

AGREEMENT ON THE PROVISION OF AERIAL TARGET IMITATION SERVICE

No.

By and between:
**2nd Regional Logistics Centre of the Logistics Command of National Armed Forces of
Ministry of Defence of the Republic of Latvia (LC 2nd RLC)**

Registered office: NAF LC 2.RLC "NAF Aviation Base", Parish Rembate,
County Kegums, LV-5016, Latvia

Acting through: LC 2nd RLC regulation

Statutory body: **Major Alans Andrulis, Acting Commander**

Company ID No.: 90009227961

Tax ID No.: LV90009227961

Bank: The Treasury

SWIFT code: TREL LV22

Account No. (IBAN and BIC): LV 90 TREL 2100 6590 04000

Authorized to act in contractual matters:

LC 2nd RLC Contract and Procurement Department,

tel.: +37165055315

e-mail: 2rnclin@mil.lv

Authorized to act in technical matters:

Mr. Rihards Ābols, tel.: +37126540458

e-mail: rihards.abols@mil.lv

Address for the delivery of correspondence:

NAF LC 2ndRLC "NAF Aviation Base", Rembate parish,
Kegums county, LV-5016, Latvia

(hereinafter the "Customer") of the one part

And

Vojenský technický ústav, s.p., odštěpný závod VTÚLaPVO

(The Military Technical Institute, state enterprise, Air Force and Air Defence Technical Institute branch)

Recorded in the Commercial Register kept by the Municipal Court in Prague, File No. A 75859

Registered office: Mladoboleslavská 944, 197 06 Praha 9 – Kbely, Czech Republic

Statutory body: **Mr Petr Novotný, Branch Managing Director**

Company ID No.: 24272523

Tax ID No.: CZ24272523

Bank: Československá obchodní banka, a.s.

Radlická 333/150, 150 57 Praha 5, Czech Republic

Account No. (IBAN and BIC): 256674332 / 0300

CZ85 0300 0000 0002 5667 4332

CEKOCZPP

Authorized to act in contractual matters:

Ms Jolana Bezchlebová, tel.: +420 910 105 210

e-mail: jolana.bezchebova@vtusp.cz

Authorized to act in technical matters:

Mr Jiří Kuzdas, tel.: +420 910 105 310

e-mail: jiri.kuzdas@vtusp.cz

Address for the delivery of correspondence:

Vojenský technický ústav, s.p.
Mladoboleslavská 944
197 00 Praha 9 – Kbely
Czech Republic

(hereinafter the “**Provider**”) of the other part

enter, pursuant to the provisions of section 1746 (2) of Act No. 89/2012 Coll., the Civil Code (hereinafter the “**Civil Code**”), into this Agreement on the Provision of Aerial Target Imitation Service (hereinafter the “**Agreement**”).

Article 1

Purpose of the Agreement

The purpose of the Agreement is to arrange for the performance of combat, test and training shootings of NAF AF by VTUSP performing a special service called “Aerial Target Imitation”.

Article 2

Subject Matter of the Agreement

1. The subject matter of the Agreement is:
 - a) the Provider’s obligation to provide the Customer with an end-to-end service of Aerial Target Imitation (hereinafter “ATI”), i.e. arranging for a target manoeuvre in the form of ATI (targets) during the training of rocket/missile operators (hereinafter the “Service”);
 - b) the Customer’s obligation to pay the agreed price for a properly and timely provided Service according to Article 3 of the Agreement.

Article 3

Scope of the Service

1. Provider agrees to:
 - a) provide two (2) Aerial Target Towing Unmanned Vehicles;
 - b) supply twenty-seven (27) drag sacs (targets) and three (3) special flares flights;
 - c) perform twenty-seven (27) flights and three (3) special flares flights;
 - d) supply twelve (12) special flares;
 - e) use its own personnel of six (6) persons;
 - f) Comply with STANAG 2402 - 1997 (Edition 2).

Article 4

Price for the Service Provided

1. The price for the Provider’s performance (i.e. Service) under this Agreement has been set by an agreement between the parties in accordance with the provisions of section 2 of Act No. 526/1990 Coll., On Prices, as amended (hereinafter the “**Maximum Service Price**”) and is:

EUR 58 682.00 excluding VAT

(fifty-eight thousand six hundred eighty-two euros and 00 cents).

2. The price includes all of the Provider’s costs related to the performance of the Provider’s obligations under this Agreement (i.e. for example the costs of transport, accommodation, drafting of documentation, etc.).

Article 5
Place and Time of Performance

1. The place of performance of the Service is Jūrmalciems range, Latvia. The Customer's responsible person is Mr. Rihards Ābols, tel.: +371 26540458 e-mail: rihards.abols@mil.lv, or the person authorized to act in technical matters (hereinafter the "Customer's Responsible Person").
2. The Service will be provided from June 26th, 2019 to June 28th, 2019.

Article 6
Terms and Conditions

1. The parties have agreed on the holding of consultations for the purposes of preparing a flight schedule (hereinafter the "Consultations"). The flight schedule shall provide a more detailed description of the progress of individual shootings. The Customer is obligated to propose a date of a Consultation so that a Consultation can be held before the date of the required performance of the Service.
2. The Provider is obligated to organize transport of its own personnel, equipment and tools to the place of performance. The Customer is obligated to organize transport of the Provider's personnel and technical means at the place of performance of the Service (in the target zone of the PL shooting range concerned).
3. After proper completion of the Service, the Provider shall draw up a report on completion of the Service (hereinafter the "Report") which shall be signed by the Customer's responsible person and by the Provider's authorized representative. By signing the Report, the Customer's responsible person accepts the Service provided. One copy of the Report shall be kept by the Customer's responsible person and two copies shall be kept by the Provider; one of these copies shall be attached to the invoice.

Article 7
Payment and Invoicing Terms

1. The Provider may issue an invoice on the basis of a properly signed Report under Article 5 of this Agreement. The Provider is obligated to draft each invoice in duplicate (an original and a copy).
2. The Provider is obligated to invoice the price for the Service provided in accordance with this Agreement, a confirmed purchase order and a mutually signed Report.
3. Each invoice shall be due and payable within twenty-one (21) days after the date of delivery of the invoice to the Customer. An invoice shall be deemed to have been paid upon debiting the amount invoiced from the Customer's account.
4. Any and all amounts remitted between the Provider and the Customer on the basis of this Agreement must be free of any bank charges or other costs related to transfer to their accounts.

Article 8
Penalties and Liability for Defects

1. In case of the Provider's delay with a proper completion of an individual performance according to the relevant purchase order and where such delay is not caused by the Customer's fault or a force majeure event, the Provider shall pay the Customer a penalty of 0.05% of the price of the Service for each day of the delay, or part thereof, until the full completion of the Provider's obligation.

2. In case of a delay with the payment of an invoice, the Customer shall pay the Provider a default interest of 0.05% of the total price of the Service for each day of the delay.
3. The right of the entitled party to claim and invoice contractual penalties and default interest shall arise on the day following the expiry of the relevant period. The penalties shall be due and payable within thirty (30) calendar days after the day when the penalties are charged to the obligated party.
4. The obligated party shall pay the penalty regardless of whether the other party suffered any damage in this connection and regardless of the amount of such damage. This damage can be claimed separately in addition to the contractual penalty or a default interest in full.

Article 9 Special Provisions

1. The relations between the parties shall be governed by the laws of the Czech Republic.
2. Choice of forum clause: in accordance with section 89a of Act No. 99/1963 Coll., the Civil Procedure Code, as amended, the parties have agreed that in case of any disputes arising from this purchase agreement the court that has jurisdiction over these disputes will be chosen according to the Provider's registered office.
3. The parties have agreed that they will promptly communicate to each other any facts concerning the changes of any identification details, including legal succession.
4. The language of choice during any oral meeting or written communication related to the performance of this Agreement shall be Czech or English.
5. The Provider declares that the subject matter of this Agreement is not encumbered by any third party rights. The Provider shall be liable for any potential breach of third party rights in industrial property or other intellectual property during the performance of the Provider's obligations under this Agreement.

Article 10 Cancellation of the Agreement

This Agreement shall be cancelled:

- a) by a written agreement between the parties, along with the mutual settlement of expenses that have been reasonably incurred and are documented;
- b) by the Customer's unilateral withdrawal from the Agreement due to a significant breach of the Agreement by the Provider; for this purpose, a "significant breach" means the Provider's delay with the proper performance of the Service for a period longer than thirty (30) calendar days;

Article 11 Final Provisions

1. This Agreement is made in two (2) counterparts with nine (9) sheets. Each of the parties shall receive one (1) counterpart. Both counterparts shall have the same validity.
2. The parties have agreed that any correspondence between them will be delivered by registered mail to each of the parties to its address for the delivery of correspondence provided at the head of this Agreement.