GENERAL CONDITIONS FOR THE SERVICE PURCHASE AND SALE CONTRACT

1. TERMS OF THE CONTRACT AND THE INTERPRETATION THEREOF

1.1. **European electronic invoicing standard –** European electronic Invoice standard, referenced in Commission implementing decision (EU) 2017/1870 of 16 October 2017 on the publication of the reference of the European standard on electronic invoicing and the list of its syntaxes pursuant to Directive 2014/55/EU of the European Parliament and of the Council (OL 2017 L 266, p. 19).

1.2. **Information System ‘E-Invoice’** is a state information system for the preparation, submission and storage of Invoices for goods, services and works by means of information technology, as well as for the obtainment of information on the payment of Invoices submitted (Website of the electronic service ‘E-Invoice’ is available at [www.esaskaita.eu](http://www.esaskaita.eu)).

1.3. **Requirement** – written or verbal requirement of any form (which must be subsequently confirmed in writing) issued by the Buyer or its representative to the Supplier for the performance of the Contract.

1.4. **Services** – Services defined in the Special Conditions of the Contract and its annexes, and other services, which the Service Provider undertakes to provide to the Customer in accordance with the present Contract and the requirements of valid legislation. The term “Services” used in the Contract encompasses all activities related to the provision of Services, which are specified in the Conditions for the Procurement of Services, their explanations and/or clarifications (if any).

1.5. **Service Provider** – an economic entity providing the Services indicated in the Contract (hereinafter referred also referred to as **the Party**).

1.6. **Procurement** – the procurement of services carrid out by the Customer by drawin up a contract of purchase and sale with a chosen provider(s) (hereinafter refrerred to as **the Contract**).

1.7. **Invoice** – a value added tax (hereinafter – **VAT**) Invoice, Invoice, credit and debit documents and advance Invoices.

1.8. **Contract** – the Special Conditions of the Contract, the General Conditions of the Contract, and all related annexes.

1.9. **Customer** – the Joint-Stock Company Lietuvos Geležinkeliai (hereinafter also referred to as **the Party**).

1.10. Pursuant to the relevant context, words rendered in the singular may have the meaning of the plural and vice versa.

1.12. In cases where a specific number value specified in digits differs from the value specified in words, the latter shall prevails. In case the abbreviation of the payment currency does not match the full name of said currency, the full name of the currency rendered in words shall be deemed truthful.

1.13. Unless specified otherwise in the Special Conditions of the Contract and/or its annexes, the duration of the Contract and other terms shall be calculated in calendar days.

2. THE STATEMENTS AND GUARANTEES OF THE PARTIES

2.1. Each Party shall states and guarantee the following to the other Party:

2.1.1. The Contract has been concluded for the purposes of implementing its provisions, and both Parties are capable of performing the contractual obligations specified therein;

2.1.2. The Parties have concluded the Contract without infringing or aiming to infringe the legislation of the Republic of Lithuania, the documents which regulate it, and the contractual obligations specified in the Contract;

2.1.3. The Parties are solvent, their activities have not been limited, the Paties are not (and will not be) subject to any cases regarding restructuring or liquidation, the Parties have not suspended or limited their activities, and are not subject to any cases of bankruptcy.

2.2. The Service Provider shall states and guarantees the following:

2.2.1. he/she/it is fully aware of all the information related to the object of the Contract and the other documents, which the Customer submitted based on the request of the Service Provider, necessary to perform the contractual obligations and to provide the Services. Furthermore, these documents and all the information specified therein is sufficient for the Service Provider to ensure the proper and full performance, as well as the quality, of the contractual obligations;

2.2.2. he/she/it is in possession of all relevant licenses, permits, certificates and qualification certificates, as well as all the qualifications and competence necessary for the provision of Services and the performance of the contractual obligations specified in the present Contract;

2.2.3. he/she/it has all of the technical, intellectual, physical and other capabilities and features necessary for the proper performance of the Contract conditions;

2.2.4. he/she/it does not have any debts or obligations to any third persons, which could hinder the proper performance of contractual obligations, and undertakes not to asseme such of obligations for the duration of the validity of the Contract;

2.2.5. All of the taxes of the Service Provider’s country for the Services sold were properly paid.

2.3. In case the circumstances indicated in Clauses 2.13, 2.2.2, 2.2.4 and 2.2.5 of the General Conditions of the Contract change, the Party undertakes to inform the other Party in writing no later than within 3 (three) calendar days.

2.4. The Parties shall state and guarantee each statement indicated in Clauses 2.1 – 2.2 of the Contract to be true and fair as of the day of the conclusion of the Contract.

3. THE RIGHTS AND OBLIGATIONS OF THE SERVICE PROVIDER

3.1. The Service Provider shall undertake the following:

3.1.1. to consistently perform the contractual obligations undertaken pursuant to the Contract and the Technical Specifications, including the elimination of Service defects. The Service Provider shall take care of all of the necessary equipment, occupational safety and work force necessary for the performance of the Contract;

3.1.2. to provide Services which meet the requirements indicated in the Contract and its annexes;

3.1.3. to comply with the provisions of the laws and other legislation of the Republic of Lithuania, and ensure such compliance on the part of employees of the Service Provider or subprovider *(if applicable)*. The Service Provider shall guarantee to the Customer and/or a third party the indemnification of any losses incurred due to the failure of employees of the Service Provider or subprovider *(if applicable)* to comply with the requirements of the relevant laws and other legislation which had led to the submission of demands or the commencement of legal proceedings;

3.1.4. to ensure the confidentiality and security of the information related to the performance of the Contract, which has been received from the Customer during the performance thereof;

3.1.5. to reimburse the Customer for any losses incurred, including, but not limited to the price difference resulting from the Customer’s procuring missing Services from third parties, within the time limit specified by the Customer;

3.1.6. in case the Contract is terminated due to the fault of the Service Provider, he/she/it shall reimburse the Customer for any losses incurred, including, but not limited to the price difference resulting from the Customer’s procuring missing Services from third parties;

3.1.7. to refrain from using the Cutomer’s signs or titles in advertising, publications or anywhere else without prior written consent of the Customer;

3.1.8. to ensure that, at the moment of the conclusion of the Contract and during its entire period of validity, employees of the Serice Provider or subprovider *(if applicable)* have all the requisite qualifications and experience necessary for the provision of Services;

3.1.9. to return, at the Customer’s request, all the documents necessary for the performance of the Contract, which have been obtained from the Customer;

3.1.10. the Service Provider shall undertake to the Customer that the Contract shall be performed only by persons authorised for such;

3.1.11. to eliminate all of the identified defects and inaccuracies of the provided Services expediently and at his/her/its own expense, and solve all related issues and problems within the limits of his/her/its competence;

3.1.12. to properly perform other obligations specified in the Contract, its annexes and valid legislation of the Republic of Lithuania.

3.2. The Service Provider shall have the right to receive payment for the Services on the condition that he/she/it properly performs the present Contract.

3.3. The Service Provider shall have all the other rights specified in the Contract and valid legislation of the Republic of Lithuania.

4. THE RIGHTS AND OBLIGATIONS OF THE CUSTOMER

4.1. The Customer shall undertake the following:

4.1.1. to accept the Services provided within the time limit agreed upon by the Parties, provided they meet the requirements of the present Contract;

4.1.2. if possible pursuant to the nature of the Services, to inspect the provided Services and to formalise the inspection results at the time of the acceptance of said Services;

4.1.3. to pay the price of the Contract in accordance with the terms and conditions specified in the Special Conditions of the Contract and its annexes;

4.1.4. to provide the Service Provider with the information and/or documents necessary for the performance of the Contract *(if applicable)*;

4.1.5. to properly perform other obligations specified in the Contract and its annexes.

4.2. The Customer shall have the right to unilaterally include the calculated penalties from the sums payable to the Service Provider.

4.3. In cases where the Service Provider fails to perform or improperly performs any of the obligations undertaken in accordance to the Contract or legislation, the Customer shall have the right to suspend payments to the Service Provider until the proper performance of said obligations.

4.4. The Customer shall have the right not to settle Invoices non-compliant with the European electronic Invoice standard, if the Service provider submit them by means other than of information system ‘E-Invoice’.

4.5. The Customer shall have all the other rights specified in the Contract and valid legislation of the Republic of Lithuania.

5. THE PRICE OF THE CONTRACT (PRICING RULES) / PAYMENT CONDITIONS

5.1. The price of the Contract/pricing rules shall be specified in the Special Conditions of the Contract.

5.2. All of taxes and charges applicable for Services in Lithuania/other country and which may be incurred when performing the present Contract, shall be included in the price of the Contract or the maximum price of the Contract/Service charges.

5.3. The price of the Contract/Service charges, exclusive of VAT, shall be determined in the tender of the Service Provider is (are) final and shall not change during the period of validity of the Contract *(unless specified otherwise in the Special Conditions of the Contract or its annexes)*. The Service Provider shall undertake all risk regarding the possible increase in the price of the Contract/Service charges.

5.4. The Parties shall agree that the price of the Contract or the maximum price of the Contract/Service charges (depending on the pricing chosen for the Special Conditions of the Contract), exclusive of VAT, shall not be changed pursuant to changes in legislation, including the taxes changed pursuant to such, i.e., the Service provider shall undertake all of the risk regarding the possible increase in the price of the Contract or the maximum price of the Contract/Service charges (except for changes in the VAT rate). VAT shall be paid in accordance with binding legislation. In case legislation regulating the application of VAT is amended during the period of validity of the Contract, the price of the Contract or the maximum price of the Contract/Service charges, exclusive of VAT, shall not be changed. i.e., the Customer shall pay the Service Provider for the properly rendered contractual Services at the Contract price or the maximum price of the Contract/Service charges, which shall be equal to the sum obtained by adding VAT calculated in accordace with the new tax rate to to the price of the Contract or the maximum price of the Contract/Service charges, uncles specified otherwise in the new relevant new legislation. The updated price of the Contract or the maximum price of the Contract/Service charges shall be formalised in accordance with an agreement signed by the Parties and shall be applied from the date of the introduction of the new VAT (irrespective of the date of the signature of said agreement).

5.5. During the implementation of the Contract, all Invoices are provided only in electronic way. Advance Invoices can be submitted by the Service Provider to the person, responsible for the implementation of the Contract or with the help of measures of the information system “E-Invoice”. Electronic Invoices – compliant with the European electronic Invoice standard, are provided through the means, chosen by the Service Provider. Electronic Invoices, that are non-compliant with the European electronic Invoice standard, are provided only with the help of measures of the information system “E-Invoice”. Service transfer-acceptance acts and other additional documents, can be submitted together with them. After both Parties will sign the Service transfer-acceptance act, the Service Provider undertakes to provide the Invoice no longer than in 2 (two) calendar days.

5.6. The invoice issued by the Service Provider writes-out shall meet all applicable legal requirements. Furthermore, the invoice issued by the Service Provider shall also contain the VAT identification number of the Service Provider, the number and date of the Contract, and the contacts of the responsible persons of the Parties. In case the date of the provision of Services does not correspond to the date of the issue of the VAT invoice, the number and date of the transfer-acceptance deed for the provided Services, as well as the numbers and titles of the Contract shall be indicated in the VAT invoice.

5.7. In case the Invoice submitted by the Service Provider fails to meet the requirements of Clause 5.6 of the General Conditions of the Contract, the Customer shall submit said Invoice to the Service Provider for clarification requesting the prompt submission of a Invoice which meets the requirements of Clause 5.6 of the Genelra Conditions of the Contract.

5.8. The Parties shall undertake to bear the full risk of possible changes to the exchange rate of currency (if such transpires).

5.9. The payment for properly provided and accepted Services shall be made by bank transfer to the bank account of the Service Provider, which is indicated in the present Contract, after the Invoice is accepted via the “E-Invoice” system. The payment shall be made after signing the transfer-acceptance deed for the Services, and the Invoice, which the Service Provider had submitted based on the deed and which meet the contractual requirements.

6. CONTRACT PERFORMANCE GUARANTEE *(if applicable)*

6.1. The value and method of Contract performance guarantee shall be specified in the Special Conditions of the Contract.

6.2. The performance of the Contract may be guaranteed only by the following methods:

6.2.1. penalty – fine/forfeit, the value of which shall be indicated in the Special Conditions of the Contract;

6.2.2. first demand, the bank guarantee/insurance company’s suretyship issued for the benefit of the Customer.

A long-term borrowing rating of no less than “BB+”, which is given by such credit agencies as “Fitch Ratings” and “Standart & Poor’s”, or “Ba1”, which is given by the “Moody’s” agency, on the day of the issu shall be applied to the bank/insurance company issuing the guarantee/suretyship. If a separate borrowing rating is not given to the bank belonging to a finance group, an insurance company or branch, the primary (parent or controlling) bank/insurance company shall have the ratings, which are no less than the abovementioned on the day of issuing the guarantee/suretyship *(this provision applies, if the part value of the scheduled sales/purchase object is more than 1,500,000.00 (one million five hundred thousand) EUR, excl. VAT, and the first demand bank guarantee/insurance company’s suretyship letter is submitted for securing the Contract performance)*.

A long-term borrowing rating of no less than “A-“, which is given by such credit agencies as “Fitch Ratings” and “Standart & Poor’s”, or “A3”, which is given by the “Moody’s” agency, shall be applied to the bank/insurance company issuing the guarantee/suretyship on the day of issue. In case a separate borrowing rating has not been not given to the bank belonging to a finance group, an insurance company or branch, the primary (parent or controlling) bank/insurance company shall have the ratings, which are no less than the abovementioned, on the day of issuing the guarantee/suretyship (*this provision applies, if the part value of the scheduled sales/purchase object is more than 10,000,000.00 (ten million) EUR, excl. VAT, and the first demand bank guarantee/insurance company’s suretyship letter is submitted for securing the Contract performance*);

Upon demand of the Customer, the Service Provider shall submit an appropriate document proving that the bank/insurance company responsible for issuing the guarantee/guarantee letter/suretyship had the respective ratings on the day of the submission of the guarantee. The guarantee/guarantee letter/suretyship letter issued by the bank/insurance company shall be subject to tThe laws of the Republic of Lithuania and the ICC Uniform Rules for Demand Guarantees (Publication No.: 758). The guarantee/guarantee letter/suretyship letter issued by the bank/insurance company shall incude a provision stipulating that all disputes between the Parties shall be solved in the courts of the Republic of Lithuania in accordance with the procedure specified in the legislation of the Republic of Lithuania. *(The provision shall be applied in cases where the first demand bank guarantee/insurance company’s guarantee letter/insurance company’s suretyship letter has been submitted in order to guarantee the Contract performance).*

The bank guarantee/insurance company’s suretyship letter shall be signed with a qualified electronic signature of the subject responsible for issuing them, which meets the requirements (or amended requirements) of Article 34 (11) (2) and (3) of the Law on Procurement that Operate in Water Management, Energy, Transport and Postal Services Sector of the Republic of Lithuania.

6.2.3. Payment forward made to the Customer’s account.

6.4. Documents confirming the guarantee of obligation performance shall be submitted to the Customer by electronic means only.

6.3. Contract performance methods not specifieid in Clauses 6.2.1 – 6.2.3 shall not be acceptable.

6.4.Documents confirming the guarantee of obligation performance shall be submitted to the Customer by electronic means only. Documents confirming the guarantee of obligation performance may be submitted by other means only in case the bank or insurance company confirms that it does not issue documents signed by a qualified electronic signature.

6.5. The period of validity of the Contract performance guarantee shall not be shorter than the end term of all contractual obligations of the Contractor, including, but not limited to, the end term of penalty payment.

6.6. If the Service Provider by following the procedure established in the Contract does not conclude a Contract or within 10 (ten) calendar days from the signing of the Contract does not submit the Contract performance guarantee, the Contract is deemed to not be concluded and the Customer acquires the right to use the proposal’s validity guarantee to compensate the expenses and losses incurred. After the proper Contract performance guarantee is submitted, the proposal’s validity guarantee will be returned to the Service Provider within 10 (ten) calendar days.

6.7. If the Customer receives information that the bank/insurance company, which issued the guarantee/suretyship letter, does not meet the contractual requirements, the Service Provider undertakes to within 10 (ten) calendar days from the receipt of the Customer’s demand submit the guarantee/suretyship letter issued by the bank/insurance company, which meet the contractual requirements. If the Service Provider does not do this, he/she/it is deemed to have materially breached the Contract and the Customer acquires the right to terminate the Contract unilaterally and demand reimbursement of all of the losses.

6.8. The Customer may use the Contract performance guarantee in the event of any of the below mentioned circumstances:

6.8.1. The Service Provider does not perform or improperly performs his/hers/its contractual obligations;

6.8.2. The Service Provider within a reasonably established period does not carry out the Customer’s instruction to rectify the Services defects;

6.8.3. A case of bankruptcy is lodged against the Service Provider or he/she/it is liquidated, or he/she/it suspends economic activities;

6.8.4. If the Customer has suffered direct losses due to any acts (actions or omissions) of the Service Provider;

6.8.5. The Service Provider without a justifiable reason terminates the Contract.

6.9. The Contract performance guarantee shall be returned to the Service Provider within 10 (ten) calendar days after the Service Provider performs the contractual obligations in full.

6.10. The Contract performance guarantee is meant for guaranteeing the performance of all the contractual guarantees of the Service Provider, including, but not limited to, the guarantee of penalty payment. If for any reason the Contract is terminated, the Contract performance guarantee may be used to collect any sum of money from the Service Provider that belongs to the Customer. The Customer may use the Contract performance guarantee irrespective of the Contract’s termination.

6.11. If the validity of the Contract is extended, accordingly, the Contract performance shall be guaranteed for that period as it is indicated in Chapter 6 of the Special Conditions of the Contract and submitted to the Customer within 10 (ten) calendar days.

7. THE PROVISION OF SERVICES, TRANSFER AND ACCEPTANCE

7.1. The Service Provider undertakes at his/hers/its own expense to timely provide to the Customer the Services at the placed indicated in the Special Conditions of the Contract, while the Customer undertakes to accept the properly and timely provided Services and pay to the Service Provider for them the price envisaged in the Contract on the contractual terms and conditions.

7.2. If the Services are provided before the due date indicated in the Contract, they can be accepted only if it was beforehand coordinated in writing with the Customer.

7.3. Without a written consent of the Customer, any amendment of the term of provision of Services and provision schedule *(if it exists)* is prohibited.

7.4. The Services are provided and transferred at the address(es) indicated in the Special Conditions of the Contract and/or its annexes.

7.5. The date of provision of Services is the date of signing the transfer-acceptance deed of the Services. The responsible representatives of the Customer and Service Provider sign the transfer-acceptance deed of the Services.

7.6. The Customer shall sign the transfer-acceptance deed of the Services no later than within 5 (five) calendar days from the factual provision of Services. If the Customer determines that the Services have defects, they do not meet the requirements of the Contract and/or its annexes, then he/she/it sends an announcement to the Service Provider regarding the non-acceptance of the Services, in which the reasons for non-accepting the Services shall be indicated, as well as the summons for the Service Provider to participate in writing the deed regarding Services defects. If the Customer does not sign the Service transfer-acceptance deed, no later than the next day he/she/it shall send to the Service Provider a motivated written refusal to accept the Services, in which a term is indicated during which the Service Provider is summoned to participate in writing the deed regarding Services defects.

7.7. If the Service Provider announces in writing, that he/she/it will not participate in writing the deed regarding Services defects or, if the Service Provider does not come after the forwarding of the written summons, the Customer unilaterally writes the deed regarding Services defects and it is deemed that the Service Provider acknowledged the defects. If the Service Provider does not acknowledge the Services’ defects indicated by the Customer, the Parties discuss on the appointment of independent experts on the procedure indicated in Chapter 8 of these General Conditions of the Contract.

7.8. The Service Provider at his/her/its own expense shall eliminate the defects of Services within the term determined in Point 4.11 of the Special Conditions of the Contract. The Customer does not reimburse any expenses or losses of the Service Provider related to this.

7.9. If the Service Provider does not eliminate the defects of Services within the term determined by the Customer, the Customer has the right not to accept the later transferred Services and not pay for them, and submit to the Service Provider an announcement regarding their non-acceptance.

7.10. The Service Provider together with the transfer-acceptance deed of the Services shall submit to the Customer all of the documents (the documents shall be written in the language of the original and a certified translation to Lithuanian shall be submitted. The translation certification is deemed proper, if the translated document is affirmed by the signature of the interpreter and the stamp of the translation bureau), which are necessary for using the results of the provided Service *(if applied)*.

7.11. If the Services are provided in stages, the procedure of providing, transferring and accepting the Services is this:

7.11.1. The Service Provider shall provide the Services, i.e., submit the documents related to the performance of the stage and receive a confirmation from the Customer in writing or by E-Mail until the end of the provision of Services term (stage).

7.11.2. The documents (printed copies of them) together with the supporting documentation shall be submitted personally or by using the courier’s services to the representative of the Customer until the end of the provision of Services term (stage). The electronic versions of the documents are sent via E-Mail (indicated in the Special Conditions of the Contract) to the employee of the Customer responsible for Contract performance.

7.11.3 Within 10 (ten) calendar days from their receipt, the Customer will affirm or reject the submitted documents, which are related to the performance of the stage, and will submit his/hers/its notes.

7.11.4. The Service Provider will have to correct the rejected documents by having regard to the notes of the Customer and resubmit them to the Customer no later than within 10 (ten) days from the day of their receipt.

7.11.5. Irrespective of the calculation of forfeit, the procedure of submitting and rejecting the documents related with the performance of the stage may be repeated until the required corrections are made, having regard to all substantiated notes of the Customer, and the stage will be properly performed.

7.11.6. Any notes of the Customer, which determine the rejection of documents proving the provision of Services, shall be motivated, i.e., substantiated with the respective norms of valid laws of the Republic of Lithuania, regulations, standards, other statutes of law, company’s standards, Technical Specification, these conditions of provision of Services, contractual conditions and the proposal of the Service Provider.

7.11.7. The term of any performance of the stage of Services, which is related with granting the former stage of Services, will not be renewed, if the Customer due to the fault of the Service Provider does not sign the transfer-acceptance deed of the last stage Services.

7.11.8. The stage of provided Services is accepted after both Parties sign the transfer-acceptance deed of the Services.

7.11.9. The Customer will sign the transfer-acceptance deed of the Services on the condition, that all of the previous stages were accepted. After the Services are done being provided, the final provided Services report is submitted to the Customer and after it is affirmed, the final transfer-acceptance deed of the provided Services is signed.

7.12. When both Parties sign the transfer-acceptance deed of the Services, the Service Provider undertakes within no later than 2 (two) calendar days to submit the Invoice. The Invoice shall have the date written-in on which the Customer signed the transfer-acceptance deed.

7.13. If the term of a specific task appointed to the Service Provider or the performance of the Service Provider’s obligation is not determined, the Service Provider shall perform them within the term indicated by the Customer, which is no more than 7 (seven) calendar days from the day when the Customer demanded to perform the appointed task or obligation. The Parties may agree in writing on another term of appointed task or obligation performance, if according to the laws or Contract’s substance the different term of the appointed task or obligation performance is clear. In these cases, the performance term of the appointed task or obligation shall be reasonable and provide the conditions for the Service Provider to perform the appointed task or obligation properly.

8. THE QUALITY OF SERVICES AND GUARANTEE OBLIGATIONS

8.1. The Service Provider guarantees the quality of Services and the non-existence of latent defects. The quality of Services shall meet the requirements of the Technical Specification and contractual conditions, as well as the requirements of documents determining the Service’s quality.

8.2. The term of Services guarantee obligations is determined in the Special Conditions of the Contract and/or its annexes. The guarantee term for all Services or their parts become valid again from the day of properly provided Services or transfer of their parts to the Customer.

8.3. The guarantees are not valid, if the defects of Services occur, because the Customer did not adhere to the instructions of service, maintenance and operation.

8.4. Upon noticing the defects of Services, the Customer at any time of guarantee term’s validity may lodge claims against the Service Provider regarding the quality of Services. The Customer prepares a deed regarding defects and forwards it to the Service Provider by fax or mail, or hands it over upon signature by using the courier services, by indicating that the Service Provider shall sign it and send it back to the Customer with 3 (three) calendar days by fax or had it over upon signature by using courier services. If the Service Provider does not send the signed deed regarding defects or a substantiated refusal to acknowledge the defects, it is deemed that the Service Provider acknowledged the defects. If the Service Provider does not acknowledge the defects, the Parties discuss regarding the appointment of independent expertise. If the Parties cannot reach an agreement within 3 (three) calendar days, the Customer at his/her/its own discretion performs the expertise. The expenses of expertise are born by:

- If the Services meet the contractual requirements – the Customer, if the Services do not meet the contractual requirements – the Service Provider.

8.5. The findings of the expertise is compulsory for the Parties. For those Services, which defects the Service Provider did not acknowledge, he/she/it within 10 (ten) calendar days from the signing of deed of defects submits to the Customer the documents, which are necessary for the expertise. If the Service Provider did not submit the necessary documents within the indicated period, it is deemed that he/she/it accepted the defects, which were determined by the Customer.

8.6. During the duration of the guarantee period, the Service Provider undertakes to eliminate the fixed defects at his/hers/its own expense within 20 (twenty) calendar days from the day of forwarding the deed of defects or expertise findings. If the Service Provider did not eliminate the defects within the indicated period, then he/she/it undertakes within 40 (forty) calendar days from the day of forwarding the deed of defects or expertise findings to provide quality Services, as well as reimburse all of the expenses and losses incurred by the Customer because of this. If the Service Provider provides the Services later than within 40 (forty) calendar days, the Customer may not accept them. The same guarantee conditions and terms, which are discussed in the Contract and/or its annexes, are valid for the newly provided Services. If the Service Provider within the indicated period does not provide the quality Services, then he/she/it shall within 5 (five) calendar days return to the Customer the price of Services paid and submit a credit Invoice.

9. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

9.1. If the Contract does not indicate otherwise, the Service Provider undertakes to reimburse the losses to the Customer for any demands, which stem from patent, trademark, the right (registered or not) of industrial design owner (user), rights stemming from applications to register any of the mentioned rights, copyright, the right (sui generis) of the databases manufacturers, the names or business names of firms, companies or organizations and other similar rights and obligations, irrespective of the fact, whether they are registered in Lithuania or in another country, or not registered as it is envisaged in the Contract, save for cases when this breach occurs due to the fault of the Customer.

9.2. By transferring the Services (by signing interim or final transfer-acceptance deed of the provided Services), due to Services provided under this Contract, the Service Provider unconditionally, irrevocably, free-of-charge and for an unlimited duration transfers in all of the countries of the world to the exclusive ownership of the Customer all of the economic, industrial and intellectual property rights of the author envisaged in the statutes of law of the Republic of Lithuania, which are related to the Services, specifcally performed under this contract, including (but not limited to), exclusive rights to allow or prohibit these actions: reproduction of a work in any form or by any means, publication of a work, translation of a work, adaptation or other transformation of work, distribution of the original or copies of a work by sale, rental, lending, or by any other transfer of ownership or possession, as well as by exporting and importing, public display of the original or copies of a work, broadcasting, retransmission of a work, as well as communication to the public of a work in any other way, including the making available to the public of a work via computer networks (on the Internet). For the avoidance of doubts, this obligation shall not apply to any part of the Davinci solution (including any app, functionality, source code, adaptation, enhancement, etc.) and to any other pre-existing intellecual property belonging to Service Provider or its licensors and therefore no ownership will be transferred regarding the same.The remuneration for the Service Provider for the transfer of economic rights of the objects of intellectual property to the Customer is included in to the total price of the Contract *(if applied)*. The Service Provider grants the Customer a non-exclusive and irrevocable right to use the installed software not specifically designed for the Customer (hereinafter referred to as the Software) for an indefinite period of time, including possible updates and enhancements related to the currently installed equipment (in its current locations) and configuration. The Customer may only use, back up, and distribute the Software within its company. Any transfer of the Software to any other third party is strictly prohibited. Notwithstanding the foregoing, the Customer may sublicense the contractual rights of the Service Provider to any of its subsidiaries under substantially identical terms of the Agreement. In all cases, the sole ownership of the Software remains with the Service Provider.”

10. THE LIABILITY OF THE PARTIES

10.1. The liability of the Parties is determined in accordance to the valid statutes of law of the Republic of Lithuania and this Contract. The Parties undertake to properly perform their contractual obligations and abstain from any actions by which they could do damage for one another or encumber the performance of contractual obligations.

10.2. The value of penalties (fine and/or forfeit) and their payment conditions are determined in the Special Conditions of the Contract.

10.3. If the Service Provider fails to comply with the applicable legal requirements during the performance of the Contract and as a result the competent authorities impose fines or other sanctions on the Customer, the Service Provider undertakes to indemnify the Customer for all direct losses or damages and additional costs.

10.4. The payment of penalty does not release the contractual Parties from their obligation to perform the contractual obligations.

10.5. The Service Provider undertakes to promptly inform in writing the Customer about the circumstances, which have occurred during the Contract performance and which hinder to provide Services on time and/or eliminate the defects of Services, by indicating the reasons of circumstances and their expected duration. The presence of these circumstances does not release the Service Provider form his/hers/its obligation to perform the obligations on the terms indicated in the Contract.

10.6. The Service Provider in all cases is liable for the losses or damage, which was done by the persons invoked by him/her/it during the provision of Services, irrespective of the fact, whether these losses or damage is made to the Customer, his/hers/its employees or other third persons, or their property.

10.7. If the Service Provider does not perform the contractual condition or obligation, which he/she/it shall perform, refuses or does not adhere to any instruction, which the Customer has the right to make and to which the Service Provider shall adhere to in accordance to contractual conditions, then the Customer may in writing inform the Service Provider about the non-performance of this order and demand that the Service Provider rectify the infringements indicated in the announcement. If the Service Provider does not perform this instruction within the reasonable period determined by the Customer, the Customer acquires the right to terminate the Contract unilaterally based on the procedure in Chapter 16 of the General Conditions of the Contract. The termination of the Contract does not release the contractual Parties from the payment of penalties, which were calculated until the termination of the Contract.

10.8. If the Service Provider does not properly perform his/hers/its contractual obligations, the Customer has the right, without limiting other remedies envisaged in the Contract and the statutes of law, for non-performance of obligations to apply a unilateral set-off from all of the contractual sums payable to the Service Provider (by informing the Service Provider in writing about this) and if these sums are not enough, the set-off can be made from obligation performance guarantees, which were submitted by the Service Provider (by informing the Service Provider in writing about this), in order to reimburse the penalties indicated in the Contract and all of the incurred losses. This provision is valid irrespective of the termination of the Contract and validity of other sanctions.

11. SUPERIOR FORCE CIRCUMSTANCES *(FORCE MAJEURE)*

* 1. During the term of the Agreement, a Party may be fully or partially exempted from fulfilling of its obligations and civil liability (outcomes) if it proves that the Agreement was not been followed in whole or in part due to force majeure.
  2. The Parties will distinguish the circumstances of force majeure as defined in Article 6.212 of the Republics of Lithuania Civil Code ((hereinafter referred to as the CC) and the Republics of Lithuania Government's July's 15th, 1996 resolution no. 840 "Exemptions in case of Force Majeure". Force majeure conditions must be determined on a case-by-case basis and the Party invoking force majeure must demonstrate that the force majeure circumstances have a direct and immediate effect on the execution of the Agreement and prove all of the following:
     1. The circumstances invoked by the Party were not at the time of the compilation of the Agreement and could not have been reasonably foreseen;
     2. Due to the circumstances, the Agreement cannot be objectively carried out;
     3. The party failing, to perform the agreement could was unable to control or prevent these circumstances:
     4. The party has not accounted for the risk of those circumstances or their consequences.
  3. A Party requesting full or partial relief from Agreement obligations and / or civil liability on the basis of force majeure must notify the other Party in a written form right away, but not later than 5 (five) calendar days from the discovery of these circumstances / impediments which are limiting proper performance of the Agreement, by presenting or providing the following:
     1. Objective and detailed evidence with written explanations of any unforeseen circumstances / impediments, also their effects and risks for the proper performance of the Party's contractual obligations, and that it has taken all reasonable precautions and efforts to minimize costs or potential adverse consequences to the proper performance of the Agreement;
     2. The approximate date for performance of the obligation, if the circumstances, which make it impossible to perform the Agreement, are temporary.
  4. In the event of force majeure exceeding 3 (three) months, either Party shall have the right to terminate this Agreement unilaterally by giving written notice to the other Party 5 (five) calendar days in advance.
  5. In the event of all of the conditions mentioned above, but force majeure circumstances being temporally, the Party shall be relieved of liability only for such period which seems reasonable, taking into account the effect of these circumstance have on the performance of the Agreement. Upon change of at least one of the above conditions, the force majeure status of the Parties shall cease to apply and the obligations of the Parties will be automatically reinstated. In any event, a Party, that has been wholly or partially released from its obligations under this Agreement and from its civil liability(outcome) for the reason of not performing / improper performance of the Agreement, must immediately notify the other Party in written form if at least one of the above conditions changes.
  6. The Parties must be aware that circumstances where the contractual obligations cannot be performed due to lack of goods on the market, lack of funds or violations of their obligations by the co-contractors will not be considered as force majeure.
  7. The parties are aware that when determining the existence of force majeure, a certificate issued by the Chamber of Commerce and Industry, does not create any material legal effect in itself, since the existence of force majeure is the basis for exemption of civil liability, but not the issuance of a certificate. A certificate of force majeure is purely procedural in nature, since it is to be viewed only as evidence in civil proceedings concerning the performance of contractual obligations or the imposing of civil liability. To the extent that it contains a legal assessment of certain circumstances, a certificate of force majeure shall not be regarded as prima facie evidence within the measures of Code of Civil Procedure, Article 197, since legal assessment of facts is a prerogative of the court and it is not bound by the legal assessment and qualifications by other individuals.
  8. The provisions of this Agreement relating to the use of force majeure does not exclude the right of the other Party to terminate or suspend this Agreement and / or to claim damages, losses.
  9. If a Party fails to notify the other Party of the occurrence of force majeure and its impact on the performance of the Agreement within the agreed time period, it must compensate all direct losses from not performing / improper performance of the Agreement.

**Exemption or partial waiver of civil liability in full or partial respect to State's actions regarding COVID-19 situation:**

* 1. During the term of the Agreement, a Party may be fully or partially released from liability for non-performance of the Agreement due to mandatory and unforeseeable actions (acts) of State authorities arising due to situation with coronavirus (COVID-19) or its variants, which renders fulfilling the obligations impossible and which the Party was unable contest (Article 6.253 (3) of Civil Codecs). The impact of actions (acts) of State authorities on the performance of contractual obligations must be determined on a case-by-case basis and the Party relying on this fact must demonstrate (i) that the grounds for partial or total exclusion from contractual obligations is solely due to actions (acts) of State authorities, which have a direct impact on the performance of the Agreement and to prove that (ii) in each case there is a collection of all the following conditions::
     1. These actions (acts) must be unforeseeable and obligatory the Party - could not have been foreseen by the Party in advance (At the moment of compiling the Agreement);
     2. The actions (acts) must be such, that would render the obligations impossible to perform;
     3. The party did not have the right to challenge the actions / acts in court or administrative proceedings.
  2. A Party, requesting full or partial relief from it's responsibilities for its breach of this Agreement, due to mandatory and unforeseeable actions (acts) of a State authority, arising from coronavirus (COVID-19) or it's variety, must notify the other Party in written form immediately, but not later than 5 (five) calendar days from the occurrence or discovery of such circumstances that impede proper performance of the Agreement, by submitting:
     1. objective and detailed evidence with written explanations of any unforeseen circumstances / impediments, also their effects and risks for the proper performance of the Party's contractual obligations, and that it has taken all reasonable precautions and efforts to minimize costs or potential adverse consequences to the proper performance of the Agreement;
     2. the preliminary deadline for performance of the obligations, if the actions (acts) of the State, which render it impossible to perform the Agreement, are temporary.
  3. In the event that a Party is unable to perform its contractual obligations due to mandatory and unforeseeable actions (acts) of public authorities arising from the Coronavirus (COVID-19) situation or it's variants for more than 3 (three) months, either Party shall have the right to terminate this Agreement unilaterally by informing other Party in a written form 5 (five) calendar days in advance.
  4. In the event of all the circumstances, but binding and unforeseeable acts (acts) of State authorities being temporal, the Party will be relieved of liability only for such period which seems reasonably, taking into account the effect of that circumstance on the performance of the Agreement. If at least one of the above conditions changes, the provisions of Article 6.253 (3) of the Civil Codec will no longer apply to the Parties of the Agreement and the obligations under the Agreement shall be automatically reapplied to the Parties. In any event, a Party, that has been wholly or partially exempted from its obligations under this Agreement and from its civil liability for the not performing / improper performance of the Agreement must immediately notify the other Party in written form in case of change in at least last one of the above conditions..
  5. These provisions relating to the application of State actions (acts) do not deprive the other Party of the right to terminate or suspend the Agreement and / or to claim contractual penalties, losses.
  6. If a Party fails to send notice in accordance with the procedures set forth in the Agreement, or does not inform the other Party at all in, it must compensate the other Party for any damage it has suffered as a result of the failure to notify in time or due to not informing at all.

12. CONFIDENTIALITY OBLIGATIONS

12.1. The Parties agree to hold the 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 the third parties any information regarding it, save for those cases, when it is required on the basis of laws of the Republic of Lithuania. The Party liable for disseminating the information in accordance to this Agreement shall reimburse the damages, which occurred because of it.

12.2. A public disclosure of information about the Customer is not considered the breach of this obligation, if the Customer breaches the payment terms.

12.3. The confidentiality obligations exists even after the Contract ends.

13. THE VALIDITY OF THE CONTRACT

13.1. The validity term of the Contract is determined in the Special Conditions of the Contract.

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

13.3. After the termination of the Contract or after the end of the Contract, the contractual provisions of liability and settlement among the Parties are left valid, as well as all other contractual provisions, which as it is clearly indicated, remain valid after the termination of the Contract or shall remain valid in order to perform the Contract in full.

13.4. The guarantee obligations are valid until the full performance of them *(if applied)*.

14. CONTRACT AMENDMENTS

14.1. The Contract may be amended on the procedure established in the statutes of law of the Republic of Lithuania. The amendments are valid, if they are concluded in writing and signed by the authorized representatives of the Parties.

**15. EMPLOYEE SAFETY *(if applied according to the nature of Services)***

15.1. The Service Provider shall ensure that his/hers/its employees or the employees of the subprovider invoked by the Service Provider when providing the contractual Services will carry out the requirements of employee safety and health, fire safety, environment safety, electricity safety and hygiene statutes of law and will ensure a lawful and work safety.

15.2. The Service Provider will ensure that his/her/its employees or the employees of the subprovider invoked by the Service Provider, who shall provide the contractual Services in the safety zone of railroads and their equipment, until the start of provision of Services pass the exams of safe conduct on railroad at the JSC “Lithuanian Railroads” (or at other institution, which has the appropriate right) and have valid fixed form’s certificates.

15.3. Prior to commencing the provision of Services, to appoint a person to coordinate the activity of employers in the safety and health area or appoint an employee safety and health coordinator, who coordinates the work of the employees of the Service Provider or subprovider, by creating safe and benign to health work conditions for the employees, when one than more employer’s (Service Provider’s, subproviders’) employees provide the contractual Services. The appointment shall be formalized in writing (by a prescript, decree, protocol of the agreement or by other local statute of law) by informing the Customer about this or to appoint a person representing the employer on the issues of employee safety and health (hereinafter called the Responsible Person), if the Service Provider provides the Services and the employee safety and health coordinator is not appointed. The Responsible Person of the Service Provider instructs the employees of the Service Provider on work safety at Customer’s company.

15.4. During the Contract performance, to organize and ensure the safe movement of vehicles and other movable parts in the place of Service provision and in the territory of the Customer’s plant, which is located near it, to organize the traffic of vehicles in accordance to the traffic rules of a respective vehicle. The Service Provider is liable for organizing traffic safety of own and rented vehicles in the place of Service Provision and in the territory of the Customer’s plant, which is located near it.

15.5. The Service Provider undertakes to be well familiarized with evacuation plans, plans of preventing accidents and their liquidation, which need to be applied in the event of emergencies.

15.6. The Service Provider ensures that all of the tools, mechanisms, equipment etc., are orderly, used in accordance to the rules of safe exploitation and are stored in a safe place.

15.7. The Service Provider undertakes not to leave unfinished or partially finished Services in unsafe conditions, which may impair the work safety, damage equipment or create danger to human life or health.

15.8. The Service Provider undertakes to terminate the provision of Services, if the situation occurred, which poses a threat to safety and health of other people. The provision of Services shall be suspended when the climate conditions prevent from safely provide them.

15.9. To inform the representative of the Customer promptly about any accident, injury or incident, or about the damage, which is being done or have been done to the employees, property of the Customer or third persons.

15.10. If the Service Provider does not adhere to the requirements indicated in this Point, for each determined breach the Service Provider undertakes to pay to the Customer a fine of 500.00 (five hundred euros and 00 cents) EUR.

16. TERMINATION OF THE CONTRACT

16.1. The Contract may be terminated by a written agreement of the Parties or unilaterally in the cases envisaged in the Contract. The reasons for terminating the contract, termination date shall be indicated in the agreement and the Parties shall agree on payment for the Services provided and accepted prior to the termination of the Contract, as well as on the application of liability provisions.

16.2. If the Service Provider is late to perform his/hers/its contractual obligations for more than 14 (fourteen) calendar days, the Customer, having warned the Service Provider in writing 5 (five) calendar days prior, acquires the right to unilaterally terminate the Contract without reimbursing the expenses or losses of the Service Provider, which are related with the termination of the Contract, and the Customer acquires the right to the Contract performance guarantee.

16.3. The Customer has the right to terminate the Contract unilaterally by having informed the Service Provider about this within the term, which is less than 14 (fourteen) calendar days, in these cases:

16.3.1. When the Service Provider becomes bankrupt or is liquidated, suspends his/hers/its economic activity or based on the procedure fixed in other statutes of law an analogous situation occurs;

16.3.2. When an organizational structure of the Service Provider changes – legal address, nature or governing structure, and this may have an impact on proper Contract performance;

16.3.3. When the Service Provider is deemed guilty of occupational infringement by a decision of a competent institution or court, which has the power of res judicata;

16.3.4. When it became apparent that the Service Provider should have been eliminated from the Procurement procedure by *mutatis mutandis* applying Article 46 (1) of the Law on Public Procurements of the Republic of Lithuania, which is applied together with Article 59 (1) of the Law on Procurements, Which Are Carried-out by the Water Management, Energetics, Transportation or Postal Services Contracting Entities of the Republic of Lithuania (hereinafter called the Law on Utilities Sector);

16.3.5. If the Service Provider does not adhere to the terms of Contract performance;

16.3.6. When the Service Provider does not perform his/hers/its other contractual obligations and this is a material breach of the Contract;

16.3.7. When the subject (guarantor), which has issued the Contract performance guarantee, cannot perform his/hers/its obligations and the Service Provider, after the Customer demands this in writing, within 10 (ten) calendar days does not on the same conditions submit a new Contract performance guarantee;

16.3.8. When the Contract was amended by infringing Article 97 of the Law on Utilities Sector;

16.3.9. When it became apparent, that the Contract should not have been concluded with the Service Provider, because the European Union Court of Justice in the procedure regarding Article 258 of the Treaty on European Union acknowledged that the obligations in accordance to the treaties establishing the European Union and Directive 2014/25/EU[[1]](#footnote-1) were not performed;

16.3.10. When the Government of the Republic of Lithuania, in accordance with the procedure established by the Law on the Protection of Objects of Importance for Ensuring National Security, adopts a decision confirming that the Contract does not meet the interests of national security;

16.3.11. Due to the inaction of other nature, which hinders the performance of the Contract and in other cases indicated in the Contract.

16.4. The Service Provider has the right to terminate this Contract unilaterally by having informed the Customer about this within the term, which is less than 30 (thirty) calendar days, in these cases:

16.4.1. When the Customer does not pay to the Service Provider and the debt of the Customer exceeds the indicated and calculated value of forfeit, which is indicated in the Special Conditions of the Contract;

16.4.2. When the Customer goes bankrupt or is liquidated, suspends his/hers/its economic activity or based on the procedure fixed in other statutes of law an analogous situation occurs;

16.4.3. When an organizational structure of the Customer changes – legal address, nature or governing structure, and this may have an impact on proper Contract performance.

16.5. If the Contract is terminated on the initiative of the Customer due to the fault of the Service Provider, the losses or expenses incurred by the Customer may be set-off from the sums payable to the Service Provider or by using the Contract performance guarantee, which was submitted by the Service Provider.

16.6. The termination of the Contract does not eliminate the Customer’s right to demand to reimburse losses, which have occurred due to the non-performance of the Contract, and penalties.

16.7. The termination of the Contract does not release the Parties from the payment of forfeit, which were calculated until the termination of the Contract.

16.8. If the Service Provider without having a valid reason unilaterally terminates the Contract, the Customer uses the Contract performance guarantee.

16.9. The Customer has the right to terminate the Contract unilaterally without having regard to the fact that the Service Provider has started to perform it. In this case, the Customer shall pay to the Service Provider the part of the price, which is proportionate to the provided Services, and reimburse other reasonable expenses, which the Service Provider in order to perform the Contract incurred until the moment of receipt of announcement from the Customer regarding the termination of the Contract.

16.10. The Customer has the right to unilaterally terminate the Contract by notifying the Service Provider in writing less than 14 calendar days in the following cases: other objective and reasonable circumstances arise which prevent the Supplier from properly performing the Contract and/or providing the Services and the Supplier cannot provide reasonable evidence that the Contract will be performed properly, for example due to conflicts 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 requirements regarding statutory audit of 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.).

16.11The termination of the Contract releases the contractual Parties from the performance of it.

16.12. The termination of the Contract does have an impact on the validity of the contractual conditions, which determine the dispute settlement order and other contractual conditions, if these conditions according to their essence remain valid after the termination of the Contract.

16.13. When the Contract is terminated, the Service Provider may demand to return to him/her/it everything, which the Service Provider in performance of the Contract has transferred to the Customer, if the Service Provider returns everything to the Customer, which he has received from it. If restitution in kind is not possible or appropriate to the parties due to modification of the subject matter of the Contract, a compensation of value of what has been received shall be made in money, provided that such compensation does not contradict the criteria of reasonableness, good faith and justice. If the performance of the Contract is successive and divisible, the party may claim restitution only of what has been received after the dissolution of the Contract. Restitution shall not affect the rights and duties of third persons in good faith.

16.14. The Contract may be terminated in cases and procedure other than those envisaged in this Contract and the Civil Code.

**17. SUSPENSION/RENEWAL OF CONTRACT PEFORMANCE**

* 1. If when providing the Services the Service Provider encounters disturbances or other obstacles, which hinder the proper contractual provision of Services, he/she/it shall promptly, but no later than within 1 (one) calendar day, inform the Customer about this in writing by submitting the evidence of the existence of aforementioned circumstances. In this case, the Service Provider has the right to request the Customer to suspend the provision of Services until the disturbances or obstacles are eliminated. If the Customer agrees, the provision of Services may be suspended only for the duration of the existence of aforementioned circumstances. After they are eliminated, the Service Provider shall promptly renew the provision of Services.
  2. The Service Provider shall promptly, but no later than within 1 (one) calendar day, suspend the provision of Services or a part of them after having received the written announcement from the Customer, in which the Customer requests to do so. The suspension of the provision of Services does not mean the termination of the Contract.
  3. If the Customer suspends the provision of Services for more than 60 (sixty) days and the Service Provider is not at fault, and there are no circumstances for which the Service Provider is responsible, the Service Provider may request in writing the permission to renew the provision of Services within 30 (thirty) calendar days. If the Service Provider does not receive the permit, he/she/it may terminate the Contract by informing the Customer about this based on the procedure established in the Contract.
  4. If the provision of Services is suspended for more than 90 (ninety) days, each contractual Party may unilaterally terminate the Contract by informing one another about this based on the procedure established in the Contract.
  5. Suspension of the performance of the Contract due to circumstances not arising from the Supplier entitles the Service Provider to request an extension of the term of performance of the Services for the remaining term before the suspension of the Services.
  6. The Service Provider has the right to the extension of Service provision, but only in the event, if the Service Provider could not foresee these circumstances. The circumstances on which the necessity to extend the Service provision term is based, shall not rely on the Service Provider. In every case, the Service Provider shall promptly, but no later than within 1 (one) calendar day, inform about this the Customer by submitting the evidence of the existence of these circumstances. The Customer evaluates the aforementioned circumstances. If the Customer agrees, the Service provision may be extended only for the duration of the existence of aforementioned circumstances.

18. DISPUTE SETTLEMENT PROCEDURE

18.1. The laws and other normative statutes of law of the Republic of Lithuania are applied to this Contract and to all of the rights and obligations stemming from it. The Contract is concluded and shall be interpreted in accordance to the laws of the Republic of Lithuania.

18.2. Any disagreements or disputes arising between the Parties because of this Contract are solved by mutual agreement/negotiations. If the Parties can’t reach an agreement, any disputes, quarrels or demands stemming from this Contract or related to it, or related to the infringement, termination or validity of it and which have not been solved by negotiations, are heard in the courts of the Republic of Lithuania based on the procedure established in the laws of the Republic of Lithuania.

**19. COMMUNICATION**

19.1. The contracting Parties communicate in Lithuanian language (if the contracting Party is a foreign subject – in Russian or English languages). All of the announcements, consents and other communication, which the Party may submit in accordance to this Contract, will be deemed valid and properly submitted, if they are personally handed over to the other Party and a confirmation regarding receipt is received or sent by registered mail, fax or E-Mail (by confirming the receipt) at the addresses indicated in the Contract or fax numbers, other address or fax numbers, which were indicated by the Party when handing over the announcement.

19.2. If the address and/or other data of the Party changes, the Party shall inform the other Party about this no later than within 3 (three) calendar days from the moment of data change. If the Party does not adhere to these requirements, it does not have the right to a claim or counter-claim, if the actions of the other Party, which were performed having regard to the last known data, contradict the contractual conditions or the Party did not receive any announcement sent in accordance to the aforementioned data.

20. FINAL PROVISIONS

20.1. Neither Party, in accordance to this Contract, has the right to transfer all or a part of the rights and obligations to any third party without having a prior written consent of the other Party.

20.2. When performing the Contract, this kind of invoking and/or changing procedure of the economic entities, specialists and/or subproviders, which capabilities the Service Provider invoked when he/she/it participated in the Procurement in order to meet the qualification requirements, is applied:

20.2.1. The Service Provider when performing the Contract cannot change the economic entity, which capabilities he/she/it invoked in order to meet the qualification requirements, (hereinafter called Economic Subject) and/or a specialist indicated in the proposal of the Service Provider without having the Customer’s consent. The changed Economic Subject and/or specialist shall have a qualification, which is not lower than the qualification indicated in the Service Provider’s proposal. The Economic Subject and/or specialist of the Service Provider may be changed only in these cases:

20.2.1.1. When the Economic Entity of the Service Provider goes bankrupt or an analogous situation occurs;

20.2.1.2. When the Economic Entity and/or specialist of the Service Provider for objective reasons (for example, when the Economic Entity and/or specialist refuses to participate in the performance of the Contract, when they become ill, injured, when legal relations with the Service Provider are terminated etc.) can’t participate in the performance of the Contract.

20.2.2. The Service Provider in order to change the Economic Entity and/or specialist shall inform the Customer in writing no later than 3 (three) calendar days before and acquire a written consent of the Customer. If the Customer consents with the change of the Economic Entity and/or specialist, the Customer concludes in writing with the Service Provider an agreement regarding the change of the Economic Entity and/or specialist, which the Parties sign. This agreement is an inseparable part of the Contract;

20.2.3. The Service Provider wanting to invoke the subproviders, which are not Economic Entities, no later than the moment of Contract performance shall inform to the Customer the names, contact data and the representatives of the known at that time subproviders. Furthermore, the Service Provider shall inform about the changes of the aforementioned information during the performance of the Contract and about new subproviders, which the Service Provider intends to invoke later. The subproviders cannot participate in the performance of the Contract, if they do not inform the Customer about this beforehand. The subproviders may be invoked for those parts of the Contract, for which the Service Provider in his/hers/its proposal intended to invoke the subproviders, save for those cases when the Service Provider substantiates that it is necessary to invoke the subprovider for an unintended part of the Contract in order to ensure a proper performance of it;

20.2.4. The Customer will not check the qualification of subproviders, which are not Economic Entities;

20.2.5. If the subproviders wish so, the Customer will settle with them directly. The Customer will inform the subprovider about this possibility with a separate notice within 3 (three) calendar days from the day of receipt of information from the Service Provider about the invoked subprovider. In order to use the direct settlement possibility, the subprovider shall no later than within 2 (two) calendar days in writing inform the Customer. In this case, a tripartite agreement will be concluded with the Customer, Service Provider and subprovider, in which the order of direct settlement with the subprovider is indicated, including the right of the Service Provider to lodge objections against unsubstantiated payments. The signing of tripartite agreement regarding the direct settlement with the subprovider does not amend the liability of the Service Provider regarding the performance of the Contract.

20.3. The invalidity or contradiction of any contractual provision to the laws or other normative statutes of law of the Republic of Lithuania does not release the Parties from the performance of the undertaken obligations. In this case, this provision shall be amended with the provision, which meets the requirements of the statutes of law and is, as far as possible, closer to the purpose of the Contract and its other provisions.

20.4. The statutes of law of the Republic of Lithuania regulate all other issues, which were not discussed in the Contract.

20.5. The Parties have read and understood the Contract and the signatures of authorized persons of the Parties confirmed the authenticity of it, or the Contract is sewn and signed on the second part of the last page.

20.6. This Contract is comprised of the Special Conditions of the Contract, their annexes and General Conditions of the Contract. If the provisions of the Special Conditions of the Contract and/or its annexes do not conform to the provisions of the General Conditions of the Contract, the provisions of the Special Conditions of the Contract and/or its annexes prevail.

20.7. The contracting Parties shall indicate in the Special Conditions of the Contract about the amended provisions of General Conditions of the Contract.

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1. Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC [↑](#footnote-ref-1)