

SERVICES AND GOODS PROCUREMENT CONTRACT NO. SL-6/2024
SPECIAL CONDITIONS

9 January 2024
Vilnius

UAB „LTG Link“, legal entity code 305052228, represented by the General Director of the Company Gediminas Šečkus, acting in accordance with statutes (hereinafter: the 'Customer'), and Private Joint-Stock Company „Severodonetsk Research and Production Association „Impulse“, legal entity code 31393258, represented by director Oleksandr Zhurba, acting in accordance with statutes (hereinafter: the 'Supplier'), hereinafter collectively referred to as the 'Parties', and each individually as the 'Party', have concluded this service procurement and have agreed on the following terms and conditions:

1. SUBJECT MATTER

1.1. The subject-matter of the Contract shall be sales and purchase of Locomotive safety systems services (hereinafter: the **Services**) and Locomotive safety systems goods (hereinafter: the **Goods**).

1.2. The titles, volumes, quantities, rates, technical characteristics of the Services / Goods and the requirements for the provision of the Services / supply of the Goods are set out in the General Conditions of the Contract (hereinafter: the '**Contract GC**'), the Special Conditions of the Contract (hereinafter: the '**Contract SC**') and other annexes to the Contract, including a technical specification (hereinafter: the '**TS**') as Annex No. 2 to the Contract, hereinafter all the documents concerned are jointly referred to as the **Contract**.

2. PRICING AND PAYMENT TERMS

2.1. The Contract price:

2.1.1. The Contract price (initial contract value¹) of EUR 3 850 000,00 (Three million eight hundred and fifty thousand euros, 00 cts.)

2.1.2. VAT (0%) (The supplier is a resident of Ukraine);

2.2. The Contract price shall remain unchanged throughout the entire period of the Contract, except if the Contract price is changed in accordance with the procedure and under the conditions set out in Article 97 of the Law on Procurement by Contracting Entities Operating in the Water, Energy, Transport and Postal Services Sectors of the Republic of Lithuania, or if the price of the Contract is changed in a manner explicitly and specifically provided for in the Contract (where a revision applies, or where the rates are reduced by agreement between the Parties).

2.3. The rates (one or more rates) for the Services / Goods may be revised as expressly and specifically provided for in the Contract (may increase or decrease, or remain unchanged, in accordance with the conversion formula if the Contract provides for a revision procedure) or may be reduced by written agreement of the Parties otherwise than in accordance with the revision procedure (formula) due to changes in market prices or other objective reasons (e.g., current discounts, etc., applied by the Supplier), without altering any other terms, conditions or scope of the Contract. The Party seeking to reduce the price and/or rate(s) shall apply in writing to the other Party and, subject to its approval, an additional agreement to the Contract shall be signed. The reduction in the price and/or rate(s) shall not alter any other terms and conditions of the Contract, except for the cases of modification to the Contract set out in the Contract or if a modification is made in accordance with the provisions of legislation.

¹ The initial value of the Contract is calculated based on the selected method for price calculation in accordance with the procedure set out in the Methodology for Establishing the Pricing Rules approved by Order No. 1S-95 of 28 June 2017 of the Director for Public Procurement (current version) (hereinafter: the '**Methodology**').

2.2. The quantity of the Services / Goods is expressed in terms of the maximum amount of funds available for procurement of the Services / Goods (Clause 2.1 of the Contract SC). The indicative quantities of the Services / Goods set out in the Contract (annexes thereto) are for the purpose of evaluating tenders only and may change as required by the Customer (the quantities indicated in each line may increase or decrease), without exceeding the Contract price.

2.3. In accordance with the Methodology, the Contract shall set out the method for calculating the Contract price: Fixed-rate pricing. The fixed rates for the Services and Goods are set out in Annex No. 1 to the Contract SC and may not be changed during the term of the Contract, unless the Contract expressly and specifically provides for a procedure for revision of the rates, or the rates are reduced by written agreement of the Parties. The Services / Goods shall be procured according to the Customer's need and the Customer shall not be obliged to procure all the Services / Goods or a minimum quantity thereof, unless otherwise specified in the TS. The Contract rates shall include all fees and any other direct and indirect costs and charges incurred and/or likely to be incurred by the Supplier in connection with proper performance of the Contract, including without limitation, customs duties. In case of delivery of goods and where customs duties levied on goods are paid by the Customer, the Supplier must compensate the total paid amount to the Customer not later than within 10 (ten) calendar days from demand, in case of the Supplier's failure to pay when due the Supplier shall pay the Customer late interest at the rate of 0.05% (zero point zero five percent) of the overdue amount excluding VAT.

2.4. The procedure for revision of rates applies to the Contract / The procedure for revision of the rates does not apply to the Contract:

2.6.1. The first recalculation of the rates excl. VAT may be carried out after the entry into force of the Contract on the basis of a written request from one of the Parties to the Contract, but not earlier than after 6 (six) months from the date set in the Procurement for the submission of final tenders. Periodicity of rate recalculation – no more often than every 6 (six) months after the last recalculation of the Contract rates (the last recalculation of the Contract rates shall be considered to be the date of entry into force of the last agreement on the revision of the Contract rates (hereinafter referred to as the agreement)).

2.6.2. Rates shall be reviewed only for the part of the Contract that is not redeemed, i.e. goods / services that are not accepted by a deed and paid for. The subsequent recalculation of rates may not cover the period for which the recalculation has already been carried out.

2.6.3. If the supply of goods / services is delayed due to the fault of the supplier / service provider, the rates of the delayed goods / services shall not be recalculated due to the rise in the price level (cannot be increased), but shall be recalculated due to the fall in the price level (can be reduced) in the following procedure and conditions.

2.6.4. After the Parties conclude an agreement, the recalculated rates excl. VAT shall be applied to goods / services that were not actually accepted under the deed and paid for before the date of receipt of the Party's request for the other Party to review the rates.

2.6.5. When performing the recalculation, the Parties shall be guided by the data from the Database of Indicators published publicly on the official statistics portal of Statistics Lithuania State Data Agency (Department of Statistics of Lithuania) in accordance with the following criteria, without requiring the other Party to provide an official document or confirmation issued by the Statistics Lithuania State Data Agency of Lithuania or another institution.

2.6.6. Contract (stages not accepted and not paid for) rates excl. VAT shall be recalculated at the periodicity specified in the procedure according to the Consumer Price Index published monthly by Statistics Lithuania State Data Agency: "Consumer Goods and Services" (hereinafter referred to as the Index) (can be viewed here <https://osp.stat.gov.lt/statistiniu-rodikliu-analize#/>), if one of the following conditions exists:

2.6.6.1. the coefficient of change (K) is in the range (inclusive) between 0.95 – 1.05 ($0.95 \leq K \leq 1.05$), in which case, by the date of receipt of the request to review the Contract rates, the rates of goods / services that are actually not accepted and unpaid excl. VAT shall be converted (reduced) to the

rates excl. VAT provided in the supplier / service provider's tender / final tender. The coefficient of change (K) shall be calculated as follows.

or

2.6.6.2. the coefficient of change (K) is greater than 1.05 ($K > 1.05$) or less than 0.95 ($K < 0.95$), in which case the review shall be carried out in the following order;

2.6.7. The coefficient of change of the index (K) shall be calculated as follows:

The Parties to the Contract hereby confirm that they assume the risk of 0.05 increase and/or decrease in the Index change factor. During the review of the Contract price, if the Index change coefficient (K) goes out of the range of 0.95 – 1.05 (inclusive), the adjusted Index change coefficient (KD; KM) shall be subtracted from the calculation (if the Index change coefficient is greater than 1.05 (Index change coefficient (K) > 1.05)) or a 0.05 part of its share shall be added (if the Index change coefficient is less than 0.95 (Index change coefficient (K) < 0.95)) as the risk assumed by the Parties to the Contract.

If $(K) > 1.05$ or $(K) < 0.95$ after the calculation in accordance with the procedure below, the rates of goods / services not actually accepted and unpaid, excl. VAT, shall be recalculated, multiplied by the coefficient of change in the revised Index (KD; KM).

The review shall be carried out according to the formulas:

$$K = (IPb / IPr)$$

Where:

K - Index change coefficient, which is indicated and applied to the accuracy of 4 (four) decimal places;

IPr – the Index value published at the beginning of the period, i.e. Index specified in the month of the end of the deadline for submission of final tenders (applicable in all cases of recalculation, when recalculating for the first and subsequent times);

Ipb – the Index value published at the end of the period, i.e. The Index published on the day of receipt of the written request of the Party to the Contract (where such right has been acquired in accordance with the provisions of the procedure) to review the rates of the Contract.

If K is greater than 1.05, then its share of 0.05 shall be subtracted and the adjusted Index change coefficient KD shall be calculated:

$$KD = K - 0.05$$

If K is less than 0.95, then its share of 0.05 shall be added and the adjusted Index change coefficient KM shall be calculated:

$$KM = K + 0.05$$

Where:

KD; KM – coefficients of change in the adjusted Index.

2.6.8. The Parties shall enter into a written agreement in regards to the recalculated Contract rates excl. VAT. The Agreement shall include the following: Index value at the beginning of the period and the date of its determination, Index value at the end of the period and the date of its determination, Index change coefficient (K), revised Index change coefficient (KD, KM), recalculated fixed rates, recalculated Contract price excl. VAT (initial Contract value if changed) and other information relevant for recalculation.

2.6.9. A Party seeking a review of the rates must contact the other Party in writing and provide all the necessary information in the request: the name, number, date of the Contract, a list of goods / services not transferred and unpaid with quantities, Index values with links to public sources in the official statistics portal of the Statistics Lithuania State Data Agency, other important information (and information requested by the buyer / customer, documentation). In the request, the Party shall not have the right to indicate another Index or to request recalculation according to another Index than that specified in this procedure.

2.6.10. The Agreement must be concluded within 15 (fifteen) business days from the date of receipt of the appropriate request to recalculate the rates submitted by the Party.

2.6.11. By Agreement, the Parties shall not have the right to change the procedure specified in the procedure or other provisions of the Contract, except if the change is made in accordance with the

provisions of the Republic of Lithuania Law on Procurement by the Entities, Operating in the Field of Procurement, Waste Water Management, Energy, Transport or Postal Services.

2.6.12. For the sake of legal clarity, the Parties hereby confirm that the revision of the rates of the Contract in accordance with the procedure established in the procedure shall not be considered a change to the Contract, but its execution in accordance with the procedure prescribed in the Contract, except if the procedure is changed by agreement.

2.5. Payment terms:

2.7.1. Upon completion of an order, payment shall be made for the specific quantity/volume based on set rates, within 45 (forty-five) calendar days of the receipt of the Invoice, however, if the Contract involves finance from European Union funds or the State budget, the payment period may be extended to 60 (sixty) calendar days.

2.7.2. No advance payment is provided for in respect of the Supplier.

3. PROVISION OF SERVICES / SUPPLY OF GOODS

3.1. The procedure for the provision of Services / supply of Goods and their transfer and acceptance are set out in the Contract, which shall apply together with the detailed procedure for the placement of orders for Services / Goods and their transfer and acceptance set out in the TS. The description of the provision of Services / supply of Goods, the deadlines, the place of acceptance are specified in the TS.

3.2. When delivering the Goods / providing Services to the Customer, the Supplier submits the documents specified in clause 4.2 of the TS.

4. QUALITY AND WARRANTY

4.1. Any defects (faults) in the Services / Goods identified by the Customer, the expert examination or the Supplier at the time of transfer and acceptance of the Services / Goods, during the warranty period and/or during the term of the Contract shall be rectified in accordance with the procedure and within the time limits set out in the TS.

4.2. The periods of quality guarantee are set out in the TS. If the TS does not specify a quality guarantee period, the Supplier shall, at its own expense, rectify any defects (faults) in the Services / Goods, including the tools and goods required for the rectification of the defects, throughout the term of the Contract within the time limits specified in the TS.

4.3. The Supplier undertakes to ensure that during the lifecycle of the Locomotive safety systems the availability of the components and software updates shall be guaranteed for proper operation of the Locomotive safety systems during their usual lifecycle. The Supplier shall ensure, including but not limited to, that functionally and installation-compatible components and software updates are available and their supply is possible in general for the period of 15 (fifteen) years from the end of the Contract. The Supplier shall at the Customer's request submit the respective confirmation on from the manufacturers of the components. The said obligation shall survive the term of the validity of the Contract.

5. LIABILITY OF THE PARTIES

5.1. If the Supplier is in delay to perform the Services / deliver the Goods / complete an order or stage (*if applicable*), or to remedy their defects (faults) (including delays after the expiration of the Contract), from the next day the Customer shall apply a late interest rate of 0.05 (five hundredths) per cent to the Supplier for each delayed calendar day on the price of overdue Services / Goods / order / stage excluding VAT.

5.2. If the Customer, after having received a duly submitted and completed Invoice, delays payment for the quality Services / Goods duly delivered and transferred by the Supplier within the time limit specified in the Contract, the Supplier from the next day shall charge the Customer a late payment interest of 0.05 (five hundredths) per cent) of the overdue amount excluding VAT for each calendar day of delay.

5.3. If the Supplier fails to fulfil other obligations (at least one) set out in the Contract, for which the Contract does not set a specific time limit, the Customer shall contact the Supplier in writing (by e-mail or through the information system agreed between the Parties) and set a reasonable time limit for fulfilment of these contractual obligations and for elimination of deficiencies in the fulfilment of the obligations. If the Supplier fails to duly perform contractual obligations within the set time limit and/or to remedy any deficiencies in the performance of contractual obligations, the Supplier shall pay late interest at the rate of 0.05 (five hundredths) percent on the late fulfillment of the order (Terms are specified in point 3.6 of the Technical Specification), for each calendar day of delay.

5.4. The maximum threshold for penalties payable by the Party, determined in Chapter 5 STC of the Contract, shall be set at 20 (twenty) per cent of the Contract price excluding VAT. This amount shall not include the value of loss compensation and third-party sanctions.

5.5. Penalties due from the Party (if they are not set off) and/or accrued losses shall be paid to the other Party within 45 (forty-five) calendar days of receipt of claim.

6. CONTRACT PERFORMANCE SECURITY

6.1. The performance of the Contract shall be secured (hereinafter: '**security**') as follows:

6.1.1. penalties set out in the Contract – fine and late interest, the amount of which shall be indicated in the Contract;

6.1.2. a first demand bank guarantee issued in favour of the Customer (hereinafter: the '**bank guarantee**'), a surety insurance letter issued by an insurance company or credit union (hereinafter: the '**letter of guarantee**'). The amount of the Contract performance security, which shall remain unchanged throughout the term of the Contract – **3 per cent** of the Contract price excluding VAT.

6.2. The original of the bank guarantee or letter of guarantee to be submitted to the Customer shall be signed by the issuing entity with a qualified electronic signature that complies with the requirements laid down in Article 22(11)(2) and (3) of the Law on Public Procurement of the Republic of Lithuania, Article 34(11)(2) and (3) of the Law on Procurement by Contracting Entities Operating in the Water, Energy, Transport and Postal Services Sectors of the Republic of Lithuania (or their replacements). If the letter of guarantee is provided, a surety insurance certificate (policy) must be provided, with a reference to the rules on the basis of which the insurance terms were established. It shall be accompanied by a copy of proof of payment for issuing the bank guarantee or letter of guarantee.

6.3. The bank guarantee or letter of guarantee must be irrevocable and unconditional.

6.4. The bank guarantee or letter of guarantee issued must be subject to the law of the Republic of Lithuania and the rules approved by the International Chamber of Commerce (The ICC Uniform Rules for Demand Guarantees (Publication No 758)).

6.5. If the bank guarantee is provided, it must be issued by a bank registered in the Republic of Lithuania or in another Member State of the European Union or in a state of the European Economic Area (EEA), which has an investment grade rating no lower than the investment grade rating approved by an international rating agency as indicated in sub-clause 7.7 of the Contract SC. In case of providing the bank guarantee issued by an international bank not registered in the Republic of Lithuania or another Member State of the European Union, or a state of the European Economic Area (EEA), such bank shall have an investment grade rating approved by an international rating agency not lower than that specified in Sub-clause 6.7 of the Contract SC. The bank which has issued a guarantee must itself fulfil the rating criteria concerned. If, due to the specificity of the country risk, international rating agencies do not assign an international credit rating to the authorities of the supplier's country but assign a national scale credit rating, the supplier may provide a guarantee from a credit institution with a national scale credit rating of at least Class A by Standard & Poor's, Moody's or Fitch Ratings. The Supplier may provide a bank guarantee guaranteeing the fulfilment of the Contract, issued by a bank with a lower rating, if this bank is a member of the European banking group and the long-term investment grade rating of the group's parent company is not lower than:

Fitch Ratings	Standard&Poor's	Moody's	A.M. Best
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BBB	BBB	Baa2	BBB+
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6.6. In case of providing the letter of guarantee, the issuing insurance company or credit union must have an investment grade rating approved by an international rating agency not lower than that specified in Sub-clause 6.7. of the Contract SC. Where an insurance company is not rated, it shall be deemed to be acceptable if the aforementioned ratings are assigned to the main shareholder of such insurance company, which controls at least 50% of shares of the insurance company. This does not apply to credit unions.

6.7. A bank, insurance company or credit union issuing a guarantee or surety insurance letter shall have on the date of issuing the relevant document a long-term investment grade rating not lower than the long-term investment grade rating specified, approved by at least one of the following international rating agencies: 'BBB' by Fitch Ratings or 'BBB' by Standard & Poor's or 'Baa2' by Moody's, or 'BBB+' by A.M. Best.

6.8. Upon request by the Customer, the Supplier shall provide appropriate documentary evidence that the bank, insurance company or credit union issuing the bank guarantee or letter of insurance has the appropriate ratings as specified in the Contract at the date of providing the guarantee.

6.9. The bank guarantee or letter of guarantee and/or the contract/agreement between the Supplier and the entity issuing the bank guarantee or letter of guarantee must include the following provisions:

- disputes between the Parties shall be settled in accordance with the procedure laid down by legislation of the Republic of Lithuania before the courts of the Republic of Lithuania;
- any clauses of the bank guarantee or letter of guarantee that are in conflict with the terms and conditions of the Contract and/or the (public) procurement legislation are void;

6.10. The content of a bank guarantee and a letter of guarantee must meet the binding minimum requirements:

- the entity issuing the bank guarantee or letter of guarantee must irrevocably and unconditionally undertake to pay to the Customer, not later than within 15 (fifteen) calendar days of receipt of a written notice from the Customer of non-performance, improper performance or termination of the Contract, an amount not exceeding the amount specified in the bank guarantee or letter of guarantee, by money transfer to the account specified by the Customer. Any additional conditions for payment shall be prohibited;
- the bank guarantee or letter of guarantee may not state that the entity issuing the bank guarantee or letter of insurance is liable only for direct damages;
- The entity issuing the bank guarantee or letter of guarantee shall not be entitled to require the Customer to substantiate its claim. The Customer shall state in a notification to the entity issuing the bank guarantee or letter of guarantee that the amount of the security is due to it on the ground that the Supplier improperly performs the Contract, has caused losses, has failed to fulfil, in whole or in part, the terms and conditions of the Contract, the Contract is being terminated/is terminated, and/or there exists any other circumstance referred to in the Contract, and the entity issuing the bank guarantee or the letter of guarantee, upon receipt of the notification, is obliged to pay the amount stated in the bank guarantee or letter of guarantee, without imposing any further conditions.

6.11. The Customer may use the security in the event of any of the below circumstances:

- The Supplier fails to perform or improperly performs its obligations under the Contract;
- The Supplier fails to comply with the Customer's instruction to remedy defects in the Services / Goods or to perform any other obligation imposed on the Supplier in the Contract within the time limit specified in the Contract, or, if such time limit is not specified, within the time limit set by the Customer;
- The Supplier is the subject of bankruptcy or winding up proceedings, or suspends economic activities;
- The Contract is terminated due to the fault of the Supplier;

- If the Customer has incurred losses (including, but not limited to, additional expenses, unearned income, or other direct and indirect losses, or penalties) due to any other actions (acts or omissions) of the Supplier, including subcontractors, specialists or economic entities engaged by it;

6.12. The documents supporting the security shall be submitted to the Customer only by electronic means and may be submitted by any other means only if the bank, insurance company or credit union does not issue documents signed with a qualified electronic signature and confirms this in writing.

6.13. The security shall comply with all the requirements of the Contract throughout the term of the Contract and cannot be altered by the Supplier and/or the entity which has provided it without the written consent of the Customer. The period of validity of the security shall be not shorter than the expiry date of all contractual obligations of the Supplier, including, but not limited to, the expiry date of payment of penalties. If, during the term of the Contract, the security expires or ceases to be valid for any other reason, or if the term of the Contract is extended, which requires extending the security, the Supplier must extend or provide a new security that meets all the requirements of the Contract before the expiry of the existing security, but no later than two (2) working days after the expiry of the security. If the Supplier fails to comply with any of the requirements set out in this Clause, the Customer shall be entitled to terminate the Contract through the fault of the Supplier and the Supplier shall be liable to pay the Customer a fine of 2 (two) per cent of the Contract price excluding VAT and to indemnify the Customer against all losses to the extent that they are not covered by the fine.

6.14. The Supplier undertakes to provide the bank guarantee or letter of guarantee complying with the requirements set out in the Contract not later than within 10 (ten) calendar days from the day of establishing the fact or of the Customer's request, should it become apparent during the performance of the Contract that the entity issuing the bank guarantee or letter of guarantee no longer meets the requirements of the Contract. If the Supplier breaches this Clause, the Customer shall acquire the right to terminate the Contract due to the fault of the Supplier, and the Supplier shall be liable to pay the Customer a fine of 2 (two) per cent of the Contract price excluding VAT and to indemnify the Customer against all losses to the extent that they are not covered by the fine.

6.15. The security which does not comply with the requirements set out in the Contract shall not be accepted

6.16. The Supplier must provide the Customer with a security that meets all the requirements of the Contract no later than within 10 (ten) working days once the Contract has been signed by both Parties. If the Supplier provides deficient security, any deficiencies identified in writing by the Customer shall be remedied by the Supplier at the Supplier's sole cost and expense, and the Customer shall be provided with the Contract performance security meeting all the requirements of the Contract not later than within 10 (ten) working days from the identification of deficiencies. If the Supplier fails to provide the security within the time limits set out in this Sub-clause, the Supplier shall be deemed to have refused to sign the Contract and the Contract shall be deemed not to have been concluded, and Customers shall acquire the right to use the tender security to compensate expenses and losses incurred.

6.17. Following submission of security meeting all terms and conditions of the Contract, the tender security (if applicable) will be returned to the Supplier within 10 (ten) days.

6.18. The security shall be returned to the Supplier within 30 (thirty) calendar days after full discharge of contractual obligations by the Supplier and upon the Supplier's written request.

6.19. The Contract performance security is intended for securing the performance of all the contractual obligations of the Supplier, including, but not limited to, payment of penalties. If the Contract is terminated due to whatsoever reason, the Contract performance security may be used to recover any sum of money due from the Supplier to the Customer. The Customer may use the Contract performance security, regardless of termination of the Contract.

6.20. Other than specified types of security for the Contract performance shall not be accepted.

7. CONTRACT VALIDITY

7.1. The Contract shall be deemed to have been concluded once it has been signed by the authorised representatives of the Parties and shall enter into force on the same day when the Supplier submits the Contract performance security meeting all requirements of the Contract, as well as other documents necessary for the entry into force of the Contract if they are required in accordance with the terms and conditions of the Contract.

7.2. The Contract shall be valid until full discharge of the obligations, but not longer than 44 (forty-four) months. The maximum period for providing the Services / supplying the Goods, including the time limits for ordering the Services / Goods, which is included in the duration of the Contract, is 42 (forty-two) months, to be calculated from the day of entry into force of the Contract. The maximum terms for providing the Services / supplying the Goods and the validity of the Contract shall not be exceeded, except in the case of extensions thereof in accordance with the procedure set out in the Contract or for a period during which the Supplier is late to deliver the Services / Goods and penalties are charged to the Supplier until handover of and payment for the Services / Goods.

8. INTELLECTUAL PROPERTY

8.1. Without the Customer's written consent, the Supplier shall not be entitled to use the symbols, name and brand of the Corporate Group of AB Lietuvos Geležinkeliai in advertising or marketing, as well as to use the Customer's results of intellectual activity. In case of violation of the requirement, the Supplier shall be subject to a fine of 1 (one) per cent of the Contract price excluding VAT.

8.2. The Supplier undertakes to reimburse the Customer for damage as a result of any claims stemming from intellectual property rights, including, but not limited to, the right (registered or not) of patent, trademark, industrial design owner (user), the right stemming from applications to register any of the said rights, copyright, the (sui generis) right of database producers, the right of owners of firm, company, organization, business names or brands and other similar rights or obligations, irrespective of whether they are registered in Lithuania or in other countries, or not registrable, as provided for in the Contract, except for the cases where such infringement is caused through the fault of the Customer.

Services

8.3. All exclusive intellectual property rights, including industrial and copyrights, in the deliverable produced as a result the Services after the conclusion of the Contract and during the performance of the Contract and related data, codes, documents, shall belong to the Customer. The exclusive intellectual property rights shall be deemed to have been transferred to the Customer upon signing by the Parties of the certificate of transfer and acceptance of Services (and each interim certificate, if applicable). Remuneration to the Supplier for the transfer of property rights to intellectual property objects to the Customer shall be included in the price of the Contract.

8.4. All intellectual property rights, including industrial and copyrights, created before the commencement of the Contract and used as a means to create the Services or to perform the Contract (e.g., programs, publications, etc. created by other manufacturers before the commencement of the Contract) shall remain the intellectual property of the Supplier or other third party (if the Supplier has used third-party means). However, the Supplier warrants that the Customer and the LTG Group as a whole shall be able to use such means and the result of the Services for an indefinite duration, without restriction as to territory, and free of charge, without any separate consent of the Supplier or any third party.

Goods

8.5. All intellectual property rights to the Goods and to related data shall belong to the Supplier / manufacturer.

8.6. The Supplier / manufacturer shall assign to the Customer, without additional charge, irrevocably, without limitation as to territory and duration, the intellectual property rights to use, resell, transfer, and repair (insofar as this does not violate the warranty service rules) the Goods. The remuneration to the Supplier for the assignment of the said rights and for the transfer of the Goods themselves into the ownership of the Customer shall be included in the prices of the Goods / Services.

9. MISCELLANEOUS

9.1. The Services / Goods relate to an object of national security importance / a strategic object of the LTG Group and therefore the Supplier's obligation not to disclose the Customer's confidential information, as described in the Contract GC, shall remain in force indefinitely.

9.2. Taking into account the nature and scope of the Customer's (LTG Group's) confidential information to be transmitted and/or made available to the Supplier, the Parties shall sign a non-disclosure agreement, which shall make an integral part of the Contract (Annex No. 5).

9.3. The Supplier is not considered to be associated with the Customer in accordance with the applicable legal acts of the Republic of Lithuania (the Law on Value Added Tax, the Law on Corporate Income Tax, the Law on Personal Income Tax).

9.4. The Supplier is not registered VAT payer in the Republic of Lithuania. (The supplier is registered as a VAT payer in the Republic of Ukraine).

9.5. The Contract is made in Lithuanian and English language in 2 (two) equally legally binding copies, one copy for each Party. In case of discrepancies in the provisions of the Contract between the English and Lithuanian versions, the Lithuanian version shall prevail. The Contract shall be signed with qualified electronic signatures.

9.6. In the event of replacement of any of the following persons, the Party must notify the other Party in writing and indicate the details of the newly appointed person; no separate agreement shall be signed, and the person's replacement notification shall be deemed to be an integral part of the Contract.

THE CUSTOMER	THE SUPPLIER
Contract owner: UAB „LTG Link“	Private Joint-Stock Company „Severodonetsk Research and Production Association Impulse“

Supplier during the performance of the Contract must comply with all the requirements set out in the Procurement documents, including the Contract and Annexes thereto, and ensure proper and continuous implementation of all the criteria, including green, quality, and national security criteria.

The national security criteria applied during the conduct of the Procurement and the performance of the Contract:

- Sanctions: the supplier and the procurement object proposed by it, as well as persons engaged by it, are not subject to international sanctions implemented by the Republic of Lithuania, as defined in the Law on the Implementation of Economic and Other International Sanctions of the Republic of Lithuania and other international, European Union and Lithuanian legislation;
- Article 50(9) of the PL and Article 47(9) of the PPL (see the wording of the requirement in the Law);
- 58(4)(1) of the PL (see the wording of the requirement in the Law).

9.5. Annexes to the Contract SC:

Annex No. 1 – Supplier's tender (the tender form are attached, the whole tender with annexes is stored in the CPP IS);

Annex No. 2 – Technical Specification;

Annex No. 3 – Contract GC;
Annex No. 4 – Confidentiality Agreement;
Annex No. 5 – Security for the performance of the Contract, attached after signing the Contract
(the original copy is stored in CPP IS);

9. ADDRESSES AND DETAILS OF THE PARTIES

The Customer

UAB „LTG Link“

Company code 305052228
VAT code LT LT LT100012462811
Geležinkelio g. 16, LT-02100 Vilnius

Telephone: (8 5) 269 3265
E-mail: info@ltglink.lt

The Supplier

**Private Joint-Stock Company
„Severodonetsk Research and
Production Association „Impulse“**

Company code 31393258
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SERVICES AND GOODS PROCUREMENT CONTRACT

GENERAL CONDITIONS

1. TERMS USED IN THE CONTRACT AND INTERPRETATION THEREOF

1.1. **Detailed Report** means a free-form written document submitted by the Supplier to the Customer, the exact content and form of which will be determined by the authorised representatives of the Parties during the performance of the Contract.

1.2. **Instruction** means any written or verbal instruction in any form (which must be subsequently confirmed in writing) issued by the Customer to the Supplier in connection with the performance of the Contract.

1.3. **Services** means the Services defined in the Contract and the annexes thereto, which the Supplier undertakes to provide to the Customer in accordance with the requirements laid down in the Contract and the annexes thereto. The term 'Services' used in the Contract encompasses all activities related to the Service delivery, which are specified in the Services procurement conditions, their clarifications and/or adjustments (if any), including, but not limited to, the provision of Services, transfer of their deliverables, rectification of defects, supply of goods and/or execution of works where provided for in the Contract or is necessary in order to create and transfer the result of Services to the Customer.

1.4. **Supplier** means the economic entity specified in the Special Conditions of the Contract that supplies Goods and provides Services to the Customer in accordance with the Contract, hereinafter also referred to as the '**Party**'.

1.5. **Procurement** means a procurement of Services and Goods carried out by the Customer by way of entering into a sales and purchase contract with the selected Service Provider(s).

1.6. **Goods** means the Goods defined in the Special Conditions of the Contract and the annexes thereto, which the Supplier undertakes to supply to the Customer in accordance with the Contract and the applicable legal requirements. As used in the Contract, the term 'Goods' covers all activities related to the supply of Goods as set out in the Procurement conditions, their clarifications and/or adjustments. The technical requirements for the Goods are laid down in the annexes to the Special Conditions of the Contract.

1.7. **In Writing/Written** means sending any instruction, notice, request, claim, order or document signed by a Party via email, by registered mail, by means of the CPP IS or by direct delivery to the interested party, using the contact details specified in the Special Conditions of the Contract (except where otherwise specifically stated in the Contract).

1.8. **Invoice** means a value added tax (hereinafter: the '**VAT**') invoice, invoice, credit and debit documents.

1.9. **Contract** means the present Services and Goods procurement contract, consisting of the General and Special Parts of the Contract, annexes thereto and the Procurement documents.

1.10. **Customer** means a company(ies) within the Corporate Group of AB Lietuvos Geležinkeliai (hereinafter: the '**LTG Group**') named in the Special Conditions of the Contract, which is (are) directly and/or indirectly controlled AB Lietuvos Geležinkeliai (hereinafter: the '**LTG**'), hereinafter also referred to as the '**Party**'.

1.11. In the Contract, if the context so requires, the words in the singular may also include the plural and vice versa.

1.12. In cases where a certain number written in digits differs from the same number written in words, the latter shall prevail. In case the payment currency abbreviation does not match the full name of the said currency, the full name of the currency in words shall be deemed correct.

1.13. Except where otherwise specifically stated in the Contract, the duration of the Contract and other time limits shall be calculated in calendar days.

1.14. All provisions of the Contract in their entirety shall apply *mutatis mutandis* to the Services and Goods, including works which may be executed on the basis of the Contract. Works (if any) and the Services are hereinafter referred to as the **Services**. Such works shall also be subject to the statutory requirements according to the nature of works.

2. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

2.1. Either Party shall represent and warrant to the other Party that:

2.1.1. The Parties to the Contract have read and understood the Contract, and the duly authorised signatories of each Party have signed in confirmation of this;

2.1.2. The Parties have concluded the Contract in pursuit of implementing its provisions and having actual ability to fulfil the obligations laid down in the Contract;

2.1.3. The Parties have concluded the Contract without prejudice or intended prejudice to the legislation of the Republic of Lithuania and to the documents regulating their activities as well as contractual obligations;

2.1.4. The Parties are solvent, their activities have not been limited, restructuring or winding-up proceedings are neither brought nor intended against the Parties, they have not suspended or limited their activities, and they are not subject of bankruptcy proceedings.

2.2. The Supplier shall represent and warrant that:

2.2.1. it is fully aware of all the information related to the subject-matter of the Contract and other documents submitted by the Customer on its request, necessary to perform the contractual obligations and to deliver the Services / Goods; furthermore, these documents and all the information contained therein are fully and completely sufficient for the Supplier to ensure the proper and full performance and quality of all obligations under the Contract;

2.2.2. it is in possession of all relevant licenses, permits, attestations, competency certificates, as well as all the qualifications and competences required for the delivery of the Services / Goods and the performance of obligations specified in the present Contract;

2.2.3. it has all technical, intellectual, physical and other capabilities and qualities necessary and appropriate to enable it to perform properly the terms and conditions of the Contract;

2.2.4. it does not have any debts or liabilities to any third parties, which could hinder the proper performance of contractual obligations, and undertakes not to assume such obligations for the duration of the Contract period;

2.2.5. All the taxes payable in the Service Provider's country on sale of Services have been duly paid;

2.2.6. The Supplier and/or economic entities engaged by it, on whose capacities the Supplier relies, and/or subcontractors, as well as any persons controlled by each of these entities concerned and/or the Services / Goods delivered under the Contract, shall not be subject to sanctions implemented in the Republic of Lithuania (hereinafter: the '**sanctions**'), including the sanctions of the United States, as defined in the Law on the International Sanctions of the Republic of Lithuania (hereinafter: the '**Sanctions Law**') and other international, European Union and Lithuanian legislation (at least one of the applicable sanctions);

2.2.7. The Supplier and/or economic entities subcontracted by it, on whose capacities the Supplier relies, and/or subcontractors and Services performed by them will not pose threats to national security and/or the Customer's business.

2.3. In case of any change in the circumstances set out in sub-clause 2.1.4 and clause 2.2 of the General Conditions of the Contract, the Party undertakes to notify the other Party in writing not later than within 3 (three) days.

2.4. The Parties shall represent and warrant that each representation pursuant to Clauses 2.1 and 2.2 of the Contract is true and correct as of the day of concluding the Contract.

3. RIGHTS AND OBLIGATIONS OF THE SERVICE PROVIDER

3.1. The Supplier undertakes:

3.1.1. The Supplier undertakes to perform the Contract in the most cost-effective and advantageous way for the Customer, in accordance with the requirements of the Contract, following the principles of transparency, cooperation and non-discrimination, using all necessary technical and organisational measures to ensure the safe, high-quality delivery of the Goods / Services and the security of the Customer's data, including, but not limited to, the protection of personal data and confidential information, proper processing of information, and cyber security. This shall not entitle the Supplier to modify the Contract on terms other than those set out in the Contract, or to reduce unilaterally the scope of the Service Provider's obligations under the Contract or any part thereof, or to take any other action contrary to the Contract or legislation;

3.1.2. to perform all contractual obligations, including after-sales service after the expiry of the Contract and other obligations stipulated in the Contract, in a consistent manner and in accordance with the requirements laid down in the legislation and the Procurement documents, including the Contract and its annexes. The Supplier shall provide all necessary equipment, occupational safety and manpower necessary for the performance of the Contract;

3.1.3. to provide the Services / supply the Goods which meet the requirements laid down in the Contract;

3.1.4. to read and comply with the provisions of the Code of Business Conduct for Suppliers of the LTG Group ([publicly available](#)¹) and the operating principles contained therein, as well as to ensure that all third parties subcontracted by the Supplier (subcontractors, economic entities on whose capacities the Supplier relies and other related persons, hereinafter collectively referred to as the **persons**) also comply with them;

¹ <https://www.litrail.lt/documents/10279/11756890/LTG+tiekejo+elgesio+kodeksas.pdf/50ad7ff6-6503-41ec-85a8-b7caf8b56850>.

- 3.1.5. to observe all the existing and applicable laws of the Republic of Lithuania and the Procurement documents, including the Contracts, and comply with the documents and instructions provided by the Customer during the performance of the Contract. to ensure that the staff of the Supplier and subcontractors comply therewith;
- 3.1.6. within the time limit set by the Customer at own expense to compensate the Customer for any losses incurred as a result of violation by the Supplier and/or persons engaged by the Supplier of the legislation and/or improper performance, non-performance and/or termination of the Contract, and/or as a result of the sanctions imposed by the public authorities and/or the initiation of legal proceedings, provided that any such sanctions have been imposed or legal proceedings have been initiated as a result of the fault, negligence, or concealment of information on the part of the Supplier and/or the persons engaged by it;
- 3.1.7. to ensure that the Contracts is performed only by the persons entitled to do so;
- 3.1.8. to inform the Customer in writing immediately, but not later than within 3 (three) days, if it becomes apparent that the Supplier is unable to ensure fulfilment of any obligation assumed or any guarantee provided by the Supplier under the Contract, or if any circumstances have arisen which might influence proper and timely performance of the Contract. Such notification by the Customer shall not exempt the Supplier from liability and shall not constitute grounds for amending the Contract, except as otherwise specifically stated in the Contract.
- 3.2. The Supplier shall have the right to receive payment for the Services / Goods provided that it properly performs the Contract.
- 3.3. The Supplier shall have all the other rights specified in the Contract and the applicable legislation of the Republic of Lithuania.

4. RIGHTS AND OBLIGATIONS OF THE CUSTOMER

- 4.1. The Customer undertakes:
- 4.1.1. to perform the Contract under the terms and conditions established herein, following the principles of cooperation, transparency and non-discrimination. However, this shall not entitle the Supplier to modify the Contract on terms other than those set out in the Contract, or to assume all or any part of the obligations set out in the Contract, or to take any other action contrary to the Contract or to any law or regulation;
- 4.1.2. to provide the Supplier with the information in its possession and/or documents necessary for the performance of the Contract (*if applicable*).
- 4.2. The Customer shall have the right, at any time during the performance of the Contract, to require the Supplier to provide supporting documentation concerning the compliance of the Service Provider, the persons engaged, manufacturer's and/or the persons controlling them and/or of goods (including their components and packaging) offered by the Service Provider, and of the services provided and their providers, with national security requirements and/or the provisions of the Law on Public Procurement of the Republic of Lithuania (hereinafter: 'PPL'), including the Article 37(9), Article 47(9) and/or Article 45(2)(1), and the provisions of the Law on Procurement by Contracting Entities Operating in the Water, Energy, Transport and Postal Services Sectors of the Republic of Lithuania (hereinafter: the 'PL'), including the Article 50(9), Article 58(4)(1) and/or the Article 47(9) of PPL and/or concerning the (non)application of sanctions. If the Supplier fails to provide the information and documents specified by the Customer within the time specified by the Customer, the Customer shall have the right to terminate the Contract in accordance with the procedure set out in the General Conditions of the Contract.
- 4.3. The Customer shall have all the other rights set out in the Contract and the applicable legislation of the Republic of Lithuania.

5. PRICING RULES AND PAYMENT TERMS

- 5.1. The price of the Contract and the pricing rules shall be set out in the Special Conditions of the Contract.
- 5.2. The price of the Contract specified in the Special Conditions of the Contract (hereinafter: the '**price of the Contract**') and the rates for the Services / Goods (hereinafter: the '**rates**') shall include all taxes and charges applicable for the Services in Lithuania/other country, which may be incurred during performance of the Contract.
- 5.3. The price of the Contract and the rates, excluding VAT, determined in the Service Provider's tender shall be final and remain unchanged throughout the term of the Contract (*unless specified otherwise in the Special Conditions of the Contract or its annexes*). The Supplier is considered to be a professional market participant who must have properly calculated the tender price and individual rates at the time of submitting its tender, taking account of market conditions and organisational, technical, and financial measures and capacity required for the performance of the Contract, and the Supplier therefore assumes the full risk of any possible increase in the price of the Contract and the rates.

5.4. The Parties shall agree that the price of the Contract and the rates (depending on the pricing method chosen in the Special Conditions of the Contract), excluding VAT, cannot be changed due to changes in the legislation, i.e., the Suppliers shall assume all the risks relating to the possible increase in the price of the Contract and the rates, except for the VAT. In case of any changes in the legislation regulating the application of VAT during the term of the Contract, the price of the Contract and the rates, excluding VAT, shall remain unchanged, however the Customer shall pay the price of the Contract and the rates for the Services / Goods properly delivered under the Contract to the Service Provider, which shall be equal to the sum obtained by adding the VAT calculated based on the newly approved tax rate to the price of the Contract and the rates specified in the Contract, unless provided for otherwise in the legislation adopted. The updated price of the Contract and the rates shall be executed by an agreement signed by the Parties and shall be applied from the date of the introduction of the new VAT rate (irrespective of the date of signing the said agreement).

5.5. During performance of the Contract, all Invoices shall be submitted by electronic means only in accordance with the provisions of Article 22 of the PPL or Article 34 of the PL. Electronic Invoices complying with the European Standard on Electronic Invoicing shall be submitted by means of the Service Provider's choice. Electronic Invoices that do not comply with the European Standard on Electronic Invoicing shall be submitted only using tools of the information system 'E-invoice'. Together with the Invoice, certificates of transfer and acceptance of Services / Goods signed by both Parties, as well as other documents referred to the Contract, shall be submitted. Proforma invoices may be submitted by the Supplier to the person in charge of the performance of the Contract or by means of the E-Invoice Information System if the Special Conditions of the Contract provided for the advance payment.

5.6. An Invoice issued by the Supplier must meet all the statutory requirements and shall be issued on a date not earlier than the date of signing the certificate of transfer and acceptance of Services / Goods on the basis of which the Invoice is submitted. Furthermore, the Invoice issued by the Supplier must contain:

5.6.1. The Service Provider's VAT code and name;

5.6.2. number and date of the Contract, purchase order number stated in an order ('PO number') (if any);

5.6.3. contact details of the responsible persons of the Parties;

5.6.4. exact names, units of measure and rates (price) of the Services / Goods corresponding to the names, units of measure and rates (price) set out in its proposal and the Contract;

5.6.5. date and number (if applicable) of the certificate of transfer and acceptance of Services / Goods as well as other data requested by the Customer.

5.7. In case the Invoice submitted by the Supplier fails to meet the requirements of the Contract, the Customer shall return such Invoice to the Supplier for adjustment with an instruction to immediately submit the Invoice meeting the requirements of the Contract. The payment term shall be calculated from the date of receipt of the Invoice meeting the requirements of the Contract.

5.8. The payment currency under the Contract shall be the national currency of the Republic of Lithuania, unless otherwise provided in the Special Conditions of the Contract. The Suppliers shall assume all the risks of a possible change (if any) in the currency exchange rate.

5.9. Payment for the Services / Goods properly delivered and accepted by the Customer shall be made in accordance with the procedure set out in the Special Conditions of the Contract against the Invoice duly completed and submitted by the Service Provider. Payments shall be made by bank transfer to the bank account of the Supplier specified in the Contract or to another bank account specified by the Supplier in writing (the letter must be signed by the manager of the Supplier or his/her authorised person) if the Supplier has assigned to a third party (the financier) its monetary claim under the Contract and has notified the Customer thereof in writing. The fact of factoring (assignment of a monetary claim) must be clearly stated in the Invoice.

5.10. If the Supplier fails to properly perform contractual obligations, the Customer shall be entitled, without prejudice to other remedies available to it under the Contract and the legislation, to apply in relation to failure to perform the obligations and/or the accrued amount of penalties a unilateral set-off against all the amounts owing to the Supplier under the Contract (with a written notice given to the Service Provider) and, if these amounts are not enough, also against the means of security for the performance of obligations submitted by the Supplier (with a written notice given to the Service Provider) to cover the penalties referred to in the Contract and all losses incurred thereby. This provision shall be valid irrespective of the termination of the Contract and the application of other sanctions.

5.11. In the cases where the Supplier fails to perform or improperly performs any of the obligations assumed in accordance with the Contract or established by legislation, the Customer shall have the right to suspend payments to the Supplier until proper discharge of the said obligations.

6. CONTRACT PERFORMANCE SECURITY

6.1. The Contract performance shall be secured by the penalties referred to in the Contract and by other means of security for the performance of obligations where provided for in the Special Conditions of the Contract.

7. QUALITY AND WARRANTY OBLIGATIONS

7.1. The Supplier shall guarantee the quality of Services / Goods and the absence of hidden defects. The quality of Services / Goods must comply with the requirements and standards set out in the Contract and the legislation governing the delivery of Services / Goods of such nature.

7.2. The warranty period for the Goods / Services is set out in the Contract and during the term of the warranty period, even if the warranty period extends beyond the Contract, the Supplier shall rectify any defects, including the tools, equipment and supplies required for the rectification of a defect (fault), at its own expense in accordance with the procedure and within the time limits set out in the Contract. The warranty period for the Goods / Services or parts thereof shall enter into force as from the handover of the Goods / Services or part thereof to the Customer, subject to signing by the Parties of the certificate of transfer and acceptance of Goods / Services. The warranty period shall be extended at the expense of the Supplier for the period during which the Customer was unable to use the Goods / the Services deliverable due to the fault of the Service Provider, or during which defects were remedied.

7.3. During the term of the Contract and/or the warranty period, the Supplier shall remedy, at its own expense, any deficiencies in the performance of the Contract and defects (faults) in the Goods / Services and/or non-conformities with the requirements of the Contract in accordance with the procedure and within the time limits set out in the Special Conditions of the Contract.

7.4. The remedy of defects and/or the Customer's refusal to accept the Services / Goods of poor quality shall not extend or suspend the time limit for the delivery of the Services / Goods and shall not exempt the Supplier from the payment of penalties, except as expressly provided for in the Contract, or where an independent expert examination establishes that the Services are of good quality, or that their non-conformity with the terms and conditions of the Contract is due to the fault of the Customer (only in the case of the Customer's failure to observe the written instructions for the use of the Services deliverable or the written rules for the use and storage of the Goods as submitted to it by the Service Provider).

7.5. If the Customer discovers defects in the Services / Goods during the Goods / Services warranty period and/or during the term of the Contract, shall send a defects report to the Supplier by e-mail specified in the Contract, indicating non-acceptance of the Goods / Services and defects in them as well as instructing the Supplier to sign it within at least 2 (two) working days and send it back to the Customer within 3 (three) days. Where the Supplier fails to send the signed defects report or reasoned refusal to accept the defects, it shall be deemed that the Supplier has accepted the defects. If the Supplier fails to accept the defects, the Parties shall agree on conducting an independent expert examination, and in the case of failure to reach agreement within 3 (three) working days, the Customer shall perform the expert examination of its choice and shall provide the conclusions of such expert examination to the Service Provider. The findings of the expert examination shall be binding on the Parties. The Supplier shall be obliged to provide all documents required for the expert examination and/or requested by the Customer, otherwise the Supplier shall be deemed to have admitted its fault for the delivery of defective Goods / Services and the Customer's report. The costs of the expert examination shall be borne by the Customer if as a result of the expert examination it is established that the Services / Goods comply with the requirements set out in the Contract, or by the Supplier if the expert examination establishes that the Services / Goods do not meet the requirements set out in the Contract.

7.6. If the Supplier discovers any defects (faults) in the Services / Goods or other deficiencies in the performance of the Contract, it shall promptly remedy them at its own expense and if the deficiencies are related to the performance of the Contract by the Customer it shall inform the Customer thereof in writing.

7.7. If the Supplier fails to remedy the defects within the time limit determined in the Contract, the Customer shall have the right to charge penalties to the Service Provider and to neither accept the Services / Goods delivered later nor pay for them subject to submitting to the Supplier a written notice of their non-acceptance. The same warranty conditions and terms, which are discussed in the Contract, shall apply to the new Services / Goods delivered. If the Supplier fails to deliver good quality Goods / Services within the set time limit, it shall, within 5 (five) calendar days, refund to the Customer the price paid by it for the Goods / Services and submit a credit Invoice (where the payments have been made already).

7.8. In the event of failure by the Supplier to remedy defects in the Services / Goods, as identified during the terms of the warranty period after the expiration of the Contract, the Supplier must pay to the Customer penalties in the amount set out in the Special Conditions of the Contract, and this obligation of the Supplier shall survive expiration/termination of the Contract

8. PROVISION OF SERVICES / SUPPLY OF GOODS

8.1. The Supplier undertakes, in accordance with the Contract and the legislation requirements, to deliver the Goods and the Services and to hand over the Goods and the Services deliverable, to the Customer, including related actions, at the place specified in the Contract in accordance with the procedure and within the time limits set out in the Contract. The procedure for the delivery of Goods / Services is set out in the General Conditions of the Contract and are additionally detailed in the Special Conditions of the Contract, and the Supplier must fully comply with the procedure and requirements laid down in the Contract.

8.2. The Goods / Services shall be ordered, delivered, and handed over to the Customer in accordance with the procedure set out in the Contract, subject to signing by the Parties of the certificate of transfer and acceptance of Goods / Services. The supply of Goods / provision of Services earlier than specified in the Contract may take place only after the consent of the Customer and after agreeing the time.

8.3. If during the performance of the Contract the Parties draw up the Goods / Services delivery schedule (hereinafter: the 'schedule'), it may be amended only with the written consent of the Customer. No amendment or modification of the Schedule shall modify the time limits set out in the Contract (unless shortened by agreement of the Parties) or other terms of the Contract unless the Contract expressly provides for the possibility of such modification (e.g., extension or suspension of the time limits), or unless the modification of such terms of the Contract is made in accordance with the procedure set out in the PPL or the PL.

8.4. If the Services are provided in stages, the procedure of provision, transfer and acceptance of Services shall be as follows:

8.4.1. The Supplier shall provide the Services, i.e., submit the documents related to completion of the stage and obtain the Customer's written approval before the end of the Service delivery deadline (stage);

8.4.2. the documents with a covering letter must be submitted in the manner specified by the Customer (by e-mail, in person or by courier) before the end of the Service delivery deadline (stage);

8.4.3. Within 5 (five) calendar days of their receipt, the Customer shall approve or reject the documents related to completion of the stage and will submit its notes. Any notes from the Customer, which determine the rejection of the documents proving the Service delivery, shall be reasoned, i.e., substantiated with the relevant provisions of the applicable laws of the Republic of Lithuania, regulations, rules, other legislation, the company standards, technical specification, Service delivery terms, the Contract terms and conditions, and the Service Provider's tender;

8.4.4. The Supplier shall correct the rejected documents taking account of the Customer's notes and resubmit them to the Customer not later than within 5 (five) working days of the day of their receipt. The number of corrections shall be unlimited, and the process of correction shall take place until all deficiencies identified by the Customer have been resolved;

8.4.5. the submission of notes and elimination of deficiencies shall not extend the deadline for completion of the stage and shall not exempt the Supplier from penalties, except where the Customer is in delay to submit notes or evaluate the documents submitted to it within the time limits set out in the Contract. The deadline for completion of any stage of Service delivery, which is related to the previous stage of Service delivery, shall not be extended if, through the fault of the Service Provider, the Customer fails to sign the certificate of transfer and acceptance of Services for the previous stage;

8.4.6. The Service delivery stage shall be accepted subject to signing by both the Parties of the certificate of transfer and acceptance of Services;

8.4.7. The Customer shall sign the certificate of transfer and acceptance of Services provided that all of the previous stages have been accepted. At the end of Service delivery, the final report on the Services performed shall be submitted to the Customer and, after it has been approved, the final certificate of transfer and acceptance of Services shall be signed.

8.5. The Goods shall be delivered to the Customer with the manufacturer's stamps and marking. The costs of delivery of the Goods and the risk of accidental destruction of the Goods prior to their transfer to the Customer, before signing by the Parties of the certificate of transfer and acceptance of Goods, shall be borne by the Service Provider. If the Customer incurs any costs in connection with the entry of the Goods into the Republic of Lithuania or their delivery, the Supplier shall reimburse such costs not later than within 10 (ten) calendar days against a separately submitted invoice.

8.6. The date of supply of the Goods / provision of the Services shall be deemed to be the actual date of handing over the Goods / Services, as stated in the certificate of transfer and acceptance of Goods / Services signed by the Customer and the Service Provider. The Customer shall be obliged to accept the Goods / Services and sign the certificate of transfer and acceptance of Goods / Services within a maximum of 5 (five) working days of the actual handover of the Goods / Services, unless a different time limit is set in the Special Conditions of the Contract or in its annexes, or in the event of discovering any defects in the Goods / Services. At the time of acceptance, if the Customer finds that the Goods / Services are defective or do not comply with the requirements of the Contract, the Customer shall send to the Supplier a notice of non-acceptance stating the reasons for non-acceptance and

inviting the Supplier to participate in drawing up a defects report, with the indication of the date and time of the Service Provider's arrival.

8.7. If the Supplier notifies in writing of its non-participation in drawing up of the defects report or if the Supplier fails to appear within the time limit after the written invitation has been sent, the Customer shall draw up the defects certificate unilaterally in which case it shall be deemed that the Supplier has acknowledged the defects. If the Supplier has rejected in writing the defects identified by Customers, the Parties shall agree on conducting an independent expert examination in accordance with the procedure laid down in Chapter 7 of the General Conditions of the Contract.

8.8. After drawing up a defect report or during an independent expert examination, the Goods shall be accepted for storage on the basis of a storage document drawn up in relation to the Goods until the Supplier collects the Goods or the Customer signs the certificate of transfer and acceptance of Goods. The storage document shall indicate the documents received with the Goods, all available data on the Goods in storage, their storage conditions and protective measures. The Supplier shall reimburse the Customer for all costs of storage of the Goods provided if it is established that the Goods do not comply with the requirements of the Contract.

8.9. Once the Parties have signed the certificate of transfer and acceptance of Goods / Services, the Supplier shall undertake, within not later than 2 (two) working days, to submit an Invoice. The Invoice shall be issued (the date of issuing thereof) shall be the same date as the date of signing the certificate of transfer and acceptance of Goods / Services by the Customer.

8.10. Together with the certificate of transfer and acceptance of Goods / Services the Supplier shall provide the Customer with all documents required as specified in the Contract or in accordance with the legislation or manufacturer's requirements, including, but not limited to, the use and maintenance instructions or other documents detailing the use, maintenance and repair of any Goods / Services or parts thereof, as well as any other documents insofar as they relate to the Goods / Services and the Service Provider's contractual obligations (the documents shall be in the original language and shall be accompanied by a translation into Lithuanian certified by a translation agency, unless otherwise provided in the Special Conditions of the Contract). Failure to provide the documents referred to in this clause shall be deemed a deficiency in the Goods / Services preventing the Customer from accepting the Goods / Services.

8.11. The ownership of the Goods / Services and the risk of accidental loss of the Goods shall pass onto the Customer from the moment of signing the certificate of transfer and acceptance of Goods / Services. Once the Goods have been delivered to the Customer, from the handover thereof to the signature of the certificate of transfer and acceptance of Goods the Customer shall take all reasonable steps necessary to protect the Goods from loss or damage.

8.12. If the deadline for performing the specific task or obligation by the Supplier is not specified in the Contract, the Supplier shall be obliged to perform the work or obligation within the time limit specified in writing by the Customer.

8.13. The packaging of the Goods must meet the requirements for resistance to loading and unloading operations and must be able to protect from the effects of meteorological and other factors during the transport and storage of Goods.

8.14. Where the Supplier (supplier of goods) is registered outside the Republic of Lithuania, together with the certificate of transfer and acceptance of Goods, it shall submit a completed "Register Form for Weights of Packages of Goods" (Annex No. 1 to the General Conditions of the Contract).

8.15. The Supplier shall be entitled to change the model or manufacturer of the Goods or any part thereof provided that all of the following conditions exist:

8.15.1. if the goods specified in the proposal are no longer manufactured or if there has been a material disruption in the supply of the goods and the manufacturer's approval has been obtained, and/or the goods, their manufacturer pose a threat to national security, and/or the supply of the goods is contrary to binding international sanctions implemented in the Republic of Lithuania as defined in the Sanctions Law and/or the Goods, their components, packaging (if applicable), manufacturer do not comply with the provisions of the PPL or the PL in relation to the national security interests;

8.15.2 if the replacement goods are in full compliance with the requirements of the Procurement documents, including national security requirements (if applicable), are of equivalent or better quality than the goods currently supplied, and the Supplier provides documentation to prove it;

8.15.3. if the replacement Goods do not exceed the prices of the goods specified in the Service Provider's proposal and the prices of the replacement Goods are competitive and in line with market prices;

8.15.4. if the Supplier has submitted, at least 14 (fourteen) working days before the intended replacement, a written request to the Customer, together with the documents justifying the replacement, and has received the Customer's written consent.

8.16. Upon receipt of a request from the Supplier for the replacement of Goods, the Buyer shall verify whether the replacement meets all the conditions set out in clause 8.15 of the General Conditions of the Contract, including

competitiveness of the proposed prices of the Goods and consistency with market prices. The prices shall be deemed competitive and in line with market prices if the Customer carries out a market price survey and determines that the prices of goods offered are in line with the market.

8.17. The Customer shall have the right to object to the replacement of the Goods and shall have the right to terminate the Contract if the replacement does not meet all of the criteria pursuant to clause 8.15. of the General Conditions of the Contract and/or the Supplier has failed to provide evidence or has provided evidence that does not justify compliance of the replacement Goods with the Procurement conditions.

8.18. The Parties shall enter into a written additional agreement to the Contract for the replacement of Goods if the Customer confirms the possibility of replacing.

8.19. The Customer shall be entitled to demand the replacement of Goods or termination of the Contract if at least one of the circumstances referred to in clause 8.15.1 becomes apparent. In which case, the Customer shall contact the Supplier in writing, who shall, within a time limit specified by the Customer, provide a response concerning the replacement of Goods, as well as documentation substantiating conformity of the replacement Goods with the requirements of the Procurement documents. Once the Customer is satisfied that the replacement Goods comply with the requirements of the Contract, the Parties shall sign an additional agreement to the Contract.

8.20. For the sake of legal clarity, the Parties agree that the replacement of Goods under the conditions set out in the Contract shall be deemed to constitute the performance of the Contract in accordance with the terms and conditions set out in it. The replacement of the goods under terms other than those set out in the Contract shall be carried out in accordance with the provisions of Article 89 of the PPL or Article 97 of the PL.

9. LIABILITY OF THE PARTIES

9.1. The liability of the Parties is established in accordance with the applicable legislation of the Republic of Lithuania and the Contract. The Parties undertake to properly perform their obligations assumed under the Contract and abstain from any actions by which they could cause damage to each other or aggravate the performance of obligations undertaken by the other Party.

9.2. Payment of penalties shall not release the Parties to the Contract from their duty to fulfil the obligations assumed under the Contract, except in cases expressly provided for in the legislation of the Republic of Lithuania.

9.3. Payment of penalties or extension or suspension of the Contract shall not exempt the Supplier from indemnifying the Customer for loss in accordance with the Customer's reasonable request.

9.4. Termination of the Contract shall not exempt the Parties to the Contract from paying penalties and losses as accrued prior to the termination of the Contract, nor shall it exempt the Supplier from rectifying defects and faults at the expense of the Supplier during the entire warranty period for the Services/Goods, or from respecting other provisions contained in the Contract and legislation which continue to apply after the expiration/termination of the Contract.

9.5. If the Supplier fails to perform or improperly performs any condition or obligation under the Contract, which are binding on it, refuses or fails to have regard to any instruction which the Customer is entitled to give and which the Supplier is obliged to comply with in accordance with the terms of the Contract or the provisions of legislation, then the Customer shall have the right to give written notice to the Supplier of failure to comply with such instruction and demand that the Supplier remedies the breaches referred to in the notice. If the Supplier fails to remedy any deficiency or defect within the time limit specified in the Contract, or, if no time limit is specified for a particular obligation, within the time limit specified by the Customer, and fails to properly perform all its contractual obligations, the Supplier must pay penalties and compensate for any losses to the extent not covered by the penalties at the request of the Customer, and the Customer shall be entitled to unilaterally terminate the Contract due to the fault of the Service Provider.

9.6. During the performance of the Contract, the Supplier shall be liable, including material liability, for the security of data and documents transferred to it, as well as for the security of information and data stored in the information systems to which the Supplier has access, and shall be liable to compensate the Customer for any losses incurred by the Customer as a result of partial or total loss, damage, and/or use, other than for the purpose of the performance of the Contract, or the disclosure of such information and documents, including the disclosure of such information and documents, without the Customer's written consent.

9.7. The Supplier shall be liable in all cases, including material liability, for damages caused by improper performance of the Contract by the Supplier and the persons engaged by it, by a breach of obligations and/or warranties given by the Service Provider, or by acts or omissions of the Supplier and/or the persons engaged by it, and shall undertake to compensate the Customer for any losses, irrespective of whether such damage was caused to the Customer, its employees, or to any third persons and/or to their property.

9.8. Where the Supplier and/or the persons engaged by it, in performing the Contract, fails to comply with the applicable legal requirements and, as a result of this, the public or other competent authorities impose fines or other sanctions on the Customer, and if due to any circumstances relating to the Service Provider, the persons engaged by it or the Services provided by it, the Customer is subject to any sanctions, including, but not limited to, any trade, economic or financial sanctions, embargoes or other restrictive measures imposed, applied or administered by the Republic of Lithuania and/or the European Union or their agencies, the United Nations Security Council, the United States Government, including the US Treasury Department's Office of Foreign Assets Control (OFAC), and/or their agencies, the Supplier undertakes to protect the Customer and third parties from any negative consequences, to be liable to the Customer for any negative consequences that may be caused to the Customer by the applicable Sanctions, and to compensate the Customer and third persons for any losses incurred thereby as a result thereof (including, but not limited to, damage to the Customer's business reputation, business restrictions, loss of business transactions and clients, or other adverse consequences related to restrictions on the Customer's or its personnel's activities). The Supplier must immediately, but not later than within 1 (one) working day from the sanctions effective date or from the date of knowledge about intended sanctions, inform the Customer in writing if the Object of Procurement or any part thereof, the Supplier or any person engaged thereby, the manufacturer, shareholder, or beneficiary may be or is subject to the sanctions. Having breached the requirement to duly inform the Customer in writing of the circumstances referred to in this clause of the Contract, the Supplier shall pay a fine equal to 5 (five) per cent of the Contract price excluding VAT and compensate for losses to the extent not otherwise covered by the fine. Payment of the fine shall not exempt from termination of the Contract or declaration thereof null and void in accordance with the provisions of the Contract.

9.9. If unreasonable actions of the Supplier cause suspension of the performance of the Contract, the Customer shall have the right to require the Supplier to compensate for losses incurred by the Customer as a result of the request for interim measures from the Service Provider. The minimum loss incurred by the Customer shall be deemed to cover the amount representing the Customer's costs related to suspension and renewal of the Contract, the launch of a new procurement or the award of a new contract, as well as the difference between the initial and the subsequent price of Services or Goods, and, in the event of a loss of funding, the total amount of funding lost. The Supplier shall also reimburse other costs incurred by the Customer as a result of unreasonable suspension of the Contract which the Customer can justify.

10. FORCE MAJEURE CIRCUMSTANCES AND ACTIONS OF THE STATE

10.1. During the term of the Contract the Party may be released in full or in part from the performance of contractual obligations and civil liability (consequences) if it proves that the Contract has not been performed in full or in part due to force majeure.

10.2. The Parties interpret the circumstances of force majeure as regulated by Article 6.212 of the Civil Code of the Republic of Lithuania (hereinafter: the 'CC') and Resolution No 840 of 15 July 1996 of the Government of the Republic of Lithuania 'On Exemption from Liability in Case of Force Majeure'. Force majeure clauses shall be established in each particular case individually, and the Party relying on a circumstance must prove that the force majeure circumstances have an actual and direct impact on the performance of the Contract and evidence the existence of all the conditions below:

10.2.1. The circumstances relied on by a Party were not present at the time of concluding the Contract and their occurrence could not reasonably have been foreseen;

10.2.2. Due to the occurred circumstances the Contract objectively cannot be performed;

10.2.3. The Party that has failed to perform the Contract could not control or prevent such circumstances;

10.2.4. The Party has not assumed the risk of such circumstances or their consequences.

10.3. The Party requesting full or partial exemption from the performance of contractual obligations and/or contractual civil liability on the basis of force majeure must inform the other Party immediately, but not later than within 5 (five) days from the moment when such circumstances, obstacles preventing the proper performance of the Contract have emerged or become apparent, by submitting as follows:

10.3.1. Objective and detailed evidence and written explanations about unforeseen circumstances, obstacles that have arisen and their effects and risks in relation to proper performance by a Party of contractual obligations, and that it has taken all reasonable precautions and has made every effort to reduce costs or any possible adverse consequences for proper performance of the Contract;

10.3.2. A preliminary deadline for the discharge of obligations if the circumstances which render the performance of the Contract impossible are temporary.

10.4. In case of force majeure lasting for more than 3 (three) months either Party may unilaterally terminate the Contract by with a 5 (five) days' written notice given to the other Party.

10.5. Given the existence of all of the above conditions but if the force majeure circumstance is temporary, the Party shall be released from liability only for such period of time that is reasonable having regard to the effect of that circumstance on the performance of the Contract. Upon expiry of at least one of the above conditions the status of force majeure may no longer be applied to the Parties to the Contract and the obligations enforced by the Contract shall automatically apply to the Parties. In any case the Party that has been released, in full or in part, from the performance of contractual obligations and civil liability (consequences) due to non-performance and/or improper performance of the Contract, upon expiry of at least one of the above conditions, must notify immediately the other Party in writing.

10.6. The Parties are aware that force majeure does not include circumstances where contractual obligations cannot be fulfilled because of a shortage of goods on the market or funds, or breaches of obligations by the Party's co-contractors.

10.7. The Parties are aware that, for the purposes of establishing the existence of force majeure, the certificate issued by the Chamber of Commerce and Industry does not, in itself, produce substantive legal effects, since the existence of force majeure, and not the fact that the certificate was issued, shall serve as the ground for exemption from civil liability in the event of breach of the Contract. The certificate attesting to force majeure circumstances has only a procedural legal value since it should be regarded only as evidence in a civil case concerning the performance of contractual obligations or the application of civil liability. The certificate of force majeure, in so far as it contains a legal assessment of certain circumstances, should not be regarded as *prima facie* evidence within the meaning of Article 197 of the Civil Procedure Code of the Republic of Lithuania, since the legal assessment of facts is a court prerogative, and it is not bound by any legal assessment and classification provided by other persons.

10.8. The provisions of the Contract concerning the application of force majeure circumstances shall not prejudice the right of the other Party to terminate the Contract or suspend its performance, and/or demand payment of penalties and losses as accrued before the occurrence of force majeure circumstances as they are defined in the Contract.

10.9. The Party that fails to inform the other Party within the set time limit of the occurrence of a force majeure circumstance and its effect on the performance of the Contract must compensate all losses incurred due to non-performance and/or improper performance of the Contract.

Regarding actions of the state as full or partial ground for non-application of civil liability or partial exemption from it in case of COVID-19:

10.10. During the effective period of the Contract the Party may be released, in full or in part, from liability for non-performance of the Contract should the latter be caused by binding and unforeseen actions (acts) of the public authorities that have arisen due to the coronavirus (COVID-19) or its types and which render the performance of an obligation impossible and which could not be disputed by the Parties (paragraph 3 of Article 6.253 of the CC). An effect of actions (acts) of the public authorities on the performance of contractual obligations shall be established on a case-by-case basis, while the Party relying on this circumstance must prove that (i) the ground for non-application of contractual civil liability or full or partial exemption of the Party from it exists due to actions (acts) of the public authorities, which actually have a direct impact on the performance of the Contract, and prove that (ii) in each case all of the below conditions exist:

10.10.1. These actions (acts) shall be unforeseen and binding on the Party – the Party could not have foreseen them in advance (at the time of concluding the Contract);

10.10.2. Actions (acts) shall be such which render the performance of an obligation impossible;

10.10.3. The Party could not dispute such actions (acts) in judicial or administrative procedure.

10.11. The Party requesting to release it, in full or in part, from liability for non-performance of the Contract caused by binding and unforeseen actions (acts) of the public authorities that have arisen due to the coronavirus (COVID-19) or its types must inform the other Party immediately, but not later than within 5 (five) calendar days from the moment when such actions preventing the proper performance of the Contract have occurred or become apparent, by submitting as follows:

10.11.1. Objective and detailed evidence and written explanations about binding and unforeseen actions (acts) of the public authorities and their effects on and risks related to proper performance of contractual obligations by a Party, and that it has taken all reasonable precautions and has made every effort to reduce costs or possible adverse consequences for the proper performance of the Contract;

10.11.2. A preliminary deadline for the discharge of obligations if the actions (acts) of the State which render the performance of the Contract impossible are temporary.

10.12. If the Party is unable to fulfil contractual obligations due to binding and unforeseen actions (acts) of the public authorities that have arisen due to the coronavirus (COVID-19) or its types for more than 3 (three) months, either Party may terminate the Contract unilaterally with a 5 (five) days' prior notice given to the other Party.

10.13. Given the existence of all of the above conditions but if binding and unforeseen actions (acts) of the public authorities exist temporarily, the Party shall be released from liability only for such period of time that is reasonable having regard to the effect of that circumstance on the performance of the Contract. Upon expiry of at least one of the above conditions, the provisions of paragraph 3 of Article 6.253 of the CC cannot be applied to the Parties of the Contract and the obligations enforced by the Contract shall automatically apply to the Parties. In any case the Party that has been released, in full or in part, from the performance of contractual obligations and civil liability (consequences) due to non-performance and/or improper performance of the Contract, upon expiry of at least one of the above conditions, must notify immediately the other Party in writing.

10.14. These provisions related to the application of actions (acts) of the State shall not prejudice the right of the other Party to terminate the Contract or suspend its performance, and/or demand payment of penalties and losses as accrued before the occurrence of the circumstances concerned.

10.15. If the Party fails to give timely notice in accordance with the procedure laid down in the Contract or gives no notice at all to the other Party, it must compensate the other Party for all damage suffered thereby due to late notice or absence of notice.

11. CONFIDENTIALITY OBLIGATIONS

11.1. The Parties agree to hold contractual conditions, all documents and information, which the contracting Parties receive from one another during the Contract performance, as confidential and without a prior written consent of the other Party to not disseminate to third parties any information concerning it, except as required in accordance with the procedure established by the laws of the Republic of Lithuania.

11.2. Public disclosure of information on the Customer or the Supplier where the Customer or the Supplier is in breach of the deadlines for payment / settlement, or disclosure of information on the Supplier where the Supplier is in breach of the deadlines for delivery of the Services / Goods, shall not be deemed a breach of this obligation.

11.3. The confidentiality obligation shall enter into force on the date of its signature and shall remain in force for a period of 10 (ten) years after the expiry of the Contract. If the Contract relates to national security or an object of strategic importance to the Customer or the LTG Group, the confidentiality obligation shall remain in force indefinitely.

11.4. The Supplier and any economic entity engaged by the Supplier shall have no right to film, photograph and/or otherwise record the environment and/or persons in the territory of the Customer or the LTG Group without separate written consent of the Customer. A breach of this clause shall entitle the Customer to demand the destruction of all filmed or otherwise recorded information and to unilaterally terminate the Contract due to the fault of the Service Provider.

11.5. The Supplier shall pay to the Customer a fine of EUR 5,000.00 (five thousand euros) for the unauthorised use, loss or disclosure of any confidential information, including non-compliance with the requirements laid down in clause 11.4, and shall indemnify the Customer against reasonable losses incurred by the Customer to the extent that such losses are not covered by the fine.

11.6. Upon the written request of the Customer, the Supplier shall return to the Customer all documentation received during the performance of the Contract (without the right to retain copies thereof) and shall destroy all information, documents, and other data, insofar as it is not contrary to the mandatory requirements of law.

11.7. Taking into account the nature and extent of the confidential information, the Customer shall be entitled to require signing a separate non-disclosure agreement to be made together with the Contract and considered as an integral part thereof. If the extent, nature, or significance of the confidential information and/or the fact of its transfer or use has only become apparent during the performance of the Contract, and the Customer determines that a separate non-disclosure agreement is necessary, the non-disclosure agreement shall be signed after the signature of the Contract, but at the latest prior to the disclosure of confidential information and shall become an integral part of the Contract. Prior to signing the non-disclosure agreement its draft may be modified, but in any case, the non-disclosure agreement shall not enable the Parties to modify the terms of the Contract and/or alter the economic balance of the Contract in favour of the Service Provider.

12. CONTRACT VALIDITY AND MODIFICATION

12.1. The effective period of the Contract is determined in the Special Conditions of the Contract.

12.2. If any provision of the Contract becomes or is recognized as fully or partially invalid, this does not affect the validity of other contractual provisions.

12.3. After termination or expiry of the Contract, contractual provisions concerning warranty service, payment of penalties and losses as accrued prior to the termination of the Contract, liability and settlements between the Parties shall continue to be in force under the Contract, as well as all any other contractual provisions which, as it is expressly indicated, shall remain, or must remain valid after the termination of the Contract so that the Contract has been fully performed.

12.4. The Contract may be modified during its term by mutual agreement of the Parties in accordance with the terms and conditions set out in the Contract, provided that any such modification, irrespective of its monetary value, has been expressly and precisely formulated, including the specific circumstances and scopes of modification, in advance in the Contract. For the sake of legal clarity, it is hereby established that a modification of the terms and conditions of the Contract in accordance with the rules expressly laid down in the Contract and made public in advance shall not be considered a modification of the Contract but shall be treated as the performance of the Contract on the terms and conditions set out in it. In other cases, the Contract may be modified by written agreement of the Parties only in accordance with the procedure laid down in Article 89 of the PPL or Article 97 of the PL.

13. OCCUPATIONAL SAFETY AND HEALTH

(if applied according to the nature of Services)

13.1. The Suppliers shall ensure that the Service Provider's staff and the persons engaged by the Supplier when performing the obligations assumed under the Contract:

13.1.1. will comply with the legal requirements for occupational safety and health, traffic safety, fire and civil protection, environmental protection, and electrical safety in order to provide the Services / supply the Goods legally and safely, ensuring smooth railway traffic, being in compliance with all requirements of the Customer's local regulations submitted to the Service Provider;

13.1.2. will be provided with collective (if necessary) and personal protective equipment (when providing the Services / supplying the Goods in the rail danger zone or road traffic area, in the crane work area – at least class 2 high-visibility warning vests or high-visibility warning work clothes), in the crane work area – will be also provided with protective helmets, including their wearing control, will be equipped with first aid kits, compliant work equipment, and occupational risks in personnel's workplaces will be assessed;

13.1.3. if the Service Provider's employees and employees of the persons engaged by the Supplier are to perform the Services / supply the Goods in the rail **danger zone** (a distance from the railway track outside rail is less than or equal to 2.5 metres), prior to the commencement of the provision of such Services / supply of such Goods they must have passed, in accordance with the procedure laid down by the traffic safety authority, the examination directly or indirectly related to railway traffic and have obtained an electronic certificate following the requirements of the Law on Railway Traffic Safety of the Republic of Lithuania and must have been trained in accordance with the Customer's Training Program for Safe Behaviour of Non-railway Transport Staff in the Protection Zones of Railway Tracks and Their Facilities and must have been issued a certificate in Form P-26 prescribed by the Customer, unless the Parties have agreed on another equivalent training procedure in writing, other employees must have been made familiar with the safety requirements for work in railway transport and their knowledge must have been tested in accordance with the procedure established by the employer;

13.1.4. if the Service Provider's employees and employees of the persons engaged by the Supplier are to perform the Services / supply the Goods in the **protection zone** of railway tracks and their facilities (a distance from the railway track outside rail is more than 2.5 metres), prior to the commencement of the performance of such Services / supply of such Goods, the supervisors must have been trained in accordance with the Customer's Training Program for Safe Behaviour of Non-railway Transport Staff in the Protection Zones of Railway Tracks and Their Facilities and must have obtained certificates in Form P-26 prescribed by the Customer, unless the Parties agree in writing on another equivalent training procedure, other employees must have been made familiar with the safety requirements for work in railway transport, their knowledge must have been tested in accordance with the procedure established by the employer;

13.1.5. in accordance with the procedure established by their employer, they will be trained and instructed on how to provide Services / supply Goods safely, will be made aware of the risk factors specified in the **Guidance On the Occupational Health and Safety Requirements for Clients, Suppliers of Goods, Service Providers,**

Contractors who Execute Works and Perform Services on the Territory of the LTG Corporate Group. The Guidance is available on the LTG website <http://www.litrail.it/sauga-ir-aplinkosauga>;

13.1.6. will not be intoxicated with alcohol, narcotic, toxic and/or psychotropic substances in the Customer's territory. The use of metrologically verified technical means (alcotesters, etc.) may be compulsory for detection of alcohol intoxication or intoxication with psychoactive substances;

13.1.7. will maintain the work area clean and orderly, will properly store materials and work equipment, will not leave them unattended;

13.1.8. will properly manage the waste generated, will sort it into containers dedicated for that purpose and will hand it over to waste handlers in a timely manner;

13.1.9. will carry out legitimate instructions of the competent representatives of the Customer regarding the implementation of the requirements for occupational health and safety, traffic safety, fire and civil protection, environmental protection, electrical safety;

13.1.10. will ensure that danger zones of the provision of Services / supply (deployment) of Goods / Services, where dangerous and/or harmful factors may exist (occur), will have signal fencing and will be marked with health and safety signs, or will be clearly marked otherwise to prevent unauthorized access.

13.2. When the Services are provided / Goods are supplied under the Contract by the employees of more than one employer, prior to the commencement of the provision of Services / supply of Goods, the Supplier appoints a person to coordinate the activities of employers in the field of health and safety or an occupational safety and health coordinator to coordinate the work of the Service Provider's as well as other employees while creating safe and healthy working conditions for the employees. The appointment must be made in writing (by order, decree, memorandum of understanding, or other local legal act) by informing the Customer thereof and providing a copy of the relevant document.

13.3. If Services are provided / Goods are supplied solely by the Supplier and no occupational health and safety coordinator is appointed, the Supplier must appoint a person authorized by the employer in matters of occupational health and safety to be responsible for occupational health and safety at the workplace. The responsible person appointed by the Supplier instructs the Service Provider's employees on safety issues.

13.4. During the performance of the Contract, the Supplier must organise and ensure safe movement of its vehicles and other moving machinery on the Customer's territory and organise the traffic of vehicles in accordance with the traffic rules for the respective mode of transport. The Supplier shall be responsible for the organization of safe traffic in the territory of the Customer with regard to all types of vehicles owned by it or by the persons engaged by it, and/or rented.

13.5. During the performance of the Contract, the Supplier must be well aware of the schemes for reporting rail catastrophes, accidents or incidents, evacuation and emergency management plans and other measures to be taken in the event of a rail catastrophe, accident, or incident as well as other emergencies.

13.6. The Supplier ensures that all tools, mechanisms, scaffolding, ladders, lifting equipment, electrical and mechanical tools, devices, and other work equipment are in good order, properly inspected, used in accordance with the rules of safe operation specified by their manufacturers and stored in a safe place, and when providing Services in the rail danger zone – at a safe distance from the railway track.

13.7. The Supplier may not leave the Services / Goods incomplete or partially completed in unsafe conditions that could endanger occupational health and safety and smooth operation of rail traffic, damage equipment or endanger human health or life.

13.8. The Supplier must terminate the provision of Services / supply of Goods if a situation has arisen that endangers the health and safety of people or smooth operation of rail traffic. The provision of Services / supply of Goods must also be suspended when natural conditions prevent from providing / supplying them safely.

13.9. The Supplier must immediately notify the Customer (sauga@litrail.it; dss@litrail.it) and to the addresses indicated in the certificate-permit of any accident, injury or incident, rail catastrophe, traffic accident, incident or damage caused to the staff, other persons employed or to the property held by the Customer or the Service Provider.

13.10. If the Customer notices at any time that there are deficiencies in the quality of Services provided / Goods supplied that endanger the health and safety of employees, security of environment or property, the Customer has the right to request the Supplier to immediately suspend the provision of Services / supply of Goods or any part thereof. Only after eliminating the reasons, the Supplier must apply in writing to the Customer with a request for permission to resume the provision of Services / supply of Goods.

13.11. For the performance of the Contract, the Supplier shall not have the right to enter into employment or other agreements with the Customer's employees or to use the Customer's employees for the performance of the

Contract on any other grounds without a mutual written agreement with the Customer. A breach of this clause is deemed a material breach of the Contract, and the Customer has the right to unilaterally terminate this Contract before its expiry in accordance with the procedure laid down in the Contract, but this does not release the Supplier from the obligations and liability under the Contract.

13.12. When providing the Services / supplying the Goods with another employer at the same workplace, the Supplier undertakes to organize the work in such a way as to guarantee the health and safety of all employees, regardless of whom the employee works for. The Service Provider, in cooperation with other employers, undertakes to take measures to ensure that the provisions of occupational health and safety legislation are implemented in such workplaces and that all employees are informed of the possible dangers and risks arising from the activities of each employer.

13.13. In accordance with the General Regulations for the Installation of Workplaces (approved by Order No. 85/233 of 5 May 1998 (current version) of the Minister of Social Security and Labour of the Republic of Lithuania and the Minister of Health of the Republic of Lithuania), the Regulations on the Installation of Workplaces on Construction Sites (approved by Order No. A1-22/D1-34 of 15 January 2008 (current version) of the Minister of Social Security and Labour of the Republic of Lithuania and the Minister of Environment of the Republic of Lithuania), the Health and Safety Rules in Construction DT 5-00 (approved by Order No. 346 of 22 December 2000 (current version) of the Chief State Labour Inspector of the Republic of Lithuania) and taking account of the characteristics of railway works, prior to the commencement of the provision of Services / supply of Goods, the Supplier with the Customer shall execute and obtain a certificate-permit which contains the Customer's measures to ensure safety.

13.14. The Supplier shall ensure the implementation of the legislation of the Government of the Republic of Lithuania and the Ministry of Health of the Republic of Lithuania in relation to Covid-19 control.

13.15. The Supplier shall provide the employees who provide Services / supply Goods in the LTG Group with the mandatory safety equipment in relation to Covid-19, ensure that every time they enter the LTG Group's facilities or territories, the employees are subjected to body temperature measurements, if such requirements are imposed by the legislation of the Republic of Lithuania and/or the Customer.

13.16. Where the Supplier fails to comply with the requirements referred to in Clauses 13.1 to 13.15:

13.16.1. the Supplier will be warned in writing of improper performance of the Contract if the fact of non-compliance with the safety requirements during the provision of Services / supply of Goods is established for a first time;

13.16.2. the Supplier undertakes to pay the Customer a fine in the amount of EUR 500.00 (five hundred) for improper performance of the Contract if the fact of non-compliance with the safety requirements during the provision of Services / supply of Goods is established for a second time;

13.16.3. where the fact of non-compliance with the safety requirements during the provision of Services / supply of Goods is established for a third and each subsequent time, the Supplier undertakes to pay the Customer the fine (Bn) for improper performance of the Contract, which is calculated according to the formula:

$$B_n = B_v \times 2$$

where:

B_v – the amount of the fine imposed in the last case.

13.16.4. The payment of the fine or the issue of a warning shall not exempt the Supplier from indemnifying the Customer for any loss suffered by the Customer as a result of the breach of any (at least one) of the provisions of Section 13 of the General Conditions.

14. CONTRACT TERMINATION

14.1. The Contract may be terminated by a mutual written agreement between the Parties.

14.2. The Customer shall have the right to unilaterally terminate the Contract through no fault of the Supplier with a 30 (thirty) days' prior written notice given to the Supplier in the following cases:

14.2.1. In case of any changes in the legislation related to the subject-matter of the Contract, performance of the Contract or activities carried out by the Customer for which the Contract has been concluded, due to which the Customer decides to terminate the Contract;

14.2.2. Where the Customer loses permits or licenses, or they are revoked, which are necessary for the performance of the activities for which the Contract has been concluded;

14.2.3. The Customer decides to discontinue the activities for the performance whereof the Contract has been concluded or to change the performance of the activities, which eliminates the need for the Contract;

- 14.2.4. Upon adoption of a decision(s) by the Customer's management body, which eliminates the need for the Contract;
- 14.2.5. Where the Customer's financial situation changes (deteriorates) or the Customer loses funding and consequently decides to terminate the Contract;
- 14.2.6. Where any changes in the Customer's organizational structure are being made – legal status, profile or management structure, due to which proper execution of the Contract or the need for the Contract are likely to be affected;
- 14.2.7. When there is no longer need for the Services / Goods purchased;
- 14.2.8. When the Customer receives an instruction / recommendation to terminate the Contract from the institutions involved in procurement management;
- 14.2.9. where the Supplier is bankrupt or is being wound up, suspends its economic activity or is subject to any analogous situation under the procedure established by other laws;
- 14.2.10. Where other objective circumstances and/or the circumstances established by legislation arise (Article 6.721 of the CC).
- 14.3. The Customer shall have the right to terminate unilaterally the Contract through the fault of the Supplier with less than 14 (fourteen) days' prior written notice given to the Supplier in the following cases:
- 14.3.1. in case of any changes in the Service Provider's organizational structure – legal status, profile or management structure, due to which proper execution of the Contract is likely to be affected;
- 14.3.2. where the Supplier has been found guilty of professional misconduct by a final judgement of a competent authority or a court;
- 14.3.3. Where on the part of the Supplier there is a delay to fulfil its contractual obligations (at least one) within the time limits set out in the Contract or specified by the Customer (if a specific time limit is not set out in the Contract), and such default lasts for more than 30 (thirty) days from the Customer's written request (via e-mail);
- 14.3.4. Where the Supplier fails or refuses to fulfil its contractual obligations, initiates termination of the Contract on the terms other than those set out in the Contract and/or breaches its contractual obligations (at least one), which shall be considered a material breach of the Contract;
- 14.3.5. When the entity who has provided the Contract performance security cannot fulfil its obligations and the Service Provider, after the Customer's request in writing, within the time limit specified in the Contract fails to submit a new security for the Contract performance on the same conditions as those for the previous one;
- 14.3.6. Where the Supplier and/or third parties subcontracted by it (subcontractors, quasi-subcontractors, other economic entities on whose capacities the Supplier relies) fail to comply with the provision(s) of the Code of Business Conduct for Suppliers of the LTG Group and/or the operating principle(s) contained therein;
- 14.3.7. When the Supplier fails to pay the accrued late interest to the Customer and the amount owed by the Supplier exceeds the accrued amount of penalties referred to in the Special Conditions of the Contract;
- 14.3.8. Where other objective and reasonable circumstances arise due to which the Supplier will not be able to properly perform the Contract and/or provide the Services / supply the Goods and the Supplier is unable to provide reasonable proof that it will perform the Contract properly (for example, due to a conflict of interest, restrictions on audit service providers as provided for in Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific statutory audit requirements for public-interest entities and repealing Commission Decision 2005/909/EC, in Article 4 of the Law on Audit of Financial Statements of the Republic of Lithuania, etc.);
- 14.3.9. Where the Service Provider, within the time limit indicated by the Customer, fails to provide the documents specified by the Customer concerning the compliance of the Service Provider, the persons engaged, the manufacturers and/or the persons controlling them and/or of goods (including their components and packages) offered by the Supplier and their manufacturers, and of the services provided and their providers, with national security requirements and/or the provisions of the PPL, including Article 37(9), Article 47(9) and/or Article 45(2)(1), the provisions of the PL, including Article 50(9), Article 58(4)(1) and/or Article 47(9) of the PPL and/or sanctions;
- 14.3.10. If at least one of the grounds referred to in Article 90 of the PPL or Article 98 of the PL (with the exception of Article 90(1)(2) and (4) of the PPL or Article 98(1)(2) and (4) of the PL, which shall be deemed to constitute the grounds for exclusion, if such ground was applicable during the Procurement), or of the grounds for termination of the Contract set out in the CC of the Republic of Lithuania or any other legislative act, occurs;
- 14.3.11. due to other omissions that hinder the performance of the Contract and/or other cases referred to in the Contract.
- 14.4. The Customer shall unilaterally terminate the Contract with a written notice given to the Supplier when the Government of the Republic of Lithuania, in accordance with the procedure laid down in the Law on the Protection