



## Air Navigation Services of the Czech Republic

### SERVICE CONTRACT

concluded pursuant to Section 1746, paragraph 2 of the Act No 89/2012 Coll., Civil Code,  
as amended  
(hereinafter referred to as the "**Civil Code**")  
(hereinafter referred to as the "**Contract**" or the "**Service Contract**")

#### Parties

**Air Navigation Services of the Czech Republic (ANS CR),**  
a state enterprise existing and organized under the laws of the Czech Republic,  
having its registered office at: Navigační 787, 252 61 Jeneč, Czech Republic,  
Company Identification Number: 49710371  
Tax Identification Number: CZ49710371  
Bank Connection: Československá obchodní banka, a. s.  
Account Number: 8815030/0300  
IBAN: CZ04 0300 1760 3000 0008 8153 SWIFT code: CEKOCZPP  
Registered in the Commercial Register of the Municipal Court in Prague, Section A,  
Insert 10771,  
Represented by: Mr. Jan Klas, General Director

(hereinafter referred to as the "**ANS CR**" or the "**Customer**")

and

**FREQUENTIS California Inc.**  
Seated at 2511 Garden Road, Suite A-165, Monterey, CA 93940, USA  
Registered in the State of Delaware on February 22, 2010, Registration No: 4791070  
Represented by Jean Marie „John“ Fort  
Tax Identification Number: 27-1966478



(hereinafter referred to as the "**Provider**")

(The Customer and the Provider hereinafter jointly referred to as the "**Parties**" and each individually as a "**Party**");

## §1 Subject of the Contract

- 1.1 Provider undertakes to provide service support to the Customer for systems:
  - 1.1.1 the AFTN/AMHS (Aeronautical Fixed Telecommunications Network /ATS Message Handling System)
  - 1.1.2 the NOTAM/OPMET Pro IBS, consists of the following Subsystems:
    - 1.1.2.1 Automated Aeronautical Information Service/NOTAM (AIS/NOTAM) Subsystem
      - NOTAM Data Management
      - OPMET Data Management
      - PIB Based on Flight Plan
      - Static Database Management
    - 1.1.2.2 Integrated Briefing System (IBS) Subsystem
      - through the web interface (web browser)
      - through the client application (mIBS)
- 1.2 All items covered by this service support are listed in Appendix 1 of this Contract.
- 1.3 For the purpose of this Contract the service support consists of:
  - service availability
  - service interventions (via remote connection)
  - others services
- 1.4 Service availability includes:
  - 1.4.1 Establishment of service desk available 24 hours a day, 7 days a week to receive telephone or email requirements from responsible Customer personnel (listed in Appendix 2) regarding necessary service interventions.
  - 1.4.2 Providing technical advice and guidance to responsible Customer personnel via email, telephone or virtual private network (VPN) connection regarding:
    - 1.4.2.1 control and user operations for proper service,
    - 1.4.2.2 procedures during problem analysis,
    - 1.4.2.3 instructions for correct system software configuration.
  - 1.4.3 Maintaining complete backup of system software and up to date versions of system documentation and manuals.
  - 1.4.4 Software Update Management- the Provider routinely monitors the availability of the software components from its suppliers and where necessary takes action to ensure that the supply line continues. The Provider shall provide once per year regular Software Update Management check and report the results to the Customer.
  - 1.4.5 Security management, the Provider continuously monitors published and known security vulnerabilities which can influence smooth and safe operation of the supported systems defined in 1.1. It means for example vulnerabilities in the operation systems, third party SW, web components etc. In case such vulnerability is discovered the Provider is obliged to inform the Customer immediately and analyze possible impact on system operation. When the possibility of negative influence on the system operation is confirmed, the Provider is obliged to propose corrective measures.
- 1.5 Service interventions include:
  - 1.5.1 Solution of operational problems:
    - 1.5.1.1 fault detection including documentation (screenshot, system logs),
    - 1.5.1.2 problem analysis and troubleshooting,
    - 1.5.1.3 problem resolving (identifying defective software components or providing software and/or procedural workarounds),
    - 1.5.1.4 results of internal testing and verification of any proposed system changes.

- 1.5.2 Configuration of third party software:
  - 1.5.2.1 operating systems (Linux RedHat Enterprise, MS Windows),
  - 1.5.2.2 Oracle Java,
  - 1.5.2.3 Maria database.
- 1.5.3 System documentation update.
- 1.6 Other services includes additional small-scale development consisting of other services the Customer orders (e.g. software updates installation) under prices quoted in Article 2.1.2 of this Service contract.

(Activities specified in Article 1 of this Contract are hereinafter referred to as the "service support")

- 1.7 Customer undertakes to pay to Provider for the above defined service support under the terms and conditions defined here after.

## §2 Price and Methods of Payment

- 2.1 The total price of the service support provided according to this Contract during the whole validity period is at maximum **510.000,- USD** and consists of these items:
  - 2.1.1 Fixed payment for service availability and service interventions described in paragraph 1.4 and 1.5 of this Contract is:
    - for systems described in 1.1.1  
██████████ during Warranty period as defined in the article 14.3 of the Contract for Work No. 024/2017/IS/073  
██████████ after an expiry of the Warranty Period as defined in the article 14.3 of the Contract for Work No. 024/2017/IS/073
    - for systems described in 1.1.2.1  
██████████ during Warranty period as defined in the article 11.2 of the Contract for Work No. 366/2016/IS/073.  
██████████ after an expiry of the Warranty Period as defined in the article 11.2 of the Contract for Work No. 366/2016/IS/073
    - for systems described in 1.1.2.2  
██████████ during Warranty period as defined in the article 11.2 of the Contract for Work No. 366/2016/IS/073  
██████████ after an expiry of the Warranty Period as defined in the article 11.2 of the Contract for Work No. 366/2016/IS/073
  - 2.1.2 Variable payment for other services according to paragraph 1.6 of this Contract depends on number of these services which has been done in each month based on monthly report approved by the Customer. For these services was agreed the service rate per one hour work of technical expert: ██████████
- 2.2 The total price has been calculated and is expressed excluding of VAT, which, if any, shall be borne ANS CR. Total price of the service support is in accordance with the commercial terms of this Contract, including all taxes (except VAT) and customs duties. The price is to be paid based on issued invoice by Provider always to the last day of respective month. Invoices are to be paid within 30 days after receipt by Customer. Invoiced amount will be in United States Dollars (USD). Invoices issued by the Provider shall be sent to the Customers' address given the heading of this Contract. Customer may return an invoice within five (5) working days upon its receipt, if it contains inaccurate or incomplete information or if the price is incorrect, with such details to be incorporated in the notification of rejection. In the event that the Parties agree on a modification to an invoice, the

Provider shall issue a new invoice or correct the original invoice and fix a new due date. If the contract comes into effect during the calendar month, monthly price will be charged in aliquot monthly price.

- 2.3 All above mentioned prices are fixed and firm for the validity period of this Contract and include all costs of Provider associated with providing service support in accordance with this Contract. Any change of price could be done only by an amendment signed by duly authorized representatives of the Parties.
- 2.4 The Provider declares that it is a tax resident of the United States of America
- 2.5 The Customer declares that it is a tax resident of the Czech Republic.

### §3 Place and Methods of Performance

- 3.1 Place of performance for the service support in accordance with this Contract is: IATCC Jeneč, Navigační 787, 252 61 Jeneč and Aviatická 6, Praha 6, Czech Republic.
- 3.2 Service support is provided via phone, email or virtual private network connection. On-site support is provided only for systems described in 1.1.2.2. Reaction time for this on-site support is five working days since Customer request.
- 3.3 Defined telephone number is assigned for Customer below which is available 24x7.
- 3.4 Request for service intervention is made by responsible Customer personnel:
  - a) via phone to service number +1-831-277-4934 (back up number is +1-831-578-5071) or
  - b) by email to service email [frqca\\_support@frequentis.com](mailto:frqca_support@frequentis.com) or
  - c) via online web Reporting Tool at <https://selfservice.frequentis.com>.
- 3.5 Other contacts for the purpose of this Contract are listed in Appendix 2.
- 3.6 Each request for service intervention has to be classified according to impact of the problem. Severity levels are described in the table below. In order to classify a request, Provider technical support personnel will confirm with Customer the impact of the reported problem to determine an appropriate classification. Where parties disagree on the classification of a particular reported problem, Customer and Provider technical contacts will discuss the classification in good faith to reach a mutually acceptable classification. In the event the parties are unable to reach agreement on the classification, the reported problem shall be classified at Customer's assigned classification level.

Severity Level	Description
1 (Critical)	The system is inoperative and Customer's inability to use the product has a critical effect on Customer's operations. This condition is generally characterized by complete system failure and requires immediate attention. In addition, any condition that may critically impact human safety is considered a Severity Level 1 Critical problem.
2 (Major)	The system is partially inoperative but still usable by Customer. The inoperative portion of the product severely restricts Customer's operations, but has a less critical effect than a Severity Level 1 condition. In addition, any situation with serious loss of redundancy (i.e. system has single point of failure) which could lead to priority 1 problem is considered as Severity Level 2 problem.
3 (Minor)	The system is usable by Customer, with little or limited impact to the function of the system. This condition is not critical and does not severely restrict overall Customer operations.

There are three levels of "Impact" categories used in the ITSM Customer Self Service web application (see 3.4 c). For the purpose of this Contract following translation is used:

Severity Level	ITSM Customer Self Service – impact
1 (Critical)	Catastrophic
2 (Major)	Critical
3 (Minor)	Marginal or Negligible

3.7 Service intervention (see 1.5.1) is started by Provider at the latest in time defined in the table below (time from Customer first notification to Provider of a reported problem):

Severity Level	1 (Critical)	2 (Major)	3 (Minor)
Respond Time	4 hours	24 hours	48 hours

3.8 Provider restores maintained system to operational status by identifying defective software components or providing software and/or procedural workarounds, where feasible in time defined in the table below (time from Customer first notification to Provider of a reported problem):

Severity Level	1 (Critical)	2 (Major)	3 (Minor)
Restore Time	24 hours	120 hours	Not relevant

3.9 Corrective action which removes reason for the operational problem or the result of analysis with recommended follow up actions in case the corrective action is not in Provider responsibility is finished in time defined in the table below (time from Customer first notification to Provider of a reported problem):

Severity Level	1 (Critical)	2 (Major)	3 (Minor)
Resolve Time	30 days	60 days	90 days

3.10 Times for other actions except solution of operational problems defined in 1.5:

Action	Time
1.5.2 Configuration of third party software:	10 working days
1.5.3 System documentation update.	In case of planned system change 5 working days before applying the change.  In case of fault corrections no later than 5 working days after applying the change in the system.

3.11 Time for the above defined limits starts from Customer first notification of a new request at Provider's contacts defined in paragraph 3.4.

3.12 In case when correction of one failure causes some other new failure then time is aggregated (i.e. total time is counted from start of first failure until the last failure is restored/resolved).

## §4 Warranty

4.1 Customer shall be entitled to notify Provider of discovered faults in quality and/or extent of provided service support. Provider undertakes to address this claim without delay.

- 4.2 Provider provides a warranty period for all service interventions done based on this Contract for 12 months starting from the day when a respective service intervention was completed. All warranties expire at the end of the contract end date noted in Section 10.
- 4.3 Warranty does not cover defects caused by Customer's (or its sub-contractors') unprofessional handling or non-compliance with Provider instructions.

## **§5 Customer Responsibilities**

- 5.1 When reporting a fault, Customer shall include Severity Level of problem and output of any diagnostics, printed logs, already performed actions to help reproduce the conditions under which the trouble occurred.
- 5.2 Customer is obliged to ensure that maintained systems are installed, configured, operated and maintained in accordance with Provider applicable installation, operation, administration, and maintenance specifications.
- 5.3 Customer is obliged to perform initial problem diagnostics and analysis to isolate the problem to a maintained system.
- 5.4 Customer is obliged to inform Provider with all rules and conditions for system operation.
- 5.5 Customer is obliged to provide to designated employee of Provider remote access and VPN connection to maintained system via Customer CADIN IP data network based on defined access privileges. RSA SecureID token will be issued to each of these employees, list of them is in Appendix 3 of this Contract.

## **§6 Provider Responsibilities**

- 6.1 Provider hereby agrees to provide services covered by this Contract under conditions defined in the Contract and its Appendices.
- 6.2 Provider warrants that support service does not infringe on any third party rights (patents and other industrial and intellectual property rights).
- 6.3 Provider is obliged to keep records of service interventions done based on this Contract.
- 6.4 Provider is obliged to have actual backup of system installation and configuration files in case of necessary return to previous state of the system.
- 6.5 Provider is obliged to respect Customer rules and conditions regarding system operation.
- 6.6 Provider is responsible as an employer for its employees to observe the rules when using RSA SecureID token (issued based on paragraph) and also for the loss of RSA SecureID token. Provider is obliged to compensate all damages caused by breaking these rules by Provider employees.
- 6.7 Throughout the whole period of the duration of this Contract, the Provider shall observe the conditions of the Security Department of ANS CR regarding the regime of entry for persons and vehicles into the Customer's premises.
- 6.8 The Provider as an employer in performance of the subject of this Contract is responsible for complying with Safety and Health Protection and Fire Protection regulations by its employees or other individuals engaged in work in its favor. Any damages resulting from violation of these regulations by the Provider's employees or other individuals engaged in work in its favor shall be borne by the Provider. If the Provider generates dangerous places or situations on site as a result of its activity, the Provider shall take his own measures to secure the impending damage and shall immediately inform the Customer of this fact.
- 6.9 The Provider shall ensure, through the responsible person, that obligation as from 6.5, 6.6, 6.7 and 6.8 are known to persons engaged in activities related to this Contract.

- 6.10 On Customer request the Provider shall give evidence that it holds a valid approval certificate to install, maintain, repair and modify Aeronautical Ground Facilities on the basis of compliance with requirements of Act No. 49/1997 Coll. on civil aviation, as amended, §17 and Annex No. 1 to Decree No. 108/1997 Coll., as amended, paragraph 3.3.8 – data transfer systems (hereinafter referred to as "CAA certification"). The approval certificate has to be valid for the entire period of validity of this Contract. Failure to give evidence of the above mentioned CAA certification by the Provider is considered as major breach of contractual obligations with all respective consequences mentioned in this Contract, including those mentioned in Article 7 "Penalties" and Article 8 "Termination".
- 6.11 The Supplier shall be liable to the Customer for damages, which arise directly from the performance, incorrect performance or non-performance of the Supplier's duties and obligations under this Contract. The Supplier shall not be liable any indirect or consequential damages or losses.

### §7 Penalties

- 7.1 In case the Customer does not meet the payment term according to paragraph 2.2 of this Contract, the Customer shall be duty-bound to pay an interest rate of 0,05 % (zero point zero five) of the amount invoiced or of its part not yet reimbursed for each day of delay.
- 7.2 In case the Provider does not meet the times defined in 3.8 and 3.9 of this Contract, the Provider shall be duty-bound to pay a penalty defined in the tables below:

Severity Level*	Restore Time (paragraph 3.8)
1 (Critical)	100,- USD for each hour of delay
2 (Major)	500,- USD for each day of delay

Severity Level	Resolve Time (paragraph 3.9)
All levels	1 000,- USD for each month of delay

\* Severity levels subject to Customer/Provider agreement per Section 3.6

- 7.3 In case the Provider does not meet the times defined in 3.10 of this Contract, the Customer is entitled to charge the Provider a penalty 100,- USD for each day of delay, up to the limitations set forth in this Contract.
- 7.4 In case the Provider breach the rules for VPN access defined in 6.6 and Annex 4 of this Contract, the Customer is entitled to charge the Provider a penalty 5000,- USD for each violation of these rules, up to the limitations set forth in this Contract.
- 7.5 If the Provider does not hold the certification according to Article 6.10 of the Contract, the Customer is entitled to charge the Provider a conventional fine of 10,000 USD (in words: ten thousand US dollars), up to the limitations set forth in this Contract.
- 7.6 Any penalties paid by the Provider shall not be set off in the damage amounts payable to a third party.
- 7.7 Notwithstanding the above, the Provider shall not be liable for any penalties or fines if caused by the Customer delays in providing the necessary information pursuant to this Contract. In no event shall the total amount of penalties according to article 7 of this Contract exceed the 50% of the annual contract amount. If the total value of penalties according to article 7 of this Contract reaches the 50% of the annual contract amount, the Customer shall be entitled to terminate the Contract by written notice of withdrawal. In such a case, termination of the Contract shall become effective upon receipt of the withdrawal notice by the Provider
- 7.8 Either Party shall have the right to terminate this Contract in whole or in part by operation of law without necessity of to give a ruling in the event the other Party has failed to fulfill any of its obligations under this Contract and such failure has lasted for more than ninety (90) days. In such a

- case, termination shall become effective upon the receipt of the written notice by other Party. The notification shall be made by way of a written form.
- 7.9 The Customer shall have a right to terminate this Contract in case the Provider is subject to liquidation, winding up, bankruptcy, insolvency or criminal proceedings, which proceedings are not dismissed within 60 days.
- 7.10 In case of termination by the Customer for any reason whatsoever, the Customer shall a) pay the Provider the contractual price for services completed and b) negotiate a liquidation settlement for partially completed services on the basis of the reasonable evidence presented by the Provider; failing such an agreement on the partial completed services, the provisions of Article 12 hereafter shall apply.
- 7.11 This Contract may be terminated by mutual written agreement of both Parties.
- 7.12 Any termination for any reason whatsoever shall not affect debts already payable between the Parties with respect to the completed part of this Contract.

### **§8 Termination**

- 8.1 Either Party shall have the right to terminate this Contract in whole or in part by operation of law without necessity of to give a ruling in the event the other Party has failed to fulfill any of its obligations under this Contract and such failure has lasted for more than ninety (90) days. In such a case, termination shall become effective upon the receipt of the written notice by other Party. The notification shall be made by way of a written form.
- 8.2 The Customer shall have a right to terminate this Contract in case the Provider is subject to liquidation, winding up, bankruptcy, insolvency or criminal proceedings, which proceedings are not dismissed within 60 days.
- 8.3 In case of termination by the Customer for any reason whatsoever, the Customer shall a) pay the Provider the contractual price for services completed and b) negotiate a liquidation settlement for partially completed services on the basis of the reasonable evidence presented by the Provider; failing such an agreement on the partial completed services, the provisions of Article 12 hereafter shall apply.
- 8.4 This Contract may be terminated by mutual written agreement of both Parties.
- 8.5 Any termination for any reason whatsoever shall not affect debts already payable between the Parties with respect to the completed part of this Contract.

### **§9 Force Majeure**

- 9.1 The event and circumstances of an extraordinary character which may take place after signing of this Contract which are beyond the control of the Provider or the Customer and which cannot be reasonable foreseen such as earthquakes, flood, fire, or other natural physical disasters, epidemics, war, hostilities, rebellion, revolution, civil war, riot, commotion, strikes, acts of state, congestion of ports/airports exceeding two weeks and all other cases which Parties cannot foresee and which make impossible any fulfilment of the contractual obligations entirely or partly shall be deemed as Force Majeure.
- 9.2 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.
- 9.3 In case of Force Majeure the contractual obligation of a given Party shall be prolonged for the time of acting of Force Majeure and its consequences. In such case the party referring to the Force Majeure shall not be considered as being in default in fulfilling the contractual obligations.



### **§10 Period of Validity**

- 10.1 This Contract becomes valid on the day of its signature by duly authorized representatives of Frequentis California Inc. and ANS CR.
- 10.2 This Contract is concluded for a definite period of time and shall be effective from the day it is published in the Register of Contracts until 30. September 2020.

### **§11 Modifications and Alternations**

- 11.1 Any part of this Contract may be amended by an amendment signed by duly authorized representatives of the Parties if it is not agreed otherwise in the Contract. Any amendment to the Contract shall require a written consent of both Parties, otherwise shall be null and void.

### **§12 Settlement of Disputes**

- 12.1 Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity therefore, which cannot be settled by Parties in a friendly manner, shall be finally settled under the appropriate court of the Czech Republic. The Parties agree that a court of Customer's registered office shall be considered appropriate.
- 12.2 The language to be used in trial shall be Czech.
- 12.3 This Contract is governed by Czech law, the Civil Code.

### **§13 Confidentiality**

- 13.1 By signing this Contract Provider acknowledges that it is not authorized to disclose or disseminate any information which could affect the security of civil aviation, namely due to requirements for maintaining security in civil aviation resulting from the relevant legislation (in particular the Aviation Regulation L17 based on International Civil Aviation Organization – ICAO regulations) and imposing on air navigation service providers to take appropriate actions as a base to provide safeguarding of civil aviation against acts of unlawful interference. Particularly, Provider shall not anyhow reproduce and redistribute any information acquired in connection with the performance thereof.
- 13.2 The Provider acknowledges that the Customer is obliged to publish this Contract pursuant to the Act No. 340/2015 Coll., on the Register of Contracts, as amended, and the Act No. 134/2016 Coll., on Public Procurement as amended. The Provider also acknowledges that the Customer is obliged to provide information pursuant to the Act No. 106/1999 Coll. on Free Access to Information, as amended.
- 13.3 Trade secret. Trade secret, within sense of § 504 of the Civil Code, means all information detailed in Annex No. 1, unit price for individual systems described in Articles 2.1.1 of this Contract and hourly rate described in Article 2.1.2 of this Contract. For this reason the Annex No. 1, unit price for individual systems described in Articles 2.1.1 of this Contract and hourly rate described in Article 2.1.2 of this Contract will neither be published nor provided according to Article 13.2 of this Contract.

### **§14 Final Provisions**

- 14.1 The Provider acknowledges that Customer telephone lines marked in Appendix 2 to this Contract with an asterisk \* are recorded.

14.2 This Contract is made in four identical copies written in the English language. After signature two copies shall be held by the Customer and two copies by the Provider.

14.3 The Appendixes below make an integral part of this Contract:

- Appendix 1 System specification
- Appendix 2 Contacts
- Appendix 3 Provider personnel with VPN access to Customer network
- Appendix 4 SecureID token protocol

In Jenec on: 21-11-2017

on behalf of ANS CR



Jan Klas  
Director General

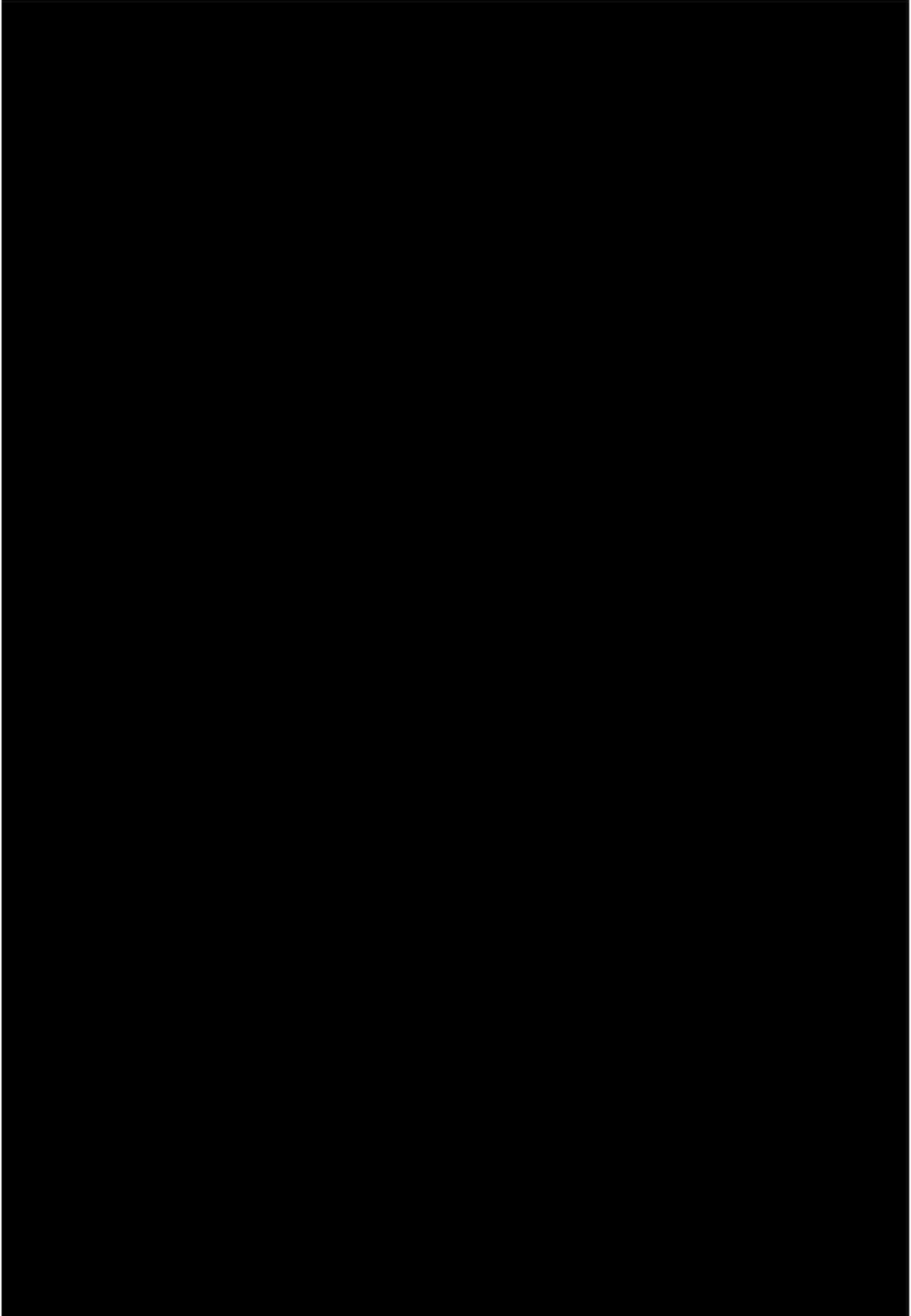
In: Monterey CA USA

on behalf of Frequentis California Inc.

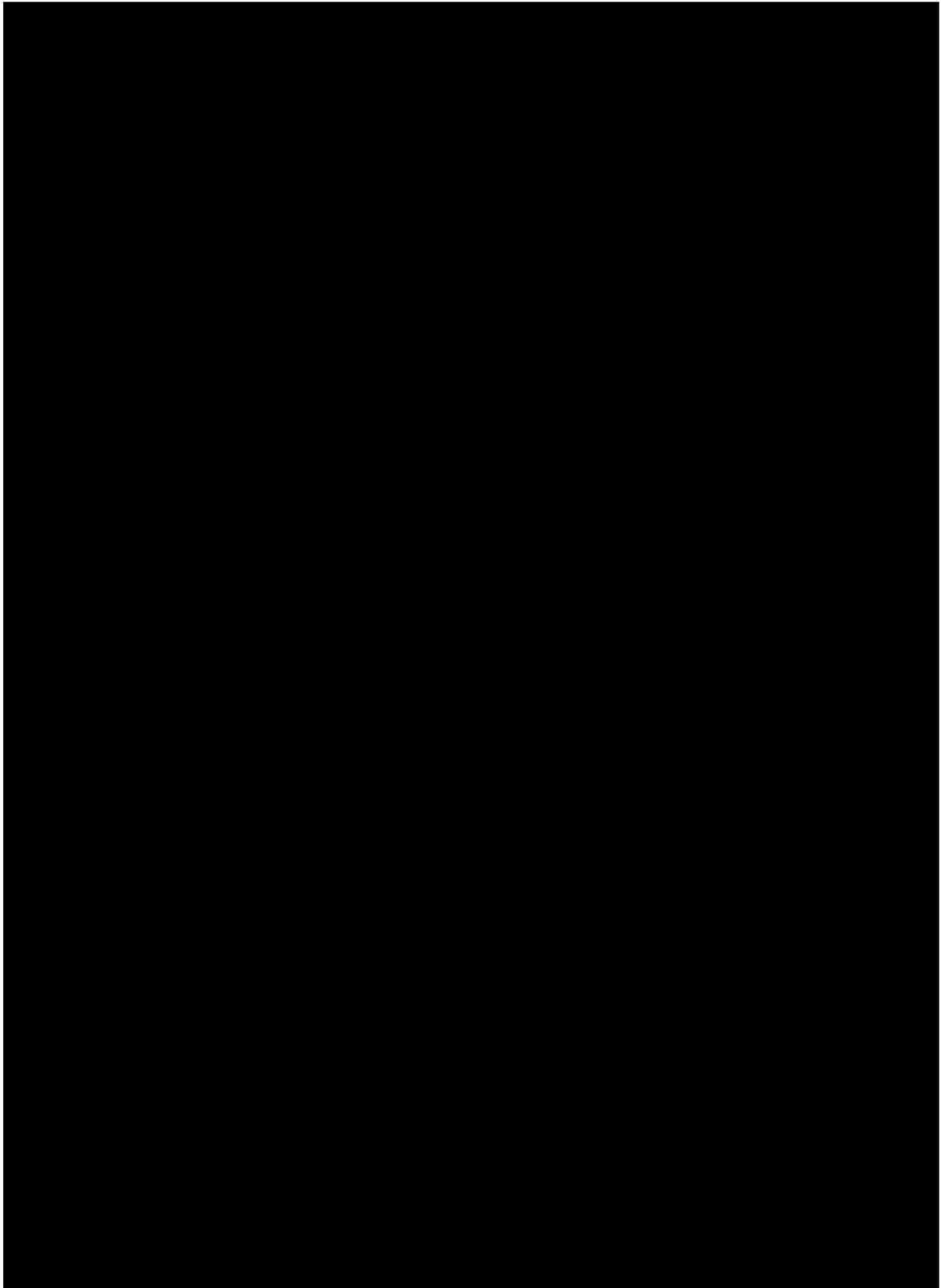
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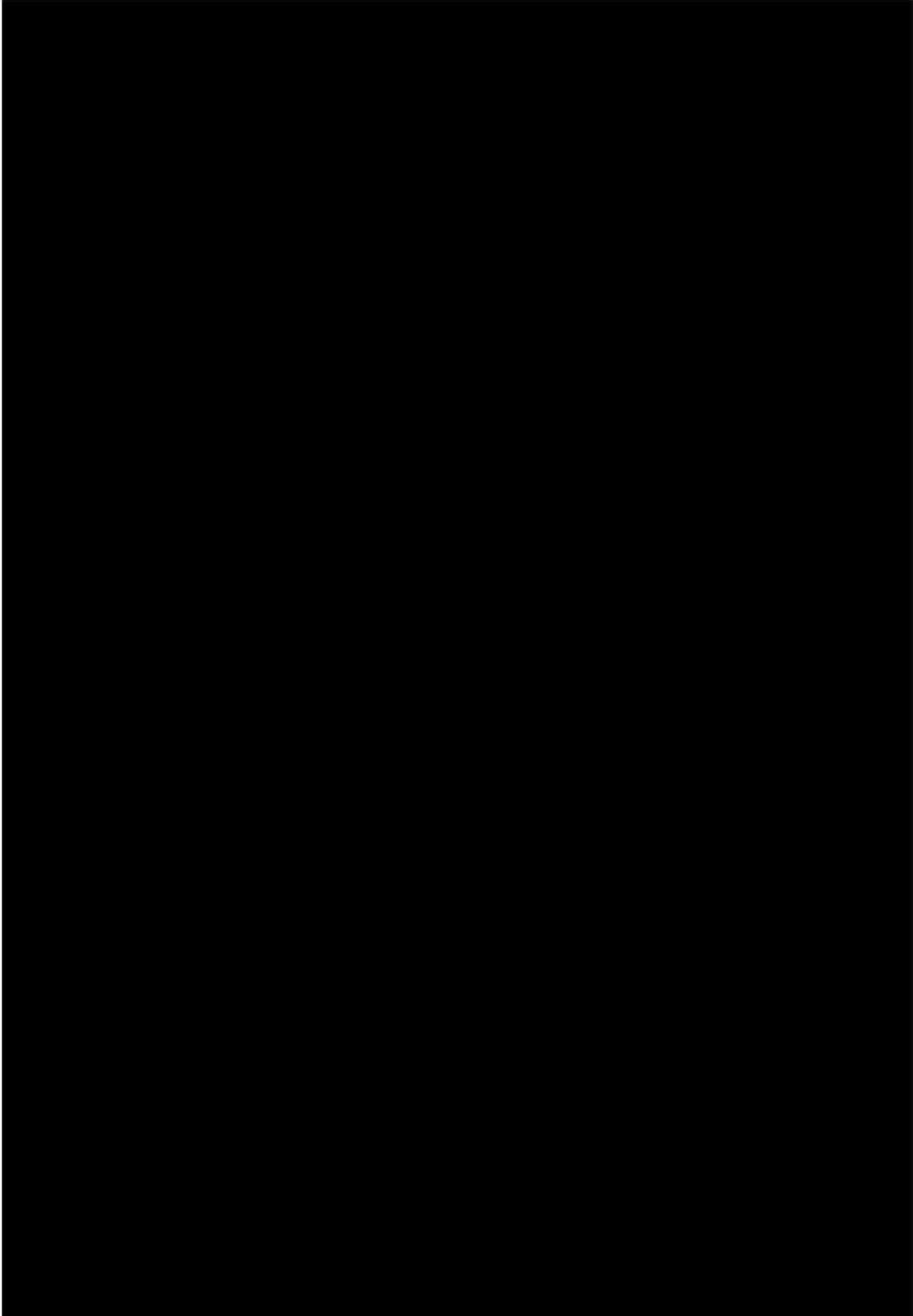
John Fort  
CEO

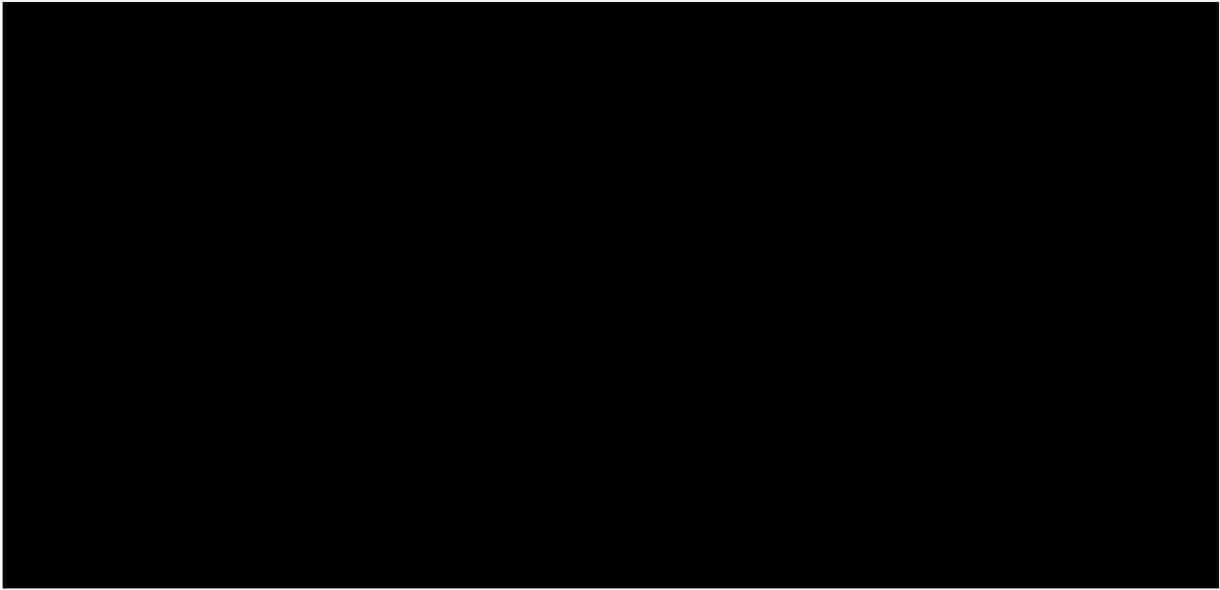


**Appendix 2 - Contacts**



**Appendix 3 – Provider personnel with VPN access to Customer network**





## Appendix 4 – SecureID token protocol

