

CONTRACT No. 02/17/107
between
R.I.S.K. Company (Republic of Azerbaijan)
and
Latvijas Gaisa Satiksme, SJSC (Republic of Latvia)
on
“Development of new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System”

Latvijas gaisa satiksme, SJSC (Republic of Latvia) with its registration number 40003038621 and place of business Airport “Riga”, Marupe Municipality, Latvia, LV-1053, hereinafter referred to as “the Customer” in the person of Chairman of the Board Davids Taurins and Member of the Board Elmārs Švēde, existing on the basis of organization chart of LGS and rules of board of directors on 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 on the other side,

whereas the Customer has decided to develop new PANDA family Module “AIXM 5.1 driven AIP Data Set/eAIP Production System and the Supplier is able to provide such modernization, so the Parties with conclusion of this contract, hereinafter referred to as the Contract, agree as follows:

1. SUBJECT

1.1. According the Contract the Supplier shall develop new PANDA family Module “AIXM 5.1 driven AIP Data Set/eAIP Production System, which covers the following Latvian IAIM DB linked AIXM 5.1 related activities:

1.1.1. First phase of the AIXM 5.1 driven AIP Data Set/eAIP Production system development:

1.1.1.1. AIP Data Set provision;

1.1.1.2. AIP to AIXM 5.1 Mapping development;

1.1.1.3. AIP content transition into eAIP environment.

1.1.2. Second phase of the AIXM 5.1 driven AIP Data Set/eAIP Production system development:

1.1.2.1. eAIP 5.1 Production English version;

1.1.2.2. eAIP 5.1 Production Latvian version;

1.1.2.3. eAIP 5.1 Provision mechanism development

1.2. The Supplier undertakes to develop new PANDA family Module in accordance with the provisions of the Contract and Technical Specifications attached to the Contract as Appendix 1.

1.3. The Customer in its turn shall accept duly fulfilled obligations of the Supplier and pay for development of new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System.

2. TOTAL AMOUNT OF THE CONTRACT AND PAYMENT TERMS

- 2.1. The total Contract price is EUR 200 000,- (two hundred thousand euros) (hereinafter referred to as the Total Contract Price).
- 2.2. The amount indicated in the Clause 2.1 is inclusive of any costs incurred by the Supplier to fully implement the present Contract as indicated in Clause 1.1., but is exclusive of customs duties, VAT and any other taxes applicable in Latvia.
- 2.3. The payment will be performed in accordance with Phases of the Contract, which are defined in Clause 1.1. and Appendix 1 of the Contract.
 - The Customer shall pay 20% of the Total Contract Price as an advance payment to the bank account shown on the Supplier`s invoice not later than 30 (thirty) banking days from the moment of signing of present Contract by both Parties, in accordance with the invoice submitted by the Supplier;
 - 40% 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 30 (thirty) banking days after its receipt;
 - 40% 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 30 (thirty) banking days after its receipt.
- 2.4. The Parties agree that the invoice for any contractual payments can be made 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 Buyer.

3. DURATION OF CONTRACT, DELIVERY TERMS AND ACCEPTANCE

- 3.1. The Contract is effective as of the date when signed by both Parties (further referred to as the Commencement Date).
- 3.2. The duration of the Contract is 18 months from the Commencement Date. The Contract is composed of two Phases which are defined in the Appendix 1 of the Contract.
- 3.3. Before handing over the deliverables of each Phase of the Contract to the Customer, the new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System 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.
- 3.4. On-site testing (SAT) will be carried by the Customer 30 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.
- 3.5. The delivery of new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System is understood as CIP Riga (INCOTERMS 2010) on a disk drive or by electronic means.

- 3.6. The Supplier provides maintenance and support services to the Purchaser on new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System.
- 3.7. Training of the personnel of the Customer on new PANDA family Module shall be provided by the Supplier in the premises of the Supplier. The price for training is covered with the Contract Price, while the travel and accommodation costs are covered by the Customer.
- 3.8. The copyright to new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System 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.

4. LIABILITY, DISPUTES AND TERMINATION OF THE ADDENDUM

- 4.1. If the Supplier fails to supply the new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System in time and/or it is not consistent with the attached Technical Specifications then the Supplier shall pay the penalty for each delayed day in the amount of 0.1% (zero point one per cent) of the new PANDA family Module “AIXM 5.1 driven AIP data Set/eAIP Production System cost, but not more than 10% (ten per cent) of the total cost of Contract.
- 4.2. In case the Customer does not make payments within the deadline specified in the Contract, however, always conditional upon the Supplier`s performance, the Customer pays late-payment interest of 0.1% (zero point one per cent) from the outstanding amount for each day of delay, within 10 (ten) calendar days from the day of filling the written request by the Supplier. The late-payment interest shall not aggregate exceed 10% (ten per cent) of the total Contract price.
- 4.3. The Parties shall make every effort to resolve amicably by direct informal negotiation any dispute arising between them under or in connection with the Contract. If the Parties fail to resolve their dispute by mutual consultation within 30 (thirty) days, then either Party may give notice to the other Party of its intention to commence litigation, as hereinafter provided, as to the matter in dispute, and no litigation in respect of this matter may be commenced unless such notice is given.
- 4.4. All disputes arising out of or in connection with the present Contract shall be finally settled in court of the Republic of Latvia, according to the laws and regulations of the Republic of Latvia.
- 4.5. This Contract shall in all respects be constructed and governed by the law of Republic of Latvia. All issues which are not resolved within the present Contract shall be resolved in accordance with the laws

5. CHANGE CONTROL AND THE SERVICE VARIATIONS

- 5.1. The Customer may request variations to the Contract. All variations to the Service shall be made by means of a Variation Order, in accordance with the provisions of this Article, and should not affect the Contract Price.

- 5.2. A Variation Order shall be clearly identified as such. A Variation Order shall contain a complete description of the work to be performed, the schedule of its execution, the effects on the Scope of Work, or Contract Schedule and any other effects on the Contract Terms, if any.
- 5.3. The Customer has the right to request variations to the Service, which in the Customer's opinion are desirable when taking into consideration the purpose of the Service. The Supplier may also propose variations to the work. All such variations shall be within the general intention of the Contract and subject to mutual agreement of the Parties.
- 5.4. If the Customer requests performance of specific work, which in the Supplier's opinion is not the part of his obligations under the Contract, then the Supplier shall request the Customer to issue a Variation Order. Before the Customer issues a Variation Order, the Supplier shall submit to the Customer an estimate containing:
- a) a description of the Service to be performed under the variation;
 - b) a detailed schedule for the execution of the variation, showing the required resources and significant milestones;
 - c) the effects on the Contract Price;
 - d) the effect on the Contract Schedule.
- The Supplier agrees to provide the Customer with the above mentioned information as soon as reasonably possible.

6. FORCE MAJEURE

- 6.1. Neither Party will be liable for non-delivery, delay in delivery or installation or any other impairment of performance hereunder in whole or in part, if it cannot perform its obligations because of Force Majeure event, defined as war (whether an actual declaration thereof is made or not), sabotage, insurrection, rebellion, riot, act of terrorism or other act of civil disobedience, act of a public enemy, act of any government, judicial action, labor strike, fire, explosion, epidemic, quarantine, restrictions, storm, flood, earthquake, or any act of God provided if such event is beyond the reasonable control of the affected Party and which this Party cannot prevent or overcome.
- 6.2. The Party referring to the Force Majeure is bound to inform the other Party immediately in writing when such an event has occurred and state the circumstances and reason of its occurrence.
- 6.3. If these circumstances continue over a period of more than 3 (three) months, either Party has the right to refuse further fulfilment of their obligations against this Contract and in this case none of the Parties is entitled to demand from the other Party compensation for possible losses.

7. OTHER CONDITIONS

- 7.1. The Contract is effective from the Commencement Date and till the fulfillment of all obligations.
- 7.2. In case of inapplicability of a term or condition of this Contract, the validity of remaining terms and conditions remain unchanged.
- 7.3. All Annexes are the integral part of the Contract.

- 7.4. All modifications and amendments to the Contract will come into effect only if they are produced in a written form and signed by the authorized representatives of the Parties.
- 7.5. The Contract is produced and signed in 2 (two) identical originals, each on 6 (six) pages, in the English language, one original for each Party.

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

- 8.1. The Supplier shall ensure setting up an occurrence reporting system and delivery of reports to the Customer about the provided service.
- 8.2. The Supplier shall ensure a full investigation of all occurrences and submission of the final report to the Customer.
- 8.3. The Supplier shall allow the Customer to audit the safety and quality of the provided services in compliance with the Commission Implementing Regulation (EU) No 1035/2011 of 17 October 2011 laying down common requirements for the provision of air navigation services.

9. CONTACT PERSON

- 9.1. 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 , tel. +371 67300661, +371 29442210).
- 9.2. For the purpose of this Contract, the Supplier's contact in Buyer will be Mr. Sanan Aliyev (e-mail: SananAliyev@risk.az, tel. (+99412) 4973737).

IN WITNESSTHEREOF the authorized representatives of the Parties have signed this Contract:

Signing for and behalf of:

Latvijas Gaisa Satiksme, SJSC

VAT No.40003038621

Airport "Riga"

Marupe Municipality, Latvia, LV-1053

SWIFT: PARX LV

JSC „Citadele banka”

LV94 PARX 0000 0046 3102 1

(EUR)

_____(signature)_____D. Tauriņš

_____(signature)_____E. Švēde

Date: July 3, 2017

Place: Marupe Municipality, Latvia

Signing for and behalf of:

R.I.S.K. Company

VAT No. VÖEN9900038351

Rashid Behbudov street 59,

Baku, AZ1055

SWIFT: BRES AZ 22

OSC "Bank Respublika",

Acc. No: 3813.978.00.00596

_____(signature)_____J. Jumshudov

Date: July 3, 2017

Place: Baku, Azerbaijan