

CONTRACT No 02/17/68

The present contract, hereinafter referred to as the Contract, is signed by and between **State Joint Stock Company “Latvijas gaisa satiksme” (LGS)**, VAT No LV40003038621, with the place of business at Airport “Riga”, Marupe Municipality, LV-1053, Latvia, hereinafter referred to as the **LGS**, represented by Chairman of the Board Dāvids Tauriņš and Member of the Board Elmārs Švēde, from one side, and

Partnership “Business Integration Partners SpA – Independent Business Group Ltd”, hereinafter referred to as **the Supplier**, represented by Carlo Amoruso, legal representative of the Lead Partner “**Business Integration Partners SpA**”, registration No 03976470967, with the place of business at Piazza San Babila, 5-20122, Milan, Italy, from another side, hereinafter both referred to as **Parties**, whereas the LGS desires to develop operational concept, technical requirements and A-CDM procedure for project “A-CDM RIGA” to meet the requirements of the LGS and whereas the Supplier has a proper competence and experience in rendering of such services based on LGS Tender No **LGS 2016/93** results, now the Parties agree on the following:

1. SCOPE OF THE CONTRACT

1.1. Within the provisions stated out in the present Contract and its Annexes, which are integral parts of this Contract, the Supplier undertakes within the time period of no longer than 18 (eighteen) calendar weeks to perform development of operational concept, technical requirements and A-CDM procedure for project “A-CDM RIGA”. If LGS will decide to select optional Phase 3, contractual execution maximal period will be prolonged in accordance with LGS requirements and Technical proposal of the Supplier.

1.2. Scope of work consists of 2 (two) major phases (Phase 1 & Phase 2). 1.3.

The Supplier undertakes to meet the following milestones of Phase 1:

- 1.3.1. Assess of current situation at RIX all the stakeholders;
- 1.3.2. Perform GAP analysis;
- 1.3.3. Perform CBA;
- 1.3.4. Deliver Intermediate Report on High level requirements for A-CDM platform;
- 1.3.5. Prepare the reports for EC Innovation and Networks Executive agency (INEA) in cooperation with the Customer.

1.4. The Supplier undertakes to meet the following milestones of Phase 2:

- 1.4.1. Develop A-CDM concept;
- 1.4.2. Develop A-CDM procedures;
- 1.4.3. Develop High Level operational, functional and technical requirements for A-CDM platform;
- 1.4.4. Evaluate A-CDM procedures together with Stakeholders;
- 1.4.5. Based on the results of Evaluation update the concepts and documents developed during the Phase 1 and Phase 2 and prepare the Final Report;
- 1.4.6. Assist the Customer with preparation of the Reports for EC Innovation and Networks Executive Agency (INEA).

1.5. The Supplier shall be deemed to comply with this Contractual obligation hereunder insofar in accordance with the agreed LGS Request for Proposal (Annex No 1), Supplier's Technical Proposal (Annex No 2) and Time schedule and Project milestones (Annex 3).

1.6. The Contract consists of the following documents:

- 1) These terms and conditions of Contract;
- 2) Annexes to these terms and conditions of Contract:
Annex 1: LGS Request for proposal; Annex 2: Supplier's Technical proposal; Annex 3: Time schedule and Project milestones; Annex 4: Financial proposal.

2. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

2.1. The Supplier's obligations are listed in this Contract terms and Annexes.

2.2. The LGS's obligations according to this Contract consist of rendering payment in accordance with the terms of Payment (Paragraph 3).

3. PRICE AND PAYMENTS

3.1. The **total Contract Price** shall not exceeded **EUR 140 000,00** (VAT is not included).

3.2. Total contract price consists of sum of the 2 Phases: **Phase 1 - EUR 52 850,00; Phase 2 - EUR 87 150,00.**

If LGS will decide to select optional Phase 3, the total price for Phase 3 will be equal to EUR 108 000,00 (VAT is not included). The decision on selection of optional Phase 3 shall be made by written amendment, which will be integral part of this Contract.

3.3. All payments shall be made in **EUR (euros)**.

3.4. Payments for Phase 1 and Phase 2 shall be effected according to the following schedule:

3.4.1. 20 % (twenty percent) of the Phase 1 and Phase 2 total price shall be paid as an advance payment within 15 (fifteen) calendar days after the day when the contract has been signed by both Parties and respective invoice from the Supplier has been received;

3.4.2. 20% (twenty percent) of the Phase 1 price shall be paid within 15 (fifteen) calendar days after signature of Acceptance certificate by both Parties of intermediate report (High level requirements for A-CDM platform) and receipt of respective invoice from the Supplier;

3.4.3. 60 % (sixty percent) of the Phase 1 price shall be paid within 15 (fifteen) calendar days after the signature of Acceptance certificate by both Parties upon a successful completion of Phase 1 and receipt of respective invoice from the Supplier;

3.4.4. 80 % (eighty percent) of the Phase 2 price shall be paid within 15 (fifteen) calendar days after the signature of Acceptance certificate by both Parties upon a successful completion of Phase 2 and receipt of respective invoice from the Supplier.

3.5. If the Supplier fails to fulfil its obligations in proper way and within the agreed time schedule then from the next day of the planned day of fulfilment of his duties, the Supplier shall pay LGS the penalty fee 0,2 % (zero point two percent) of the total Contract Price (Clause 3.1.) per each day of delay. The penalties for delay in aggregate shall not exceed 10% (ten percent) of the total Contract Price (Clause 3.1.). Payment of penalty fee shall be in full compensation of any claim from the LGS with respect to the Supplier's liability for delay and shall be exclusive of any other kind of damages of whatsoever nature.

3.6. If the LGS fails to fulfil its obligations in proper way and within the agreed payment terms starting from the next day after the agreed day of payment (Clause 3.4.), LGS shall pay the penalty fee 0,2 % (zero point two percent) of the outstanding amount per each day of delay. The penalties for delay in aggregate shall not exceed 10% (ten percent) of the delayed payment. Payment of penalty fee shall be in full compensation of any claim from the Seller with respect to the LGS's liability for delay and shall be exclusive of any other kind of damages of whatsoever nature.

3.7. Payments in accordance with the Contractual terms shall be transferred to the Supplier's account:

Bank Details for Electronic Transfer	
Bank Name	BNL GRUPPO BNP PARIBAS
Address	Corso Vittorio Emanuele II
Account Name	Business Integration Partners SpA
Account No.	000000000548
Sort Code	-

SWIFT Code	BNLIITRRXXX
IBAN	IT95G0100501608000000000548

3.8. The Parties agree that the invoice for any contractual payments can be provided electronically as a scan from original invoice and will be sending as standard mail to the e-mail address: lgs@lgs.lv. The original invoice will be send postal to the LGS.

4. TERMS OF DELIVERY AND ACCEPTANCE

4.1. Supplier undertakes to deliver each phase in according with stipulated terms as follows:

4.1.1. Part of Phase 1 (intermediate report of High level requirements – Request for proposal article 3.3.3.) must be completed not later than 1 week after signing of Contract by both Parties;

4.1.2. All deliverables of Phase 1 must be completed not later than 7 (seven) weeks after signing of Contract by both Parties;

4.1.3. All deliverables of Phase 2 must be completed not later than 18 (eighteen) weeks after signing of Contract by both Parties;

The time schedule included in Annex 3 is valid with the exception of the deliverable High level requirements for A-CDM platform – Intermediate, whose delivery date is specified in clause 4.1.1.

4.2. Each Phase milestones shall be fulfill in time and both Parties must sign Acceptance certificates.

4.3. In case that Acceptance certificate for some of the milestones of Phases is not signed from LGS side, LGS must provide to Supplier their remarks and substantiation in 10 (ten) calendar days.

4.4. After situation mentioned in article 4.3. Supplier in 10 (ten) days after LGS notification shall provide renewed deliverables and Acceptance certificate where LGS requirements is fulfilled.

5. MANAGEMENT OF THE PROJECT

5.1. The Supplier shall, in accordance with the Contract Documents, implement a formal project organization, which plans, organizes, conducts and manages the activities required by this Contract.

5.2. The Supplier appoints a Project Manager who is responsible for the successful performance of all aspects of the project, including any sub-contractor's activities. The Project manager will conduct the Supplier's project organization.

5.3. Project manager will have the competence and the authority to take decisions for the conduct of the Supplier's activities.

5.4. LGS appoints a Project Manager who is responsible for the activities of the LGS and who is authorized on behalf of LGS to sign Acceptance certificate. The LGS Project Manager will conduct the LGS project organization.

5.5. Project Managers of both Parties shall be duly authorized by the respective Party to sign any documents bearing financial liabilities or legal consequences.

5.6. The Supplier's and LGS Project Managers constitute the main point of contact between the project organization for planning organizing and co-ordination of the Supplier's and LGS activities.

5.7. The Supplier's appointed Project Manager and representative is: Antonio Quaranta.

5.8. The LGS appointed Project Manager and representative is: Maksims Dmitrijevs, Project Manager.

5.9. Information on the change of a Party's Project Manager shall be given to the other Party in writing within five working days after the change of Project Manager has occurred.

6. FORCE MAJEURE

6.1. The Supplier is relieved of the responsibility for failure to fulfil fully or partially his obligations in case of force majeure such as fire, flood, earthquake, strike, war, mobilization or unforeseen military call-up of comparable magnitude, requisition, confiscation, revolt or riot, general reductions in power supplies, sabotage, epidemics, quarantine restrictions, freight embargoes and any event beyond the Supplier's control such as any governmental decision, any refusal, cancellation or non-renewal of any export license or permit from government or other authority required for the sale of all or part of the Products or the purchase of the components /parts/ materials required for their manufacture.

6.2. In case of occurrence of any force majeure event, the Supplier must notify in written form the LGS of the beginning and ending of such circumstance.

6.3. Such notice shall be given not later than 15 days after the occurrence of the force majeure event.

6.4. The parties shall decide upon a new delivery plan which shall not be extended more than is due to the force majeure cause, also provided that The Supplier makes its best effort to minimize the delay and the effects of that delay.

6.5. The certificates issued by the Chamber of Commerce of the Supplier's or his subcontractor's country, respectively, must be regarded as a sufficient evidence of the presence of such circumstances and their duration.

6.6. If these circumstances continue over a period of more than 1 (one) month, each of the parties has the right to refuse further fulfillment of his obligation against this Contract and in this case neither of the parties is entitled to demand from the other party compensation for possible losses.

7. OWNERSHIP

7.1. All rights transferred to the LGS are included in the Total Contract Price.

7.2. The Supplier undertakes at his own expense to defend the LGS and hold the LGS harmless if claims are made or legal proceedings are instituted against the LGS in case of infringements.

8. ALTERATIONS AND ADDITIONS

8.1. All changes and additions affecting the technical and functional contents of the Contract, or affecting the contractual time schedule and defined costs, responsibilities and other assumptions and conditions, will always be specified by written agreements between the LGS and the Supplier.

8.2. Both the LGS and the Supplier will have the right to request changes to the Contract and Contractual agreements and obligations. All such requests shall be in writing.

9. COMMENCEMENT AND TERMINATION

9.1. This Contract is entering into effect after signing of the contract by both Parties.

9.2. This Contract shall terminate as both parties have fulfilled their obligations under the present Contract.

9.3. This supersedes all other agreements, oral or written, heretofore made with respect to the subject hereof and the transactions contemplated hereby and contain the entire contract of the parties with respect to the subject matter hereof.

10. ARBITRATION

10.1. Any dispute arising in the execution or performance of the present Contract shall be settled through amicable consultations between both parties.

10.2. If the parties will not come to such an agreement about solution of disputes or differences during 30 working days in the way of discourse, any dispute, differences or claim what is consequent to this Agreement, affect it or that contravention, finishing, modification,

translation or validity and/or invalidity dispute, including any question regarding its existence, validity or termination, will be referred to Latvian Court according to Latvian legislation.

11. GOVERNING LAW

11.1. This Contract as well as the questions arising out of or in connection with the present Contract are governed and constructed in accordance with the laws of Republic of Latvia.

12. CONFIDENTIALITY

12.1. The Parties agrees to hold in the strictest confidence any confidential information given each other by other Party in the performance of this Contract. This Section shall survive termination of the Contract.

13. SIGNING

13.1. This Contract is produced as 2 (two) original copies, in the English language. Each party has one copy. Each contract consists of 8 (eight) pages and 3 (three) Annexes.

14. MISCELLANEOUS PROVISIONS

14.1. This Contract may be terminated by mutual agreement between LGS and Supplier, should the service no longer be needed, after proper compensation to Supplier for work already executed or engagements made by him in accordance with this Contract.

14.2. Either party may terminate this Contract upon written notice if the other party materially breaches any of its terms or provisions. Termination for breach shall be without prejudice to the terminating party's other rights and recourses.

14.3. If the Supplier is the initiator of the Contract breaking it must finish the service according to this Contract and Annexes, which is integral parts of the Contract.

15. CONTACT PERSON

15.1. For the purpose of this Contract, the LGS's contact in Supplier for contractual matters and for signing all kinds of the acceptance certificates will be Antonio Quaranta.

15.2. For the purpose of this Contract, the Supplier's contact in LGS for contractual matters and for signing all kinds of the acceptance certificates will be Maksims Dmitrijevs, Project Manager.

Signing for and behalf of:

SUPPLIER:

Partnership “Business Integration Partners SpA – Independent Business Group Ltd”

Lead Partner “Business Integration Partners SpA”

VAT No. 03976470967

Legal address: Piazza San Babila,
5-20122, Milan, Italy

Office address: Via Sicilia,
43-00187, Rome, Italy

(signature)

Carlo Amoruso, Legal representative

Date: May 2, 2017

Place: Rome, Italy

LGS:

State Joint Stock Company “Latvijas gaisa satiksme”

VAT No.40003038621

Airport “Riga”,
Marupe Municipality,
Latvia, LV-1053

(signature)

Dāvids TAURINŠ,

Chairman of the Board

Date: May 2, 2017

Place: Marupe Municipality, Latvia

(signature)

Elmārs ŠVĒDE, Member of the Board

Date: May 2, 2017

Place: Marupe Municipality, Latvia