FRAMEWORK AGREEMENT

Tallinn 4th July 2024 No 2-2/24/668-1

The **Estonian Centre for Defence Investments** (registry code 70009764, address Järve 34a, 11314 Tallinn, Estonia) and **Estonian Defence Forces** (registry code 70008641, address Juhkentali 58, 15007 Tallinn, Estonia), represented by Magnus-Valdemar Saar, Director General of Estonian Centre for Defence Investments, pursuant to the articles of association and power of attorney, hereinafter **Buyer,**

and

Strategic Robotic Systems, Inc. (registry code US Fed# 472917913, address 6444 Nancy Ridge Dr San Diego, CA 92121, United States), represented by James A.R. McFarlane, pursuant to to the power of attorney hereinafter **Seller,**

separately **Party** and jointly **Parties,** have concluded the following framework agreement (hereinafter also as **Contract**).

1. Basis and Subject of the Contract

1.1. The contract is concluded in a negotiated procedure without prior publication **„ROV SRS Fusion maintenance, repair and purchase"** (reference number 281157).

1.2. The Buyer has concluded the contract with the Seller, relying on the Seller's applications and confirmations stipulated within this contract, and the premise of good faith in the Seller's professionalism and capability to perform the contract duly. In the event that the Seller employs subcontractors, responsibility of the proper performance of the contract rests on the Seller.

1.3. The Seller states and confirms that:

1.3.1. they and their representative have all the necessary rights and mandates to conclude this contract;

1.3.2. they have read the contract and that they understand fully the content and repercussions of duties undertaken and that they agree with the conditions therein;

1.3.3. with the performance of this contract, the rights of third parties are not affected and that there are no such circumstances which might exclude their rights to conclude this contract and perform it duly;

1.3.4. they have all the necessary and valid licenses, registrations, rights of representation and certificates, and at their expiry during the duration of the contract agrees to extend/ renew them. If the renewal of licenses, registrations, rights of representation and certificates is not possible due to circumstances independent of the Seller, it is the Seller's obligation to promptly notify the Buyer about it;

1.3.5. the absence of any claims or other rights applicable on the transferred Goods or rendered Services by third parties, which third parties have the right to apply to the Goods or Services;

1.3.6. they and their offered Goods or Services are not subject to international sanctions or originated in an area subject to sanctions in accordance with the International Sanctions Act.

1.4. The subject of the contract is the purchase of ROV SRS-type underwater vehicles, spare parts and accessories (hereinafter **Goods**) and the ordering of repair and maintenance works (hereinafter **Services**).

1.5. On the basis of the contract and its stipulations, the Seller is obligated to sell to the Buyer Goods and provide Services and the Buyer is obligated to accept the Goods or Services and pay to the Seller the price of Goods/Services. In the event that Goods are purchased with life-cycle Services, contractual conditions for the provision of Services stipulated in the Law of Obligations Act shall be applied for such provision of Services, which are not regulated, are in contradiction or are not applicable towards the nature of the Service.

1.6. The type or specification, quantity, delivery locations and times or the type of Service and the time and location of provision of Service shall be specified in purchase orders or public contracts.

1.7. The delivered Goods and rendered Services must be in compliance with the terms of this contract, including in terms of quality, type, description and quantity. All documents and packaging accompanying the Goods and Services must also be in compliance with the terms of this contract.

2. Parts of the Contract

The integral parts of the contract are explanations, confirmation letters, invitations to tender submitted on the basis of the contract, tenders, public contracts concluded on the basis of the contract, notices between the Parties and all concluded amendments. If no public contract has been concluded, purchase orders or other documents, with which a financial commitment is made, are also deemed as public contracts.

3. Conclusion of Public Contracts

3.1. The performance of the contract is based on orders issued by the Buyer, which shall specify the quantity, delivery time and location of the purchased Goods or the provision time and location of ordered Services.

3.2. The purchase of Goods and the ordering of Services shall proceed as follows:

3.2.1. The Buyer submits a price inquiry to the Seller.

3.2.2. The Seller shall provide a quotation, including the cost of the Goods or Services, to the Buyer within 5 working days from receiving the price inquiry, which must not exceed the maximum unit prices specified in the framework agreement. If the Seller is unable to meet this deadline, they shall promptly inform the Buyer.

3.2.3. The Buyer shall either accept the quotation by placing an order or entering into a public contract, or reject the quotation within 14 days. The Buyer is not obligated to place an order or enter into a public contract based on the provided quotation. If the Buyer does not reply to the Seller within 14 days, it is deemed as a rejection of the quotation.

3.2.4. The Buyer can reject the submitted tender:

3.2.4.1. if it is unreasonably expensive for the Buyer;

3.2.4.2. if the Buyer becomes aware of information that rules out or makes the execution of the purchase order or conclusion of the public contract unreasonable for the Buyer on the conditions stipulated in the founding documents, or the execution of the purchase order or conclusion of a public contract under the given and determined conditions would not correspond to the Buyer's earlier necessities or expectations due to the changed circumstances;

3.2.4.3. if there is no longer a necessity for the execution of the purchase order or conclusion of the public contract due to a reason that is independent of the Buyer or a reason that depends on or is derived from a change in legislature, administrative acts or actions of higher institutions.

3.2.4.4. The Buyer will reject the submitted tender, under which the purchase order to be made or public contract to be concluded would be void pursuant to the International Sanctions Act § 7 subsection 1.

3.3. Public contracts are concluded by any means capable of producing a written record. If the cost of the public contract is at least 50 000 euros without VAT, the public contract shall be concluded as a signed document by four Parties.

3.4. The Buyer has the right to order other Goods or Services from the Seller that meet the requirements of the technical description. The ordering of such Goods or Services takes place on the basis of price inquiries, whereby the Buyer shall give the Seller exact technical descriptions.

4. The Buyer's Rights and Obligations

4.1. The Buyer has the right to check the performance of contractual obligations and documents relevant to the ordering of Goods or Services on an ongoing basis and may demand information at any time regarding the performance of the contract.

4.2. The Buyer has the right to check the validity and compliance of issued invoices, calculations and other expenses. If necessary, the Buyer has the right to claim invoices from subcontractors.

4.3. The Buyer has the right to consult with the Seller about questions relevant to the Goods (e.g. delivery and use of Goods) or Services.

4.4. The Buyer is obligated to pay to the Seller for the contractually delivered Goods and rendered Services in accordance with the conditions stipulated in this contract.

4.5. The Buyer is obligated to reply within a reasonable time to all the Seller's requests in order to specify instructions.

4.6. The Buyer has the right to demand immediate rectification of any defects in the Goods or Services.

4.7. The Buyer has the right to demand compensation for damages caused by the fault of the Seller.

4.8. The Buyer reserves the right to purchase Goods and/or order Services outside of the contract if: the Seller does not submit a tender; the tender submitted by the Seller does not meet the requirements set by the Buyer; the Seller is unable to perform the purchase order or public contract, or there has been a withdrawal from the contract, purchase order or public contract; the offered price for the Service and/or Goods is unreasonably high compared to the average market price and economically unreasonable for the Buyer.

5. The Seller's Rights and Obligations

5.1. The Seller is obligated to submit a centralized statement for all Goods and Services ordered (including date of making purchase orders or conclusion of public contracts or; name, quantity and cost of Goods/Services without VAT; total cost of purchase orders / public contracts without VAT etc.) in PDF format or in another format agreed upon with the Buyer within 10 days after receiving said request, unless the Parties have agreed otherwise.

5.2. The Seller is obligated to submit information (quantity and purpose) on the Buyer's demand about subcontractors. In the event that such information has been submitted by the Seller prior to the conclusion of this contract, the Seller must coordinate any changes with contact persons with the Buyer.

5.3. The Seller is obligated to inform the Buyer about any circumstances which obstruct the performance of this contract.

5.4. The Seller is obligated to inform the Buyer promptly about cyber attacks and cyber incidents undertaken against the Seller and issue a cyber incident report to the Buyer on the Buyer's demand.

5.5. The Seller is obligated to follow fair trade conditions, environmentally friendly principles and not use slave or child labor during the performance of the contract.

5.6. The Seller undertakes to immediately inform the Buyer if they are unable to deliver the Goods or provide the Service by the agreed-upon deadline.

5.7. The Seller has the right to receive the agreed-upon payment for delivered Goods or rendered Services in accordance with the terms of this contract.

5.8. The Seller has the right to receive instructions, explanations or other information which affects the performance of the contract.

5.9. The Seller has the right to make proposals regarding the better organization of activities related to the delivery of Goods or provision of Services.

5.10. The Seller is obligated not to satisfy at least one of the prohibited conditions provided for in the Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of the Russian Federation's actions destabilising the situation in the Republic of Ukraine, including amendments made by Council Regulation (EU) 2022/576 of 8 April 2022 amending Regulation (EU) No 833/2014, Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of the Republic of Ukraine, including amendments made by Council Implementing Regulation (EU) 2022/581 of 8 April 2022.

5.11. The Seller undertakes to deliver Goods and/or provide Services in a timely and proper manner, in the agreed-upon quantity and frequencies, in accordance with the conditions specified in the contract and during the order submission, following the best practices, applicable requirements, norms and standards.

6. Packaging and Labelling of Goods

6.1. The Seller is obligated to provide packaging of Goods in such a way that ensures its conservation during transport and storage in an unchanged manner (Annex 1).

6.2. For packaging and marking Goods, the Seller must adhere to the requirements stipulated by the Buyer.

7. Delivery and Acceptance of Goods

7.1. Incoterms 2024: EXW San Diego conditions apply to the delivery and transfer of Goods (exact delivery locations, conditions and destinations shall be specified in purchase orders or public contracts).

7.2. In the event that the Goods are subject to export inspection by the Seller's country of origin, the Seller shall submit to the Buyer an appropriate form, in English, of the end user's certificate and provide the necessary export license.

7.3. The time for receiving delivery of the Goods is generally from Monday to Thursday between 8.30 and 15.00, except on state and national holidays and working days that precede them and the last three working days of each month, unless agreed otherwise in purchase orders or public contracts.

7.4. The Seller shall submit to the Buyer a shipping notice for the delivery of Goods at least 5 working days prior to the scheduled delivery time to the email address stipulated in the purchase order or public contract (cc must be sent to invoices@ecdi.ee), unless agreed otherwise in purchase orders or public contracts. The shipping notice must include:

7.4.1. name of Goods;
7.4.2. public contract (purchase order) number;
7.4.3. public procurement reference number 281157;
7.4.4. delivered quantity, incl. number of pallets, containers etc;
7.4.5. logistical unit measurements;
7.4.6. packaging method (plastic packaging, net wrapping, pallet etc.);
7.4.7. mode of transportation, which is used for delivery (truck, lorry etc.), and quantity;
7.4.8. specific requirements or needs to unload the delivery;
7.4.9. scheduled delivery date and time;
7.4.10. delivery address.

7.5. The Seller shall deliver the Goods to the Buyer and the Buyer shall accept the delivery under conditions agreed upon in the purchase order or public contract.

7.6. The Seller shall issue a delivery note alongside a shipping notice or during the delivery of Goods at the latest or after a Service has been rendered. The delivery note must include:

7.6.1. the Seller's details;
7.6.2. the Buyer's details;
7.6.3. the Goods' recipient's details;
7.6.4. public contract (purchase order) number;
7.6.5. public procurement reference number 281157;
7.6.6. name, product code and quantity of Goods/type and time of provision of Service.

7.7. In addition to the delivery note, the Seller is obligated to hand over to the Buyer all documents that are necessary for the receiving, management, use and disposal of the Goods.

7.8. The Buyer has the right to inspect the quality of delivered Goods or rendered Services for compliance with the terms of the contract and purchase order or public contract within 2 weeks. In such an event, the Buyer shall issue a quality control act, which shall be sent to the Seller.

7.9. The Buyer shall issue a delivery-acceptance act about the purchase of Goods or provision of Services, which shall be signed by both Parties and sent to the Seller alongside the quality control act, if necessary. A delivery note signed by both Parties is also deemed as delivery-acceptance act.

7.10. In the absence of the delivery note, the Buyer has the right to take possession of the given Goods or accept the rendered Service, however, delivery and acceptance shall be deemed to be finalized upon the reception of a proper delivery note. The Buyer has the right to refuse the signing of a delivery-acceptance act, if there are visual deficiencies with the Goods.

8. Cost of Contract and Terms of Payment

8.1. The estimated maximum total cost of purchase orders and public contracts to be concluded is 3 000 000 euros, whereas VAT shall be added in accordance with the law.

8.2. No advance payments will be made to the Seller.

8.3. In the event that unforeseen circumstances arise during the export and/or import of the Goods (e.g. delays due to inactivity of institutions, lack of necessary documentation etc.), the Party is obligated to promptly inform the other Party about these circumstances at the earliest opportunity.

8.4. The Seller bears all costs relevant to the delivery and transportation of Goods until the delivery has been finalized. The Seller also bears all Goods-related costs and incumbrances until the delivery has been finalized, except costs which derive from circumstances arising from the Buyer.

8.5. Unit prices for Services include all costs necessary for the performance of the contract, including actions listed in the technical description.

8.6. For Services, payments shall be made in accordance with ordered and actually rendered Services, by taking into account delivery notes signed by both Parties.

8.7. One e-invoice shall be issued for each delivery or rendered Service, unless agreed otherwise.

8.8. The Seller shall issue an e-invoice. In the event that a Seller registered outside of the Republic of Estonia has no technical capabilities to issue e-invoices, then they shall issue invoices in PDF-format to the email address stipulated in the contract, unless agreed otherwise in the purchase order or public contract.

8.9. The Seller shall issue an invoice with the following details:

8.9.1. The Buyer's details:
Estonian Centre for Defence Investments, Järve 34a, 11314 Tallinn, Estonia, registry code 70009764.

8.9.2. Other details to be included on the invoice:
Contact person name (shall be specified in the purchase order or public contract);
Framework agreement number;
Public contract (purchase order) number;
Public procurement reference number;
Quantity and name of Goods/type and time of rendered Services.

8.10. The Buyer shall pay for the Goods or Services that were accepted and comply with the terms of the contract to the billing account set on the invoice within 28 days of receiving an invoice that complies with the terms of the contract. The basis for issuing an invoice is a quality control act and/or delivery note that is signed by the Parties.

8.11. The Buyer shall not accept an invoice which does not comply with the terms of the contract. In such an event, the Seller shall issue a new invoice within 7 working days.

9. Force Majeure

9.1. Breach of contractual obligations is excusable, if the Party was in breach of obligations due to force majeure. Under force majeure, the Parties deem circumstances, which the Party that was in breach of obligation could not influence, and on the grounds of the prudent person principle the Party could not have been expected to take that circumstance into account during the performance of the contract or avoid it or overcome the hindrance or its consequence, e.g. natural disasters, power failures, hostilities, blockades. The Parties do not deem the inability of the Seller's third party contractual partner to perform the contract as force majeure.

9.2. If any circumstance that applies to the conditions of force majeure incurred the non-performance of the contract within a deadline stipulated in the contract or its annexes and its effect is temporary, the behaviour of the Party in breach of obligations is excusable only at a time when the force majeure inhibited the performance of the obligation.

9.3. Due to the event of a force majeure, the time limit for the performance of the contractual obligation shall be postponed, but for no more than 90 calendar days, unless the Parties have agreed otherwise.

9.4. The Party who cannot perform their obligations due to force majeure must promptly notify the other Party of the arisen circumstance and its conclusion. Failure to notify or failure to notify timely removes from the Party the right to refer to the excusability of the breach, i.e. the emergence of the force majeure, and the Party who was in breach of obligation to notify is responsible for the breach of contractual obligations, according to the stipulations of this contract.

9.5. In the event that the effect of the force majeure is permanent and does not enable the Parties to perform their contractual obligations in full or partially, the Parties have the right to terminate or withdraw from the contract, by submitting a corresponding termination of/withdrawal from the contract to the other Party.

9.6. Circumstances arising from the COVID-19 pandemic shall not be deemed as force majeure. In the event that new unforeseen restrictions are implemented after the conclusion of the contract, which are related to the COVID-19 pandemic and prohibit or inhibit the performance of the contract, they may be deemed as force majeure.

9.7. Effects on the obligation of delivering Goods or providing Services arising from the restrictions on import from the Russian Federation and Republic of Belarus shall not be deemed as force majeure by the Parties, provided that these circumstances were present at the moment of conclusion of the contract.

10. Warranty Obligation

10.1. With this contract, the Seller grants a **twelve-month** warranty for ROV SRS-type underwater vehicles. For spare parts, accessories and Services, the Seller grants a warranty for at least **twelve-months.**

10.2. Warranty applies from the moment that the Goods have been shipped by the Seller. without any deficiencies or from the moment that the delivery-acceptance act or delivery note has been signed by both parties for Services which have been rendered without deficiencies.

10.3. In the event that the manufacturer's warranty for Goods or Services is in any way more favourable towards the Buyer (e.g. in terms of time) than the warranty obligation stipulated in the contract, the Seller is obligated to provide the utilization of such warranty claim to the Buyer, if such a circumstance arises, under more favourable conditions towards the Buyer, which are derived from the manufacturer's warranty conditions.

10.4. Warranty covers all deficiencies that become evident during the warranty period, all the while taking into account normal wear and tear for Goods, and for Services, the manufacturer's instructions.

10.5. The Buyer is obligated to inform the Seller about deficiencies regarding ordered Goods or Services to the Seller's email address, unless agreed otherwise in the purchase order or public contract.

10.6. The Seller is obligated to replace the defective Goods or remedy the repercussions of insufficiently rendered Services free of charge within 90 calendar days, starting from the moment that the Buyer's corresponding and justified warranty claim was received. With the Buyer's written consent, this period may be longer.

10.7. The Seller covers all costs relevant to the replacement of defective Goods or insufficiently rendered Services.

10.8. Goods replaced during the warranty period shall be given a 12 month warranty. Services rendered during the warranty period (i.e. performed repair works) will be given a warranty of 12 months.

11. Confidentiality and Security Requirements

11.1. Under confidential information, the Parties deem information, personal details, security details and documents that are clearly marked for internal use only, that become available during the performance of the contract, and other information, whose disclosure might damage the interests of the Buyer. Confidential information does not include information whose obligation of disclosure derives from legislation, on the condition that such a disclosure is performed in the most restricted way possible from all possible options.

11.2. Parties agree not to disclose the other Party's confidential information neither during the duration of the contract nor later without the other Party's written agreement. Both Parties shall protect the confidentiality of the information that was made known to them during the performance of the contract.

11.3. The Seller agrees not to use any documents or information that pertains to the contract without the Buyer's written agreement, except in cases which are necessary to perform the contract. All documents except the contract are property of the Buyer and at the Buyer's demand, the Seller is obligated to return them after the expiry of the contract.

11.4. Disclosure of information to any third parties that is for internal use only is prohibited.

11.5. The confidentiality requirement has no time limit.

12. Intellectual Property Rights

In the event that the Goods or a part thereof (including the relevant documentation) are protected by intellectual property rights, the Seller grants the Buyer a global, irrevocable non-exclusive license without the right to sublicense, which is valid until the end of the copyright term, as defined in the copyright law. The license is considered granted from the moment of the transfer of the Goods or part thereof (including the relevant documentation). The terms and conditions for the granting and use of intellectual property rights may be agreed upon differently in the purchase order or public contract. The author's fee is part of the cost of the Seller's tender and is not subject to separate payment.

13. Liability

13.1. In the event of improper performance or non-performance of contractual obligations, Parties shall accept responsibilities with regard to the other, in accordance with the terms of the contract and valid legislation.

13.2. The Seller is responsible for any breach of the contract, especially if the Goods and/or Services do not meet the requirements agreed upon in the contract and its annexes.

13.3. The Seller is responsible for the non-compliance of Goods (deficiencies) to the terms of the contract, if the non-compliance exists during the transfer of risk of loss of, or damage to, the Goods to the Buyer and if the non-compliance of Goods to the terms of the contract is discovered (i.e it was not possible to discover the deficiencies during normal inspection, so-called hidden deficiencies) after the said risk was transferred to the Buyer.

13.4. The Seller is responsible for the non-compliance of Services (deficiencies) to the terms of the contract, if the non-compliance of the Service to the terms of the contract is discovered (i.e. it was not possible to discover the non-compliance during regular inspection, so-called hidden deficiencies) after the Service was rendered.

13.5. In the event that the Seller performs the contract improperly, the Buyer has the right to refuse the acceptance of Goods or rendered Services and the obligation of payment per purchase price, and issue to the Seller a claim to perform the obligation in accordance with the contract after the discovery of the breach of obligation, by giving the Seller a reasonable time limit to perform the contract. Until the proper delivery of Goods or provision of Services to the Buyer, the Seller is deemed late with delivery.

13.6. Goods do not comply with the terms of the contract if the Goods do not have the agreed-upon attributes, the Goods cannot be utilized for their intended purpose, a third party has claims to the Goods or other claims that they can issue or the Goods have not been packaged in accordance with the terms of the contract or the delivery note is absent.

13.7. Services do not meet the terms of the contract, when the Service has not been provided at the expected quality level, when there is no invoice submitted for the Service, the Service lacks agreed-upon characteristics, the Service has not been provided by the agreed-upon deadline, in the agreed quantity, at the specified frequency, the Seller does not provide proper documentation regarding the provision of the Service, or fails to provide information to the Buyer regarding the performance of the contract, and similar situations.

13.8. The Buyer is obligated to inform the Seller in writing about the non-compliance of the Goods or Services (incl. deficit with the Goods) within 14 days, if the Buyer or the Buyer's authorized representative discovered the non-compliance of the Goods or Services to the terms of the contract. In said notice, the Buyer is obligated to claim performance of the obligation, by giving a reasonable time limit to the Seller for the duly performance of the obligation, which generally cannot be longer than 60 days.

13.9. In the event that the Buyer does not inform the Seller about deficiencies with the Goods or Services within the time limit stipulated in the contract after the discovery of the deficiencies, the Seller is free from responsibility from the deficiencies with the Goods or Services, except in cases when not informing the other Party of deficiencies was reasonably excusable.

13.10. If the Goods delivered or Services rendered to the Buyer are not in compliance with the terms of the contract, the Buyer has the right to demand from the Seller the replacement of non-compliant Goods with Goods that are in accordance with the terms of the contract or the second provision of Services that is in compliance with the terms of the contract.

13.11. If the Seller fails to meet the EXW delivery date, the Buyer has the right to claim a contractual penalty of up to 0.05% per day of the Goods not shipped or Services not rendered on time for every calendar day due, but no more than 25% of the cost of the respective purchase order or public contract.

13.12. If there is a deficit in the quantity of the Goods, the Buyer is entitled to accept the given Goods and issue a claim to the Seller to deliver the missing quantity of the Goods to a delivery point designated by the Buyer within the borders of the Republic of Estonia at the Seller's expense.

13.13. In addition to terminating or withdrawing from the contract, the Parties have the right to demand a contractual penalty for a significant breach of the contract, compensation for damages, and use other legal remedies.

13.14. If the Seller is in breach of any other contractual obligations beside on-time delivery or on-time provision of Services, the Buyer has the right to claim a contractual penalty of up to 10% of the total cost of the Goods or Services of the subject of the purchase order or public contract.

13.15. If a Party is in breach of a confidentiality obligation, the other Party has the right to claim a contractual penalty of up to 10 000 euros per each corresponding breach.

13.16. In the event that the Buyer delays payment of the invoice, the Seller has the right to claim from the Buyer default interest stipulated in the Law of Obligations § 113 subsection 1 for the sum unpaid by the time limit of up to 0.10% per day for every calendary day overdue, on the condition that the Buyer has been informed of the default interest within 30 days since its occurrence. The total sum of the default interest shall not exceed 10% of the sum overdue.

13.17. Contractual penalties are to ensure the performance of the agreed-upon obligation, not to replace the performance of the obligation. Claiming a contractual penalty does not remove from the Buyer the right to claim compensation of damages relevant to the breach of contract.

13.18. The right of claim of contractual penalties is 180 days from the discovery of the corresponding breach.

13.19. Contractual penalties and default interests are paid within 28 working days, starting from the reception of the corresponding claim. The Buyer has the right to deduct the sums of claims of the contractual penalties and sums of compensations from the amounts to be paid to the Buyer.

13.20. In the event that the Seller does not start to perform the purchase order or public contract, the Buyer has the right to claim compensation of damages within the range of difference in cost between the Seller's submitted tender and the new successful tenderer's tender.

14. Grounds for Termination of Contract

14.1. Upon termination of or withdrawal from the contract, the Buyer shall grant the Seller a reasonable time limit for performing the contract, which generally cannot be longer than 30 days. The time limit provided for the performance of the contract does not exempt the Party from the liability for breach of obligations.

14.2. The Buyer is not obligated to grant the Seller a time limit for performing the contract upon the termination of/withdrawal from the contract in the event of a significant breach of contract. In such an event, the Buyer shall submit to the Seller an application for termination of/withdrawal from the contract within a reasonable time limit, starting from the moment the significant breach of contract became apparent. The termination of/withdrawal from of the contract is deemed to have been finalized when the application for termination of/withdrawal from the contract has been received by the Seller.

14.3. Upon expiry of the additional time limit given for the performance of the contract, the Buyer can submit to the Seller a written application for the termination of/withdrawal from the contract. The contract is deemed to be terminated/withdrawn from at the moment of the application's reception by the Seller. An application for the termination of/withdrawal from the contract is not necessary, if upon previously granting an additional time limit, the Buyer has informed the Seller in writing about the termination of/withdrawal from the contract in the event of an unperformed contractual obligation during the given time limit. In such an event, the contract shall be terminated upon the passing of the time limit provided by the Buyer for the performance of the contract and on the condition that the Seller has not offered proper performance of the contract to the Buyer.

14.4. Both Parties have the right to terminate or withdraw from the contract, if the other Party is in significant breach of contractual obligations (significant breach of contract). Significant breaches of contract include *inter alia*:

14.4.1. one Party is in breach of contractual obligations wilfully or due to severe negligence;

14.4.2. the Seller has not performed their obligations during the additional time limit given by the Buyer;

14.4.3. the Seller has notified the Buyer about their refusal to perform the contract;

14.4.4. the Seller has submitted false information or forged information;

14.4.5. one Party is in breach of the obligation of confidentiality;

14.4.6. the breach of obligation gives one Party reasonable cause to presume that the other Party will not be performing their obligations in the future;

14.4.7. the Seller has infringements of the law with the sale of the item of the contract or provision of Services;
14.4.8. the Seller's licenses for the performance of the contract expire and the Seller does not extend them or the extension of the licenses is not possible for circumstances independent of the Seller;
14.4.9. the Seller has been in breach of contractual (including purchase orders and public contracts) conditions more than three times.

14.5. The Buyer has the right to terminate the contract under extraordinary circumstances, if a bankruptcy order or process of liquidation has been initiated towards the Seller.
14.6. The Buyer has the right to terminate or withdraw from the contract at any time, by informing the Seller at least 30 calendar days beforehand.
14.7. Both Parties have the right to terminate the contract at any time with both Parties' written consent.
14.8. In the event of terminating the contract, the Parties are not obligated to perform the contract. In the event of a termination of / withdrawal from the contract, both Parties are obligated to return to the other Party everything that has been already delivered for the time following the termination of the contract, in accordance with the Law of Obligations Act.
14.9. In the event that one of the Buyers has terminated the contract under the basis mentioned in Section 14 of the contract, the termination applies to all Buyers.

15. Contact Persons

15.1. The buyer's contact person is the category manager of the relevant field, who is the category manager of air, sea and combat vehicles at the time of signing the contract **Marek Mardo**, phone +372 5853 9577, e-mail marek.mardo@ecdi.ee.
15.2. The Buyer's purchase manager or the Buyer's authorized contact persons shall issue purchase orders. Authorizations and their retractions take place via email.
15.3. The Seller's contact person is **James A.R. McFarlane,** Executive Vice President, SRS, phone +1 831 915 6200, e-mail jim.mcfalrane@srsfusion.com.
15.4. All notices which do not have legal consequences shall be issued via email and must be addressed to the contractual persons of contact, unless agreed otherwise in the contract.
15.5. In the event of changes to contact persons or other information, the corresponding Party shall inform the other Party of such changes promptly via email. This notice shall not be deemed as amendment to the contract.

16. Final Provisions

16.1. This contract shall enter into force with the Buyer's signature.
16.2. The contract is valid for 84 months or until the estimated maximum cost has been met.
16.3. Language used to perform the contract is English, unless the Parties have agreed otherwise.
16.4. This contract is in English.
16.5. For the performance of this contract and disputes arising from the contract, legislation of the United States of Amreica California Arbitratsion Act is prevalent, unless the Parties have agreed otherwise.
16.6. Both Parties have agreed to use all means necessary to settle differences between one another through negotiations. In the event of not reaching an agreement, the dispute shall be settled in accordance with the legislation of the Unites States of America at the California Court of San Diego, unless the Parties have agreed otherwise.

16.7. The invalidity of a single provision of the contract does not bring about the invalidity of the entire contract or other provisions.

16.8. Neither Party has the right to transfer their contractual rights and obligations to third parties without a written consent of the other Party.

16.9. Amending the concluded contract can be agreed upon on the grounds and extent of the Estonian Public Procurement Act.

16.10. Amendments to the contract are valid if they have been formalized in writing. Not following the written format requirement deems any amendments to the contract void. All amendments to the contract shall enter into force upon signature by both Parties or upon the time limit stipulated by the Parties.

16.11. Notifications of legal effect between the Parties must be submitted in writing or via e-mail with signatures from the respective Party. A written notice shall be deemed to have been received *inter alia* if it has been sent by registered mail to the address specified in the contract and 5 working days have passed since the notice was mailed. When sending the notice via email, the notice is be deemed to have been received on the working day after the notice was sent.

16.12. This contract has been made in one copy/two copies and signed by both Parties digitally/in writing and issued to Parties with signatures.

17. Annexes

17.1. Annex 1. Conditions for Packaging and Delivering Spare Parts

Buyer:	**Seller:**
(signature and date) 4 july 2024	(signature and date) 10 JULY 2024.
Magnus-Valdemar Saar Director General National Armaments Director	James A.R. McFarlane Executive Vice President

Annex 1
to the ..4th.. July 2024 Agreement No 2-2/24/..668-1

Conditions for Packaging and Delivering Spare Parts

The label attached to the original packaging of the Goods must contain the following details at a minimum:

- name of the Goods;
- vehicle make;
- NSN-code (if applicable);
- product code;
- the Seller's warehouse code.

1. Packaging

When transporting Goods on pallets, the products are packaged into grouped packaging (packing crates). The Seller agrees to provide packaging that ensures the Goods' conservation during its transportation to the destination and its long-term storage in unchanged form.

Labels for grouped packaging are at least an A4-size in capital letters and in bold. The minimum letter height is 8 mm. There is a label on at least two sides of the packing box.

The labelling details on the label are in the following order:

- name of the Goods;
- product and/or NSN-code (if applicable);
- quantity and unit (pieces/EA);
- delivery time (month and year);
- contract number and batch number (if the Goods are delivered in several parts);
- the Seller's name;
- the Seller's address;
- delivery address.

Packing crates are placed on pallets. The pallet dimensions are 800x1200 mm. Pallets must be intact (not decayed, mouldy and with no broken boards), clean and there cannot be any protruding nails. Pallets must endure the long-term storage of the Goods. The maximum height of packing crates placed on pallets is 1200 mm (pallets are not returnable). Plastic film is used for transport, which covers the packing crates on the pallets. Plastic film keeps the product crates firmly on pallets and protects them from the elements.

Labels for transporting packaging are at least an A4-size in capital letters and in bold. The minimum letter height is 8 mm. There is a label attached on all sides (four labels on one package). The conservation conditions are up to five years in ventilated permanent structures. Transport is in confined form and on land, air and sea. The package must endure handling with mechanical tools. The labelling details on the label are in the following order:

- NSN-code (if applicable);
- product name;
- quantity and unit (pieces/EA);
- delivery time (month and year);
- contract number and batch number;
- the Seller's name;
- the Seller's address;
- delivery address.

If the order is for a single product or a small quantity of Goods, then the Goods must be packaged in other appropriate and suitable packaging. The cost of the Goods's packaging is covered within the cost of the sold Goods.

2. Delivery Conditions

The Goods must be delivered unbroken and unspoiled and in suitable packaging for transport.

Delivery addresses in Estonia:

- Navy — Specified at the time of the conclusion of the contract

The Buyer shall specify delivery locations during the performance of the Contract. Transport of the Goods to the destination set by the Buyer takes place with the Seller's own mode of transportation.