**(DRAFT) CONTRACT FOR SUPPLY AND SERVICES**

concluded by and between

**HungaroControl Zrt.**

Registered seat: 1185 Budapest, Igló utca 33-35., Hungary

Tax number: 13851325-2-44

EU VAT number: HU 13851325

Company reg. number: 01-10-045570

Bank account number: HU2710300002-10459732-48820029

SWIFT code: MKKBHUHB

Represented by: Barnabás KIS, Chief Technology Officer

Gyula HANGYÁL, ATM Director

as customer, hereinafter referred to as: **Customer**

and

**Raytheon Systems Limited**

Registered seat: The Pinnacles, Harlow, Essex, CM19 5BB, Anglia

EU VAT number: GB 213232126

Company reg. number: 406809

Account holder:

IBAN:

SWIFT code:

Represented by:

as supplier, hereinafter referred to as: **Supplier**

the Customer and the Supplier hereinafter collectively referred to as: **Contracting Parties**, on the date and at the place indicated below, under the following terms and conditions:

1. **Subject of the Contract**
   1. The offer (bid) submitted by the Supplier to the public procurement procedure (hereinafter referred to as: **Public Procurement Procedure**) initiated by HungaroControl Zrt. on the subject of “*Modernization of Control and Monitor Systems of Customer’s Primary and Secondary Radars Manufactured by Raytheon Ltd.*” has been chosen as the winning offer, on the basis of which the Contracting Parties enter into this Supply Contract (this contract and its annexes hereinafter collectively referred to as: **Contract**).
   2. With the purpose of upgrading the control and monitor systems of Customer’s primary and secondary radars,, the Supplier agrees, according to the Project Schedule attached hereto as Annex 3, to supply to the Customer the hardware devices and software items defined in the Technical Specifications set forth in Annex 1 (hereinafter referred to as: **Devices** and **Software Items** respectively), to transfer ownership in the Devices and to grant license to the Software Items to the Customer, under the terms and conditions stipulated in this Contract. The Devices and Software Items shall fully comply with the requirements set out under the Contract. The Devices shall be new and unused. No renovated components may be used or installed in the Devices.
   3. The Supplier agrees to:
      1. produce or procure the Devices according to the Technical Specifications,
      2. prepare the Installation Design Document,
      3. deliver the Devices and Software Items to the installation sites (Budapest, Kőrishegy and Püspökladány, Hungary),
      4. install the Devices and Software Items according to the Technical Specifications and the Installation Design Document as approved by the Customer,
      5. dismantle the parts situated at Customer’s already functioning radar stations that are to be replaced according to the Contract,
      6. place the Devices and Software Items into operation according to the Technical Specifications,
      7. provide the personnel necessary for performing the Contract,
      8. provide the materials and tools necessary for installing and placing into operation the Devices and Software Items,
      9. provide training to the Customer according to the Technical Specifications, and
      10. provide warranty in respect of the Devices and Software Items

according to the terms and conditions stipulated in this Contract.

* 1. If the performance is free of any defects, the Customer shall be obliged to take over the Devices and the Software Items in accordance with the Contract, furthermore to pay the price specified in Section 3 of the Contract, under the terms and conditions specified in Section 4.

1. **TERM of the Contract**
   1. This Contract shall enter into force on the day of its execution by both Contracting Parties.
   2. The Contract shall remain in force until all the contractual obligations of the Contracting Parties are fully met.
   3. Further major milestones and deadlines are specified in Annex 3 of the Contract.
2. **Consideration**
   1. The total amount payable as consideration for the performance of the Supplier’s obligations specified under this Contract shall be net EUR ..., in words: net ... Euros (hereinafter referred to as: **Fee**). The Fee shall include, among others, the transfer of ownership in the Devices and granting license to the Software Items, the provision of documents and data specified in the Contract, the storage, packaging, shipment to Hungary, shipment insurance, eventual customs clearance, costs of customs clearance, costs of release for free circulation, shipment within Hungary, temporary storage, loading and unloading, transportation of the Devices and the Spare Parts to the sites (including the movements within buildings), installation, full insurance, trainings, consideration payable for the tests and other demonstrations carried out by the Supplier, the support to the start of live operation, the warranty as well as any other expenses arising on the part of the Supplier in connection with performance of the Contract.
   2. The Supplier declares that it has ascertained that the Fee is appropriate and sufficient and represents sufficient cover to perform all the Supplier’s obligations stipulated under this Contract. The Fee shall also cover the ancillary charges arising in connection with the tasks specified in the Contract, including but not limited to the costs or losses possibly incurred by the Supplier arising out of any possible changes in the price of the Devices and the Software Items or possible exchange rate fluctuations after the submission date of Supplier’s final offer.
   3. The Fee is detailed under the List of items to be performed (Annex 4).
   4. The Fee may not be increased during the term of this Contract.
   5. The Fee shall include and cover all the possible taxes, duties, as well as any other payment obligations payable in the country of the registered seat of the Supplier as of the effective date of this Contract. The VAT payable in Hungary shall be paid in addition to the Fee, in line with the currently effective legal regulations.
3. **TERMS OF PAYMENT**
   1. The Fee shall be paid to the Supplier upon completion of the individual work phases, in the following instalments:
      1. **20 %** of the Fee (EUR …….....) shall be paid against the partial invoice to be issued after the protocol certifying the success of the FAT of the Devices and Software Items has been signed by Customer.
      2. **30 %** of the Fee (EUR …….....) shall be paid against the partial invoice to be issued after the protocol certifying the success of the SAT relating to Supplier’s tasks to be performed at *Kőrishegy* radar station has been signed by Customer.
      3. **30 %** of the Fee (EUR …….....) shall be paid against the partial invoice to be issued after the protocol certifying the success of the SAT relating to Supplier’s tasks to be performed at *Püspökladány* radar station has been signed by Customer.
      4. **20 %** of the Fee (EUR …….....) shall be paid against the final invoice to be issued after the final acceptance protocol (Section 12) certifying the performance of the entirety of Supplier’s tasks has been signed by Customer.

Supplier shall issue the invoice (the partial invoices and the final invoice) only upon the receipt of the corresponding performance certificate. The protocols mentioned above in paragraph a-d. shall be deemed as performance certificate and can thus serve as a basis for invoicing only if the said protocols are signed by the person authorised to certify the performance on behalf of the Customer.

* 1. According to the provisions of Article 135 of Act CXLIII of 2015 on Public Procurement (hereinafter referred to as: **Public Procurement Act**) being applicable to supplies and Article 6:130 of Act V of 2013 on the Civil Code (hereinafter referred to as: **Civil Code**) the Fee shall be paid via bank transfer within 30 calendar days of receipt of the invoice issued in full compliance with applicable statutory provisions.
  2. The Supplier acknowledges that the Customer shall not pay the consideration stipulated herein to any party other than the beneficiary identified herein, and the right to the consideration, as a claim, may not be assigned to any other party. Pursuant to Article 136 (1)(a) of the Public Procurement Act, the Supplier may not pay and may not book (recognise as an expense) any cost relating to this Contract that may arise toward a company not meeting the conditions stipulated in Article 62 (1)(ka)-(kb) of the Public Procurement Act and that are capable of reducing the taxable income of the Supplier. The Contracting Parties agree that Article 36/A of Act XCII of 2003 *on the Rules of Taxation* shall be applicable to any and all payments to be made hereunder.
  3. The invoices shall be sent to the Finance and Accounting Department of the Customer, in registered mail with return receipt, in one original and one duplicate copy. Electronic invoices shall be sent to the [postazo@hungarocontrol.hu](mailto:postazo@hungarocontrol.hu) e-mail address. The contract number of this Contract (HC-2016-xxxx) and the purchase order number indicated on the relevant performance certificate or acceptance protocol must be indicated on the invoices. The invoices shall indicate the following items separately: price of the Devices, price of the Software Items, price of the services relating to the Devices and the Software Items, broken down by service type, and the price of the services to be provided by the Supplier after the delivery and acceptance of the Devices and the Software Items, including the price of the training and warranty. Supplier shall be obliged to inform the Customer in the invoices or the annexes thereto about the customs tariff code and weight of the Devices and the Software Items, as well as the type, material and weight of the packaging applied.
  4. In the event the invoice cannot be entered into the financial books or cannot be accepted due to absence of any criteria required by law or otherwise, then Customer shall return the given invoice to the Supplier. In such case the deadline for payment shall commence as of the submission (receipt) of the duly corrected invoice.
  5. In case of overdue payments by the Customer, the Supplier shall be entitled to charge an interest for late payment (default interest) according to Article 6:155 (1) of the Civil Code.
  6. Having regard to Article 136 (2) of the Public Procurement Act, Supplier shall attach to the Contract an authorisation, according to which the Hungarian taxation authority may obtain information about the Supplier directly from the taxation authority having competence for the Supplier without requesting legal assistance from the other country.

1. **Obligations of the Contracting Parties**
   1. The Contracting Parties undertake to make all reasonable efforts to ensure that their respective obligations determined under the Contract are performed actively, accurately, and without delay.
   2. Unless otherwise stipulated by law, the Contracting Parties shall not perform, tolerate or allow the performance of such actions that could in any way have a detrimental impact on any right of the other Contracting Party or which could have a detrimental impact on the other Contracting Party’s reputation or goodwill.
   3. The Contracting Parties shall be obliged to provide all justified information requested by the other Contracting Party in connection with performance of the Contract, within a reasonable deadline.
   4. The Contracting Parties shall ensure that their obligations hereunder will be performed with due care, expertise, and prudence by competent persons possessing appropriate qualifications and experience.
   5. The Contracting Parties agree not to exercise their rights hereunder in a manner that is in any way incompatible with this Contract.
   6. The Contracting Parties shall cooperate with each other, with mutual negotiations, to the maximum extent in order to solve any possible difficulties and problems arising during performance of the Contract for purpose of achieving the contractual goals. The Contracting Parties undertake to notify each other immediately about any and all obstacles or circumstances that could result or justify any amendment to the Contract. Regardless of the impediment or the obstacle, the Supplier shall remain fully liable for its contractual performance. The Customer shall be obliged to notify the Supplier, as soon as possible, of any foreseeable delays in performance of its own obligations that may have an impact on the Supplier’s performance as per the Contract, taking into account the Project Schedule specified under Annex 3 to the Contract, in order to ensure that the Supplier can make the necessary measures to reduce its costs caused by the delay.
   7. The Contracting Parties shall notify each other without delay of any material changes to their company or contact data including their registered seat, postal address, VAT number, phone number, fax number, bank account number, contact persons, bankruptcy proceeding, initiation or final order of a voluntary dissolution or liquidation proceeding.
   8. With the exceptions defined in Article 43 and 44 of the Public Procurement Act, all the data related to the Contract or obtained by the Customer and the Supplier regarding each other in connection with the Contract, shall constitute business secret. The Supplier undertakes to handle strictly confidential all data that, pursuant to the aforesaid, constitute business secret, and shall not disclose or make available such data to third parties without the prior written consent of the Customer, neither during the term of the Contract nor following its termination, and shall use such data exclusively for the purpose of performing the Contract.
   9. The Supplier shall fully perform its contractual obligations, in conformity with the provisions of the Contract. The Supplier shall perform its obligations in due time, in the required and perfect quality, always in cooperation with the Customer.
   10. The Contract shall be performed by the Supplier. In the cases and ways defined in Article 65 (9) of the Public Procurement Act, the Supplier shall involve in the performance of the Contract all entities and professionals whose capacities have been relied on by the Supplier with regard to the selection criteria of the Public Procurement Procedure. The Supplier shall be entitled to dispense with the involvement of such entities and professionals or to replace such entities and professionals with others only in the cases defined in Article 138 (2) of the Public Procurement Act. With regard to Article 65 (10) of the Public Procurement Act, the Contracting Parties agree that the tasks of instalment and commissioning of the Devices shall be performed by the Supplier itself, i.e. subcontractors shall not be involved in the performance of those tasks. Apart from those tasks, the Supplier may involve subcontractors in the performance of the Contract pursuant to Article 138 (3) and (4) of the Public Procurement Act. The legal successor of the Supplier may be involved in the performance of the Contract in the cases defined in Article 139 (1) of the Public Procurement Act.
   11. With regard to Article 136 (1) (b) of the Public Procurement Act, the Supplier shall allow the Customer to become familiar with the ownership structure of the Supplier during the entire period of performing the Contract, and shall notify the Customer about any of the following transactions without delay:
       1. Any legal person or entity having legal capacity under its personal law, which falls under the condition set out in Article 62 (1) (k) (kb) of the Public Procurement Act, acquires, directly or indirectly, an ownership interest exceeding 25% in the Supplier.
       2. Supplier acquires, directly or indirectly, an ownership interest exceeding 25% in any legal person or entity having legal capacity under its personal law, which falls under the condition set out in Article 56 (1) (k) of the Public Procurement Act.
   12. The Contracting Parties agree to comply with all relevant legal requirements in the course of the performance of the Contract.
   13. The Devices supplied under the Contract shall have CE certification and shall meet the applicable European and Hungarian standards. Upon the Customer’s request, the Supplier shall be obliged to confirm compliance of the Devices, in the way and form requested by the Customer.
   14. The Supplier shall at its own costs provide for the transportation and environmental-friendly disposal of the waste arising during the performance of the Contract (including the packaging materials).
2. **Documents**
   1. The Supplier shall provide the Customer with all the data, documents, certificates and statements[[1]](#footnote-1), specified in Annex 2 (Supplier’s final Offer and the minutes of the negotiations), which are necessary for the maintenance, installation, operation and proper use of the Devices and Software Items (hereinafter collectively referred to as: **Documents**) in Hungarian or English, in three hard copies and two copies on electronic data carriers (CD or DVD) in an electronically readable and editable format (e.g. dwg, doc, docx, pdf, xls, xlsx).
   2. The Documents shall be delivered with the Devices and Software Items.
   3. The Customer shall examine the Documents submitted by the Supplier and shall approve these in writing within 2 (two) weeks reckoned from receipt thereof, or shall communicate in writing its remarks and opinion about any possible errors or deficiencies of the Documents, and shall also set an appropriate time limit (at least 1 [one] week) for correcting these defects. The Supplier shall submit again for approval the Documents modified according to the remarks and opinion of the Customer, within the time limit set by the Customer. If the Supplier fails to do this, Customer shall be entitled to enforce the legal sanctions available in case of breach of contract.
   4. The Installation Design Document shall contain the accurate description of the whole system including all Devices and Software Items. The detailed description shall list the Devices which shall be refurbished and those which shall be replaced, defining the exact type of each unit that replaces the old ones. The Supplier shall provide an Installation Design Document according to the Project Schedule (Annex 3). Customer shall examine the Installation Design Document and shall communicate in writing its remarks and opinion about any possible errors or deficiencies within 10 (ten) working days. Supplier shall correct these defects and shall submit again the Installation Design Document modified according to Customer’s remarks. If Customer does not request any modification within 10 (ten) working days, the Installation Design Document shall be deemed accepted by Customer.
3. **FAT**
   1. The list of the Devices and Software Items to be tested during the Factory Acceptance Test (FAT items)[[2]](#footnote-2) shall be defined in Annex 1 and 2.
   2. The FAT shall be carried out at the registered seat, branch office or plant of the Supplier and shall be approved by a representative authorised to certify performance on behalf of the Customer (or another person designated by such a representative in writing, attending the FAT). The Supplier shall organise and carry out the FAT. The terms and conditions of the FAT and the expected parameters shall be defined in the FAT document to be delivered within one month after contract signature.
   3. The FAT may not commence, unless the Contracting Parties agreed on the contents of the testing procedures and on the measurements to be carried out, and the Customer approved the corresponding document. During the FAT Customer is also entitled to request Supplier to perform specific testing steps.
   4. The costs of the FAT shall be borne by the Supplier, with the exception of any and all costs directly relating to the attendance of the FAT by the representatives of the Customer (e.g. travel and accommodation, daily fee). Upon request by the Customer, the Supplier shall make proposals for suitable travelling and accommodation arrangements.
   5. The presence of the Customer at the FAT shall not limit the liability of the Supplier regarding the quality and performance of the Products.
   6. The FAT items shall be identified individually using their respective serial number during the FAT. The measurements shall be carried out on each FAT Product, and the results shall be recorded in a protocol.
   7. If it is shown that any of the FAT items fail to meet the FAT requirements, the Supplier shall make arrangements immediately to rectify the error, and the FAT shall be repeated within one month after declaring the FAT to be unsuccessful. If the FAT is interrupted due to the unexpected error of a hardware component, the Supplier shall replace the defective part and continue the test. A system component containing any software may be re-started once during the FAT due to software error. The situations regulated above shall not constitute sufficient reason for declaring the FAT to be unsuccessful, and shall not necessitate the repetition of the entire FAT.
   8. The FAT may be considered successful, if the process is undisturbed, the review of the parameters shows that the FAT items are capable of delivering the expected values, and it is ascertained that the FAT items meet the requirements specified in the FAT document defined in Section 7.2 above.
   9. In the course of the FAT, the Supplier may not carry out any material modification (software modification or architecture modification) to the FAT items, otherwise the FAT shall be regarded as unsuccessful.
   10. Following the unsuccessful FAT, the test procedure shall be repeated within 30 days at the latest, in order to determine whether the FAT items comply with the requirements stipulated in the Contract and the Annexes hereto. Any and all costs that may arise in relation to repeating the FAT shall be borne by the Supplier. If the second FAT is unsuccessful as well, the Customer shall have the right to rescind from the Contract, or any part thereof as determined by the Customer. The Customer shall have the right, at its own discretion, to declare the FAT to be successful even – in the view of the Customer – in case of minor defects or deficiencies of the FAT items, provided that the Supplier undertakes the obligation to fully repair all defects and deficiencies before the commencement of the SAT of the Products, according to a schedule determined by the Contracting Parties with mutual agreement. The defects shall be repaired by the Supplier at its own cost.
   11. A protocol shall be prepared about any successful or unsuccessful FAT and shall be signed by the representative of the Supplier and the person authorised to certify the performance on behalf of the Customer.
   12. The Devices and Software Items may not be delivered to the installation site unless the FAT is completed successfully.
   13. The Devices and Software Items shall fulfil the DIN standards e.g. plugs, safety requirements, etc.
4. **DELIVERY**
   1. Supplier shall be obliged to deliver the Devices and Software Items to the installation sites specified in this Contract, within the deadlines defined in the Project Schedule (Annex 3), with DDP parity (Delivered Duty Paid, Incoterms 2010) at its own costs.
   2. The Contracting Parties agree that it is the Supplier’s task to unload the delivered packages. Further, the Supplier shall ensure that the packages are insured during transport and that the insurance covers damages that may occur during loading and unloading.
   3. The Devices shall be delivered to the installation sites just before installation, as storage facilities are not provided at the installation site. The Spare Parts shall be delivered at the same time as the Devices.
   4. Customs clearance and/or release for free circulation of the Devices and Software Items shall be arranged by the Supplier (if applicable), at his own costs and expense. Furthermore the Supplier shall be liable for and pay additional customs, fines, penalties or levies imposed against the Customer by the competent authorities in connection with the customs clearance and/or release for free circulation of the Devices and Software Items managed by the Supplier.
   5. The Supplier shall package the Devices and Software Items in a manner that prevents any and all damages and losses during transport. The packaging shall provide adequate protection against rough treatment, extreme temperature, and rainfall. The packages shall contain absorbent materials in order to prevent internal condensation. The packaging method shall ensure that any and all unauthorised openings of the packages are apparent.
   6. The contract number of this Contract shall be indicated on each package, and packing list of items shall be placed in each package. The FAT Items shall be identified with the serial number used during FAT.
   7. The Supplier shall notify the Customer about the date of actual delivery at least one week in advance. The notice shall contain the following data:

* the contract number of this Contract,
* type and registration number of the vehicle used for road transport, and the particulars and contact details of the shipping and loading personnel,
* expected method, date and time of the delivery,
* address of loading and unloading,
* particulars of the products (e.g. quantity, quality, number of packages, gross and net weight, size of the packages, type and material of the packaging, Customs Tariff Code [combined nomenclature]).

Should any of the above information be unknown at the time of the notification, the notification on the missing data shall be made not later than the day before the actual delivery.

Any and all damages arising from sending, or not sending the notice shall be borne by the Supplier.

* 1. The Contracting Parties specifically agree that any and all liability concerning shipment (including, among others, temporary storage, loading, unloading, packaging of appropriate quality, unpacking etc.) shall be borne by the Supplier and shall be covered by the Fee.

1. **INSTALLATION**
   1. The Supplier shall install and place into operation the Devices and Software Items. The Devices shall be installed in line with the provisions contained in this Contract and the Installation Design Document, on the following installation sites:

* Kőrishegy radar station (8572 Bakonyszücs, HRSZ. 0129 RADAR, N47° 17’ 38.9639”, E17° 45’ 12.8931”);
* Püspökladány radar station (4150 Püspökladány Hídláb, HRSZ. 0915/4 RADAR; N47° 21’ 22.9013”, E21° 02’ 39.0905”);
* Budapest, headquarters of Customer (1185 Budapest, Igló utca 33-35.).
  1. With respect to the Devices and Software Items, the delivery at the installation sites, the moving inside the buildings as well as the adjustment shall be Supplier’s tasks. It shall also be Supplier’s task to provide the materials and tools required for installation and commissioning.
  2. In the course of handing over the sites, the Contracting Parties shall take a condition evaluation protocol, including photographs if necessary. The given site shall be regarded as a worksite as of the time of delivery and acceptance. The risk of damages to the worksite shall be borne by the Supplier as of this time. The Supplier ensures the order and cleanness of the transferred worksite on a continuous basis.
  3. Supplier acknowledges that other contractors and workers may also work at the worksite handed over to the Supplier. The Supplier shall cooperate with other contracted partners of the Customer working on the worksite transferred to the Supplier, without interfering with the work of each other. The Supplier shall notify the Customer without delay, if third parties working on the worksite interfere with or prevent the performance of its contractual obligations, or if their work may result in the occurrence of any damage.
  4. At the time of commencing the installation, Supplier and Customer shall appoint local representatives, and the name of such persons shall be recorded in the work log. The work log shall be kept up-to-date by the local representatives of the Contracting Parties. The local representatives of the Contracting Parties shall not be entitled to modify the Contract. After the commencement of the installation works, the local representatives of the Supplier and the Customer shall record the data relating to the installation and placement into operation works into the work log, with special regard to the commencement and completion of the installation and commissioning, the results of the pilot run, the results of the measured parameter controls carried out during the pilot run, as well as all relevant circumstances relating to the work of the professionals.
  5. In case of any disagreement, the respective positions of both Contracting Parties shall be clearly recorded in the work log. In case of any dispute and for the purpose of evaluating the needs of each other, all entries – not objected to by the local representative of the other party – in the work log shall be deemed as sufficient evidence recorded in due time.
  6. Supplier shall be obliged to perform the installation according to the Project Schedule.
  7. Customer shall have the right to stop the installation due to any unforeseeable obstacle, circumstances or other reason (including but not limited to: any reason affecting the unobstructed operation of air traffic control) or in case of risk of such obstacles or circumstances at its own discretion without justification, and then to instruct the continuation of the installation. In the event the installation is temporarily halted, the respective time limits shall be automatically extended with the duration of the standstill or with a further duration as appropriate under the given circumstances. The Contracting Parties shall document in the work log the halt and the restarting of the installation.
  8. The Customer calls the attention of the Supplier to the fact that in the case of the Kőrishegy radar station the air traffic control equipment (communication radios)shall be in continuous operation while the Devices and Software Items are installed and placed into operation. This information is acknowledged by Supplier. The Supplier shall carry out its works with due regard to the priority of air traffic control safety at all times.
  9. Those installation works that require suspending the operation of the ACC radars shall only be commenced if Customer gives its written permission thereto
  10. The Supplier acknowledges that the violation of the provisions of this Contract, or of the rules related to the performance of this Contract – in particular the House Rules of HungaroControl Zrt. – shall qualify as a breach of the Contract and, further, may endanger aviation safety and may, under criminal law, qualify as the offence of ‘endangerment of aviation safety’. In particular, the Supplier shall refrain from the following activities during the installation:
      1. any activity that may interfere with radio devices;
      2. work outside of the worksite;
      3. the opening, closing, or disconnection of an existing public utility without authorisation;
      4. causing fire hazard;
      5. causing false alarm of the fire alarm system;
      6. other activities disturbing the continuity of air traffic management.

The Supplier shall also ensure that the provisions stipulated in this Section are also met by any and all persons performing any work under the Contract. The House Rules of HungaroControl Zrt. shall be made available for the Supplier by the Customer before the start of installation in English.

* 1. Upon the successful completion of the installation, a protocol shall be taken separately on every installation site. The protocol shall be signed by the Contracting Parties. On behalf of the Customer, the protocol shall be signed by the person authorised to certify the performance.

1. **SAT**
   1. The SAT shall take place separately on every installation site. The SAT relating to the Budapest site shall cover the verification of the proper (error-free) operation of the remote monitoring function relating to each radar station of the Customer.
   2. The SAT shall cover the verification of all data in the provided implementation documentation.
   3. The SAT shall include the pilot run (72 hours continuity and safety test). No errors or actions are acceptable during the pilot run. Further requirements of the SAT shall be described in the SAT document to be provided to Customer within 2 months after contract signature. The Site Acceptance Test may not be commenced until the Contracting Parties agree on the testing procedures and the measurements to be carried out, and the Customer approved the corresponding document.
   4. Any special equipment possibly required for the SAT shall be provided by the Supplier, at its own expense.
   5. The presence of the Customer at the SAT shall not limit the liability of the Supplier regarding the quality and performance of the Devices and Software Items.
   6. The SAT shall be considered successful, if the process is undisturbed, the review of the parameters shows that the upgraded control and monitor systems of primary and secondary radars– including the Devices and the Software Items – of the Raytheon radars falling under the scope of this Contract are capable of delivering the expected values, and it is ascertained that the upgraded control and monitor systems of primary and secondary radars meet the Technical Specifications specified in Annex 1 to the Contract as well as the requirements of the pilot run. If the SAT is interrupted due to the unexpected error of a hardware component, the Supplier shall repair or replace the defective part and continue the test. The fact of the repair or replacement shall be recorded in the SAT protocol. Such instances shall not be considered as failure of the SAT, and the entire test shall not be repeated for such reasons except for the case when the SAT cannot be finalised within a period equalling the double of the scheduled timeframe of the SAT counted from the interruption. In case the success of the SAT has been hindered by problems arising exclusively from the assets or circumstances to be provided by the Customer, such a case may not be considered as failure of the SAT.
   7. In the course of the SAT, the Supplier may not carry out any material modification (software modification or architecture modification) to the Devices, otherwise the test procedure shall be regarded as unsuccessful.
   8. The Customer shall have the right, at its own discretion, to declare the SAT successful even if, according to the Customer, the Devices of the Software Items have minor defects or deficiencies, provided that the Supplier undertakes the obligation to fully repair all defects and deficiencies within the time limit set by the Customer.
   9. Following the unsuccessful SAT, the test procedure shall be repeated. If the repeated SAT is unsuccessful as well, the Customer shall have the right to rescind the Contract, or any part thereof determined by the Customer.
   10. A protocol shall be prepared about the any successful or unsuccessful SAT and shall be signed by the representative of the Supplier and the person authorised to certify the performance on behalf of the Customer.
   11. The Declaration of Conformity (DoC) or Declaration of Suitability for Use (DSU) for the Devices and Software Items, as EATMN system components, shall be attached to the SAT protocols as annexes, with the contents specified in point 3 of Annex 3 of Regulation (EC) No 552/2004 *on the interoperability of the European Air Traffic Management network*. The Customer shall be entitled to declare the SAT to be unsuccessful in the absence, or unsuitability, of the above declaration.
2. **TRAINING**

The Supplier shall, in accordance with the provisions of Section … of the Technical Specifications, provide on-site training, separately on each installation site, for Customer’s personnel with respect to the operation, technical maintenance and technical support of the Devices and Software Items. The training shall be provided by Supplier’s properly qualified personnel possessing practical expertise. The schedule and programme of the training shall be determined by the Customer and the Supplier jointly, with due regard to the schedule of the entire project. The training shall be completed by the beginning of the SAT of the given installation site. The site of the training (classroom) shall be provided by Customer.

1. **FINAL ACCEPTANCE**

The Contracting Parties shall sign a protocol on the final acceptance of Supplier’s obligations under this Contract, if all of the following conditions are met in accordance with the Contract:

* + 1. a protocol on the successful SAT according to Section 10.10 with the annex on the declaration of conformity/suitability described in Section 10.11 has been properly signed by the representative of the Supplier and the person authorised to certify the performance on behalf of the Customer;
    2. the Supplier delivered all Documents required under this Contract to the Customer, in the form and substance specified in the Contract;
    3. the Supplier’s training tasks specified in Section 11 have been performed.

On behalf of the Customer, the final acceptance protocol shall be signed by the person authorised to certify the performance. The risk of damage to the Devices and Software Items, the ownership in the Devices and the license of the Software Items and other Intellectual Properties (as defined in Section 13) shall be transferred to the Customer when the final acceptance protocol has is signed by the Contracting Parties.

1. **COPYRIGHTS (LICENSE)**
   1. With respect to this Contract, the term ‘**Intellectual Properties**’ shall cover, with the exception of Software Items, any intellectual property which may be subject to legal protection and was created, or handed over to the Customer, by the Supplier in relation to the Contract, including in particular the Documents.
   2. The Contracting Parties agree that this Contract shall be considered as a written license agreement under Chapter V of Act LXXVI of 1999 on *Copyright* (hereinafter referred to as: **Copyright Act**). The license shall be transferred to the Customer pursuant to Section 12. The Fee includes the consideration for the copyrights, including the royalty for the license provided in accordance with the present Section 13 as regards the Intellectual Properties, and Section 14 as regards the Software Items.
   3. The Supplier shall grant a license to the Customer for the Intellectual Properties under Article 42(1) of the Copyright Act.
   4. The Supplier expressly declares that in accordance with Article 9(6) and Chapter V of the Copyright Act, the Customer shall acquire for an indefinite period, unlimited and exclusive right of use in respect of all transferable copyrights concerning all Intellectual Properties subject to copyright protection, created or handed over during the performance of the Contract, furthermore the Supplier gives its explicit consent to granting licenses to third parties by the Customer concerning the use of the Intellectual Properties.
   5. With respect to the Intellectual Properties, the Supplier expressly declares that such license shall cover, in particular, the following:
      1. reproduction of the Intellectual Properties, including the recording of the Intellectual Properties on video or sound recordings and also the copying of the Intellectual Properties by computer or onto an electronic data carrier, furthermore the transfer of the right of reproduction – including the above rights – to third parties,
      2. alteration of the Intellectual Properties and transferability of the rights of alteration to third parties,
      3. transferability of the license to third parties.
2. **SPECIAL PROVISIONS ON SOFTWARE RELATED RIGHTS**
   1. The Supplier shall provide the Customer with a suitable number of software licenses for the Software Items. The licenses shall be delivered to the Customer without any limitation in time.
   2. The Software Items made available to the Customer under this Contract may only be used by the Customer in connection with the operation of its radar stations, with the provision that the Customer shall be entitled to use the Software Items for educational/training purposes. The use for any other purpose shall be possible only with the prior written consent of the Supplier, which consent may not be unreasonably withheld.
   3. With respect to the Software Items, the Supplier expressly declares that such license:
      1. shall cover the reproduction of the Software Items, including the recording of the Software Items on video or sound recordings and also the copying of the Software Items by computer or onto an electronic data carrier, but excluding the transfer of the right of reproduction to third parties,
      2. shall not cover the alteration of the Software Items and the transferability of the rights of alteration to third parties,
      3. shall not cover the transferability of the license to third parties.
   4. The Supplier shall provide the installation kits of the Software Items on electronic data carriers, or shall provide online access to such installation kits.
   5. The provisions of the present Section 14 shall be applicable also to the software products run on the Devices (e.g. firmware) that do not qualify as Software Items under this Contract.
3. **CONTACT PERSONS**
   1. The Contracting Parties appoint the following persons as:
      1. the contact person on behalf of the Customer:

Mr Gábor CSERHÁTI, head of Radar Department

Phone: +36-1-293-4101

Fax: +36-1-293-4121

Mobile: +36305039605

E-mail: gabor.cserhati@hungarocontrol.hu

* + 1. the person authorised to certify performance on behalf of the Customer:

Mr Barnabás KIS, Chief Technology Officer

Phone: +36-1-293-4171

Fax: +36-1-293-4121

Mobile: +36309313610

E-mail: [barnabas.kis@hungarocontrol.hu](mailto:gabor.bajko@hungarocontrol.hu)

* + 1. contact person for the Supplier:

…

Phone: +…

Fax: +…

Mobile: +…

E-mail: …

* 1. Contracting Parties shall have the right to appoint any other contact person with due written notification thereof sent to the other party, and such change shall not be considered as an amendment to this Contract. If, based on the well-grounded written opinion of the Customer, the representative of the Supplier is not capable of performing his/her tasks or he/she performs these tasks without the required care and circumspection, then Customer shall be entitled to demand removal of the representative of the Supplier or his/her replacement, with a written statement sent to the Supplier.
  2. The language used for contact purposes shall be English.
  3. The Contracting Parties agree that any and all statements and other notices shall be sent to the other Party in writing (by personal delivery confirmed in writing, courier, via registered mail with confirmation of receipt, by e-mail with confirmation of receipt, or via fax with confirmation of receipt). The notices shall become effective at the time of taking receipt by the addressee in a certified manner.
  4. The Contracting Parties agree that statements sent via fax or e-mail shall be regarded as served and effective on the day of receipt, if sent to the addressee on a working day before 16:00 (CET), as confirmed by a successful transmission report or confirmation. Messages sent via fax or e-mail on holidays, or on working days after 16:00 (CET), and confirmed by a successful transmission report or automatic confirmation, respectively, shall be deemed as served to the addressee at 08:00 (CET) on the next working day following the day of the transmission. In case of any dispute, the sender shall provide evidence for the date and time of sending the message. For the purpose of this point, working days shall mean days that are working days in the respective countries of the registered seat of the Contracting Parties.
  5. Notices sent via registered post shall be deemed as served on the day of the attempted delivery, if the addressee refuses to take receipt of the delivery. In case of unsuccessful service, the communication shall be deemed as served – unless proven otherwise – on the fifth working day following the second attempted postal delivery, if the service was unsuccessful because the addressee did not take receipt of the delivery (it was returned as „uncollected”).

1. **FORCE MAJEURE**
   1. The Contracting Parties shall not be held responsible for any consequences for which they can show that they were unable to meet their obligations by the respective deadlines due to a force majeure event. Those events shall be considered as Force Majeure, which were unforeseeable by and beyond the control of the given Party, and which proved to be unavoidable in spite of having taken all due care by the Contracting Parties.
   2. In case of a Force Majeure event, the respective performance deadline shall be extended with the period of the Force Majeure event, however for a maximum of 60 (sixty) calendar days. Should this deadline expire, the Contracting Parties shall agree on the additional measures to be taken. If the consultation of the Contracting Parties remains unsuccessful after 30 (thirty) calendar days, either party may cancel or terminate this Contract by a unilateral declaration.
   3. If a Force Majeure event occurs, the party unable to fulfil its obligations shall notify the other party without delay concerning the occurrence of the Force Majeure event and its expected duration. Verification concerning the force majeure circumstances shall be requested from the Chamber of Commerce having competence for the registered seat of such party. The Contracting Parties shall also notify each other about any situation that may lead to a force majeure event after becoming aware of such a situation.
   4. The responsibility of the Contracting Parties shall not be affected in respect of the performance elements, which do not fall under the above provisions, even if the performance becomes particularly difficult – but not impossible – for reasons of extreme or unforeseeable events.
2. **INSURANCES**
   1. The Supplier may not commence any activity on the worksites prior to the commencement of the coverage period of the insurance specified in this Contract. Before delivering the Devices, the Supplier shall provide the Customer with a copy of the coverage certificate of the required insurances, or shall provide other evidence as required by the Customer of covering the risks, or shall make an official declaration to this effect.
   2. The required insurance, further to the insurance of the delivered packages during transport as defined in Section 8.2: Erection All Risks (E.A.R.) or liability insurance covering the activities by the Supplier under the Contract which includes damages to persons and property, which includes property and liability insurance as well. The insured shall be the Supplier and its subcontractors involved in the Contract. The minimum insurance sum of the liability insurance part shall be EUR 95 000 (ninety five thousand euro) per occurrence per insurance period with regard to damages to persons, and EUR 1 000 000 (one million euro) per occurrence per insurance period with regard to damages to property. The insurance sum for damages to property shall cover the cost of repair (if possible) or the asset replacement value (ie, the value of a similar new asset at current prices).
   3. The insurance shall cover any and all additional costs that may arise in relation to the insurance events, such as the additional costs of experts, rescue, fire extinguishing, restoration, and rubble clearance operations. Upon the occurrence of an insurance event, the deductibles may not be charged against the Customer.
   4. The insurance coverage shall be available at least until the completion of the final delivery and acceptance, while the coverage of the liability insurance shall be extended until the end of the Warranty Period (“*warranty coverage*”). The warranty coverage shall cover any and all damages caused during the warranty period, as well as any and all damages the cause of which arose during the installation of the Devices.
   5. The Supplier shall notify the Customer about any possible invalidation, cancellation, or modification of the insurance contract without delay.
   6. The Contracting Parties agree that any failure by the Supplier to meet the insurance related requirements stipulated in the Contract shall be regarded as breach of this Contract and shall result in the legal consequences of breach of contract, i.e. in such cases, the Customer – among others – shall become entitled to cancel, or rescind from, this Contract with immediate effect, and to claim frustration penalty and damages.
3. **BREACH OF CONTRACT, PENALTY**
   1. If the Supplier fails to meet the deadline specified in the Project Schedule regarding the final acceptance for any reason attributable to Supplier or within its control , the Customer – in addition to exercising its rights arising under this Contract and the applicable laws for breach of contract by the other party – shall be entitled to claim, as liquidated damages, **contractual penalty** **stipulated for late performance**. In case of the delay of the FAT, or the SAT relating to any installation site, the amount of the penalty shall be EUR 500 for each day of the delay. The maximum amount of such penalty shall not exceed the daily amount multiplied by 180 per event of breach of the Contract, with the provision, however, that the aggregate amount of the penalty payable under this Section 18.1 shall not exceed EUR 150 000 during the whole term of the Contract. Supplier shall, after consulting the Customer, but no later than within 2 (two) working days of the expiry of the deadline concerned, undertake to meet an extended deadline. The setting of an extended deadline shall not exempt the Supplier from the obligation to pay the penalty for late performance. The penalty for late performance shall become due if the delay is eliminated or the amount of the penalty for late performance reaches its maximum. The Contracting Parties agree that in case of faulty (defective) performance the above consequences of late performance shall be applied.
   2. If the Supplier fails to perform its guarantee obligations described under Sections 19.7-19.13 of the Contract in due time for any reason attributable to the Supplier or within its control, Customer shall be entitled to claim, as liquidated damages, **contractual penalty relating to guarantee**, the amount of which shall be EUR 250 for each day of the delay. The maximum amount of such penalty shall not exceed the daily amount multiplied by 180 per event of breach of the Contract, with the provision, however, that the aggregate amount of the penalty payable under this Section 18.2 shall not exceed EUR 75 000 during the whole term of the Contract. Supplier shall, after consulting the Customer, but no later than within 2 (two) working days of the expiry of the deadline concerned, undertake to meet an extended deadline. The setting of an extended deadline shall not exempt the Supplier from the obligation to pay the penalty relating to guarantee. The penalty relating to guarantee shall become due if the delay is eliminated or the amount of the contractual penalty relating to guarantee reaches its maximum. The Contracting Parties agree that in case of faulty (defective) performance of guarantee obligations, the above consequences shall be applied.
   3. If performance of becomes frustrated due to a reason attributable to the Supplier, the Supplier shall pay **contractual penalty stipulated for frustration of the Contract**, the amount of which shall be 10 percent of the Fee. The performance of the Contract shall be regarded as frustrated for reasons attributable to the Supplier, if – among others –:
      1. the Supplier refuses to perform without due cause (e.g.: does not take over the worksite), or
      2. the Supplier fails to perform its obligations in a contractual manner even by the extended deadline undertaken due to late performance, or
      3. the Supplier fails to perform its obligations by the reasonable deadline set by the Customer for repairing the defect, or
      4. performance is frustrated due to any reason within the control of the Supplier.
   4. The Customer may also claim contractual penalty if incurring no loss. The Customer shall also be entitled to enforce its losses incurred in excess of the contractual penalty.
   5. The Customer reserves the right to withhold the amount of the contractual penalty from the amount of any respective invoice issued by the Supplier, in accordance with Article 135 (6) of the Public Procurement Act. The Customer may also enforce its claim for contractual penalty against the Supplier in a separate invoice. The Contracting Parties agree that in case the Customer enforces its claim for contractual penalty in a separate invoice, the Supplier shall fully meet its obligation to pay the penalty within 15 (fifteen) calendar days of the date of such obligation becoming due.
4. **LIABILITY, WARRANTIES AND GUARANTEE**
   1. The Supplier represents and warrants that the Devices, the components thereof, the Software Items and the Documents are accurate, free from defects, of high professional quality, complete, technically and economically feasible and meet the requirements under this Contract and the Annexes hereto, furthermore the Documents shall completely cover the state of the Devices and Software Items at the time of the finalisation of the installation. The Supplier represents and warrants that it performs its contractual obligations in the light of the purpose of the Contract and in accordance with the applicable laws, standards and technical specifications. The Supplier warrants that the Devices are free from planning, material and manufacturing defects, installation errors, and the Devices and Software Items are capable of meeting the operational requirements specified in Annex 1 to this Contract.
   2. The Supplier shall be liable for any and all damages that may arise for reasons attributable to, or occurring within the control of the Supplier, howsoever caused including negligence of the Supplier, however the Supplier’s contractual liability shall not exceed 200% (two hundred percent) of the Fee. To any extent permissible under the applicable law, in no event shall the Supplier be liable for, or be required to, hold the Customer harmless from or indemnify the Customer against any loss of use, loss of prospective profits, or any indirect or consequential loss or damage of whatsoever kind whether arising as a result of the performance and/or the breach of the Contract, negligence or other tort, breach of statutory duty or otherwise. Notwithstanding, Supplier shall bear liability without limitation for damages caused intentionally or with willful negligence. The Supplier declares that the Fee is calculated with regards to the limitation of liability as an advantage granted to the Supplier.
   3. The Supplier represents and warrants that the performance of this Contract does not violate the rights of third parties.
   4. The Supplier expressly represents and warrants that there are no third party rights or claims concerning the Devices, which would in any way impede, prevent or delay the performance of its contractual obligations. The Supplier shall be directly liable towards third parties for any and all costs, changes, losses, expenditures, damage, claims and encumbrances, which are enforced against the Customer by third parties under the warranty of title or in relation to the damage caused to third parties by the action of the Customer – in relation to the Devices –, therefore the Supplier has direct and separate liability towards third parties, provided that the Customer gives an immediate written notice regarding such a third party claim.
   5. The Supplier hereby warrants that it is the owner of, or has been granted a licence on all intellectual property rights in the Intellectual Properties and the Software Items. Should a claim arise concerning the infringement of intellectual property right, the Customer shall inform the Supplier of such a claim without delay. The Supplier shall defend the Customer and bear all expenses relevant to the resulting lawsuit provided it has been given the opportunity to conduct the action and proceedings and provided that Customer not having made any admission which is or may be prejudicial to Supplier in respect of any alleged infringement except with Supplier written consent.

Should a court or an arbitrator finally establish that there has been an infringement of third party intellectual property rights in any of the Intellectual Properties or the Software Items or should the Supplier elect to do so, the Supplier may choose one of the following solutions:

* To obtain the right, at its own expenses, for the Customer to continue the use of the given Intellectual Properties or Software Items;
* To substitute equivalent Intellectual Property or Software Item for the infringing one;
* To modify the infringing Intellectual Property or Software Item so as to eliminate the infringement.

It is understood that the solution chosen by the Supplier will not impair or reduce the performance of the Devices or the Software Items as described in the Technical Specifications.

The Supplier shall indemnify the Customer against all damages and costs awarded against the Customer for infringement of any patent, copyright or registered design or registered trademark granted for the Intellectual Properties or the Software Items.

* 1. If the Supplier fails to perform its obligations, is late in performing any of its obligations or its performance has not met the technical provisions of the Contract, the Customer shall be entitled to remedy the defects at the reasonable expense and responsibility of the Supplier or request price reduction at its own discretion with no effect on the original guarantee. Customer is entitled to exercise such rights if Supplier fails to remedy such failure within 60 (sixty) days from the receipt of Customer’s written notice demanding proper performance. If the Customer is unable to remedy the defect alone or with the assistance of a third party, or the Contracting Parties do not reach an agreement concerning the price reduction, the Customer shall be entitled to cancel this Contract, or any part thereof, and shall be entitled to compensation for the damage it suffered.
  2. Supplier shall undertake a **guarantee** for the Devices and Software Items according to Article 6:171 of the Civil Code. The guarantee obligation for the Devices and Software Items shall expire as of the lapse of 24 (twenty four) months reckoned from the day when the final acceptance protocol is signed by the Customer (hereinafter referred to as: **Guarantee Period).**
  3. The Customer shall record in writing any and all defects detected during the Warranty Period without any delay. The Customer shall notify the Supplier about the defect by enclosing the corresponding protocols.
     1. In case of small defects of the Devices, the Customer shall send (DDP Supplier’s factory) the defective component to the Supplier for repair or replacement. The Supplier shall return (DDP on site) the repaired or replaced component to the Customer.
     2. In case of complex defects of the Devices or the malfunction of the Software Items, the contact persons appointed by the Contracting Parties shall determine the most efficient manner of repair requiring the least time. The Supplier or its representative shall examine the problem and perform the necessary repairs on-site, if necessary.
  4. The **Guarantee** Period shall restart for any and all Devices repaired or replaced by the Supplier under the guarantee and for any and all replaced or repaired components of the defective Devices.
  5. The Supplier shall ensure that the components of the Devices operate without any problem during the repair period. If the repair period is expected to exceed 30 (thirty) calendar days (excluding transportation) from the date the error is reported, the Supplier shall, at its own costs at DDP parity, provide the Customer with replacement Devices or parts for the period required for repairing the defect.
  6. The Customer may notify the Supplier of the defects occurred during the Warranty Period by the 30th (thirtieth) calendar day following the expiry of the Warranty Period at the latest and the Supplier shall repair them under its warranty obligations.
  7. In case of construction, type or serial errors, the Supplier shall repair, modify or replace the materials, structures, units, components, and parts concerned at its own expense under its warranty obligations, including those parts as well, whereof failure has not yet occurred, however the risk or the tendency to become faulty has been established.
  8. The Supplier shall provide all services under its warranty obligations free of charge (among others the inspection, repair, replacement and necessary transportation and customs clearance of the Devices and Software Items). Article 8.4 of the Contract shall be duly applied for the services provided by the Supplier under its warranty obligations.

1. **TERMINATION OF THE CONTRACT**
   1. If performance of this Contract becomes impossible for any reason not attributable to either of the Contracting Parties, the Contract shall be terminated. In such event, the Supplier shall notify the Customer without delay and shall be liable for any damage caused by delayed or failed notification.
   2. In the event of a material breach of contract by the Supplier, the Customer shall have the right, by sending a written notification to the Supplier, to cancel this Contract with immediate effect or to terminate this Contract either with immediate effect or, at its discretion, with a notice period, if – after receiving the Customer’s notification specifying the breach of contract in detail and the deadline for remedying breach – the Supplier fails to remedy the breach of contract within such deadline (if applicable). The Contracting Parties agree that – in particular but not limited to – the following cases shall be considered as material breach of contract:
      1. The Supplier fails to perform any of its contractual obligations by the contractual deadline or by the reasonable extension (secondary deadline) allowed by the Customer; or
      2. The Supplier’s default exceeds 180 (one hundred eighty) calendar days; or
      3. the FAT of any of the Devices or Software Items is unsuccessful on two occasions due to the manufacturer’s default; or
      4. the SAT of any of the Devices or Software Items is unsuccessful on two occasions due to any reason except for the Customer’s default; or
      5. in case of any other material and/or substantial breach of contract by the Supplier.
   3. In the cases defined in Article 143 of the Public Procurement Act, the Customer shall have the right, and in certain cases, the obligation, to terminate this Contract or, pursuant to the provisions of the Civil Code, to cancel this Contract by sending a written notification to the Supplier.
2. **GOVERNING LAW**
   1. All provisions of this Contract shall be interpreted and construed in accordance with the laws of Hungary. The laws of Hungary shall apply to the entire Contract, with the exclusion of the rules of private international law (conflict of laws).
   2. The Convention of International Sale of Goods of the United Nations (UN CISG) shall not be applicable to this Contract.
3. **DISPUTE RESOLUTION**
   1. Any dispute or claim under or arising out of this Contract shall be settled by means of negotiations by the Contracting Parties.
   2. If resolution is not achieved by the Customer and the Supplier within 30 (thirty) calendar days from the starting of direct negotiations concerning any dispute under or arising out of this Contract, the case shall be submitted for final judgement to the Hungarian courts having competence and jurisdiction in accordance with the effective laws.
4. **MISCELLANEOUS PROVISIONS**
   1. If either of the Contracting Parties does not exercise any of its rights stipulated in this Contract, this fact shall not construed as waiver of that right or that it would not be entitled to exercise that right on one or several occasions in the future.
   2. All amendments to the Contract shall be in full compliance with Article 141 of the Public Procurement Act and shall only be valid in writing on the basis of the mutual agreement of the Contracting Parties.
   3. If any of the provisions of the Contract becomes invalid or unenforceable, all other provisions of this Contract shall remain in force. In such event, the Contracting Parties shall mutually accept new provisions best reflecting their original intentions.
   4. Contracting Parties mutually agree that for the purpose of the Contract, “working days” shall mean the days that are working days in Hungary.
   5. The Supplier acknowledges that the persons working at the installation sites under this Contract will be screened by the authorities authorized in accordance with Government Decree no. 169/2010 (V. 11.) *on the Rules Regarding the Protection of Civil Air Traffic and Establishing the Jurisdiction, Responsibilities and Operating Rules of the Air Traffic Security Committee*. The Supplier shall provide the Customer with the below data of its employees, representatives, agents working at the registered seat or sites of the Customer 5 working days prior to entering the worksite at the latest: name, date of birth, passport (or ID card) number. The Supplier acknowledges that the persons who fail to meet the security requirements shall not be entitled to work under this Contract at the registered seat or sites of the Customer. The Supplier shall replace the persons concerned at its own cost. Any failure to perform the obligations stipulated herein fully and in due time due to the provisions stipulated in this Section shall be regarded as having occurred for reasons attributable to the Supplier, and the Supplier shall be liable for any and all damages arising from such failure.
   6. The Contract and its Annexes constitute the entire agreement between the Contracting Parties. The following Annexes form inseparable and integral parts of the Contract:

Annex 1: Invitation to tender and documentation (containing the Technical Specifications);

Annex 2: Offer (bid) submitted by the Supplier and the minutes of negotiations;

Annex 3: Project Schedule;

Annex 4: List of items to be performed, with prices.

In case of any discrepancy between the Contract and its Annexes, the provisions of the Contract shall prevail.

* 1. Having read and interpreted this Contract, the Contracting Parties signed it in 2 (two) English language original copies approvingly, as the true representation of their contractual will.

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| Budapest, 2016 |  |
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| Barnabás KIS | Gyula HANGYÁL |
| Chief Technology Officer | ATM Director |
| HungaroControl Zrt. | |
| Customer | |

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| **Raytheon Systems Limited** | |
| Supplier | |

1. To be finalised during the negotiations. [↑](#footnote-ref-1)
2. To be finalised during the negotiations. [↑](#footnote-ref-2)