



Contract No. ANS CR: 289/2013/PS/030  
Contract No. 13406M180

Service Contract



**Air Navigation Services**  
of the Czech Republic

## **SERVICE CONTRACT N°: 289/2013/PS/030**

hereinafter referred to as the "Contract" or "Service contract",  
concluded pursuant to Section 269, paragraph 2  
of the Act No 513/1991 Coll, Commercial Code as subsequently amended

**BETWEEN**

ŘÍZENÍ LETOVÉHO PROVOZU ČESKÉ REPUBLIKY, státní podnik (AIR NAVIGATION SERVICES OF THE CZECH REPUBLIC), a state enterprise existing and organised 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

Represented by Mr. Jan Klas, Director General

hereinafter referred to as the "ANS CR" or "Customer".

**AND**

RETIA, a.s., a company existing and organised under the laws of , the CZECH REPUBLIC  
having its registered office at , Pražská 341, Zelené Předměstí, Pardubice

Tax identification Number:

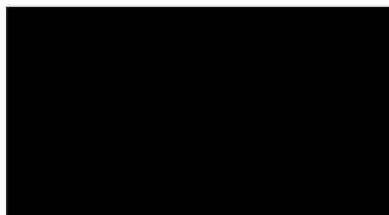
Bank:

Bank Code:

Account No.:

IBAN:

BIC/SWIFT Code:



Represented by

Ing. Jiří Kristek

hereinafter referred to as the "Supplier"

Hereinafter individually or collectively referred to as a "Party" or the "Parties".

## 1. SUBJECT OF THE CONTRACT

- 1.1 The Supplier shall provide service support to the Customer for subject of the contract N° 288/2013/IS/140 concluded between the Supplier and the Customer on 19/5/2014 (hereinafter referred to as "**Contract No. 288/2013/IS/140**") (hereinafter referred to as the "RRS") according to **Chapter 8** and other relevant chapters of this Contract (hereinafter referred to as "Service support"). The Supplier further undertakes to provide necessary updates of the system in order to ensure support of new versions of VoIP protocols as described in **Articles 8.31** and **8.32**.
- 1.2 The Supplier shall also provide additional small-scale development consisting of other services the Customer orders, such as software development, prototyping of new functions, installation, etc. under prices quoted in **Article 8.30** of this Service contract. The Supplier shall not include the costs for the preparation and operation of development platform in its production plant needed for the quotation of other services requested by the Customer.

## 2. PRICE AND PAYMENT METHODS

- 2.1 The price of this Contract covering the Service support according to **Article 1.1** of this Contract within its sixty (60) month period of validity is:

[REDACTED]  
with the following breakdown:

- 2.1.1 the price of the Service support per 12 calendar months is:

- 2.2 All prices mentioned in this Service contract are expressed excluding VAT and are fixed for period of validity of this Service contract.

- 2.3 Parties have agreed on the following payment methods:

2.3.1 Payment of Service support under **Article 1.1** shall be invoiced quarterly. The invoice shall be issued by the last working day of the third month of the quarter.

2.3.2 Payment of additional small-scale development under **Article 1.2** of this Contract shall be invoiced after Site Acceptance Tests (SAT) acceptance of the corresponding RRS release with the new functions.

- 2.4 All invoices are due within 30 (thirty) days of their delivery to the Customer.

- 2.5 Each invoice shall have a reference to the number of this Contract.

- 2.6 Detailed service report on each item of activities performed according to **Article 1.2** of this Contract shall be attached to the invoice.

- 2.7 The invoice for quarterly payments shall always be documented by a copy of a relevant delivery report, elaborated by the Supplier, containing at least date, time, subject of the delivery, its impact on the RRS and test results if relevant.

- 2.8 The price of other services to be provided by the Supplier as specified in **Article 1.2** of this Contract shall be stipulated on the basis of preliminary calculation prepared by the Supplier and approved by the Customer.

- 2.9 The maximum price for providing additional small-scale development specified in **Article 1.2** of this Contract for 5 years shall not exceed [REDACTED] excluding VAT.

### 3. PERIOD OF VALIDITY

- 3.1 This Contract becomes valid on the day of its signature by both Parties.
- 3.2 This Contract is concluded for a definite period of time and shall be effective from the first day of expiration of Batch 1 Warranty period according to **Contract No. 288/2013/IS/140** for the period of 5 (five) calendar years.

### 4. PLACES OF PERFORMANCE

- 4.1 The places of performance of the Service support are these ANS CR sites:

- 4.1.1 the ANS CR main site in Jeneč, hereinafter referred to as "IATCC", at the address "Navigační 787, Jeneč",
- 4.1.2 the Prague-Ruzyně airport tower Technical building, hereinafter referred to as "TEB", at the address "Aviatická 1039/6, Praha 6",
- 4.1.3 regional airport Brno-Tuřany, hereinafter referred to by its ICAO locator as "LKTB",
- 4.1.4 regional airport Ostrava-Mošnov, hereinafter referred to by its ICAO locator as "LKMT",
- 4.1.5 regional airport Karlovy Vary, hereinafter referred to by its ICAO locator as "LKKV", and these RX Ground Radio Stations (GRS):
- 4.1.6 Buchtův kopec, hereinafter referred to as "BUKOP", at the coordinates 49 39 35 N 16 08 00 E  
(Site located in the hills of "Žďárské vrchy", inside the main building of ANS CR's radar centre. Access by means of a hard-surface road.),
- 4.1.7 kopec Praha, hereinafter referred to as "KOPR", at the coordinates 49 39 30 N 13 49 04 E  
(Site in the hills of the "Brdy" army area. Difficult access in winter time, roads not maintained, access to the area governed by the Czech Army's security policy.),
- 4.1.8 kopec Skalky, hereinafter referred to as "KOSKAL", at coordinates 49 30 04 N 16 47 19 E  
(Site located in the hills of "Drahanská vrchovina", inside the building of a ČHMU radar /Czech Hydrometeorological Institute/. Access by means of a hard-surface road.),
- 4.1.9 kopec Písek, hereinafter referred to as "PISEK", at coordinates 49 47 06 N 14 02 05 E  
(Site in the hills of "Brdy", inside the main building of ANS CR's radar centre. Access by means of a hard-surface forest road.).

### 5. CONTACTING THE SERVICE SUPPORT

- 5.1 The Service support maintenance shall be provided via phone, email and remote connection, as applicable for each particular case.
- 5.2 Request for Service support intervention shall be made by responsible Customer personnel to Supplier's service desk contacts:
- 5.2.1 via telephone,
  - 5.2.2 by email,
  - 5.2.3 via on-line problem ticket reporting and management website.
- 5.3 The contacts for the purpose of Service support agreed by this Contract are listed in **Annex 1** of this Contract.

## 6. OBLIGATIONS AND RESPONSIBILITIES

- 6.1 The Customer is obliged to provide to designated Supplier's employees remote access and VPN connection to the maintained system via Customer's IP data network (CADIN) based on defined access privileges. An RSA SecureID token will be issued to each of these Supplier's employees, a list of which is presented in **Annex 2** of this Contract.
- 6.2 The Supplier as an employer is responsible for its employees to observe the Customer's rules for VPN access when using RSA SecureID tokens (issued based on **Article 6.1**) and also for the loss of RSA SecureID token. The Customer is obliged to provide the Supplier with VPN access rules. The Supplier is obliged to compensate all damages caused by breaking these rules by its employees.
- 6.3 The Supplier warrants that the Service support provided according to this Contract (service, delivery, etc.) does not infringe any third-party rights (patents and other industrial and intellectual property rights).

## 7. DEFINITIONS

- 7.1 A Unit is defined as a hardware part of the RRS that:
- is easily accessible and separately replaceable (e.g. plug-in unit, screwed terminals or connectors),
  - can be identified as a possible cause of system failure/defect,
  - can be a part of another Unit.
- 7.2 Defects severity classification:
- 7.2.1 **Blocking defect** is a defect which prevents use of the RRS for purpose of recording of voice, screen or datalink messages on any of the interfaces for the reason of a hardware or software failure of the RRS. The abovementioned statement "prevents use of the RRS for purpose of recording" means that more than 10 % of voice channels, screen channels or datalink messages are not being recorded at one of the locations IATCC, TEB, LKTB, LKMT and LKKV. Blocking defects do not apply to locations BUKOP, KOPR, KOSKAL and PISEK.
- 7.2.2 **Medium defect** is a defect which prevents full operation of the RRS in terms of usability or availability of all functions on all working positions where it is configured for use and for which an acceptable workaround or spare part is not available at the moment, but where the recording function is not affected to the extent of the Blocking defect. In addition, any situation with serious loss of redundancy (i.e. system has single point of failure) which could lead to Blocking defect is considered as Medium defect problem.
- 7.2.3 **Low defect** is a defect which prevents unrestricted and/or comfortable operation of the RRS, but does not prevent full operation of the RRS for purpose of the recording and replay.

## 8. SERVICE CONDITIONS

- 8.1 The Supplier's Service support shall include:
- 8.1.1 technical assistance according to **Articles 8.23** and **8.24** of this Contract,
  - 8.1.2 supply of spares (swap-repair of any failing Unit).
- 8.2 During the Service support, the Supplier shall warrant the RRS against malfunctions and/or defects introduced by the Customer staff while performing preventive maintenance, as long as the Customer staff follows the procedures and instructions for the work to be performed.
- 8.3 If the Customer staff by following the maintenance documentation introduces or give reasons for defects or malfunctions, such defects and malfunctions shall be covered completely and without additional costs for the Customer by the Supplier's service support.
- 8.4 The condition mentioned in **Article 8.2** of this Contract shall as well cover situations, where the maintenance documentation is incomplete or inadequate, and this has undesired effects on the RRS.
- 8.5 The entire costs for the correction of deficiencies falling under Service support, inclusive the cost related to the shipments, shall be carried by the Supplier.
- 8.6 During the Service support, the Supplier shall remedy any defects at his own expenses which are identified in any part of the RRS.
- 8.7 If a defect of general nature objectively exists in other parts of the RRS than the one in which the defect was identified, the Supplier shall then take the necessary actions to ensure that such defects also are remedied.
- 8.8 The Supplier shall prepare a procedure for reporting defects from the Customer to the Supplier, ensuring that a defect is properly reported (by telephone, e-mail and a Supplier's specialised on-line problem ticket reporting and management website, the method and rules chosen for reporting being appropriate for each defect severity).
- 8.9 Such initial defect report (hereinafter referred to as "bug report") shall not require diagnostics performed, nor the use of test software etc., but shall allow the Customer to report observations done by the technicians in shift or, for the replay and investigation applications by non-technical staff.
- 8.10 The Supplier shall acknowledge the receipt of the bug report and commence corrective measures no later than in the times given in the table in **Article 8.13** as "Reaction time" from the moment the defect is reported.
- 8.11 The Supplier shall either put the RRS into operation itself or advise an employee of the Customer by telephone, email or other suitable means or specify a substitute regime procedure which will ensure at least partial use of the RRS and turning the defect to a less severe one no later than in the times given in the table in **Article 8.13** as "Restore time" from the moment the defect is reported.
- 8.12 The Supplier shall either put the RRS into full and unrestricted operation itself or advise an employee of the Customer by telephone, email or other suitable means or specify a substitute regime procedure which will ensure full and unrestricted use of the RRS no later than in the times given in the table in **Article 8.13** as "Resolve time" from the moment the defect is reported.
- 8.13 The Supplier shall provide the following Reaction, Restore and Resolve times from the moment a defect is reported, regardless of working days and holidays:



	Blocking defect	Medium defect	Low defect
Reaction time	4 hours	24 hours	5 days
Restore time	24 hours	5 days	<i>not applicable</i>
Resolve time	30 days	45 days	6 months

- 8.14 If the Supplier, in order to restore full and unrestricted operation within the serviced RRS, introduces work-around solutions or patches or other similar non-permanent solutions, the Supplier shall as soon as possible, and in no case more than 6 months after a defect has been identified, implement a final and permanent solution.
- 8.15 Work-around solutions, patches etc. shall only be used where this can ensure full and normal operation of the RRS Unit or where the Customer explicitly has accepted such a solution in order to retain the best achievable level of operation.
- 8.16 The Supplier may use Customer's staff on site, if available, to perform diagnostics, repairs etc., but the responsibility of remedy of the defect shall solely remain on the Supplier.
- 8.17 If Customer's staff is used by the Supplier, the Supplier shall support the staff with specialist knowledge as required.
- 8.18 The Supplier shall ensure to provide initial spares for the RRS that shall include:
- 8.18.1 for each type of server, recording interface card, video streaming unit, hard disk for the storage disk array and other hardware additional spare pieces in the amount corresponding to 10 % of the supplied amount for operational configuration for that model type with a minimum of one piece,
  - 8.18.2 adequate amount of consumable items for an operational period of two years, if applicable. The term consumable items cover low values items, components which are used to repair other items and are discarded upon failure, etc.
- 8.19 All initial spares (excluding consumable items) shall be tested, inspected and configured simultaneously with the main equipment under the same conditions in order to allow easy replacement of the failed Unit.
- 8.20 The spare parts support shall be guaranteed for the life time of the RRS.
- 8.21 If delivery of a particular type of spares is becoming difficult or if the manufacturing of such is stopped, the Supplier shall in advance notify the Customer.
- 8.22 Such notification shall be accompanied by a proposal for suitable replacement of such spares, with other spares ensuring full supportability of the RRS and by a proposal for a "life time buy" allowing the Customer to procure enough to cover the remaining life time of the RRS.
- 8.23 As part of the Service support, the Supplier shall perform the Supplier's maintenance of hardware and technical assistance for Customer's maintenance of hardware that includes the following hardware maintenance activities:
- 8.23.1 technical operation: normal day-to-day maintenance of the RRS, includes technical monitoring and configuration,
  - 8.23.2 preventive maintenance: retaining the RRS in specified condition, inspection, detection and prevention of incipient failures,
  - 8.23.3 corrective maintenance: detection of faulty Units and replacement.
- 8.24 As part of the Service support, the Supplier shall perform the Supplier's maintenance of software consisting of software maintenance for all parts of the software and technical assistance for Customer's maintenance of software that includes the following software maintenance activities:

- 8.24.1 configuration, modification of system parameters,
  - 8.24.2 preventive maintenance: e.g. doing backups,
  - 8.24.3 corrective maintenance: analysis of SW faults and correction
  - 8.24.4 monitoring of software behavior.
- 8.25 Standard and specialized tools and equipment needed for the Customer's maintenance of hardware and software shall be delivered as part of this Contract for each site where such a tool or equipment is applicable.
- 8.26 The technical assistance shall include the Supplier's ability to supply personnel with the necessary expertise, equipment and premises for:
- 8.26.1 assistance for consultations of Customer technical staff on duty, when requested,
  - 8.26.2 fault correction as assistance to other maintenance organizations,
  - 8.26.3 maintaining technical expertise,
  - 8.26.4 solution of adaptation problems of existing or new additional interacting equipment,
  - 8.26.5 support for training of new Customer's system administration users.
- 8.27 The Supplier shall deliver to the Customer the repaired or swapped Unit no longer than 30 days after receipt of the faulty Unit.
- 8.28 No extra charges shall be paid during the period of validity of this Service contract for the technical assistance or swap-repair.
- 8.29 The technical assistance availability shall be at least 6 hours in the range from 8:00 to 18:00 Central European Time in working days.
- 8.30 Labour prices for additional small-scale development according to **Article 1.2** are:

Role	man-day price
programmer / SW engineer	
quality assurance (tests including <u>Factory Acceptance Test</u> (FAT), integration test and <u>Site Acceptance Test</u> (SAT), quality management)	
project management	
documentation	

- 8.31 The Supplier shall provide necessary updates of the system in order to ensure support of new versions of SIP/RTSP/RTCP/RTP set of VoIP protocols, following EUROCAE ED-137 document series evolution. Support for a new version of the protocol shall be provided at the latest 1 year after the protocol has been standardized or published.
- 8.32 The Supplier shall provide necessary updates of the system in order to ensure support of new versions of the Cisco SCCP VoIP protocol. Support for a new version of the protocol shall be provided at the latest 1 year after the protocol has been standardized or published.

## 9. PENALTIES

- 9.1 In case the Customer does not meet the payment term according to **Article 2** of this Contract, then the Customer shall pay an interest rate of 0.05 % (zero point zero five per cent) of the amount invoiced or of its part not yet reimbursed for each day of delay.
- 9.2 If the Supplier fails, for reason other than causes beyond its control, to meet an obligation under this Contract, in particular an obligation stated in **Chapter 8**, then the Customer may claim from the Supplier a penalty according to defect severity as of definitions in **Article 7.2**, times specified in **Article 8.13** and other provisions in **Chapter 8** and in this Contract in general, of:
- 9.2.1 € 50 per each breach or delay per hour for Blocking defects,
  - 9.2.2 € 100 per each breach or delay per working day for Medium defects,
  - 9.2.3 € 200 per each breach or delay per month for Low defects,
- applicable to Reaction, Restore as well as Resolve times.
- 9.3 The obliged Party shall pay the conventional fines set forth herein regardless of whether any damage is inflicted upon the other Party in this connection and if so, what is the amount of such damage, any such damage can be claimed independently.
- 9.4 The Supplier shall indemnify the Customer for all loss, damage and injury suffered or incurred by the Customer as a result of any failure by Supplier to properly perform this Service contract, whether for breach of contract, defective hardware, software, services or otherwise.
- 9.5 If the Supplier does not hold the CAA certification according to **Article 14.1** the Client is entitled to charge the Supplier a conventional fine of € 20.000,00.
- 9.6 In case the Supplier breaches the rules for VPN access defined in **Article 6.2** and **Annex 2** of this Contract, the Supplier shall be duty-bound to pay a penalty € 10.000,00 for each violation of these rules.

## 10. FORCE MAJEURE

- 10.1 Each Party shall not have any legal liability to the other Party if it cannot perform its obligations under this Contract for a cause of force majeure, i.e. any event that is beyond its reasonable control.
- 10.2 In such a case, the Party, which is prevented from fulfilling its contractual obligations by the force majeure event, shall give notice of the event to the other Party. The contractual obligation of a given Party shall be prolonged for the time of acting of Force Majeure and its consequences.
- 10.3 The performance of this Contract shall be resumed as soon as practicable after such event has come to an end. If the performance of whole or part of this Contract is delayed by reason of Force Majeure for a period exceeding six (6) months, either Party may request termination of this Contract or the affected part thereof. Then the Parties shall endeavour to establish by mutual agreement on the termination of the contractual relationship; failing such an agreement, provisions of **Chapter 16** hereafter shall apply.
- 10.4 Termination of this Contract in accordance with the above shall not affect the debts already payable between the Parties with respect to the completed part of the Contract.



## **11. ASSIGNMENT – SUBCONTRACTING**

- 11.1 Neither Party to this Contract shall be entitled to assign or transfer any of its contractual rights or obligations to any third party without prior written approval from the other Party; such approval shall not be denied unreasonably.
- 11.2 The Supplier shall be entitled to subcontract, under its responsibility, any part of this Contract. In such case, however, the Supplier's responsibility for obligations against the Customer must not be affected.
- 11.3 The Supplier undertakes to submit to the Customer a list of subcontractors who have received more than 10% of a part of one year's price which have received in one calendar year. This list will be submitted no later than by 28<sup>th</sup> of February of next year. In the event that the Supplier is a joint stock company still accompanied by a list of holders of share, if their aggregate value is more than 10% of the capital. The list must not be older than 90 days before its submission.

## **12. TERMINATION**

- 12.1 In the event of material breach of contractual obligations, and after a grace period of 30 (thirty) working days, this Contract can be terminated on the basis of a written notice. Termination must be notified through a registered letter with a 30 (thirty) working days written notice to perform.
- 12.2 If the Supplier fails, for reasons other than causes beyond its control and/or except where such failure is ascribable to the Customer, to deliver the services or any work within the time limits agreed between the Parties, the Customer shall have the right to terminate this Contract when the ceiling of penalties, payable by the Supplier as a result of such failure, has reached 30 % of the yearly price mentioned in Article 2.1.1 of this Contract.
- 12.3 Either Party is entitled to terminate this Contract without giving a reason. Termination must be notified through a registered letter. The force and effect of the Contract shall expire 3 (three) months upon the delivery of the notice.
- 12.4 This Contract may be terminated by mutual agreement of both Parties.


## **13. LIABILITY**

- 13.1 Either Party shall defend, indemnify, and hold the other Party harmless from any and all claims, losses, expenses, costs or damages directly arising from the injury to or death of any person and the damage to or loss of any property, which it has caused in the framework of this Contract.
- 13.2 The Supplier shall be liable to the Customer for damages which arise directly from the performance, incorrect performance or non-performance of the Supplier duties and obligations under this Contract.

## 14. CERTIFICATES

- 14.1 The Supplier shall declare 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 3.3.7 – recording, monitoring and control equipment (hereinafter referred to as "CAA certification"). The approval certificate has to be valid for the entire period of validity of this Contract. Failure to declare the abovementioned CAA certification by the Supplier is considered as failure of the ability to perform the subject of this Contract mentioned in **Article 1.1** with all respective consequences mentioned in this Contract, including those mentioned in **Chapter 9 "Penalties"** and **Chapter 12 "Termination"**.

## 15. MISCELLANEOUS

- 15.1 No change, alteration, modification or addition to this Contract shall be valid unless made in writing and properly executed by the Parties hereto.
- 15.2 The Parties have agreed that technical changes in Annexes which have no influence on price and/or payment conditions may be done by entrusted persons of the Parties. Any change of the Annexes below shall require a written consent of the entrusted persons and must be identified by the date, signature of the entrusted person and sequential number of the change, otherwise shall be null and void.
- 15.3 Persons, who are entrusted to change the Annexes of the Contract in accordance with **Article 15.2** are:
- 1.1.1 on behalf of RETIA, a.s.: 
  - 15.3.1 on behalf of ANS CR:
- 15.4 If any of the provisions of this Contract is found, by a competent authority, to be void or unenforceable, such provision shall be deemed to be deleted from this Contract, while the other provisions of this Contract shall remain in full force and effect. The Parties shall negotiate in good faith in order to agree upon a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.
- 15.5 The headings used in this Contract are for convenient reference only and cannot be used for interpreting the provisions of this Contract.
- 15.6 The Supplier acknowledges that the Customer shall disclose this Contract but its Annexes under the Act No. 137/2006 Coll. on Public procurement, as amended.
- 15.7 The Supplier acknowledges that Customer telephone lines marked in **Annex 1** to this Agreement with an asterisk \* are recorded.

## 16. SETTLEMENT OF DISPUTES

- 16.1 All the disputes resulting from this Contract or in conjunction with it shall be decided finally by a competent court.
- 16.2 The court shall take place in Czech Republic.
- 16.3 This Contract is governed by Czech law.

Contract No. ANS CR: 289/2013/PS/030  
Contract No. 13406M180

Service Contract

## 17. COMING INTO FORCE

- 17.1 Both Parties declare that the individual Articles of this Contract are sufficient with regards to the requirements for forming a contractual relationship, that the contractual freedom of the Parties has been used and that this Contract has been concluded in such a way that it is not to the debit of either Party.
- 17.2 Both Parties declare that, regarding their own national regulations, they are fully entitled to sign the present Contract.
- 17.3 This Contract shall be valid and shall come into force upon signature by the Customer and Supplier.
- 17.4 This Contract has been signed by the Customer and Supplier by their duly authorised representatives in 4 (four) original copies, in English.
- 17.5 List of Annexes:
1. Contacts
  2. Supplier's personnel with VPN access to Customer's network.

For and on behalf of  
RETIA, a.s.

Name: Jiří Kristek

Title: Sales & Marketing Director

Signature:

13 -05- 2014

**RETIA**   
Pražská 341, Zelené Předměstí  
530 02 Pardubice  
tel.: 466 852 111, fax: 466 852 133


For and on behalf  
Air Navigation Services of the  
Czech Republic

Name: Jan Klas

Title: Director General

19 -05- 2014

Signature:

 **Řízení letového provozu  
České republiky**  
ŘÍZENÍ LETOVÉHO PROVOZU ČR, S.P.  
NAVIGAČNÍ 787, 252 61 JENEČ -1-