

CONTRACT No. 02/18/158

Advanced Riga Tower Information and Control System – Intelligent Check-List

State Joint Stock Company “Latvijas gaisa satiksme”, VAT reg. No. LV40003038621, with the place of business in Muzeju street 3, Airport “Riga”, Marupe municipality, LV 1053, Latvia, hereinafter referred to as the Buyer, represented by Member of the Board Ilze Aleksandroviča and Member of the Board Mr. Elmārs Švēde, from one side, and

Ecms Aviation Systems GmbH, registration No. HRB205800, with the place of business at Hirschmann-Ring 28, 71726 Benningen, Germany, hereinafter referred to as the Supplier, represented by Matthias Schuster, from another side,

as the Buyer has decided to purchase the Advanced Riga Tower Information and Control System – Intelligent Check-List, hereinafter referred to as the System, and as the Supplier is able to deliver such System and provide training course, so the Parties with conclusion of this contract, hereinafter referred to as the Contract, agree as follows:

1. SCOPE OF THE CONTRACT

1.1. Within the provisions and time schedule stated out in the Contract, and its Annex No.1 “Technical specification”, Annex No.2 “Financial proposal form”, Annex No.3 “Time schedule” and Annex No.4 “Technical proposal”, which all are integral parts of the Contract, the Supplier undertakes to deliver the software (including required licenses and all supporting documents), perform installation, tuning (input of parameters and data), required adaptation, operation in test environment, integration with LGS systems and training of Buyer’s personnel (2 persons).

2. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

- 2.1. The Supplier’s obligations according to the Contract consist of delivery and implementation of the System, providing of the training course and after-sales service within the agreed conditions and time frame.
- 2.2. The Buyer’s obligations according to this Contract consist of rendering payment in accordance with the terms of Payment (paragraph 3).

3. PRICE AND PAYMENTS

- 3.1. The Total Contract Price is **470`000.00 euro (four hundred seventy thousand euro and 00 euro cents)** The Contract Price specified here is CIP Muzeju street 3, Lidosta “Riga”, Marupe municipality, Latvia in accordance with Incoterms 2010. Insurance is the Supplier’s responsibility.
- 3.2. The Contract price includes agreed software and all Contract Works specified in this Contract and its Annexes. Price breakdown is shown in Annex No.2.
- 3.3. The Contract Price is inclusive of any costs incurred by the Supplier to fully implement the System as indicated in Clause 1.1., but is exclusive of Value Added Tax applicable in Buyer’s country.
- 3.4. All payments shall be made in EUR.
- 3.5. Payments shall be effected according to the following schedule:

- 3.5.1. **94`000.00 euro** (ninety-four thousand euro and 00 euro cents), which is 20 % (twenty percent) of the Contract price, shall be paid as an advance payment within 10 (ten) calendar days after the day when the contract has entered into force and respective invoice from the Supplier has been received;
- 3.5.2. **94`000.00 euro** (ninety-four thousand euro and 00 euro cents), which is 20% (twenty percent) of the Contract price, shall be paid within 10 (ten) calendar days after the signature of System Design Approval by both Parties and receipt of respective invoice from the Supplier;
- 3.5.3. **94`000.00 euro** (ninety-four thousand euro and 00 euro cents), which is 20% (twenty percent) of the Contract price, shall be paid within 10 (ten) calendar days after the signature of Prototype approval by both Parties and receipt of respective invoice from the Supplier;
- 3.5.4. **94`000.00 euro** (ninety-four thousand euro and 00 euro cents), which is 20% (twenty percent) of the Contract price, shall be paid within 10 (ten) calendar days after the signature of Factory Acceptance Test Protocol by both Parties upon a successful completion of FAT and receipt of respective invoice from the Supplier;
- 3.5.5. **47`000,00 euro** (forty seven thousand euro and 00 euro cents), which is 10% (ten percent) of the Contract price shall be paid within 10 (ten) calendar days after the signature of Site Acceptance Test Protocol by both Parties upon a successful completion of SAT and receipt of respective invoice from the Supplier;
- 3.5.6. **47`000,00 euro** (forty seven thousand euro and 00 euro cents), which is 10% (ten percent) of the Contract price shall be paid within 10 (ten) calendar days after the signature of Final Acceptance Protocol by both Parties upon a successful completion of the Project and receipt of respective invoice from the Supplier.
- 3.6. If the Buyer fails to fulfill his payment obligations in proper way and within the agreed Time schedule starting from the next day after the agreed day of payment, the Buyer shall pay the penalty fee 0,1 % the total contract price per each day of delay. The penalties for delay in aggregate shall not exceed 10% of the Contract price. Payment of penalty fee shall be in full compensation of any claim from the Buyer with respect to Supplier's liability for delay and shall be exclusive of any other kind of damages of whatsoever nature.
- 3.7. Payments in accordance with the payment terms shall be transferred to the Supplier's account:
 - Bank: Volksbank Region Leonberg;
 - Bank code: 603 903 00;
 - Account No: 250 900 009.
- 3.8. The Parties agree that the invoice for any contractual payments can be made electronically and is valid without a signature (hereinafter – the e-bill). Supplier will e-billing in electronic form on the Buyer e-mail address: lgs@lgs.lv. Shall be deemed to e-invoice is delivered to Buyer and Buyer has received an invoice on the date on which it is sent from the Supplier e-mail address to the above mentioned e-mail address.

4. DELIVERY AND IMPLEMENTATION SCHEDULE

- 4.1. The Supplier undertakes to implement the System within the terms stated in Annex No.3 considering that the implementation process under no circumstances is no longer than 66 (sixty-six) weeks from the day when the contract has entered into force.

- 4.2. The Buyer's staff training shall be performed by the Supplier in accordance to Time Schedule, however, exact dates of training courses shall be agreed between parties in written.
- 4.3. The place of destination of the System is premises of the Buyer. Address of the premises is: Muzeju street 3, Airport "Riga", Marupe municipality, LV 1053, Latvia.
- 4.4. The Supplier shall inform the Buyer on the goods delivery by fax or email at least three (3) days before the dispatch.
- 4.5. If the Supplier fails to fulfill their obligations in proper way and within the agreed time schedule (Annex No. 3) starting from the next day after the agreed day of delivery the Supplier shall pay the penalty fee 0,1% from the total contract price per each day of delay. The penalties for delay in aggregate shall not exceed 10 % of the Contract price.

5. ACCEPTANCE TESTING

- 5.1. Acceptance must be executed in accordance with the terms stated in Time schedule (Appendix No.3). The SAT shall be performed after installation (including tuning/adaptation and testing) of the System and its integration with the Buyers systems.
- 5.2. The level of testing, the method used configuration and conditions for approving acceptance testing will be agreed upon between both Parties and be documented in the acceptance Test Specifications.
- 5.3. The Buyer and the Supplier will perform the testing together and the result will be documented in Acceptance Test Records.
- 5.4. After completion of Acceptance Tests, if the tests have been successful, without delay, both Parties will sign approval of Acceptance Test (Acceptance Test Protocol) in writing.
- 5.5. An Acceptance test will be rejected if the System does not successfully pass the testing in accordance with the Acceptance Test Specifications. A rejected Acceptance test will require repeated test covering the specific area where the system failed originally, or in whole, if so required by the Buyer. After remedial steps have been taken and before announcing a repeated test, The Supplier will provide a written account of the steps taken and also present the result of the repeated internal test.

6. WARRANTIES

- 6.1. The Supplier shall provide the system warranty support during 24 (twenty-four) months after completion of the Final Site Acceptance. During the warranty term the Supplier shall at its own expense repair or correct any defects in the System. The support shall include free of charge updates distribution to the end user.
- 6.2. After the end of the warranty period, mentioned in clause 6.1., the Supplier shall have an option to let the Buyer maintain the System according to special conditions to be agreed upon. In this case, new agreement shall be made.

7. OWNERSHIP

- 7.1. All rights transferred to the Buyer are included in the Total Contract Price.
- 7.2. The Buyer is granted an irrevocable non-exclusive license to use the software supplied under this Contract. The Buyer may use the software on any and all of The Buyer's processing units of the system configurations specified in the Requirements whether owned, leased, rented or otherwise under the control of the Buyer relating to the System only.
- 7.3. The Supplier shall remain the owner of the software..

- 7.4. The Supplier guarantees that the products do not infringe any patent rights trademarks or other legally protected rights.
- 7.5. 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.

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 Buyer about the provided service.
- 8.2. The Supplier shall ensure a full investigation of all occurrences and submission of the final report to the Buyer.
- 8.3. The Supplier shall allow the Buyer 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. ORDER TO PROVIDE REMOTE ACCESS TO INFORMATION RESOURCES

- 9.1. The Supplier shall request the Buyer to provide remote access to the System.
- 9.2. To access the System remotely, the Supplier shall agree with procedures within the Buyer's organization.
- 9.3. The Supplier shall be informed and shall agree with the potential risks with regard to getting access to the operational systems within the Buyer's organization.
- 9.4. The Supplier shall apply in advance for permission of remote access for a certain time slot/time frame by providing the following information:
 - 9.4.1. name of the connecting information system;
 - 9.4.2. IP address used for remote access;
 - 9.4.3. opening and closure of the remote session;
 - 9.4.4. justification.
- 9.5. Remote access session will be controlled by the Buyer and will be arranged in line with the internal procedures within the Buyer's organization.

10. FORCE MAJEURE

- 10.1. The Supplier is relieved of the responsibility for failure to fulfill 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.
- 10.2. In case of occurrence of any force majeure event, the Supplier must notify the Buyer about beginning and ending of such circumstance in written form.
- 10.3. The notice, mentioned in the Contract clause 11.2., should be given not later than 15 days after the occurrence of the force majeure event.
- 10.4. In case of force majeure the parties shall decide upon a new delivery plan and the Supplier should make its best effort to minimize the delay.

- 10.5. The certificates about force majeure issued by the Chamber of Commerce 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.
- 10.6. If circumstances of force majeure continue over a period of more than 1 (one) month, 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.

11. ALTERATIONS AND ADDITIONS

- 11.1. All changes and additions affecting the technical and functional contents of the Contract, or affecting the contractual time schedule and defined costs, responsibilities and other assumptions and conditions, should always be specified by written agreements between the Buyer and the Supplier.
- 11.2. Both the Buyer and the Supplier have the rights to request changes in the Contract. All such requests and all changes in the Contract shall be laid out in written form.
- 11.3. If the performance of order is not carried out in accordance with the Contract and/or its Annexes and/or delayed more than 5 (five) working days, the Buyer has the rights to unilaterally withdraw from the Contract (Right of withdrawal). In such case the Buyer shall submit written notice to the Supplier at least 5 (five) working days in advance.

12. COMMENCEMENT AND TERMINATION

- 12.1. This Contract is entering into force after it is signed by both Parties.
- 12.2. This Contract will be terminated when both parties have fulfilled their obligations under the present Contract.
- 12.3. This Contract supersedes all agreements, oral or written, made of the parties regarding its content.
- 12.4. This Contract may be terminated by mutual agreement between the Parties.
- 12.5. Each party may terminate this Contract with written notice if the other party materially breaches any of terms or provisions of the Contract. In such case written notice shall be submitted at least 10 (ten) working days in advance.
- 12.6. The Buyer, by sending a written notice to the Supplier, is entitled to unilaterally withdraw from this Contract if the Contract cannot be executed due to the national or international sanctions or due to sanctions which have a significant impact to financial and capital market interests and are imposed by the Member States of the European Union or the North Atlantic Treaty Organization.

13. DISPUTES

- 13.1. Any dispute arising in the executive process of the Contract shall be settled through consultations between both parties.
- 13.2. If the parties in case of any dispute arising in the executive process of the Contract will not come to an agreement about solution of dispute during 30 working days, then it must be solved in the court under the laws of the Republic of Latvia.

14. GOVERNING LAW

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

15. CONFIDENTIALITY

15.1. The Parties agree to hold in the strictest confidence any confidential information given by each other in the performance of this Contract. This clause is binding both Parties even after the termination of the Contract.

16. SIGNING

16.1. This Contract is produced in 2 (two) original copies in the English language. Each Party has one copy. Each contract consists of 34 (thirty-four) pages including the Annexes.

16.2. This Contract has 4 (four) Annexes which are an integral part of the Contract:

- 16.2.1. Annex No.1 – Technical specification;
- 16.2.2. Annex No.2 – Financial proposal form;
- 16.2.3. Annex No.3 – Time schedule;
- 16.2.4. Annex No.4 – Technical proposal.

17. CONTACT PERSONS

17.1. For the purpose of this Contract, the Buyer's contact person and the person, who is entitled to sign all acts and/or protocols will be Maksims Dmitrijevs, e-mail: Maksims.Dmitrijevs@lgs.lv, phone # +371 67300959, mobile phone # +371 28326000.

17.2. For the purpose of this Contract, the Supplier's contact person and the person, who is entitled to sign all acts and/or protocols will be: Matthias Schuster, e-mail: matt.schuster@ecms-gmbh.de, phone # +49 7144 8163290.

Signing for and behalf of the Buyer:

Signing for and behalf of the Supplier:

paraksts

paraksts

Ilze ALEKSANDROVIČA
Chairman of the Board

Matthias SCHUSTER
Chief executive officer

paraksts

Elmārs ŠVĒDE
Member of the Board

Date: 24.10.2018

Date: 13.11.2018

Place: Marupe Municipality, Latvia

Place: Benningen, Germany