

CONTRACT No 02/17/105

Latvijas gaisa satiksme, SJSC (Republic of Latvia) with its registration number 40003038621 and place of business International Airport “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 (Azerbaijan), with VAT No 992500000253 and place of business 59, R.Behbudov str. AZ1022, Baku, Azerbaijan, hereinafter referred as “the Supplier”, represented by Director Jabir Jumshudov, 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 upgrade current Integrated Aeronautical Information Management Database (hereinafter - IAIMDB) for AIM/SWIM requirements fulfilment and whereas the Supplier has a long and distinguished history in upgrading such 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 upgrade current IAIMDB for AIM/SWIM requirements, which covers the following related activities:

1.1.1. First phase for business rules implementation to ensure:

- Eurocontrol AIXM 5.1 business rules provisions;
- LGS AIM business rules needs;
- AIM/SWIM automation during aeronautical dynamic data processing;

1.1.2. Second phase:

- to introduce metadata;
- to ensure IAIM DB compliance with EAIMS data catalogue.

2. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

2.1. The Supplier’s obligations according to this Contract consist of upgrading current IAIMDB for AIM/SWIM requirements fulfilment 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 (upgrading) 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 upgrading current IAIMDB is **200 000,00 EUR (two hundred thousand euros 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:

- 20 % (twenty percent) of Total Contract Price shall be paid in advance against invoice, within 10 (ten) calendar days after the Contract is signed from both sides and Supplier's invoice is received

- 40 % (forty percent) of the Total Contract Price will be paid upon delivery (completion) of Phase 1 and after signing of Certificate of Acceptance for Phase 1 by Parties, according to the Supplier's invoice within 10 (ten) calendar days after the invoice is received;

- 40 % (forty percent) of the Total Contract Price will be paid upon delivery (completion) of Phase 2 and signing of General Certificate of Acceptance by Parties, according to the Supplier's invoice within 10 (ten) calendar 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 0.1 % (zero comma one per cent) of the total contract price per each day of delay. The penalties for delay in aggregate shall not exceed 10 % (ten percent) 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:

R.I.S.K. Company

R.I.S.K. CJSC TIN 9900038351

Address: 59, R.Beybutov str., AZ1022 Baku, Azerbaijan Republic

Phone: + 99 412 497 37 37 Fax: + 99 412 498 19 93 Bank requisites :

BENEFICIARY: Closed Joint-Stock company R.I.S.K.

BENEFICIARY'S ADDRESS: 59, R.BEHBUDOV str., BAKU, AZERBAIJAN,

ZIP: AZ 1022

BENEFICIARY'S VAT No: 9900038351

BENEFICIARY'S EUR ACCOUNT No: AZ23 HAJC HCRE UR10 0000 6092 8003

BENEFICIARY'S BANK: OJSC Bank "XALQ", BAKU, AZERBAIJAN,

SWIFT: HAJCAZ22

BENEFICIARY'S BANK ACCOUNT No : 000-55 077 523

INTERMEDIARY BANK: Raiffeisen Bank International AG, Vienna

SWIFT code: RZBAATWW

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 from e-mail address: sanana@risk.az on the Buyer e-mail address: 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 18 (eighteen) calendar months 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 at least three (3) working 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 0.1% (zero comma one o percent) from the total contract price per each day of delay. The penalties for delay in aggregate shall not exceed 10 % (ten percent) of the Contract price.

5. FACTORY ACCEPTANCE TEST (FAT)

5.1. Before handing over the deliverables of each Phase of the Contract to the Customer, the upgrade of the current IAIMDB for AIM/SWIM requirements shall successfully pass factory testing according to the program specially developed and mutually agreed by Parties for each Phase. The factory testing shall also be combined with appropriated training courses in the vendor premises.

5.2 The price for training is covered with the Contract Price, while the travel and accommodation costs are covered by the Customer.

5.3 The Supplier shall notice in due time the start of this preliminary test, however not later than one month in advance.

6. SITE ACCEPTANCE TEST (SAT)

6.1. On-site testing (SAT) will be carried by the Customer 30 (thirty) calendar days after delivery (regardless whether electronic or physical) of deliverables of each Phase of the Contract to the Customer and should be confirmed by corresponding Acceptance Certificate signed by both Parties

7. WARRANTIES

7.1. Warranty period for software is 12 (twelve) calendar months from the date of delivery

8. OWNERSHIP

The copyright to upgraded IAIM DB belongs to the Supplier. For protecting of the copyright and to avoid of its use beyond the Customer responsibility areas, the Supplier applies special software protection. The Customer becomes the only fully privileged and sole owner of the delivered software licenses.

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 (fifteen) calendar 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 subcontractor'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 1 (one) calendar 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 18 (eighteen) 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 (thirty) 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 language. Each party has one copy. Each contract consists of 5 (five) pages including the Annex No 1 and Annex No 2.

16. CONTACT PERSON

16.1. For the purpose of this Contract, the Buyer's contact in Supplier for contractual matters will be Teodors Polurezovs (e-mail: teodors.polurezovs@lgs.lv tel. +371 67300664, +371 29164409).

14.2. For the purpose of this Contract, the Supplier's contact in Buyer will be Sanan Aliyev (e-mail: sanana@risk.az, tel. +997124973737).

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: 03/07/2017

Place: Marupe Municipality

Signing for and behalf of:

R.I.S.K. Company
R.I.S.K. CJSC TIN 9900038351
Address: 59, R.Beybutov str., AZ1022 Baku,
Azerbaijan Republic
Bank requisites:
BENEFICIARY: Closed Joint-Stock company
R.I.S.K.
BENEFICIARY'S ADDRESS:59,
R.BEHBUDOV str., BAKU, AZERBAIJAN,
ZIP:AZ 1022
BENEFICIARY'S VAT No: 9900038351
BENEFICIARY'S EUR ACCOUNT
No: AZ23 HAJC HCRE UR10 0000 6092 8003
BENEFICIARY'S BANK: OJSC Bank
"XALQ", BAKU, AZERBAIJAN,
SWIFT: HAJCAZ22
BENEFICIARY'S BANK ACCOUNT
No : 000-55 077 523
INTERMEDIARY BANK: Raiffeisen Bank
International AG, Vienna
SWIFT code: RZBAATWW

_____(signature)____J. Jumshudov

Date: 03/07/2017

Place:Baku, Azerbaijan