

CONTRACT No. 02/17/199

**for
AWOS MODERNIZATION FOR AIRPORT “RIGA”**

**Between
STATE JOINT-STOCK COMPANY
“LATVIJAS GAISA SATIKSME”**

and

COMPANY “VAISALA Oyj”

Dated: 21 of December, 2017

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1. PREAMBLE

Latvian State Joint Stock Company “LATVIJAS GAISA SATIKSME” (LGS), a company incorporated under the laws of Latvia with the VAT No. LV40003038621, place of business – Muzeju iela 3, Airport “Riga”, Marupe Municipality, LV-1053, Latvia, hereinafter referred to as “The Buyer”, represented by the Chairmen of the Board of the Company Mr. Dāvids Tauriņš and Member of the Board Mr. Elmārs Švēde, from one side

and

Company “VAISALA Oyj”, a company incorporated under the laws of Finland with the registration VAT No. FI01244162, place of business – P.O.Box 26 FIN-00421 Helsinki, Finland, hereinafter referred to as “The Supplier”, represented by Sales Manager Mr. Jukka Sihvola, from another side, hereinafter together referred to as “Parties” or “Contracting parties”,

Whereas the Buyer desires to modernize the existing Automated Weather Observation System with software update at Airport “Riga”, Latvia (hereinafter referred to as – AWOS); and

Whereas the Supplier has a long and distinguished experience in the supply of Meteo Systems and has been responsible for a number of most complex AWOS presently operating in many countries all over the world; and

Whereas the Supplier has a well skilled staff of Information Technologies specialists and engineers and the capacity to modernize AWOS within the time schedule; and

Whereas the Supplier is willing to supply new equipment and software for AWOS under the terms and conditions hereinafter set forth;

NOW THEREFORE, expressing their free will the Parties agree as follows:

2. DEFINITIONS AND INTERPRETATIONS

Where appearing in this Contract, the following words shall have the meaning stipulated hereinafter.

- 2.1. **“Buyer”** - shall mean Latvian SJSC “Latvijas gaisa satiksme”, its officers, employees and duly designated representatives, including its successors and assigns.
- 2.2. **“Supplier”** - shall mean “VAISALA Oyj”, its officers, employees and duly designated representatives, including its successors and assigns.
- 2.3. **“Contract”** – shall mean this supply Contract for AWOS modernization, including its Annexes as listed in the Table of Contents herein and all future annexes or written documents if they are made in accordance with the rules stated in the Contract and includes any variation to the Contract by modification in writing between parties.
- 2.4. **“AWOS”** – shall mean Automated Weather Observation System at International Airport “Riga” in accordance with the agreed Specifications.
- 2.5. **“Contract Equipment”** – shall mean all hardware (including meteorological sensors, masts, calibration tools, workstations, servers, etc) (hereinafter referred to as – HW) and software (including licenses) (hereinafter referred to as – SW) mentioned in Annex No.1 hereto for delivery by the Supplier to the Buyer pursuant to the present Contract.

- 2.6. **“Technical Documentation”** - shall mean all the technical indices, drawings, manuals and other documents relating to installation, operation, inspection and maintenance of the Contract Equipment which are specified in Annex No.1 hereto for delivery by the Supplier to the Buyer pursuant to the present Contract.
- 2.7. **“Training”** - shall mean the program of instruction with respect to the inspection, adjustment, operation or other work of the Contract Equipment to be provided by the Supplier to the Buyer’s specialists as specified in the present Contract.
- 2.8. **“Contract Price”** - shall mean the sum total of all prices and fees to be paid by the Buyer to the Supplier as specified in Chapter 7 hereto.
- 2.9. **“General Technical Specification”** - shall mean the technical specifications for the Contract Equipment, which is detailed in Annex No.1.
- 2.10. **“Shipment”** - shall mean the delivery of the Contract Equipment by the Supplier into the charge of the Carrier or his agent designated by the Supplier for carriage to the destination specified by the Buyer.
- 2.11. **“Delivery terms”** – shall mean specific terms as agreed between the parties within this Contract and those contemplated by the INCOTERMS 2010 or as specified.
- 2.12. **“Delay of Terms”** – shall mean the next day after the agreed Term for performing services expires.
- 2.13. **“Grace period”** – shall mean the period starting from the Delay of Terms till the day on which the debtor must start pay the penalty fee.
- 2.14. **“Penalty fee”** – shall mean the agreed amount of money, which the debtor has to pay to another party after the Grace period expires.
- 2.15. **“EUR”** – shall mean euro value expressed in the currency of the European Union.
- 2.16. **“Factory Acceptance”(FAT)** - shall mean the act whereby the Authorized Representatives of the Buyer and the Supplier sign the Factory Acceptance Certificate after successful completion of Factory Acceptance Test (FAT) in accordance with agreed procedures and Annex No. 4.
- 2.17. **“Site Acceptance”(SAT)** - shall mean the act whereby the Authorized Representatives of the Buyer and the Supplier sign the Site Acceptance Certificate after successful completion of Site Acceptance Test (SAT) in accordance with agreed procedures and Annex No. 5.
- 2.18. **“Date of acceptance”** – shall mean date of signing the Site Acceptance Certificate by both parties.
- 2.19. **“Working days”** - shall be understood as Monday through and including Friday each week, excluding Latvian public holidays. **“Days”**, without modifier, shall be understood as calendar days, i.e. Monday through and including Sunday each week. **“Weeks”** shall be understood as whole calendar weeks, i.e., from a Monday through and including the following Sunday. **“Months”** shall be understood as calendar months, i.e., from the date in the first month to the same date in succeeding months.
- 2.20. Words denoting *the singular* include the plural and vice versa.
- 2.21. Words importing one gender shall include the other.
- 2.22. Clause headings herein are for convenience only and have no effect on the construction or meaning of the Contract.

3. **CONTRACTUAL DOCUMENTS**

The Contract documents consist of this Contract, including its appendices as follows:

- Annex 1: General Technical Specification
- Annex 2: Financial proposal
- Annex 3: AviMet License Conditions
- Annex 4: General License Conditions of Vaisala Group
- Annex 5: Preliminary Project Schedule (in GANT Chart format)
- Annex 6: Event classification for FAT and SAT

4. DOCUMENT PRIORITY

For the purpose of interpretation of this Contract in the event of Conflicts between the Contract documents, the following order shall apply (Contractual documents shall have priority in the following order):

- Annex 1: General Technical Specification
- This Contract document
- Annex 2: Financial proposal
- Annex 3: AviMet Licence Conditions
- Annex 4: General License Conditions of Vaisala Group
- Annex 5: Preliminary Project Schedule (in GANT Chart format)
- Annex 6: Event classification for FAT and SAT

5. OBJECT AND SCOPE OF THE CONTRACT

5.1. The object of this Contract is for the Supplier to undertake to perform the AWOS modernization, including training, testing and documentation in accordance with provisions of this Contract.

5.2. The Contract Equipment shall meet the technical specifications detailed in Annexes No.1 hereto. However, the Supplier may at his own discretion make minor changes in details of the Contract Equipment during implementation of the Contract, provided such changes to improve but not adversely affect the functional performance or the quality of the Contract Equipment.

5.3. The Supplier is deemed to take initiative in seeing that he has relevant and necessary information to fulfil his obligations. The Supplier is also obliged to notify the Buyer if the Buyer is to take any actions or in other way assist the Supplier in his performance according to this Contract, if this is not strictly regulated by the Contract.

5.4. The Supplier shall provide FAT on a fully configured system on the Supplier factory.

5.5. SAT shall take place in Airport ‘Riga’ in an environment being constantly in operational use. The Supplier shall consider this fact and perform his work so that no unnecessary disturbance of the operational work will be caused with the help and assistance from the Buyer.

6. THE OBLIGATIONS AND RIGHTS OF CONTRACTING PARTIES

6.1. General

6.1.1. The Supplier shall deliver the Contract Equipment for AWOS modernization and test the modernized AWOS at Riga airport, Latvia. The Supplier must use its best efforts to complete the delivery on DAP bases latest by the end of June 2018 (in agreed date as stated in Annex No. 4).

6.1.2. The Supplier in this Contract is regarded as the Main Supplier for the Contract Equipment. Thus, the Supplier has the overall responsibility for the supply of the Contract Equipment for AWOS modernization in all respects and performance of project management activities as specified in this Contract. In this case, the Buyer will have no relationship either legal or private with the subcontractors of the Supplier if any.

6.1.3. The Supplier shall deliver the Contract Equipment as specified in this Contract to Airport “Riga”, Latvia.

6.1.4. The Supplier is deemed to take initiative in seeing that he has relevant and necessary information to fulfil his obligations. The Supplier is also obligated to notify the Buyer if the Buyer is to take any actions or in other way assist the Supplier in his performance according to this Contract, if this is not strictly regulated in the Contract.

6.2. Supplier’s Obligations

6.2.1. The Supplier’s obligations in accordance with the rules of INCOTERMS 2010 and the present Contract are as follows:

- (a) The Supplier must deliver the Contract Equipment for AWOS modernization in accordance with the requirements stated in the General Technical specification (Annex No.1). Application SW shall be upgraded with possibility to keep current server’s functionality for safely migration to the new software version.
- (b) The Supplier must train the Buyers specialists, to use the modernized AWOS, according to the rules set out in this Contract and in accordance with the requirements stated in the General Technical specification (Annex No.1);
- (c) As soon as the Contract Equipment is produced the Supplier must immediately notify the Buyer and prepare everything for FAT;
- (d) The Supplier undertakes to perform and fulfil his contractual obligations within the agreed period of time (Annex No. 4);
- (e) The Contract Equipment shall conform to all European Union regulations;
- (f) The Supplier must settle all necessary Export licenses, taxes and custom duties outside Republic of Latvia for the Contract Equipment to be delivered under this Contract. The Buyer shall assist the Supplier in obtaining any necessary information that may be required by the authorities for granting the licenses;
- (g) The Supplier undertakes to pay all taxes and any legal (government) fees outside the territory of Republic of Latvia;
- (h) The Supplier undertakes to deliver the Contract Equipment to the Buyers place of business – Muzeju iela 3, Airport “Riga”, Marupe Municipality, LV-1053 according to DAP, Incoterms 2010
- (i) The risks of accidental losses or damages of the Contract Equipment shall remain with the Supplier until the Contract Equipment is properly delivered and placed in Buyers place of business;
- (j) The Supplier must cover all expenses related to the packing and marking of the Contract Equipment which must correspond to the ordinary rules for the shipment of this kind of the Contract Equipment;
- (k) The Supplier must insure the Contract Equipment in accordance with the ordinary international insurance requirements for the particular type of delivery;

- (l) The Supplier must notify the Buyer about the time schedule of the delivery so that the Buyer has enough time to carry out all necessary measures to receive the Contract Equipment in Latvia;
- (m) The Supplier undertakes to:
- Deliver new sensors, masts, communication equipment, computer hardware and software;
 - Perform installation of the software;
 - Perform System adaptation to LGS environment;
 - Deliver documentation (installation, operation, system administration and maintenance manuals) for modernized AWOS in electronic format; all documentation shall be in English language;
 - Provide factory training;
 - Perform factory acceptance testing (FAT);
 - Perform site acceptance testing (SAT);
 - Provide licenses for the Buyer to use software products;
 - Provide the set of the documents and certificates required for AWOS Certification (DSU, source data for Safety Case, Declaration of conformity, Certificate of Software Assurance to EC 482/2008, EC Declaration of suitability for use to EC 552/2004, calibration certificates, metrological verification test data sheets for each meteorological sensor of the AWOS and calibration tools, frangibility certificates, quality certificates, calibration reports, factory certificates, etc.);
 - Provide warranty.
 - Provide the Buyer free of charge, with office accommodation, assembly space at the Supplier's premises and provision of transport assistance during Training courses and FAT.

6.3. Buyer's Obligations

The Buyer's obligations in accordance with the rules of INCOTERMS 2010 and the present Contract are as follows:

- (a) The Buyer undertakes to pay the Contractual price in accordance with the rules stated in Chapter 7 and 8 of the present Contract;
- (b) The Buyer must settle all necessary Import licenses, taxes and custom duties in the territory of Republic of Latvia for the Contract Equipment to be delivered under this Contract. The Supplier shall assist the Buyer in obtaining any necessary information that may be required by the authorities for granting the licenses;
- (c) The Buyer must overtake the delivered Contract Equipment as soon as it is delivered to the Buyer's place of business;
- (d) The Buyer must:
- Prepare the installation area (civil works) for installation of the Contract Equipment. The preparations shall be in accordance with the Supplier instructions. Such instructions (manuals) regarding the site preparation for installation shall be given to the Buyer in due time – at least five months before the civil works starting;
 - Install the Contract Equipment independently without the Supplier representatives in site taking into account the Supplier instructions. Such instructions regarding the installation and integration shall be given to the Buyer in due time – at least three months before the installation before the installation;
 - Arrange that the Supplier shall have free access to the installation area during acceptance testing;
 - Arrange all necessary working permits for the Supplier's personnel for the work that has to be performed at Buyer's premises in Latvia;
 - Provide the Supplier, free of charge, with office accommodation, assembly space during SAT duration at the Buyer premises at Airport "Riga";

- Reserves the rights to verify the Contract Equipment in accordance with the requirements of STANDARD ISO 9000 series;
- Determine the use of nonconformity products writing Nonconformity Review and Disposition (as necessary).

7. CONTRACT PRICE

7.1. The Total Contract Price is **EUR 495 310,00 EUR,-** (four hundred ninety five thousand three hundred ten EURO, 00 cents). VAT is not included. All payments shall be made in EURO. All prices do 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. The Total Contract Price is firm fixed prices in all respects.

7.2. The Contract price covers all Contract Equipment and all services specified in this Contract and its Annexes. Price breakdown is shown in Annex No.2. Any fees and charges for customs procedures outside of Finland are the responsibility of the Buyer.

7.3. All payments should be paid in accordance with Article 8 of this Contract. Payments shall be performed by means of wire transfer to the Supplier's account in:

Name of Bank: Nordea Bank Finland, Plc,

Code: NDEAFIHH

Bank account No. : IBAN No. FI48 1571 3000 0141 19

8. TERMS OF PAYMENT

8.1. Advance payment.

8.1. The Buyer shall perform payments for the Contract equipment as follows:

8.1.1 All payments shall be made in EUR and will be executed by the Buyer by a simple bank transfer against Supplier's invoice to the bank account shown on the invoice, within 15 days counting from the day when the Buyer received the invoice.

8.1.2 Payments will be applied as Advance payment, Milestone payments, and Final payment, paid against Supplier's invoice within 15 (fifteen) days counting from the day when the Buyer received the invoice, according to the Payment Schedule (Annex 4) provided always

a) for Advance payment (20%) – the Contract has been signed by both Parties;

b) for Milestone payments (FAT 60%, SAT 10%) – the respective Milestone has been accepted by the Customer by signing pertaining document (Minutes of the meeting, Acceptance Test Protocol or another document deemed by the Parties to be valid);

c) for Final payment (10%)– the Buyer has received all necessary certificates and commissioning period has been successfully passed, latest with 60 days from SAT.

9. FINANCIAL GUARANTEES

Before the transfer of the last payment (8.1.2 c)) the Supplier should issue an irrevocable bank guarantee for the amount EUR 49531.00 (forty nine thousand five hundred thirty one EURO, 00 cents) being 10% (percent) of the total Contract price, for the whole Warranty period saying that the Buyer has the right at first demand to use the above said sum if the Supplier fails to fulfill his warranty obligations.

10. DELIVERY

10.1. Agreed Delivery Date

The Agreed delivery dates are the dates, which are agreed upon Parties and shall be in accordance to the Preliminary Project Schedule (Annex No.4).

10.2. Project Schedule

In order to fulfill and make possible to deliver the Contract Equipment on agreed delivery date, both Parties must follow Project schedule set out in this Contract and Annex No.4. The Project managers from both sides are responsible for Project Scheduling.

10.3. Delivery Conditions

10.3.1. The Contract Equipment shall be delivered to the Buyers place of business – Muzeju iela 3, Airport “Riga”, Marupe Municipality, LV-1053.

10.3.2. The Supplier must include information of European combined nomenclature number, package type and weight in invoice.

10.3.3. The Supplier shall inform the Buyer on the goods delivery by email at least seven (7) days before the dispatch.

10.3.4. The Supplier shall notify the Buyer about the Contract Equipment the agreed delivery delay by email at least three (3) days after delay is occurred.

10.4. Transportation to the Buyer premises

The costs of delivery of the Contract Equipment to the Buyers place of business shall rest with the Supplier.

11. INSTALLATION

11.1 The Supplier shall have the Contract Equipment prepared in accordance with the General Technical Specification (Annex No. 1) prior to commencement of FAT.

11.2 When the Contract Equipment is prepared and ready for delivery the Supplier must agree with the Buyer when the FAT will be carried out.

11.3 On completion of the Contract Equipment installation and integration, the Buyer will inform the Supplier in writing, whereupon the SAT could be started.

12. QUALITY ASSURANCE AND CONTROL

12.1 To prevent nonconformity at all stages of the project, the Supplier shall have established a quality system in accordance with the requirements in the document: STANDARD ISO 9000 SERIES (the latest version available).

12.2 All paragraphs in STANDARD ISO 9000 series shall be considered relevant for the Contract situation resulting from the General Technical Specification (Annex No.1).

13. ACCEPTANCE TESTING

13.1 Acceptance tests (FAT and SAT) must be executed in accordance with the Project schedule (Annex No.4). These acceptance test procedures shall be executed in accordance with the General Technical Specification (Annex No.1).

13.2 FAT and SAT event classification and rejection criteria are defined in Annex No.6.

13.3 Training

13.3.1 The training of the Buyer specialists must be done in accordance with the General Technical Specification (Annex No.1) and will take place at the Supplier's premises in Finland.

13.3.2 Training should be provided before Factory acceptance test (FAT) in accordance with Annex No.4.

13.3.3 The Supplier gives rights to the Buyer specialists to train other specialists at the Buyer premises. These rights shall be stated in the Training Certificates.

13.3.4 The Supplier gives rights to the Buyer specialists to provide AWOS configuration works or new software version installation without the Supplier representatives when separately mutually agreed.

14. OWNERSHIP AND EXPLOITATION OF RESULTS

14.1. General

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

14.2. Software developed by The Supplier

14.2.1. The Buyer is granted the right to use the software supplied under this Contract. The Buyer may use the software on Buyer's designated AWOS servers and workstations whether owned, leased, rented or otherwise under the control of the Buyer relating to the AWOS.

14.2.2. The Buyer is granted an irrevocable, non-transferable and non-exclusive license to use the software supplied under this Contract.

14.2.3. The license to use the software is limited to the own internal use of the Buyer and does not convey the right to modify, adapt, translate, reverse, engineer, decompose, disassemble or create derivation works based on the Software. No part of the software may be copied in printed or machine-readable form, except for the purpose of back up or archiving.

14.3 Ownership

~~Ownership~~ Intellectual Property Rights to the Contract Equipment remains with the Supplier.

14.4 Infringements and Claims

14.4.1. The Supplier guaranties that the products do not infringe any patent rights trademarks or other legally protected rights.

14.4.2. 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.

14.4.3. The Buyer shall immediately inform the Supplier of any alleged infringement and any action to be taken is for the Supplier to decide, who has the main responsibility to proceed with any such action.

15. MANAGEMENT OF THE PROJECT

15.1. The Supplier shall implement a formal project organization in accordance with the General Technical Specification paragraph 6 (Annex No.1) requirements.

15.2. 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. He/she will have the competence and the authority to take any decisions for the conduct of the Supplier's activities.

15.3. The Buyer appoints a Project Manager who is responsible for the activities of the Buyer. The Buyer's Project Manager will conduct the Buyer's project organization.

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

15.5. The Supplier has as Project Manager and its representative appointed: Mrs. Veera Skyttä

15.6. The Buyer has as Project Manager and its representative appointed: Mrs Alla Zilina

Information about change of the Project Manager shall be given to the other Party in writing within two working days.

16. PROJECT SCHEDULE

16.1. The Project Schedule

In order to fulfil and make possible to deliver the Contract Equipment on agreed delivery dates, both Parties must follow the project schedule set out in Annex No.5.

16.2. Milestones

Project Milestones have been agreed upon and defined in Annex No.5 and will be used as a reference against which project progress will be reported. It is expected that the implementation will proceed with all due diligence and that the milestone dates will be met.

16.3. Approval/Disapproval of Milestone

Approval of Milestone will be in written form.

A milestone will not be approved if the corresponding verification requirements are not fulfilled.

A milestone, which has not been approved, will be reported for a renewed milestone check.

Before submitting a milestone for a repeated check both Parties will provide details of all corrective actions, which have been undertaken as a result of failed check.

17. WARRANTIES

17.1 General

17.1.1. The Supplier warrants the Contract Equipment supplied that for a period of twelve (12) months following the signing of SAT Certificate by both Parties. The Supplier shall upon notification from the Buyer without any unreasonable delay investigate and remedy every reported error.

17.1.2. The Supplier shall have no obligation under this article to provide repairs or replacements required through normal wear and tear or necessitated in whole or in part by catastrophe, fault or negligence of the Buyer, improper or unauthorized use of the Contract Equipment by the Buyer.

17.1.3. With respect to Software, the Supplier warrants that will operate as described in the AWOS technical documentation and manuals. The software is provided "as is". This warranty does not cover malfunctions due to improper use or neglect.

17.1.4. The Supplier shall inform and instruct the Buyer if the Buyer is obligated to perform any service measurements during the warranty period in order to uphold the warranties.

17.1.5. The Buyer's equipment is not covered by the Supplier's warranty obligation.

17.1.6. In respect of equipment not manufactured by the Supplier, the Buyer shall look solely to the warranties and remedies provided by the original manufacturer of the equipment (if there is the local warranty representative in Latvia), and such warranties and remedies shall be the Buyer's sole and exclusive remedy for the equipment in question. If there is no local representative, the warranty responsibility stays with the Supplier.

17.2 Repair warranty – Software

17.2.1. Upon notification of the event of acute software failure, the Supplier shall provide remote assistance by qualified personnel through Vaisala Helpdesk.

17.2.2. If any of the defects corrected require a change to the delivered documentation then a new documentation shall be delivered with the software.

17.3 Availability

17.3.1. The Supplier shall guarantee that the Contract Equipment will be available during the warranty time in accordance with Annex No.1.

17.3.2. If the Contract Equipment however proves not to be available ~~in all respects~~ during the warranty time due to the Supplier fault, the Supplier at his sole expenses take all necessary steps in order to achieve ~~total~~ availability of the AWOS.

17.4. Transportation costs

17.4.1. All costs of transportation in connection with warranty activities from the Buyer to the Supplier or from the Supplier to the Buyer shall be at the Supplier's expense.

18. DELAYS AND RESPONSIBILITY

18.1. Termination and Liquidated Damages

18.1.1. The Buyer shall have the right to request the Supplier to increase resources in the event that progress is significantly late. Progress is considered to be significantly late in case the achievement of a milestone is

more than ten (10) days delayed. In the event that there is no improvement in progress after the extra resources have been employed for two (2) weeks then the Buyer shall have the right (with 30 days written notice) to terminate by Supplier's default the not delivered part of the Contract or all of it.

18.1.2. If the delay in the delivery is caused by the Supplier or some circumstances relating to the Supplier and is of more than 2 weeks duration, the Buyer may at his own choice renounce the not delivered part of the Contract or all of it by terminating the Contract by Supplier's default.

18.1.3. If the Buyer terminates the Contract by Supplier's default the Buyer shall be entitled to liquidate damages not exceeding 10% of the total contract value. In such event all the payments made by the Buyer in accordance with this Contract in respect of the non-delivered part or the Supplier shall refund all of it.

18.1.4. Supplier's aggregate liability to the Buyer on any and all claims, regardless of whether the claim is based on contract, tort, and strict liability or otherwise, shall be limited to and under no circumstances exceed the purchase price allocable to the equipment which gives rise to the claim. In no event shall Supplier be liable for any special, consequential, punitive, incidental or indirect damages.

18.2. Delay and Penalty fee

18.2.1. If delay in delivery occurs sole due to the Supplier fault the Buyer shall be entitled to receive a penalty fee. This penalty fee shall be calculated after two weeks grace period from the Agreed Delivery date (Annex No.5). The penalty fee shall be 0,4 percent (%) of the Total Contract Price per commenced delayed week.

18.2.2. The maximum penalty fee is 5 % of the Total Contract Price.

18.2.3. If it becomes known to either Party that a delay will occur or seems likely to occur, such Party shall without delay notify the other Party of this in writing. In such case the reason for the delay shall be given and shall, as far as possible, the time when it is anticipated that the delivery can take place. If either Party fails to provide such notification within a reasonable time, the other Party shall be entitled to compensation. This compensation shall be within the maximum limit of liquidated damages specified above.

18.2.4. The liquidated damages and the termination of the contract with limited compensation, as herein provided, shall be the Buyer's sole remedy for delays. All other claims against Supplier based on Supplier's delay shall be excluded.

18.2.5. If the Buyer fails to take delivery from the place of delivery at the agreed delivery time, it shall nevertheless pay any part of the Contract price which becomes due on delivery as if delivery had taken place. The Supplier shall arrange for storage of the products and insurance at the risk and expense of the Buyer. If the Buyer fails to take delivery within reasonable period, the Supplier may by notice in writing terminate the Contract in whole or in part. The Supplier shall then be entitled to compensation for the loss it has suffered by reason of the Buyer's default.

18.3. Excusable Delay (Force Majeure)

18.3.1. The Force Majeure events specified in Article 20 shall be considered to be causes for relief of the Supplier obligation to deliver in accordance with the originally agreed delivery schedule if they occur after the Agreement has been signed and prevent its fulfilment, and if the Supplier could not be expected to foresee them when entering into the Contract. The Supplier shall immediately inform the Buyer of any such event and of the foreseeable extent of such delay. 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 his best effort to minimize the delay and the effects of that delay.

18.3.2. In case if any of the Parties will make an assignment or transfer of any right or duty, it will not release such party of its obligations under this Contract.

18.3.3. Neither Party to this Contract may assign this Contract or any rights or interests hereunder without the prior written consent of the other Party. The Supplier shall be entitled to assign all or part of the payments under this Contract.

18.3.4. The provisions of this Contract shall be binding upon and inure to the benefit of the Supplier and the Buyer and their respective successors and assigns.

19. PRESERVATION OF TRADEMARKS AND COPYRIGHT

19.1. Any reproduction of materials obtained by the Buyer from the Supplier pursuant to the Contract shall preserve the Supplier's trademarks and copyrights. Without a license from the Supplier, the Buyer shall not copy any of the Supplier's or third party's materials (or copies thereof) bearing a copyright notice. All of the Supplier's trademarks and copyrights and all rights thereto remain with the Supplier unless expressly licensed by the Supplier to the Buyer. If the Supplier reconstructs or makes changes in the Contract equipment supplied hereby, the Supplier may require the Buyer to remove any trademarks, tradesman or identification of the Supplier from such goods, at the Buyer's expense. Any such request from the Supplier shall be in writing.

20. FORCE MAJEURE

20.1. 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.

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

20.3. Such notice shall be given not later than 5 days after the occurrence of the force majeure event.

20.4. The Parties shall decide upon a new Project Schedule 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.

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

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

21. ALTERATIONS AND ADDITIONS

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

21.2. 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.

21.3. Contract parties can organize meetings in place given by Supplier for discussing all changes, additions or other questions concerning technical and functional contents.

21.4. Every change implying a changed price relative to the Contract will, furthermore require a formal additional order from the Buyer and a formal order acknowledgement from the Supplier.

22. CONFIDENTIALITY OF INFORMATION

22.1. All proprietary, technical and engineering data, licensed software and software programs, software objects and source codes, price quotes, drawings, designs know-how or other information regarding the Supplier's products and parts and components thereof and the Supplier's business which the Buyer obtains from or through the Seller, whether or not pursuant of this Contract, shall be received and kept in strict confidence by the Buyer and shall not be used, published or disclosed by the Buyer or any third party. The Buyer shall comply with all instructions and legends affixed to or accompanying such data, information and software. The Buyer shall execute any required third party software licenses if the Buyer receives third party software from the Seller. The Buyer will use its best efforts to take all reasonable steps to protect the Supplier's unlicensed products and third party products from unauthorized use, duplication, or dissemination, and shall maintain all proprietary and protective notices intact. The disclosure of any information by the Supplier to the Buyer and this Agreement shall not constitute a grant of a license, patent or any other transfer of any such property of the Buyer or any third party except as otherwise agreed to in writing by the Seller.

22.2. Both Parties agree to keep confidential all information concerning the other's business divulge.

23. NOTICES

23.1. Any kind of notice, consent, approval and other types of communications shall be made in writing from one party to the other at the address mentioned here below by means of fax followed by a registered mail. Any variation concerning the address mentioned shall be immediately communicated to the other party; if this should not happen, the other party will not bear any responsibility either for communications mailed but not received or for possible miscarriage or contractual burdens which will be charged to the defaulting party.

Notices to the Supplier in accordance with this Contract shall be sent to:

Address: Vaisala Oyj
Vanha Nurmijärventie 21
01670 Vantaa
FINLAND
Attention: Mr. Jukka Sihvola
Phone: + 358 9 89491
Fax: + 358 9 8949 2542

E-mail jukka.sihvola@vaisala.com

Notices to the Buyer in accordance with this Contract shall be sent to:

Address: SJSC "Latvijas gaisa satiksme"
Muzeju iela 3, Airport "Riga", Marupe Municipality,
LV-1053
Latvia

- In case it contains financial and legal aspects it should be addressed to:

Attention: Mr. Dāvids Tauriņš
Chairman of the Board

Phone: +37167300911

Fax: +37167300970

E-mail lgs@lgs.lv

- In case it contains contractual and technical aspects it should be addressed to:

Attention: Mrs. Alla Zilina

Phone: +37167300760

Fax: +37167300705

E-mail alla.zilina@lgs.lv

A notice shall be deemed to be received within one day during weekdays after other party has dispatched it if not otherwise confirmed by receiving party.

24. COMMENCEMENT AND TERMINATION

24.1. This Contract entering into effect on signing day shall terminate as and when the Parties have fulfilled their obligations.

24.2. If the delay in the delivery is caused by the Supplier or some circumstances relating to the Supplier and is of more than thirty (30) days duration, the Buyer may at his own choice renounce the not delivered part of the Contract or all of it by terminating the Contract by Supplier's default.

25. DISPUTES

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

25.2. In case no agreement can be reached through consultation during 30 days, all disputes arising out of or in connection with the present contract shall be referred to the court of the Republic of Latvia.

26. GOVERNING LAW

26.1. 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. It is expressly agreed that the application of United Nations Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

27. SIGNING

27.1. This contract is produced as original in English (2 originals) language.

Signing for and behalf of:

SUPPLIER

Signing for and on behalf of

Vaisala Oyj

Reg. No. 96.607,

VAT No. FI01244162

P.O. Box 26, FI-00421

Helsinki, Finland

(signature)

Jukka Sihvola, Sales Manager

Date: 21st of December, 2017

Place: Helsinki, Finland

BUYER

Signing for and on behalf of

SJSC Latvijas gaisa satiksme

Muzeju iela 3, Airport "Riga",

Marupe Municipality, LV – 1053, Latvia

VAT No. LV 40003038621

AS SEB bank

Bank code: UNLALV22

IBAN accounts:

LV20UNLA0003029070855 (EUR)

(signature)

Dāvids Tauriņš, Chairman of the Board

Date: 21st of December, 2017

Place: Marupe Municipality, Latvia

(signature)

Elmārs Švēde, Member of the Board

Date: 21st of December, 2017

Place: Marupe Municipality, Latvia