

CONTRACT XXX

This agreement has been concluded between:

XXX

and

LOM PRAHA s.p.

with residence in Tiskařská 270/8, 108 00, Praha 10 – Malešice, Czech Republic, (registered in Companies Register, maintained by the City Court in Praha, section ALX, insert 283, IČ 00000515, DIČ CZ00000515), represented by Roman Planicka, general director (hereinafter “Buyer”)
on the other part

with the following terms and conditions:

Article 1 - Scope of Contract

- 1.1 The Seller undertakes to deliver to the Buyer the Goods stipulated in Article 2 (hereinafter “the Goods ”) for the prices defined in Article No. 2 of this Contract in accordance with INCOTERMS 2010 as specified in Article No. 3 herein. The Seller further undertakes to transfer to the Buyer full set of relevant documentation (Acceptance test results, Certificat of Conformance , Operating and maintenance manuals, technical documentation containing technical parameters and composition) for Goods the and packing lists in English language, which form a part of this delivery.
- 1.2 The Buyer undertakes to pay to the Seller for the Goods the price stipulated in Article 2.

Article 2 - Price of the Goods to be delivered under this contract is

2.1 **XXX**:

No.	Unit Description	Unit P/N	Unit Price in EUR	Qty/Units	Total Price in EUR
1	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX
6	XXX	XXX	XXX	XXX	XXX
	TOTAL PRICE in EUR		XXX		

2.2 The Buyer undertakes to pay to the Seller for the Goods, specified in hereto a total price of **XXX** - EUR

Delivery terms - DAP INCOTERMS 2010 LOM PRAHA s.p. address: Touzimská 1058, 197 00 Prague 9 – Kbely which covers the cost of all activities, within Seller's responsibility, necessary in order to meet the requirements of this Contract.

Article 3 - Terms and conditions of delivery

3.1. The Goods will be delivered according to the following schedule after signing of the contract and obtaining of appropriate export and import licences by both Parties.

- All Goods will be delivered 90 days from receiving the later of: (i) **XXX** down payment; or (ii) receiving end-user certificate.

3.2. Seller will ship the Goods on the basis of the DAP (INCOTERMS 2010) LOM PRAHA s.p. address: Touzimska 1058, 197 00 Prague 9 – Kbely.

3.3. Seller will ship the Goods with all the appropriate documentation.

3.4. Date of MAWB shall be considered as the date of shipment.

3.5. Seller shall advise the Buyer of the date, weight and volume of the shipment in written form 10 days in advance.

3.6. If payment does not comply with the terms detailed herein, the export and import licences will not be approved and/or modification is needed, the time of delivery shall be extended accordingly.

Article 4 - Terms and conditions of payment

4.1. **XXX**

4.2. **XXX**

Seller adds to the invoice following documents:

- Packing list copy,
- CoC copy,
- MAWB copy.

Both payments shall be made in accordance with the terms and conditions of this CONTRACT and without any deduction and free of charge within 30 days from the date of the LOM receipt of the Seller invoice to the following address of payment:

XXX

- 4.2. Seller shall bear all taxes, duties, fees, excises, charges and other impositions related to the execution of this Contract in the Israel.
- 4.3. Buyer shall bear all taxes, duties, fees, excises, charges and other impositions related to the execution of this Contract in the Czech Republic.

Article 5 - Delays and delay penalty

- 5.1. In the event that a delay occurs in the delivery of the Goods, owing to the acts or defaults of Seller and such breach continues beyond the scheduled date for delivery, Seller will pay Buyer a penalty at the rate of five hundredths of percent (**XXX**) of the price of the undelivered Goods, for each calendar day of delay thereafter until delivery takes place, however not less than **XXX CZK** and not more than **XXX %** of the Goods price.

Article 6 - Quality and Inspection

- 6.1. Testing of quality and the acceptance procedure for the Goods shall be conducted in accordance with the specifications of the Seller's acceptance test procedure.
- 6.2. The acceptance procedure shall be carried out at Seller's premises.
- 6.3. The quality of Goods delivered according to this Contract must fulfill the technical documentation obligatory in Seller's factory. Article of delivery is subjected to Government Quality Assurance (GQA). GQA will be performed by GQAR in context with AQAP 2131. Government Quality Assurance is to be arranged by the Czech DSCGQAA (Defence Standardization, Codification and Government Quality Assurance Authority). SUPPLIER will provide Government Quality Assurance Representative (GQAR) of MCSQC with Technical Specification and the other documents relating to the production of the part of the delivery.
The processes of contract realization will be supervised by GQAR according to provisions of AQAP 2131 and the appropriate inscriptions will be done in Goods Certificate of Conformity.
Seller has to attach to the supply a Certificate of Conformity signed by GQAR.

Article 7 - Packing and Marking

- 7.1. The Seller shall prepare the Goods for transport to protect it from damages and deterioration in transit and shall be responsible for damages and deterioration due to improper packing and mishandling of the Goods before shipment.
- 7.2. The Seller shall indicate the shipping marks as follows:
LOM PRAHA s.p.

XXX

- 7.3. Consignment will be accompanied by the following documents:
 - Packing List,
 - Certificate of Conformity ("CoC")
 - Commercial Invoice in one original,

Article 8 – Warranty

- 8.1. The Goods supplied and delivered under this contract shall be brand new and free from any defects in conformity with the technical specifications.
- 8.2. Warranty period for the Goods is 24 months from the delivery or 18 months from the date of installation on the aircraft, whichever takes place first.
- 8.3. The Seller is obliged give stand-point for the claim within period 3 days after receiving the claim in written form.

- 8.4. The Seller is obliged to solve all the claims by 30 days after receiving the notification of the claim in written form.
- 8.5. During the warranty period the Seller shall remove any defect coming from defective material or unsatisfactory manufacturing and replace all materials that, in accordance with the aforesaid causes have become defective or useless. The Seller will supply the parts to be replaced free of charge or repair the faulty parts in its factory at his own expense.
- 8.6. The parts to be replaced shall be shipped to and from the Seller at the Seller's cost.
- 8.7. The warranty excludes damages caused by careless transport to the Buyer, storage in violation with Seller's instructions or improper use inconsistent with user's manual.

Article 9 - Disclaimer

- 9.1. Each party shall be responsible for all and any damages, injuries and/or losses occurring to or incurred by its own employees, agents or assigns or their property arising as a result of performance of any part of this Contract whether on their own premises, the premises of the other party.

Article 10 - Spare parts, maintenance support

- 10.1. Seller shall guarantee the availability and delivery of spare parts for, and repair of chronographs needed for continuous operation of the Goods supplied under this Contract for a period of **XXX**) years following delivery.
- 10.2. Seller will support Buyer in performing repair and maintenance of the Goods beyond the warranty period, provided that the Buyer shall pay the Seller the consideration of such services.

Article 11 - Suspension and Termination

11.1. **XXX**

11.2. **XXX**

11.3. **XXX**

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Article 12 - Language

- 12.1. In any matter of interpretation of this Contract, the signed English language version of this Contract shall prevail.
- 12.2. Language of contractual documents and/or any document to be exchanged between the Parties under this contract shall be the English

Article 13 - Applicable Law and Disputes

- 13.1. **XXX**
- 13.2. **XXX**
- 13.3. **XXX**
- 13.4. The provisions of the International Chamber of Commerce publication, "INCOTERMS 2010", will apply to this Contract.

Article 14 – Intellectual property

- 14.1. Intellectual Property means inventions (whether patentable or not), patents, copyrights, trademarks, trade secrets, designs, know-how, samples, mask works and other proprietary data or information.
- 14.2. Unless otherwise agreed by the Parties hereto in writing, the ownership and all rights in any Intellectual Property owned and/or controlled and/or used by Seller with respect to Goods in connection herewith prior to and/or gained or created by Seller during the execution of this Contract shall, subject to the rights of any third person or party, be, remain and vest solely with Seller.
- 14.3. With no additional cost to the contract Price, Seller shall grant to Buyer and to Buyer's customer i.e. Czech Republic Ministry of Defence (MOD), a non-exclusive and royaltyfree territorial and time unlimited license in all Intellectual Property owned and/or used and/or controlled by Seller if and to the extent such Intellectual Property is necessary for the use of all goods under this contract.

Article 15 - Miscellaneous

- 15.1. This contract shall not be assigned or otherwise transferred by either Party in whole or in part to any third Party.
- 15.2. This Contract shall become valid as of date of signing hereof by both Parties, and effective as of date of the issuing of the necessary licences. Either of the Parties shall be obliged to perform all the acts necessary for the issuing of the necessary licences, so as to abide by the conditions of this contract.

15.3 The Buyer shall provide the Seller with a signed End-User Declarations not later than one week after this Contract signature.

Article 16 – Force Majeure

16.1. Parties hereto will not be responsible for partial or full failure to perform its commitments under this Contract, provided such delay was caused by unforeseen circumstances such as war, military coup, strike of carrier, fire, flood etc.

16.2. Parties hereto are obliged to inform each other about such unforeseen circumstances within one week from the date such event occurs.

16.3. The fact, that such unforeseen circumstances occurred, should be further confirmed by the International Chamber of Commerce or by the respective Czech and/or Switzerland authority such as Ministry of Foreign Affairs. In the event, such unforeseen circumstances will prevail for more than three months; each of the Parties is free to terminate this Contract without entitlement for compensation of damages incurred by the other Party in connection with such termination.

Article 17 - Entirety of Contract

17.1 This Contract, as written, embodies the entire understanding in respect of the subject matter hereof between Buyer and Seller, and all negotiations, discussions and written or oral Contracts are hereby superseded by this Contract.

17.2 This contract has been done in two originals in the English language. Each Party shall keep one original.

17.3 This Contract may be modified or amended only in writing, in form of a relevant Amendment to this Contract and signed by duly authorized representatives of both parties.

IN WITNESS WHEREOF, each of the Parties hereto caused this contract to be executed by its duly authorised officers or representatives on the date mentioned below.

Prague, 3.11.2016

XXX
XXX

For and on behalf of the Buyer:

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XXX

LOM PRAHA s.p.
Roman Planicka
general director

XXX

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