

## C O N T R A C T No. 02/17/77

**Latvijas gaisa satiksme**, SJSC (Republic of Latvia) with its registration number 40003038621 and place of business Lidosta "Riga", Marupe Municipality, Latvia, LV-1053, hereinafter referred to as "the Buyer", represented by Chairman of the Board Dāvids Tauriņš and Member of the Board Elmārs Švēde, from one side, and

**R.I.S.K. Company** (Republic of Azerbaijan), with its registration number VÖEN9900038351 and place of business Rashid Behbudov street 59, Baku, AZ1055, hereinafter referred to as "the Supplier" in the person of Director Jabir Jumshudov acting under the organization chart, from the other side,

The Buyer and the Supplier hereinafter individually referred to as "the Party" and collectively referred to as "the Parties",

Whereas the Buyer desires to establish direct electronic connection between LGS Integrated aeronautical information management database (hereinafter – LGS IAMDB) and European AIS database static and dynamic data (hereinafter – EAD SDD) operations using AIM Service layer (hereinafter – AIMSL) and whereas the Supplier has a long and distinguished history in establishing direct electronic connections between databases,

NOW THEREFORE the Parties agree as follows:

### **1. SCOPE OF THE CONTRACT**

1.1. Within the provisions and time schedule stated out in the present Contract and its Annex No 1 "Technical Specification" and Annex No 2 "Financial proposal", which are integral part of this Contract, the Supplier undertakes to establish direct electronic connection between LGS IAMDB and EAD SDD operations using AIMSL.

1.2. By Contract the new functionality will be implemented in IAMDB, which allows to export generated AIXM 5.1 format message from LGS to EAD SDD test or operational environment, or vice versa to import AIXM 5.1 message from EAD SDD to LGS IAMDB.

### **2. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES**

2.1. The Supplier's obligations according to this Contract consist of establishing direct electronic connection between LGS IAMDB and EAD SDD operations using AIMSL by agreed conditions and time frame. In accordance with the terms of the Contract, Supplier undertakes to:

- 2.1.1. Deliver software;
  - 2.1.2. Perform integration with existing system;
  - 2.1.3. Perform installation of software;
  - 2.1.4. Deliver documentation;
  - 2.1.5. Provide training;
  - 2.1.6. Perform factory acceptance testing (FAT);
  - 2.1.7. Perform site acceptance testing (SAT);
  - 2.1.8. Provide warranty;
  - 2.1.9. Provide after-sales service.
- 2.2. The Buyer'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 for IAIM DB direct electronic connection with EAD using AIMSL is **50000,00 EUR** (fifty thousand *euro* and 00 cents), VAT not included.
- 3.2. Contract price does not include any value added taxes or customs duties, or any other duties or taxes levied by the Buyer's country, all of which are the responsibility of the Buyer.
- 3.3. All payments shall be made in EUR (euros).
- 3.4. Payments shall be effected according to the following schedule:
- 3.4.1. 20 % of the Contract price shall be paid in advance against invoice, within 30 (thirty) days after the Contract is signed from both sides and Supplier's invoice is received.
  - 3.4.2. 80 % of the Contract price shall be paid after software have been delivered to the LGS, installation works have been completed, final FAT, SAT and training will be completed against Supplier's invoice, General Certificate of Acceptance is signed by both parties, within 5 (five) days after the invoice is received.
- 3.5. The Supplier must include in his invoices information about works (delivered software, accomplished installation, FAT and SAT and training works), which Supplier has done.
- 3.6. If the Buyer fails to fulfil his obligations in proper way and within the agreed time schedule starting from the next day after the agreed day of payment (Clause 3.4.) the Buyer shall pay the penalty fee 0,2 % the total contract price per each day of delay. The penalties for delay in aggregate shall not exceed 10 % of the Contract price. Payment of penalty fee shall be in full compensation of any claim from the Buyer with respect to Supplier's liability for delay and shall be exclusive of any other kind of damages of whatsoever nature.
- 3.7. Payments in accordance with the payment terms shall be transferred to the Supplier's account:  
Beneficiary's Acc. No: 3813.978.00.00596  
Beneficiary's bank: OSC "Bank Respublika",  
Head Office, Baku, Azerbaijan  
SWIFT: BRES AZ 22,  
Correspondent Acc. No: 400/8870529/01 EUR  
Intermediary bank: COMMERZBANK AG, FRANKFURT/MAIN,  
SWIFT: COBA DE FF
- 3.8. The Parties agree that the invoice for any contractual payments can be made electronically and is valid without a signature (hereinafter - the e-bill). Supplier will e-billing in electronic form on the Buyer e-mail address: [lgs@lgs.lv](mailto:lgs@lgs.lv) . Shall be deemed to e-invoice is delivered to Buyer and Buyer has received an invoice on the date on which it is sent from the Supplier e-mail address to the above mentioned e-mail address.

#### **4. DELIVERY TERMS AND ACCEPTANCE**

4.1. The Supplier undertakes to deliver software within 21 weeks (5 month) after the day when the contract is signed from both sides.

4.2. The delivery of software is understood as CIP Riga (INCOTERMS 2010) on a disk drive or by electronic means.

4.3. The Supplier shall inform the Buyer on software delivery by e-mail [lgs@lgs.lv](mailto:lgs@lgs.lv) at least three (3) days before the dispatch. The delivery date is the day when software is delivered to the Buyer.

4.4. If the Supplier fails to fulfil his obligations in proper way and within the agreed time schedule starting from the next day after the agreed day of delivery (Clause 4.1.) the Supplier shall pay the penalty fee 0,2 % from the total contract price per each day of delay. The penalties for delay in aggregate shall not exceed 10 % of the Contract price.

#### **5. FACTORY ACCEPTANCE TEST (FAT)**

5.1. Before the actual Factory Acceptance test a full-scale internal preliminary test shall be arranged according to the Contract specification (Annex 1). The Buyer reserves the right to attend this test as an observer. The Supplier shall notice in due time the start of this preliminary test, however not later than one month in advance.

5.2. FAT is a test in the Supplier's facilities, which is conducted in accordance with the agreed FAT specification (Annex 1). The Buyer should be entitled to witness the test and shall be notified about the FAT in due time. During the FAT, associated training shall be provided.

#### **6. SITE ACCEPTANCE TEST (SAT)**

6.1. A test at the Buyer's premises which is conducted in accordance with the agreed SAT specification (Annex 1). The Buyer shall witness the test and will sign the test protocol upon successful completion of the test. The Buyer shall be notified in due time.

#### **7. WARRANTIES**

7.1. Warranty period for software is 12 (twelve) months from the date of delivery, i.e., the date when the items are received in International Airport Riga.

7.2. Defective units shall be returned to the Supplier. Buyer's responsibility is to ship the faulty unit to the Supplier. The Supplier will organise the warranty repair and be responsible for delivery of the repaired unit to the Buyer within 30 (thirty) days from the day the faulty unit is received.

#### **8. OWNERSHIP**

8.1. All rights transferred to the Buyer are included in the Total Contract Price.

8.2. Ownership of the software purchased under this Contract shall remain with the Supplier until the total purchase price is paid in full.

8.3. The Supplier guarantees that the products do not infringe any patent rights trade marks or other legally protected rights.

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

#### **9. FORCE MAJEURE**

9.1. 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.

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

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

9.4. 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.

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

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

## **10. ALTERATIONS AND ADDITIONS**

10.1. 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 Buyer and the Supplier.

10.2. Both the Buyer 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.

10.3. If the order execution is not carried out in accordance with the provisions of this Contract and/or Annex No 1 and No 2 and/or delayed more than 5 (five) working days the Buyer shall have the right to unilaterally withdraw from the Contract (Right of withdrawal). In such case the Buyer shall submit written notice to the Supplier at least 5 (five) working days in advance.

## **11. COMMENCEMENT AND TERMINATION**

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

11.2. The duration of Contract is 6 (six) months from the commencement date.

11.3. 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.

11.4. 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.

## **12. DISPUTES**

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

12.2. 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 must be solved under the laws of the Republic of Latvia.

## **13. GOVERNING LAW**

13.1. 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. In case of contradictions between the rules of INCOTERMS 2010 and laws of Latvian Republic, the INCOTERMS 2010 will prevail.

#### **14. CONFIDENTIALITY**

14.1. The Buyer agrees to hold in the strictest confidence any confidential information given by Supplier in the performance of this Contract. This Section shall survive termination of the Contract.

#### **15. SIGNING**

15.1. This Contract is produced as original copies in the English (2 original) language. Each party has one copy. Each contract consists of 9 (nine) pages including the Annex No 1 and No

#### **16. CONTACT PERSON**

16.1. For the purpose of this Contract, the Buyer's contact in Supplier for contractual matters will be Vadims Tumarkins (e-mail: [vadims.tumarkins@lgs.lv](mailto:vadims.tumarkins@lgs.lv) , tel. +371 67300661, +371 29442210).

14.2. For the purpose of this Contract, the Supplier's contact in Buyer will be Mr. Sanan Aliyev (e-mail: [SananAliyev@risk.az](mailto:SananAliyev@risk.az),tel. (+99412) 4973737).

##### **Signing for and behalf of:**

**Latvijas Gaisa Satiksme, SJSC**

VAT No.40003038621

International Airport "Riga"

Marupe Municipality, Latvia, LV-1053

SWIFT: UNLALV2X

JSC „SEB Banka”

LV20UNLA0003029070855

*(signature)* D. Tauriņš

*(signature)* E. Švēde

Date: 23<sup>rd</sup> May, 2017

Place: Marupe Municipality

##### **Signing for and behalf of:**

**R.I.S.K. Company**

VAT No. VÖEN9900038351 Rashid

Behbudov street 59,

Baku, AZ1055, Azerbaijan

SWIFT: BRES AZ 22

OSC "Bank Respublika"

3813.978.00.00596

*(signature)* J.Jumshudov

Date: 31<sup>st</sup> May, 2017

Place: Baku, Azerbaijan