

C O N T R A C T N o . 02/18/169

RIGA FIR PBN BASED AIRSPACE CONCEPT SUPPORT TO IMPLEMENTATION

The present Contract is signed by and between

Latvijas gaisa satiksme, State Joint-Stock Company, VAT registration number 40003038621, with the place of business at Muzeju street 3, Airport “Riga”, Marupe Municipality, Latvia, LV-1053, hereinafter referred to as “**Customer**”, represented by the Chairman of the Board Dāvids Tauriņš and Member of the Board Elmārs Švēde, on one side,

and

Tetra Tech AMT, with the place of business in 1515 Wilson Blvd, Suite 1100, Arlington, VA 22209, hereinafter referred to as “**Supplier**”, represented by Olivier Jeannot from another side,

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

whereas,

- the Parties have completed RIGA FIR PBN based airspace concept (further referred to as Concept) planning, design and validation for implementation;
- in order to complete the development process, the Customer desires to implement the Concept,
- the Supplier has a proper experience in implementation of such Concept,

NOW THEREFORE the Parties have entered into the following Contract (hereinafter “Contract”), agree as follows:

1. SCOPE OF THE CONTRACT

1.1. Within the provisions, Contract price and the time schedule set out in the present Contract and as described in its Annexes, which are an integral part of this Contract, the Supplier shall complete Concept Implementation activities. These activities are divided into the Phases, namely:

- 1.1.1. Decision making Process (Phase 1);
- 1.1.2. ATC System Integration (Phase 2);
- 1.1.3. Awareness and Training Material (Phase 3);
- 1.1.4. Implementation (Phase 4);
- 1.1.5. Post Implementation review (Phase 5).

1.2. The Supplier shall be deemed to comply with its contractual obligation hereunder insofar in accordance with the agreed Technical Specification (Annex No 1) and Technical Proposal (Annex No 2).

1.3. All processes and deliveries during this Contract shall be in full conformity with the requirements contained in the Cabinet of Ministers Regulations No.1112 “Aircraft flight procedure development, validation, approval and maintenance” as of 15th of October, 2013.

1.4. The Supplier has incorporated two (2) Customer’s procedure designers on this Contract as participants in the collaborative team. Both Customer’s procedure designers have the proper certification and training which satisfies the Supplier team’s obligations in meeting the regulatory requirements set forth in the Cabinet of Ministers Regulations No.1112 “Aircraft

flight procedure development, validation, approval and maintenance” as of 15th of October, 2013.

2. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

- 2.1. The Supplier’s obligations are listed in Clause 1.
- 2.2. The Customer’s obligations according to this Contract consist of rendering payment in accordance with the terms of payment as listed in Clause 3.

3. PRICE AND PAYMENTS

- 3.1. The total Contract Price is **850`000.00 euro** (eight hundred fifty thousand euro and 00 euro cents), exclusive of VAT, where:

- 3.1.1. the price for the Phase 1 is **324`050.00 euro** (three hundred twenty-four thousand fifty euro and 00 euro cents), exclusive of VAT;

- 3.1.2. the price for the Phase 2 is **97`910.00 euro** (ninety-seven thousand nine hundred ten euro and 00 euro cents), exclusive of VAT;

- 3.1.3. the price for the Phase 3 is **118`240.00 euro** (one hundred eighteen thousand two hundred forty euro and 00 euro cents), exclusive of VAT;

- 3.1.4. the price for the Phase 4 is **173`405.00 euro** (one hundred seventy-three thousand four hundred five euro and 00 euro cents), exclusive of VAT;

- 3.1.5. the price for the Phase 5 is **136`395.00 euro** (one hundred thirty-six three hundred ninety-five euro and 00 euro cents), exclusive of VAT.

The Contract price is inclusive of all costs, such as but not limited to project management, documentation, interviews, on-site visits whenever necessary, and other services. Teleconferences and Videoconferencing may be utilized for meetings as deemed appropriate by both parties.

- 3.2. The Contract price includes agreed services as specified in this Contract and its Annexes. The agreed services shall be delivered in five Phases, each one priced individually and constituting respective Milestones.

- 3.3. All payments shall be made in EUR and will be executed by the Customer 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 Customer received the invoice.

- 3.4. Payments will be applied as Advance payment, Milestone payments (Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5) and Final payment (after Final acceptance protocol is signed)), paid against Supplier’s invoice within 15 (fifteen) days counting from the day when the Customer received the invoice, according to the Supplier’s financial proposal form (Annex No 5) provided always

- a) for Advance payment – that the Contract has been signed by both Parties;
 - b) for Milestone payments – that the respective Milestone has been accepted by the Customer by signing pertaining document (Minutes of the meeting, Acceptance Test Protocol);
 - c) for Milestone payment for Phase 4 – that the Customer has received an approval of the Concept Implementation by the Latvian Civil Aviation Agency (hereinafter CAA); The Supplier will support the Customer with gaining CAA approval, however, if CAA approval is not received in 90 (ninety) days from the signed Acceptance protocol date of Phase 4 by no fault of the Supplier, the Customer will proceed with milestone payment.
 - d) for Milestone payment for Phase 5 – that the Milestone has been accepted by the Customer by signing respective Acceptance protocol.
 - e) for Final payment – that the Parties have signed the Final acceptance protocol.

- 3.5. All taxes, duties and other fees levied by the Supplier’s country in connection with the execution or performance of the Contract shall be borne by the Supplier.

3.6. The Parties herewith agree to accept unsigned electronic invoices (further referred to as e-bills) provided they are always delivered to the Customer's official e-mail lgs@lgs.lv. E-bills sent to e-mail addresses other than lgs@lgs.lv will not be acknowledged. It will be assumed that an e-bill has been delivered and the Customer has received it on the date of the incoming email. If the Customer claims non-receipt, then the Supplier shall prove the delivery of the e-bill.

4. DELIVERY CONDITIONS

4.1. The Supplier shall execute the Contract by the agreed delivery date, which is stated 24 (twenty-four) months from the date when the Contract is mutually signed by both Parties.

4.2. The delivery date for each individual Phase is specified in Annex No 4, - "Proposed Schedule for Implementation" (further referred to as Contract Schedule). Terms of the Contract Schedule shall be considered in the Project Management Plan. Any adjustment to the originally agreed dates shall be agreed by Project Managers of the Customer and the Supplier and corresponding adjustments shall then be reflected in the Project Management Plan.

5. DELAYS

5.1. Once the Acceptance of each Phase and/or Final Acceptance delay occurs, or deliveries are inconsistent with the Terms and Conditions set out in this Contract, the Customer is entitled to deduct from any payment owned to the Supplier liquidated damages in the maximum amount of 0.2% (zero point two per cent) of the total Contract Price for each week of delay, within 10 (ten) calendar days from filling a written request to the Supplier.

5.2. Given the circumstances of the delay, the Customer may grant a 2 (two) weeks grace period and start calculation of the liquidated damages from the third week of delay counting from the due date.

5.3. The liquidated damages in aggregate shall not exceed 5% (five per cent) of the total Contract Price.

5.4. Liquidated damages are not applicable if delay is not caused by the Supplier.

5.5. The Supplier shall inform the Customer immediately, if any delays of the planned milestones or any other difficulties are foreseen. In this case Supplier shall submit all information explaining the circumstances of such delays and without hesitation agree with the Customer on a new plan with revised dates for deliveries, implementation, testing, acceptance and any other dates which are important for a timely execution of the Contract. The updated time schedules shall, whenever possible, be to the maximum extent close to the original dates to minimize the expected delay.

5.6. The Customer shall duly effect payments. If the Customer delays the payment, the Supplier is entitled to calculate and invoice late payment interest for overdue payment, 0.2% of the outstanding amount for each week of delay. The late-payment interest shall not in aggregate exceed 5% (five per cent) of the total Contract price.

6. PROJECT MANAGEMENT

6.1. To fulfill the Contract obligations, the Supplier shall establish a formal Project Management process. This includes, but not limited to planning, organization, management, supervision, monitoring, quality and consistency checks as set up in this Contract.

6.2. The Supplier's and Customer's appointed Project Managers will constitute main points of contact to plan, organize and coordinate the project implementation and monitoring activities:

6.2.1. on behalf of the Supplier – Bryant Helms, phone: 703 841 2680, e-mail: Bryant.Helms@tetrattech.com.

- 6.2.2. on behalf of the Customer – Jānis Lapiņš, phone: +371 28325000, e-mail: janis.lapins@lgs.lv.
- 6.3. The Supplier shall produce the Project Management Plan, which defines main activities, timing, significant events, essential interrelations, including decision-making dates and other relevant information. The Project Management Plan shall contain, in particular, the implementation dates for each Phase (the Milestones) taking into account stated in Clause 4.2 of this Contract. The Project Management Plan will be used as the Project progress monitoring tool. It shall be continuously reviewed and modified in case of necessity to reflect the correct actual status of the Project. The Project Management Plan and any changes of it shall be agreed and signed by Project Managers of both Parties.
- 6.4. Progress meetings shall be mutually agreed between the Parties, reflected in the Project Management plan and held to verify the Project progress, review current time schedules, settle objectives and solve any issues associated with the Project.
- 6.5. The Supplier shall chair the meetings and keep the records. Before distribution, all records shall be signed by the Project Managers of both Parties or by their authorized representatives. Records from progress meetings shall be ready for distribution within 10 working days.

7. OWNERSHIP AND INTELLECTUAL PROPERTY

- 7.1. All rights transferred to the Customer are covered by the total Contract Price.
- 7.2. The Supplier grants to the Customer a royalty-free, irrevocable and non-exclusive license to use any Intellectual Property Right that the Supplier owned or developed prior to the Commencement Date and which the Customer reasonably requires in order to exercise its rights and take the benefit of this Contract. The Supplier guarantees that the products do not infringe any patent rights, trade marks or other legally protected rights (referred to as Intellectual Property Rights).
- 7.3. The Supplier shall at its own expense defend the Customer and hold the Customer harmless against any claim or demand brought against the Customer for infringement or alleged infringement of any Intellectual Property Right in materials supplied or licensed by the Supplier. The Customer shall notify the Supplier in writing of any such claim or demand brought against the Customer.

8. LIABILITIES

- 8.1. To the full extent permitted by law, and apart from the warranties expressly stated herein, the Supplier hereby disclaims all warranties, representations, and liabilities, whether express or implied, arising from contract or tort (except fraud), imposed by statute or otherwise, relating to the goods and services provided by the Supplier pursuant to the Contract.
- 8.2. In no event shall the sum total of liabilities incurred by any one Party to the Contract exceed a maximum cumulative amount equal to the Contract Price.

9. QUALITY AND SAFETY CONTROL AND VERIFICATION PROCEDURES

- 9.1. The Supplier shall, for the entire period of this Contract, have and perform the works to be delivered under this Contract, in compliance with a Quality Assurance System that is in accordance with the requirements in the ISO 9000 series or similar systems accepted by the Customer.
- 9.2. The Supplier undertakes to notify the Customer of any variations in its Quality Assurance certifications or accreditations.
- 9.3. The Supplier shall ensure setting up an occurrence reporting system and delivery of reports to the Customer.
- 9.4. The Supplier shall ensure a full investigation of all occurrences and submission of the final report to the Customer.

9.5. 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.

10. ACCEPTANCE TESTING

- 10.1. The Parties hereunder agree that acceptance of the Contract Deliverables shall be carried out in the order and within the periods specified in the Annex No 4 (Proposed Schedule for Implementation), and shall be testified by:
- 10.1.1. Acceptance protocol of Phase 1, signed by duly authorized representatives of both Parties after the completion of Phase 1;
 - 10.1.2. Acceptance protocol of Phase 2, signed by duly authorized representatives of both after the completion of Phase 2;
 - 10.1.3. Acceptance protocol of Phase 3, signed by duly authorized representatives of both Parties after the completion of Phase 3;
 - 10.1.4. Acceptance protocol of Phase 4, signed by duly authorized representatives of both Parties after the completion of Phase 4. The Supplier will support the Customer with gaining CAA approval, however, if CAA approval is not received in 90 (ninety) days from the signed Acceptance protocol date of Phase 4 by no fault of the Supplier, the Customer will proceed with milestone payment.
 - 10.1.5. Acceptance protocol of Phase 5, signed by duly authorized representatives of both Parties after the completion of Phase 5;
 - 10.1.6. Final acceptance protocol, signed by duly authorized representatives of both Parties after the completion of all terms and conditions arising from the Contract.
- 10.2. Parties will, without delay, sign approval of successful acceptance (Acceptance Protocol).

11. SUBCONTRACTING

- 11.1. The Supplier is entitled to use at its own risk the services and works provided by its subcontractors. Sub-contracting of any part of the Contract shall not release the Supplier of any of its obligations or duties under this Contract. The Supplier will be responsible for the acts and omissions of its subcontractors as though they are its own.
- 11.2. The Customer will not, under any circumstances, be bound by any legal relationship with the Supplier's subcontractors. A complete implementation of the Riga FIR PBN based Concept shall be the sole responsibility of the Supplier and will be settled and solved only and solely between the Supplier and the Customer.
- 11.3. Subcontracting will always be governed by the Article 68 of the Public Procurement Law of Latvia:
- 11.3.1. The Supplier may subcontract the services or works to one or more subcontractors whom the Supplier deems competent to execute the services or part thereof to the Customer. On Customer's request, the subcontractor (-s) used by the Supplier shall be notified to the Customer.
 - 11.3.2. The Supplier shall not assign or in any other way dispose of the Contract or any part of it to a subcontractor other than indicated in its Tender without the Customer's prior written approval if the subcontractor was announced in the Supplier's Tender to enhance the Supplier's qualification and ensure Supplier's compliance with the qualification requirements as announced in the rules of the respective tender.
 - 11.3.3. Such subcontractor as referred to in Clause 11.3.2 may only be substituted by a proper alternate who has at least the same qualification as its predecessor and to whom none of the exclusion criteria applies, as enlisted in the Clause 39.¹ of the Public Procurement Law of Latvia.

- 11.3.4. Supplier's request of substitution shall be communicated to the Customer in writing. The Customer shall respond within 5 (five) working days following the day when all information and documents being a prerequisite for the above said decision were provided by the Supplier to the Customer.
- 11.4. Where the Customer has consented to the placing of subcontracts, copies of each subcontract, insofar legally enforceable, or the subcontractor's written endorsement shall, at the request of the Customer, be sent by the Supplier to the Customer as soon as reasonably practicable.

12. ASSIGNMENT AND TRANSFER

- 12.1. A Party will not assign, transfer or otherwise deal with any of its rights or obligations under the Contract without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed).
- 12.2. Any change in the legal status of the Customer or the Supplier shall not affect the validity of the Contract, insofar compliant with the mandatory laws of the Supplier's or the Customer's country. In such circumstances, the Contract shall bind and inure to the benefit of any successor body (further referred to as Transferee) to the Customer or to the Supplier.
- 12.3. The Parties may disclose to any Transferee any Confidential Information which relates to the performance of their obligations under the Contract. In such circumstances, the Parties shall authorize the Transferee to use such Confidential Information only for purposes relating to the performance of their obligations under the Contract and for no other purpose and shall take all reasonable steps to ensure that the Transferee gives a confidentiality undertaking in relation to such Confidential Information.
- 12.4. Each Party shall at its own cost and expense carry out or use all reasonable endeavors to ensure the carrying out of, whatever further actions (including the execution of further documents) the other Party reasonably requires from time to time for the purpose of giving that other party the full benefit of the provisions of the Contract.

13. FORCE MAJEURE

- 13.1. 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.
- 13.2. 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. Such notice shall be given at the latest 15 days after the occurrence of a Force Majeure event.
- 13.3. 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.
- 13.4. The Parties shall decide upon a new project 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.
- 13.5. The certificates issued by the Chamber of Commerce of the Supplier's or its subcontractor's country, respectively, must be regarded as a sufficient evidence of the presence of such circumstances and their duration.

14. CHANGE CONTROL AND VARIATION ORDERS

- 14.1. Either Party may request variations to the Contract. All variations shall be made by means of a Variation Order, in accordance with the provisions of this Clause. A variation may also be made by a revision or an addition to the contractual obligations (Scope of Contract) or Contract Schedule.
- 14.2. A Variation Order shall be clearly identified as such. A Variation Order shall contain a complete description of the activity to be performed, the schedule of its execution, the effects on the Scope of Contract, Contract Price or Contract Schedule and any other effects on the Contract terms, if any.
- 14.3. The Customer has the right to request and propose variations to the services, which in the Customer's opinion are desirable when taking into consideration the purpose of the Project. All such variations shall be within the general intention of the Contract and subject to mutual agreement of the Parties.

15. ALTERATIONS AND ADDITIONS

- 15.1. All changes and additions affecting the technical and functional contents of the Contract or affecting each Phase or Final delivery date and defined costs, responsibilities and other assumptions and conditions, will always be specified by written agreements between the Customer and the Supplier.
- 15.2. 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.

16. COMMENCEMENT AND TERMINATION

- 16.1. The Contract is effective as of the date when signed by both Parties (referred to as Commencement Date).
- 16.2. The Supplier shall execute the Contract within 24 (twenty-four) months following the Commencement date.
- 16.3. The Contract shall be deemed accomplished when both Parties have fulfilled their obligations resultant hereof, unless it is otherwise terminated in accordance with the provisions of the Contract, or otherwise lawfully terminated.
- 16.4. This Contract supersedes all previous agreements, verbal or written, made by the Parties prior to signature of this Contract, and it contains the entire agreement of the Parties with respect to the subject matter hereof.
- 16.5. This Contract may be terminated by mutual agreement between the Parties.
- 16.6. If either Party defaults in complying with any obligation imposed on it by or in accordance with this Contract („the Defaulting Party”), the other Party which has not been in default („the Non-Defaulting Party”) may serve a written notice of default on the Defaulting Party at any time after such default occurs and for so long as such default continues, specifying the nature of the default.
- 16.7. If, on the expiration of thirty (30) days after service of the notice of default referred to in Clause 16.6:
 - a) the default: i) if capable of being remedied, has not been remedied; or ii) if incapable of being remedied (either within that period or at all), the Defaulting Party has not paid to the Non-Defaulting Party monetary compensation reasonably acceptable to the Non-Defaulting Party in lieu of remedying the default; and
 - b) neither Party refers the matter for legal proceedings pursuant to Disputes Sectionthe Non-Defaulting Party, without prejudice to its other rights, powers and remedies in respect of such default, may elect by notice to the Defaulting Party to terminate this Contract on a date specified in the notice being a date not earlier than 30 (thirty) days after the date

of the notice.

16.8. Either Party may immediately terminate this Contract by giving notice in writing to the other Party, if the other Party is insolvent.

16.9. In the event of termination of this Contract, the Customer shall pay to the Supplier as they fall due any and all charges which may be due for services properly rendered at the date of termination.

17. DISPUTES

17.1. 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 during 30 (thirty) working days, then either Party may give notice to the other Party of its intention to commence legal proceedings, as hereinafter provided, as to the matter in dispute, and no proceedings in respect of this matter may be commenced unless such notice is given.

17.2. All disputes arising out of or in connection with the present Contract shall be finally settled at Court of Republic of Latvia under the laws of Republic of Latvia.

18. GOVERNING LAW

18.1. The Contract as well as the questions arising out of it or in connection with it are governed and constructed by the laws of Republic of Latvia.

19. CONFIDENTIALITY

19.1. Confidential information shall only be used for the purpose of exercising the rights or performing the obligations under this Contract, unless the mandatory laws of the Supplier's and the Customer's country specify otherwise.

19.2. Confidential information is the information exchanged in connection with this Contract and consisting of documents, information and materials etc. marked as confidential that one Party shall become recipient of, under this Contract, and that are not generally known in the public domain and unless disclosure is due to mandatory laws.

20. CONTACTS

20.1. All general contractual issues shall be referred to the signatories of the Customer and the Supplier.

20.2. All technical or project management related issues shall be referred to the appointed project managers (Project Management Clause).

21. ORDER OF PRECEDENCE

21.1. This Contract and the Annexes shall form the full and final agreement between the Parties relating to the subject matter hereof. In the event of discrepancies between the main terms and conditions and the terms set out in Annexes, the following order of precedence will apply:

- a) The master Contract (terms and conditions of this Contract), Annex No 4, "Proposed Schedule for Implementation" and Annex No 5 "Supplier's financial proposal form",
- b) Technical Specification, Supplier's proposal (Annexes No 1 and No 2) and Technical translation (Annex No 3).

22. SIGNING

22.1. This Contract is produced in 2 (two) original copies in the English language. Each Party has one copy. Each copy consists of 9 (nine) pages excluding the Annexes. The Contract has five Annexes:

1. Annex No 1 – Technical Specification (11 (eleven) pages);

2. Annex No 2 – Supplier’s proposal (18 (eighteen) pages);
3. Annex No 3 – Technical translation of Cabinet of Ministers Regulations No.1112 “Aircraft flight procedure development, validation, approval and maintenance” as of 15th of October, 2013 (16 (sixteen) pages);
4. Annex No 4 – Proposed Schedule for Implementation (1 (one) page);
5. Annex No 5 – Supplier’s Financial proposal form (1 (one) page).

23. SIGNATURES OF THE PARTIES

**Signing for and behalf of the
Customer:**

SJSC “Latvijas gaisa satiksme”
Muzeju street 3, Airport “Riga”, Marupe
Municipality, Latvia, LV-1053
VAT register No. LV40003038621
Bank Name: AS “SEB banka”
SWIFT: UNLALV2X
IBAN: LV20UNLA0003029070855

Dāvids TAURINŠ, Chairman of the
Board

Elmārs ŠVĒDE, Member of the Board

Date: 05.11. 2018

Place: Marupe Municipality, Latvia

**Signing for and behalf of the
Supplier:**

Tetra Tech AMT
1515 Wilson Blvd, Suite 1100,
Arlington, VA 22209
United States of America
Bank Name: Wells Fargo Bank
San Francisco, CA
SWIFT Code: WFBIUS6S
ABA Routing No.: 121 000 248
Account Name: Tetra Tech, Inc.
Account No.: 41331-60325

Olivier JEANNOT, President

Date: 09.11. 2018

Place: Arlington, VA (USA)
