

EEL PROCUREMENT CONTRACT

14 March 2016 No. F 11-33
Vilnius

1. THE PARTIES TO THE CONTRACT

1.1. The Fisheries Service under the Ministry of Agriculture of the Republic of Lithuania (hereinafter referred to as the Customer), represented by Director Indrė Šidlauskienė, acting in accordance with the regulations of the institution, and UK Glass Eels Ltd (hereinafter - the Seller), represented by Director Peter Wood, hereinafter jointly and individually referred to as Parties, taking into account the results of the low value procurement, have concluded this Contract.

2. OBJECT OF THE CONTRACT

2.1. Object of the contract - live European eel *Anguilla Anguilla* (L) (or equivalent) in the "glass eel" stage (hereinafter - Eels). Eels shall be delivered in packages under 5 kg. Eels shall be delivered alive and viable. The number of Eels per kilogram - 3000 pcs. +/- 10%.

2.2. The Customer buys Eels on demand. The minimum amount of the purchased Eels - 50 kg, the maximum - 100 kg, but not exceeding 37,190 EUR without VAT (44,999.9 EUR with VAT) for the entire quantity of the purchased Eels. The Customer shall inform the Seller about the exact quantity of the purchased Eels within 3 working days from the date of the Contract's entry into force.

3. PRICE AND PAYMENT ARRANGEMENTS

3.1. A fixed rate contract is concluded - for the delivered quantity of Eels payments are made according to the rates - 364.00 EUR without VAT for 1 kilogram. The price includes all taxes and all the Seller's costs necessary for the satisfactory performance of the Contract, including but not limited to the Eel packing, loading, delivery (following the rules of the International Chamber of Commerce "Incoterms 2012" (or equivalent), the terms of delivery - DDP (delivered, duty paid), and unloading costs as well as issuing, sending and (or) service costs of invoices and other documents.

3.2. The rates set forth in the Contract shall be recomputed at the initiative of one of the Parties thereto in view of the change in the value added tax rate within 5 (five) working days from the effective date of the amended tax rate. The rates shall be adjusted (increased or reduced) in proportion to the change of the VAT rate. The recomputed rates shall be documented in a written agreement signed by the authorized representatives of the two Parties. Such an agreement shall enter into force on the date of its signature and becomes an integral part of this Contract. The recalculated rates shall apply only to the Eels actually not delivered under the Contract before the applicable changes in the VAT rate took place. Recalculation of the price in the case set forth in this Paragraph shall not be considered as the amendment of the Contract terms and conditions that require the consent of the Public Procurement Office. *[Note – This paragraph shall not apply where the Seller is registered abroad and according to the effective legislation the obligation to pay VAT is borne by the Customer]*

3.3. Payment for the quantity of the delivered Eels remaining alive (not dead) after 72 hours (paragraphs 4.2. and 4.3. of the Contract) shall be made within 30 calendar days from the delivery of Eels, signature of the Transfer - Acceptance Act, which shall be signed not earlier than 72 hours after the delivery of Eels, and the date of receipt of the invoice. The Customer shall not pay for the dead Eels.

3.4. Eel delivery and/or return of the dead Eels shall be documented in the Transfer - Acceptance Acts.

4. RIGHTS AND OBLIGATIONS OF THE PARTIES

4.1. Obligations of the Seller:

4.1.1. to deliver the quantity of Eels corresponding to the requirements of the Contract and ordered by the Customer to Laukystos Subdivision under the Division of Pisciculture (Mančiūnai village, Kaišiadorys district, Lithuania) of the Customer from 17/03/2016 to 08/04/2016 within the time period agreed with the Customer. The delivery time shall be agreed with the Customer 5 working days in advance;

4.1.2. at the delivery of Eels to provide the veterinary certificate for the trade within the European Union for the imported Eels confirming that the delivered Eels are healthy;

4.1.3. to enable the Customer's representatives to inspect storage conditions and the state of Eels in the country, which they are imported from (travel and accommodation costs shall be paid by the Customer).

4.2. The Seller shall be entitled to be present at the Customer's Laukystos Subdivision under the Division of Pisciculture 72 hours after the delivery of Eels and participate in the removal of dead Eels.

4.3. The Customer undertakes to accept high-quality Eels meeting the requirements laid down in the Contract and to pay by the deadline specified in paragraph 3.3. of the Contract for the quantity of Eels remaining alive 72 hours from the time of delivery.

5. OBLIGATION FULFILMENT DEADLINES AND ASSURANCE

5.1. Obligation deadlines: Eels shall be delivered from 17/03/2016 to 08/04/2016, within the time period agreed with the Customer.

5.2. In order to secure performance of the obligations the Seller shall provide the procurement contract performance guarantee: a guarantee of the bank registered in the Republic of Lithuania or abroad. The security value: 3 000 EUR. The Seller shall provide this security within 7 working days after the Contract is signed, the Contract shall enter into force on the submission of the performance guarantee. The security must be valid for at least 3 months. The Customer shall be entitled to use the security referred to in this paragraph in cases referred to in paragraph 5.3 of the Contract, he shall be also entitled to take advantage of collateralisation indicated in this paragraph in full (3,000 euro) if the Seller terminates the Contract without the Customer's fault, fails to deliver Eels, or if the Executor for the fulfillment of the Contract engages sub-suppliers/sub-providers not specified in the Contract.

5.3. In case the Seller fails to deliver all or part of the Eels ordered by the Customer on the due date (08/04/2016) specified in paragraph 5.1 of the Contract, the Seller shall pay the Customer a fine of 300 EUR for each day of delay but no more than 3,000 euro. The Customer has the right at the sole discretion: 1) to deduct the estimated amount of fines from the amount to be paid to the Seller under the Contract, or 2) to

demand the Seller to transfer the estimated amount of the fine to the Customer's account, or 3) to use the security indicated in paragraph 5.2. of the Contract in the amount of the estimated fine.

5.4. In case the Customer fails to pay by the deadline specified in the Contract, the Customer, on the Seller's request, shall pay the Seller the default interest 0.02% on the outstanding amount for each day of delay.

6. VALIDITY, AMENDMENT AND TERMINATION OF THE CONTRACT

6.1. The Contract may be terminated:

6.1.2. at the initiative of any of the Parties, having notified the other Party thereof 30 (thirty) calendar days in advance;

6.1.3. at the initiative of any of the Parties, having notified the other Party thereof 5 (five) calendar days in advance, in the case when one of the Parties fail to fulfil its contractual obligations and this is an essential breach of the Contract;

6.2. The Contract shall enter into force upon the signature thereof by the Parties, and when the Seller provides a performance security document, and is valid for 4 months or until is terminated on the grounds set forth in the Contract.

7. DISPUTE SETTLEMENT PROCEDURE

7.1. Dispute settlement procedure. All disputes arising between the Parties to the Contract shall be settled by way of negotiations, and where the Parties fail to arrive to the agreement amicably, the disputes shall be settled in court in the manner set forth by the Code of Civil Procedure of the Republic of Lithuania. The territorial jurisdiction shall be established according to the venue of the registered office of the Customer.

8. FORCE MAJEURE

8.1. None of the Parties shall be considered to have violated the Contract or failing to fulfil its obligations under the Contract, where the performance of the obligations was rendered impossible by *force majeure* circumstances arising following the effective date of the Contract.

8.2. Where any of the Parties believes that some *force majeure* circumstances have occurred in view of which the Party is not able to fulfil its contractual obligations, such Party shall immediately notify the other Party thereof specifying the nature, possible duration and a probable impact of such circumstances.

8.3. Where the *force majeure* circumstances last for more than 30 calendar days, any of the Parties shall be entitled to terminate the Contract by notifying the other Party thereof 5 (five) calendar days in advance. Where upon the expiry of the period of 5 (five) calendar days the *force majeure* circumstances remain effective, the present Contract shall be terminated and the Parties thereto shall be released from the obligation to fulfil the obligations under the Contract.

8.4. The introduction of the euro in the Republic of Lithuania shall not be considered to constitute *force majeure* within the meaning of the present Contract.

9. FINAL PROVISIONS

9.1. Within the period of validity of the present Contract the terms and conditions of the present Contract may not be amended, except for the terms an amendment whereof would not violate the principles or the objectives defined in Article 3 of the Law on Public Procurement. Amendment of the terms and conditions of the Contract in the circumstances defined therein shall not be considered as the amendment of the Contract.

9.2. While executing the present Contract, the Parties shall act in accordance with the terms of the present Contract, laws of the Republic of Lithuania and the effective legal acts of the Republic of Lithuania.

9.3. The Seller shall not be entitled to engage any sub-suppliers/sub-providers not specified in the Contract. The breach of this prohibition is deemed to be an essential breach of the Contract and gives the Customer the right to unilaterally terminate the Contract. In such a case the Customer has the right to use the security referred to in paragraph 5 of the Contract in its full extent (3,000 euro).

9.4. The present Contract has been executed in two counterparts – one counterpart to each Party. Both counterparts are of equal legal power.

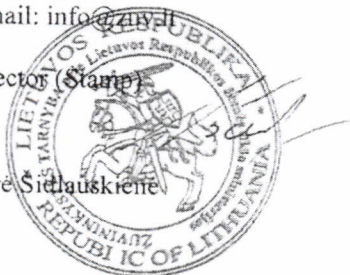
10. DETAILS OF THE PARTIES

CUSTOMER

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