

CONTRACT NO. 02/17/118

State Joint Stock Company “Latvijas gaisa satiksme” (LGS), VAT No. LV40003038621, with the place of business in International Airport “Riga”, Marupe Municipality, LV 1053, Latvia, hereinafter referred to as the “**Customer**”, represented by Chairman of the Board Dāvids Tauriņš and Member of the Board Elmārs Švēde, from one side, and

Airtel ATN Limited, VAT No. IE8287698U, with the place of business at 2 Harbour Square, Crofton Road, Dun Laoghaire, Co Dublin, Ireland, hereinafter referred to as the “**Supplier**”, represented by CEO Frank O’Connor, from another side,

Whereas Latvia / LGS, as well as other European Union countries, should establish a digital data link (Link Datalink Services / Datalink) infrastructure, which is based on VDL Mode 2 standard, according to the European **Commission Implementing Regulation (EU) 2015/310 of 26 February 2015 amending Regulation (EC) No 29/2009 laying down requirements on data link services for the single European sky** and

Whereas, according to the guidelines of the European institutions Datalink transfer of technology aimed at improving the communications security of "air - ground", reduce the load for air traffic controllers service and frequency resource

The Customer and the Supplier hereinafter individually referred to as “the Party” and collectively referred to as “**the Parties**”.

NOW THEREFORE the Parties agree as follows:

1. SCOPE OF THE CONTRACT

1.1. Within the provisions and time schedule stipulated in the present Contract the Supplier undertakes to deploy and integrate ATN Infrastructure for CPDLC Provision (ATSP Domain) according to the European **Commission Implementing Regulation (EU) 2015/310 of 26 February 2015 amending Regulation (EC) No 29/2009 laying down requirements on data link services for the single European sky**, hereinafter - **Service**, according to the rules of the Contract, Annex No.1 “LGS Technical specification /Deployment and Integration of ATN Infrastructure for CPDLC Provision (ATSP Domain). Requirement & Specification Document”, Annex No.2 “Financial proposal” and Annex No.3 “Airtel ATN Technical proposal”, which are integral parts of this Contract.

1.2. Service includes:

- 1.2.1. Delivery of redundant ATN “ground – ground” router;
- 1.2.2. Delivery of redundant “ Front End Processor” system;
- 1.2.3. Delivery of Test support system;

- 1.2.4. Installation and configuration of all delivered systems;
 - 1.2.5. Integration and testing of all delivered systems with LGS ATM system and CSP network;
 - 1.2.6. Conducting factory acceptance test;
 - 1.2.7. Conducting site acceptance test;
 - 1.2.8. Factory training for LGS engineers personal;
 - 1.2.9. On-site training for LGS operational personal;
 - 1.2.10. verification of all components.
- 1.3. The Supplier undertakes to fulfill Service in 12 (twelve) months from day, when Contract is entering into effect.
- 1.4. Date of performance of the contract is the date, when the Supplier delivered the goods and fulfilled all Service what is confirmed with Site Acceptance Test in Riga signed to both Parties.

2. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

- 2.1. The Supplier's obligations are defined in Annex No.1.
- 2.2. Fulfil of Service should not disturb the Customer's daily work.
- 2.3. The main obligation of the Customer is to perform payment in accordance with paragraph 3 - Price and Payments.

3. PRICE AND PAYMENTS

- 3.1. In accordance with Annex No.2, the Total Contract Price is **EUR 386 940,00** (three hundred eighty six thousand nine hundred forty *euro*, 00 cents), VAT is not included.
- 3.2. The Contract price has been calculated and is expressed without value added tax, turnover tax, and any taxes, levies, duties, and fees payable outside the Supplier's country. Value added tax shall be paid by the Customer in accordance with the applicable EU legislation. Any fees and charges for customs procedures in Latvia are the responsibility of the Customer.
- 3.3. The Customer shall pay Contract Price to the Supplier as follows:
 - 3.3.1. advance payment 20% (twenty percent) from total amount of the Contract in amount of EUR 77 388,00 (seventy seven thousand three hundred eighty eight *euro*, 00 cents) shall be paid within 30 (thirty) calendar days after this contract has been signed by both parties and invoice is received;
 - 3.3.2. second payment 50% (fifty percent) from total amount of the Contract in amount of EUR 193 470,00 (one hundred ninety three thousand four hundred seventy *euro*, 00 cents) shall be paid pro rata within 20 (twenty) calendar days counting from the day a FAT Certificate has been signed by both parties, the Supplier delivered imported system components to Riga Airport and invoice is received.
 - 3.3.3. third payment 30% (thirty percent) from total amount of the Contract in amount of EUR 116 082,00 (one hundred sixteen thousand eighty two *euro*, 00 cents) shall be paid pro rata within 20 (twenty) calendar days counting from the day a SAT Certificate has been signed by both parties, and invoice is received.
- 3.4. All payments shall be made in EURO on the Supplier's Bank account.

3.5. If the Customer 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 the Customer 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 Supplier with respect to Customer's liability for delay and shall be exclusive of any other kind of damages of whatsoever nature.

3.6. If the Supplier fails to fulfil his obligations in proper way and within rules of the Contract and Annexes, the Supplier shall pay the penalty fee 0,2 % (zero point two percent) of the Contract price per each day of delay. The penalties shall not exceed 10 % (ten percent) of the Contract price.

3.7. The Parties agree that the invoice for any contractual payments could be made electronically as a scan from original invoice and would be sent as the standard mail to the e-mail address: lgs@lgs.lv. The original invoice would be sent by post service to the Customer.

4. DELIVERY

4.1. The Supplier undertakes to deliver and install corresponding goods to deploy and integrate ATN Infrastructure for CPDLC Provision (ATSP Domain) according to the European **Commission Implementing Regulation (EU) 2015/310 of 26 February 2015 amending Regulation (EC) No 29/2009 laying down requirements on data link services for the single European sky** in accordance with Contract Terms and Conditions of all Annexes.

4.2. The delivery and transfer of ownership shall be according to DAP (INCOTERMS 2010). The Supplier covers delivery costs and they include insurance from place of dispatch to the place of destination, transportation (air freight) and other duties in accordance to the DAP rules.

4.3. All risks of accidental losses pass to the Customer as soon as goods are delivered to the place of destination.

4.4. The Supplier shall inform the Customer of the anticipated goods delivery date by e-mail at least 3 (three) working days before the dispatch. The delivery date is the day when the equipment is received on the place of business in International Airport "Riga", Marupe Municipality, LV 1053, Latvia.

4.5. The Customer will upon delivery check the goods and sign a receipt document confirming that goods are checked and accepted, or noted any defects or damage. This document needs to be signed and returned to the Supplier the same day as the goods have been checked and no later than 2 (two) days after delivery to delivery address.

5. TRAINING

The Supplier must provide training in accordance with Annex No.1. The Customer and Supplier shall agree training programs and the dates 1 (one) month before respective training session commences.

6. FACTORY AND SITE ACCEPTANCE TESTS

Rules of Factory and Site acceptance tests are defined in Annex No.1.

7. INSTALLATION AND START-UP

The Supplier of the systems take full responsibility for the delivered systems installation, configuration, integration with LGS ATM system and CSP domain according to Annex No. 1.

8. WARRANTIES

8.1. The warranty period shall be 24 (twenty four) months from the date of signing (by both Parties) of Certificate of successful SAT.

8.2. For repairs performed and parts replaced the Supplier shall warrant to the same extent as for the original goods. Warranty period start from date of repair or replacing.

8.3. The Supplier shall organize the warranty repair and be responsible for delivery of the repaired unit to the Customer (DAP Riga International Airport, LGS) within 30 (thirty) days from the day the faulty unit is received. All shipping and insurance costs shall be borne by the Supplier.

8.4. All parts shall be delivered in separate cardboard packages to avoid damage.

9. OWNERSHIP

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

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

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

10. ORDER TO ENSURE SAFETY AND QUALITY REQUIREMENTS IN PUBLIC PROCUREMENT

10.1. Supplier shall ensure setting up an occurrence reporting system and delivery of reports to the Customer about the provided services.

10.2. The Supplier shall ensure a full investigation of all occurrences and submission of the final report to the Customer.

10.3. Upon request of the Customer, the Supplier shall allow possible audit on the safety and quality of the provided services. Cost of such audit is not included in the scope of this agreement and would need to be mutually agreed.

11. FORCE MAJEURE

11.1. 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.

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

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

11.4. The Parties shall decide upon a new delivery plan that 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.

11.5. The certificates issued by the relevant authority or office 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.

11.6. If these circumstances continue over a period of more than 1(one) 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.

12.ALTERATIONS AND ADDITIONS

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

12.2. Contracting parties can organize meetings in place agreed by Parties for discussing all changes, additions or other questions concerning technical and functional contents.

12.3. Both the Customer 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.

13.COMMENCEMENT AND TERMINATION

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

13.2. This Contract shall be terminated as both parties have fulfilled their obligations under the present Contract.

13.3. 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.

13.4. If providing of Service has been delayed by more than 1 (one) month, the Customer has the right to unilaterally withdraw from this Contract.

14.ARBITRATION

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

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

15.GOVERNING LAW

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.

16.MISCELLANEOUS PROVISIONS

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

17.CONFIDENTIALITY

Both Parties agree to keep in the confidentiality any confidential information received from each other in the process of fulfilment of the Contract. This Article remains in force after termination of the Contract.

18.CONTACT PERSON

18.1. For the purpose of this Contract, the Customer's contact for contractual matters and for signing all kinds of the acceptance certificates will be Mr. Ainars Snepsts (e-mail: ainars.snepsts@lgs.lv, phone: +371 29183055, +371 67300770).

18.2. For the purpose of this Contract, the Supplier's contact for contractual matters and for signing all kinds of the acceptance certificates will be Frank O'Connor (e-mail: frank.oconnor@airtel-atn.com, phone: +353 1 284 2821).

19. SIGNING

This Contract is produced as original copies in the English (2 original) language. Each Party has one copy. Each contract consists of 7 (seven) pages, Annex No 1 "LGS Technical specification / Deployment and Integration of ATN Infrastructure for CPDLC Provision" consists of 48 (forty eight) pages, Annex No2 "Financial proposal" consists of 1 (one) page and Annex No.3 "Airtel ATN Technical proposal" consists of 52 (one) pages.

Signing for and behalf of:

THE SUPPLIER

Airtel ATN Limited

VAT Registration No IE8287698U

Registration No 287698

Address: 2 Harbour Square, Crofton Road, Dun
Laoghaire, Co Dublin, Ireland

Bank name: AIB

SWIFT Code: AIBKIE2DXXX

Account No. IE52 AIBK 9334 0677 9600 21

_____ *(signature)* _____

Name: Frank O'Connor

Title: CEO

Date: 20/07/2017

Place: Dublin, Ireland

THE CUSTOMER

SJSC Latvijas gaisa satiksme

VAT Registration No LV40003038621

Registration No 40003038621

Address: Riga International Airport,
LV-1053, Latvia

Bank name: AS „SEB Banka”

SWIFT Code: UNLALV2X

Account No. LV20UNLA0003029070855

_____ *(signature)* _____

Name: Dāvids Tauriņš

Title: Chairman of the Board

_____ *(signature)* _____

Name: Elmārs Švede

Title: Member of the Board

Date: 01/08/2017

Place: Marupe Municipality, Latvia