whole or in part, in accordance with the provisions of this Article.

In case [REDACTED] terminated the Development Contract towards the Customer, the Customer has the right to immediately terminate this Contract.

In case this Contract is terminated entirely or partially due to the fact that the Development Contract is terminated upon the initiative of [REDACTED] or [REDACTED] other than for the sole fault of the Customer, the compensation payable to the Contractor under this Article is subject to [REDACTED] agreement to pay the corresponding amount to the Customer or to the Contractor on behalf of the Customer.

In case the [REDACTED] Contract is terminated entirely or partially by [REDACTED] solely due to a fault of the Customer and the Customer therefore needs to terminate this Contract, Article 27.2 of this Contract shall apply.

For the sake of clarification, it is understood that the Customer only has to reimburse the Contractor(s) for the costs incurred till termination and duly justified in writing by the Contractor and that no damages shall be claimed by the Contractor for compensation arising from or incident to the Termination such as loss of profits.

27.2. Termination without Fault of the Contractor or in Special Cases

[REDACTED]

The termination shall become effective at least [REDACTED] after receipt by the Contractor of the termination notice, or at any other date as set forth in the Customer's notice. Upon receipt of such notice, the Contractor hereby undertakes to perform actions only for liquidation of the terminated part, both in its workshops and in those of its Subcontractors and Suppliers. The Contractor shall be responsible to immediately inform its Subcontractors and Suppliers thereof of such termination.

Unless otherwise specified in the notice, the period to implement the consequences of the termination shall not exceed two (2) months.

[REDACTED]

27.3. **Termination for Fault of the Contractor**

[REDACTED]

If the Contractor fails to carry out any material obligation under this Contract or repeatedly fails to carry out any obligation under this Contract, the Customer may by written notice require the Contractor to cure the failure and to remedy it within a specified reasonable time. In case the Contractor has not remedied such failure(s) within the specified reasonable time, the Customer may issue a termination for fault notice to the Contractor. Upon receipt of such notice by the Contractor, the termination shall become effective and the Contractor shall perform actions only for liquidation of the terminated part, both in its workshops and in those of its Subcontractors and Suppliers. The Contractor shall be responsible to immediately inform its Subcontractors and Suppliers thereof of such.

Following termination, in case the Customer implements a tendering process as per [REDACTED] Best Practices for the selection of alternative contractor(s) the performance of the Work, [REDACTED] may implement its sublicensing rights as per Appendix 1 Intellectual Property Right, to enable the incumbent contractor(s) to use and to modify any product, application or result of the Work performed by the Contractor before its effective date of termination.

This termination for fault does not apply for failure of the Contractor due to circumstances due outside of the Contractor's control.

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

28. **Contractual Cap of Liability**

The maximum contractual cap of liability to the benefit of the Contractor amounts to [REDACTED]
[REDACTED]

The Contractor shall demonstrate and duly justify to the Customer how the maximum contractual cap of liability is reached and provide the Customer all relevant elements and information to this purpose

29. **Applicable Law**

[REDACTED]

30. **Disputes**

30.1. **Disputes between the Parties**

In the event of a dispute relating to the existence, the validity, the interpretation or the performance of this Contract, the Parties shall endeavour within [REDACTED] following the notice of the existence of such dispute referring to this Article being sent by registered mail with acknowledgement of receipt to amicably settle such dispute by referring in particular to the Parties joint intention. Implementation of such amicable settlement procedure shall not suspend the performance of this Contract or any part of it.

Where the dispute cannot be settled, the Parties hereby agree to submit the dispute in writing to the CEO of the Customer and the Contractor who use their best endeavours to settle the dispute within [REDACTED] after submission. Any dispute, which has not been settled amicably within [REDACTED] as from the notice of the existence thereof, shall be submitted to the relevant court in [REDACTED]

Each party shall pay all own expenses and fees relating to the court proceedings.

30.2. Disputes under the Development Contract

Where a dispute relating to the Development Contract is submitted to a conciliation and / or arbitration procedure as provided for in the Development Contract and such dispute relates or may relate to all or part of the services provided by the Contractor and / or those of its Subcontractors under this Contract, the Contractor hereby agrees to provide to the Customer at reasonable expenses paid by the Customer all reasonable assistance that may be necessary by participating in the conciliation and / or arbitration procedure, by giving an opinion on any reasonable request, defence, brief filed or made by the Customer during the procedure(s) and relating to the Work of the Contractor or that of its Subcontractors. In case, this dispute is not provoked by the work of the Contractor, the Parties will agree upon the refunding of reasonable expenses of the Contractor.

The Customer may wish the Contractor to join the conciliation procedure or the arbitral proceeding in accordance with the rules of such conciliation procedure or arbitral proceeding and Contractor agrees to join such proceedings when requested by the Customer. All reasonable expenses of Contractor will be paid by Customer. In such case Customer shall ensure that Contractor has timely access to all information, submissions, statements, orders, hearings, decisions, etc. of such procedure and proceeding.

31. Entry into force and completion of the Contract

This Contract shall bind both Parties upon signature by both Parties, but shall become effective on the date of publication in the register of contracts in the Czech Republic (Czech Act No. 340/2015 Coll.). Therefore, the Contractor shall immediately after signature of the Contract by both Parties submit this Contract for registration in the register of contracts. The Contract including its Annexes to be submitted to the register of contracts shall not contain technical data, drawings or any other technical information, personal data of the Customer, identification of the other Party, financial information, trade secrets and classified information, which shall be eliminated before submission to the register of contracts. The Contractor shall also inform the Customer of the date of the publication in the contracts register by including a copy of the published registration. If such publication is not performed within 3 months after signature of this Contract, the Parties will meet and agree upon the necessary measures to overcome this missing formality.

The Contract shall remain in force unless otherwise stated or terminated according to in the Contract, until completion of all contractual obligations defined in the present and proper close out of any outstanding administrative, financial and contractual issue (s), on any level of contracting, including expiry of warranty and it subsumes the following the following Authorisation to Proceed (ATP):

[REDACTED]

All commitments and payments made under such Authorization(s) to Proceed are deemed to have been committed and paid under this Contract

Formal closeout shall be certified by a corresponding document (Certificate of Close-Out) signed by the Parties.

NOW THEREFORE, the Parties here to have caused this Contract to be executed by their respective authorized representatives who by their signatures represent that they have full power and authority to obligate the Parties to all the terms and conditions hereof.



VÝZKUMNÝ A ZKUŠEBNÍ LETECKÝ ÚSTAV, a.s.

Name: Josef Kašpar
Title: Chairman of the Board

Date: 20.12.2017

Signature: _____



Name: Viktor Kucera
Title: Vice-chairman of the Board

Date: 20.12.2017

Signature: _____

