**PURCHASE AND SALE CONTRACT OF SERVICES**

**GENERAL PROVISIONS OF THE CONTRACT**

1. **GENERAL PROVISIONS**

**1.1. Definitions**

1.1.1. Unless it is provided otherwise, the concepts starting with a capital letter and used in this Contract or in communication between the Parties shall have the following meanings:

a) **Deed** shall mean a conveyance-acceptance deed of Services or another equivalent document signed by the Parties upon provision of the Services by the Supplier;

b) **Group** shall mean a group of enterprises controlled by UAB “EPSO-G” that consists of UAB “EPSO-G” and the daughter enterprises controlled directly and indirectly by UAB “EPSO-G”;

c) **Seller** shall mean a Contract’s party that sells the Services specified herein to the Purchaser;

d) **Services** shall mean the services specified in the Contract that the Seller undertakes to provide to the Purchaser;

e) **Purchaser** shall mean a Contract’s party that buys the Services specified herein from the Seller;

f) **Purchase** shall mean buying of the Services, with regard to which the Contract was made;

g) **Contract’s price** shall mean the price indicated in the Contract formed from the price of all the sold Services incl. VAT (if applicable), when the fixed price or fixed price with revision is chosen. When the Services are bought according to the rates, it shall mean a maximum price payable to the Seller for the Services under the Contract, including VAT (if applicable);

h) **Contract** shall mean a contract made by the Seller and the Purchaser: General Conditions of the Contract and Special Conditions of the Contract, as amended or supplemented, whereby the Parties undertake to act in compliance with the Contract’s conditions;

i) **Parties** shall mean the Seller and the Purchaser together, while a **Party** shall mean one of them;

j) **Law on Procurement** shall mean the Law on Procurement carried out by Contracting Entities that operate in Water Management, Energy, Transport and Postal Services Sector of the Republic of Lithuania.

**1.2. Subject of the Contract**

1.2.1. Hereby the Seller undertakes to sell the Services specified herein, while the Purchaser undertakes to pay for them under the terms and conditions of this Contract. The price of services, goods or works necessary for proper implementation of the Contract (for example, training, installation, etc.) shall be included into the Contract’s price.

1.2.2. While implementing the Contract, the Parties undertake to observe all the conditions provided herein, as well as legal acts of the Republic of Lithuania and the legal acts of the European Union valid in the Republic of Lithuania and other legal acts applicable for the Contract.

1.2.3. Compliance with the quality of the Services (conformity to the Contract’s conditions), the terms of their provision and any quality guarantees shall be regarded as essential conditions of this Contract. Unless the Special Conditions of the Contract provide otherwise, it shall be considered that the Seller has violated the Contract essentially when the Services are provided exceeding the set deadline by more than:

a) 15 days (if the term for fulfilment of obligations set in the Contract does not exceed 3 months);

b) 30 days (if the term for fulfilment of obligations set in the Contract is longer than 3 months, but shorter than 6 months);

c) 45 days (if the term for fulfilment of obligations set in the Contract is longer than 6 months, but shorter than 12 months);

d) 60 days (if the term for fulfilment of obligations set in the Contract is longer than 12 months).

**1.3. Responsible Persons**

1.3.1. The Parties shall solve the Contract-related issues through the responsible persons indicated in the Contract. The communication between the responsible persons shall be carried out using the provided contacts.

1.3.2. The Parties guarantee hereby that the appointed responsible persons shall have all the necessary powers to implement the Contract. The decisions of the responsible persons made in contradiction to the Contract without separate authorization shall be invalid and shall not create any new rights and duties to the Parties.

1.3.3. Any Party is entitled to replace unilaterally any responsible person specified in the Contract, provided the other Party is notified thereof in writing without delay.

**1.4. Execution Schedule**

1.4.1. If it is provided in the Contract that it will be executed according to the schedule or the program agreed by the Parties (hereinafter – Schedule) and the Schedule is not enclosed as the Contract’s annex, the Seller undertakes to prepare a Schedule and to submit it for adjustment to the Purchaser within 10 days after the Contract’s conclusion but not later than before the beginning of provision of the Services, unless the Special Conditions of the Contract provide otherwise.

1.4.2. The coordinated Schedule shall be confirmed by responsible persons of both Parties. The Schedule should reflect the main terms of the Contract’s execution, their sequence and interrelation. It has to be indicated also in the Schedule, what actions in what terms the Purchaser has to perform in order to implement the Contract on time and properly. The Purchaser undertakes to approve the submitted Schedule or to give reasoned comments within 5 days after receipt of the Schedule. If the Schedule is returned to the Seller for correction, the Seller undertakes to submit the Schedule for repeated adjustment within 5 days after receipt of the comments. If the Seller does not revise the Schedule according to the Purchaser’s comments groundlessly, it shall be considered that the Seller has not submitted the Schedule repeatedly within the term set in this clause and thus, it may incur liability specified in the Contract.

1.4.3. If the Contract’s execution is behind the approved Schedule, upon the Purchaser’s request, the Seller undertakes to indicate the reasons of delay in writing in 5 days and to submit an updated Schedule to the Purchaser for adjustment.

1.4.4. The Schedule is intended to organize and observe the Contract’s execution. The changes in the Schedule shall never mean modification of the Contract’s terms and thus the Seller shall not be released from responsibility for non-compliance with such terms.

**1.5. Contract’s Execution**

1.5.1. The Seller undertakes to execute the Contract for its own risk and account as carefully and effectively as possible, for the best interests of the Purchaser, in accordance with the universally recognized professional, technical standards and practice, using all the necessary skills and knowledge.

1.5.2. The Purchaser shall be entitled to inspect and assess, how the Services are provided. Upon the Purchaser’s request, the Seller shall present all the information and documentation that could be needed to show the progress of the Contract’s execution, its results and compliance with the Contract’s requirements.

1.5.3. The Seller undertakes to remove all the defects identified in the course of the Contract’s execution immediately and to notify the Purchaser about all the circumstances that could affect proper execution of the Contract. The term set to remove the defects does not create the ground to extend the Contract and does not withdraw the Purchaser’s right to impose responsibility on the Seller for untimely or improperly implemented Contract.

1.5.4. Each Party undertakes to reply to the inquiry of another Party immediately and not later than in 3 business days after receipt of respective inquiry, unless later day is indicated in the inquiry. The Parties may answer within longer period if it is needed objectively. The Parties shall inform each other thereof, stating the reasons.

1.5.5. If the Seller has to provide the Services in the Purchaser’s objects (plants) and/or their protection areas, the access to which needs the Purchaser’s permit, the Seller undertakes to get all the necessary documents for such a permit before beginning to provide the Services, and not to provide the Services without having such a permit of the Purchaser. The permit issued by the Purchaser shall be valid for the entire period of provision of the Services in the specified objects and/or areas. The Seller has to safeguard that all the sub-suppliers providing its Services would get the Purchaser’s permit if sub-suppliers are assigned to provide the Services in the specified objects and/or areas.

1.5.6. If the Services are provided according to individual orders of the Purchaser, such orders shall be made and confirmed in writing and/or by phone and/or by e-mail. Unless the Technical Specification provides otherwise, when the orders are made, the Parties shall coordinate the scope of the ordered Services, terms and/or place of their provision and other necessary conditions. The orders shall be considered coordinated when confirmed by both Parties.

1.5.7. The order shall be considered fulfilled when the Seller provides all the ordered Services.

1.5.8. The orders may be modified or cancelled by mutual agreement of the Parties’ representatives.

**1.6. Qualification**

1.6.1. The Seller undertakes to guarantee that the Seller and the persons implementing its contractual obligations would have all the licences, permits, certificates, qualification and occupational safety certificates, as well as the needed qualification and competence to carry out the obligations provided in the Contract.

1.6.2. If the Purchase Conditions provide particular qualification requirements for the persons implementing the Contract of if the Seller based its offer on experience of such persons, only the persons satisfying such requirements are entitled to implement the Contract. When the persons indicated at the time of Purchase by the Seller are changed, the Seller has to get a written consent of the Purchaser. The Seller shall give the consent only after the Seller provides the documents supporting qualification and experience of persons in question.

1.6.3. If the Seller’s qualification to engage in certain activities has not been checked or has been checked not in full scope, the Seller commits to the Purchaser that the Contract will be executed only by entitled persons.

1.6.4. The repeated violation of the conditions of this section shall be regarded as an essential violation of the Contract.

**1.7. Sub-supply**

1.7.1. If the Seller uses sub-suppliers to implement the Contract, before the Contract is made, the Seller undertakes to notify the names, contact data and representatives of the sub-suppliers to the Purchaser, if they have not been provided in the offer (in wide sense). The Seller has to guarantee that the sub-suppliers engaged to execute the Contract would have the needed qualification and experience at the time of the Contract’s conclusion and in course of its validity and there would be no grounds for their removal (if applicable). The Seller undertakes to notify the Purchaser about changes in the aforementioned information during the entire validity period of the Contract, as well as about any new sub-suppliers to be engaged later. The Seller shall notify the Purchaser about newly engaged and/or replaced sub-suppliers not later than within 5 business days before their engagement and/or replacement.

1.7.2. The Seller may replace the sub-suppliers, whose capacities were not used by the Seller to substantiate the qualification requirements in the Purchase Conditions, at its own discretion, provided the Purchaser has been notified in writing thereof. The Purchaser shall have a right to check whether there are no grounds for removal of the sub-supplier (if applicable). If the sub-supplier’s position satisfies at least one ground for removal indicated in the Purchase Conditions, the Purchaser demands to replace that sub-supplier by a sub-supplier, who satisfies the requirements in full.

1.7.3. The Seller may replace the sub-suppliers, whose capacities were used by the Seller to substantiate the qualification requirements in the Purchase Conditions, only upon receipt of the written consent of the Purchaser, after the Purchaser has checked whether the sub-supplier has the needed qualification and/or experience and whether there are no grounds for removal of the sub-supplier (if applicable). The Purchaser confirms that it will not withhold its consent to replace the sub-supplier groundlessly. The condition specified in this clause is essential and its repeated violation shall be regarded as an essential violation of the Contract.

1.7.4. If it is possible according to the Contract’s character, the possibility of direct payment to the sub-suppliers shall be provided in the Special Conditions of the Contract. If the sub-supplier expresses the wish to use the possibility of direct payment, a trilateral agreement between the Purchaser, the Seller and the sub-supplier shall be made. If the Special Conditions of the Contract do not provide such a possibility, it shall be considered that the Contract’s character does not provide an opportunity of direct payment to the sub-suppliers.

**1.8. Quality Requirements for the Services**

1.8.1. The Services have to satisfy all the requirements provided herein, as well as legal acts of the Republic of Lithuania and the legal acts of the European Union valid in the Republic of Lithuania and other legal acts applicable for the Contract with regard to safe product, hygienic norms, occupational safety, etc.

1.8.2. The Seller guarantees that at the time of conveyance-acceptance of the Services (their result) and at any time afterwards (during the entire quality guarantee term, if applicable), the Services shall satisfy the requirements set in the Contract, applicable legal acts and standards, that they will be provided qualitatively, and without mistakes that would cancel or educe value of the Services or their suitability for ordinary use.

**1.9. Suspension**

1.9.1. The Purchaser shall have a right to suspend provision of the Services if the Seller does not act in compliance with occupational safety, hygienic norms and/or other requirements provided in the legal acts, as well as due to other reasons, as specified in clause 1.9.2 of the General Conditions of the Contract.

1.9.2. The Purchaser may suspend implementation of the Seller’s contractual obligations or part of them due to the reasons listed below, provided they have direct impact on the implementation of contractual obligations (their part):

1. additional surveys (e.g., engineering, archeologic surveys, etc.) that were not foreseen but that are necessary;
2. delay in conveyance of the object (another supplier, service provider and/or contractor is still working in the object);
3. influence of the third parties;
4. stopped or lacking financing;
5. additional time is needed to carry out another purchase;
6. the equipment, materials, etc. that have to be provided by the Purchaser have not been delivered;
7. physical obstacles (e.g., emergency works);
8. other circumstances that were not known at the time of the Purchase and that would be encountered by any supplier, service provider and/or contractor;
9. the pending pre-trial or judicial disputes of the Purchaser with the third parties that have direct impact on the Contract’s implementation.

1.9.3. The maximum suspension term of the implementation of the Seller’s contractual obligations or part of them shall be 6 months.

1.9.4. The implementation of the Seller’s contractual obligations or part of them shall be extended for the period remaining for their implementation under the Contract before the suspension.

1.9.5. The Purchaser shall notify the Seller about suspension of the implementation of the Seller’s contractual obligations or part of them in writing under the terms and conditions of the Contract.

**1.10. Fulfilment of the Contract**

1.10.1. The Services shall be provided properly when the Purchaser confirms their provision. If the Contract provides that provision of the Services have to be confirmed in writing, the Seller shall draft the Deed. One copy of the Deed shall be given to the Purchaser. If certain defects are recorded in the Deed, the signed Deed shall only confirm factual provision of the Services but it shall not be regarded as a legal ground to receive payment before all the defects specified in the Deed are removed and confirmed by the Parties.

1.10.2. The Purchaser shall indicate evident quality defects of the Services that may be checked at the time of their conveyance-acceptance to the Seller in writing and shall not accept such Services (or the part thereof for which defects have been determined) until the specified defects are removed.

1.10.3. Provision of the Services shall not be regarded as unconditional confirmation of the Purchaser that the Services satisfy the Contract’s requirements and do not cancel the Purchaser’s right to demand to eliminate the defects later, if they could not have been detected reasonably at the time of conveyance-acceptance.

1.10.4. The ownership to the results of the Services and the risk of their accidental loss shall be transferred to the Purchaser when certain results of the Services are conveyed.

**1.11. Quality Guarantee**

1.11.1. The guarantee term set in the legal acts shall be applied for the Services, unless different guarantee term is specified in the Special Conditions of the Contract. If the guarantee term is not specified anywhere, the quality guarantee term of 24 months shall be applicable. This term is calculated from the moment when the Deed for provided Services is signed.

1.11.2. The Seller has to remove the defects of the Services that appear during the guarantee term free of charge within 10 days after the written request of the Purchaser is received, unless the Special Conditions of the Contract provide otherwise, or within the term agreed by the Parties in writing that they consider objectively necessary to remove these defects. The results of the Services shall be accepted for after-sales service by the Seller in the place where they were or had to be conveyed to the Purchaser, unless the Parties agree otherwise.

1.11.3. The quality guarantee shall not be applicable for the defects that have appeared after conveyance of the Services to the Purchaser because the Purchaser was ignoring the use, maintenance and operation instructions.

1.11.4. The term of quality guarantee shall be suspended for the period, during which the results of the Services could not have been used because of defects, for which the Seller is responsible.

1.11.5. If the Seller does not start removing the defects, does not remove the defects and/or correct direct damage caused by such defect during the guarantee term within the term indicated in the Contract, the Purchaser may remove the defects itself or with the help of third persons for the account of the Seller. In such a case, the Seller’s guarantee obligations shall not be cancelled and the Seller shall have to reimburse the losses incurred by the Purchaser thereof.

1. **PRICE AND PAYMENT**

**2.1. Contract’s Price**

2.1.1. The Contract’s price includes all the direct and indirect expenses related to the Contract’s execution, including acquisition of devices, materials, products, tools and other things (save for the cases when they have to be provided by the Purchaser under the Contract), transportation, installation, preparation of documentation, training of the Purchaser’s staff to use the Services, the Purchaser’s consultation, all the due taxes and charges necessary to provide the Services specified in this Contract, unless it is clearly stated in the Contract that such expenses should be covered separately.

2.1.2. The Contract’s price may be amended only in cases specified in the Contract. No additional payments not agree by the Parties in writing in advance shall be made. The revision of the Contract’s price is described in clause 2.1.4 of the General Conditions of the Contract. Other revision conditions of the Contract’s price may be provided in the Special Conditions of the Contract.

2.1.3. The Parties agree that in case of the circumstances beyond control of the Parties, the appearance of which could not have been foreseen reasonably by the parties at the time when the offer was made, and the risk of appearance of which was not assumed by any of the Parties (e.g., in case of clearly provable inaccuracies or mistakes in the technical documentation that was used to prepare the requirement consolidated in the Purchase Conditions, that make certain part of the Services not necessary anymore; or when after the beginning of provision of the Services, it is determined that part of the Services is not needed already; or when amendment of legal acts result in part of the Services not to be needed anymore, etc.), the Purchaser has a right to refuse part of the Services in the course of the Contract’s execution. If some Services are cancelled, the Contract’s price shall be reduced by the value of the cancelled Services that is calculated according to the rates of certain Services provided in the offer. If there are not sufficient details in the offer to calculate the value of the cancelled Services, this value shall be calculated on the basis of the estimate submitted by the Seller and coordinated with the Purchaser prepared specifically to calculate the value of the cancelled Services. The Purchaser shall have the right to check the estimate prepared by the Seller and conformity of the specified rates with the market prices, as well as to negotiate them.

2.1.4. The Parties agree that VAT shall be calculated according to the rates valid at the time of the invoice’s issuance.

**2.2. Payment**

2.2.1. An electronic invoice and payment-related documents shall be submitted using the means chosen by the Seller: the Seller may submit an e-invoice that would satisfy the requirements of the EU Directive 2014/55 or an e-invoice of another format provided by the information system “E-Invoice” administered by SE Centre of Registers. In case of periodical monthly payments, an invoice for previous month has to be submitted not later than on the 2nd business day of the current month. Of individual orders for purchase are made or the Services of one-time character are bought, an invoice has to be delivered not later than within 2 business days after the Deed for the Services has been signed. Other payment conditions may be provided in the Special Conditions of the Contract.

2.2.2. The Purchaser shall pay the invoice submitted under the Contract within 30 days, unless the Special Conditions of the Contract provide otherwise. If the Purchaser is late to pay when the invoice has been delivered in accordance with clause 2.2.1 of the General Conditions of the Contract, the Seller is entitled to demand for default interest of 0,04 percent from outstanding amount for each overdue day.

2.2.3. The Purchaser has a right to withhold the amounts payable to the Seller under the Contract (without limitation to this Contract), if some defects of the Services are identified or other contractual obligations are not implemented. The Purchaser has a right to use the withholding right described in this clause only in the scope necessary to guarantee implementation of the substantiated demands.

2.2.4. The Purchaser is entitled to set off any monetary demands by any amounts payable to the Seller at any time, provided the Seller is notified thereof in writing. If currency of the liabilities differs, the Purchaser may convert an amount of any liability according to the exchange rate valid in the market and used in ordinary activities to set off the counterdemands.

1. **RESPONSIBILITY**

**3.1. Losses and Forfeit**

3.1.1. The forfeit provided in the Contract (fines and default interest) shall be recognized as minimal losses foreseen by the Parties in advance regarding violation of certain provision of the Contract that the aggrieved Party does not need to prove. Payment of the forfeit to the aggrieved Party does not withdraw the right to demand for losses not covered by forfeit and does not exempt the Party that has paid the forfeit from implementation of the contractual obligations.

3.1.2. If the Seller is late to implement its contractual obligations or if it is implementing them improperly, the Purchaser is entitled to impose default interest of 0,04 percent from the value of late or improperly implemented contractual obligations, and if there is no possibility to determine their value – to impose default interest of 0,04 percent from the Contract’s price for each overdue day, unless the General Conditions of the Contract or the Special Conditions of the Contract provide otherwise.

3.1.3. If the Seller is implementing its contractual obligations improperly, having warned the Seller in writing at first, the Purchaser shall be entitled to use the securities of the obligations provided in the Contract without asking for separate consent of the Seller. If the Purchaser decides to use the securities of the obligations, they shall be used in the following order, i.e., the Purchaser:

1. shall reduce any amounts payable by the Purchaser to the Seller for the provided Services by the amount of forfeit;
2. shall use the bank guarantee if the calculated amount of forfeit exceeds 10 percent of the Contract’s price;
3. shall terminate the Contract if the amount of calculated forfeit exceeds 20 percent of the Contract’s price.

**3.2. Restriction of Responsibility**

3.2.1. According to the Contract, the Parties shall be responsible only for direct losses incurred by the other Party and shall not be responsible for indirect losses, including not gained profit, lost savings or business opportunities.

3.2.2. All the direct losses shall be limited by the Contract’s price.

3.2.3. Total amount of forfeit imposed under the Contract shall be limited by 20 percent of the Contract’s price.

3.2.4. The provisions on the restriction of responsibility provided in the Contract shall not be applicable to the damage caused deliberately, by gross negligence, as well as to damage caused to third persons.

**3.3. Release from Responsibility**

3.3.1. The Party shall not be held liable for non-implementation of any contractual obligations if it can prove that this was caused by the circumstances beyond its control, that could not be foreseen reasonably at the time of the Contract’s conclusion and that could not be prevented (including the consequences), and the risk of which was not assumed by neither Party (hereinafter – *force majeure* circumstances).

3.3.2. The Party shall be released from responsibility if non-implementation of its obligations was affected by decisions, actions and omission to act by itself, its sub-suppliers, the subjects that are managing that Party directly or indirectly or that are managed by that Party, also its employees (including strikes), management bodies or their members.

3.3.3. The Party has to notify the other Party about the *force majeure* circumstances, their influence on the Contract’s implementation and terms immediately, and in any case, not later than within 5 business days after their appearance or learning about them. The evidence of existence of the aforementioned circumstances has to be submitted. If timely notification is not made, it shall be considered that such circumstances had had no impact on the Contract’s implementation until the notice was sent.

3.3.4. When *force majeure* circumstances appear, the Party has to take all the reasonable efforts to reduce the damage and their effect on the execution terms as much as possible.

3.3.5. The ground to release from responsibility appears only within the period of the aforementioned circumstances, and when they are eliminated, the Party has to resume its obligations immediately.

**3.4. Security**

3.4.1. If it is provided in the Contract that its execution shall be secured by the bank guarantee, this security has to be submitted to the Purchaser before signing the Contract. It shall be regarded as one of pre-conditions for the Contract’s entering into force. If it is provided in the Contract that its execution shall be secured by the bank guarantee submitted by the Seller, this guarantee has to be issued by the bank acceptable to the Purchaser and shall satisfy all the requirements provided in the Contract, be valid until the final provision of the Services and until the deadline for payment for them. If the Contract is not executed 30 days before the expiry date of the bank guarantee, the Seller undertakes to extend the guarantee not later than 10 days before the expiry date of the bank guarantee or to submit a new bank guarantee that would be valid for the period that would not be shorter than until the deadline for provision of the Services and payment for them.

3.4.2. The bank guarantee has to be a demand, unconditional and irrevocable guarantee. The amounts secured by the bank guarantee have to be indicated in the currency, in which the payments under the Contract are made.

3.4.3. It has to be stated in the bank guarantee that:

1. the bank undertakes to pay the amount demanded by the Purchaser not exceeding the amount indicated in the bank guarantee within 10 days after receipt of the first written demand of the Purchaser;
2. the Purchaser does not need to substantiate its demands in the written demand. It simply has to state that the Seller has not implemented or has implemented improperly its contractual obligations;
3. the Uniform Rules for Demand Guarantees of the International Chamber of Commerce (ICC Publication No. 758) shall be applicable to the bank guarantee, including the exceptions specified in the bank guarantee and in the imperative legal acts of the Republic of Lithuania;
4. the disputes between the Parties shall be referred to the courts of the Republic of Lithuania/ Vilnius Court of Commercial Arbitration (one of these locations shall be indicated in the bank guarantee; if Vilnius Court of Commercial Arbitration is chosen, the bank issuing the bank guarantee shall determine the conditions of the dispute resolution (number of arbitrators, language of arbitration, etc.));
5. validity term of the bank guarantee and the amount secured thereby.

3.4.4. Before the Seller submits a bank guarantee, it may ask the Purchaser to confirm that the Purchaser agrees to accept the bank guarantee offered by the Purchaser. In such a case, the Purchaser has to answer to the Seller not later than within 3 business days after receipt of the application.

3.4.5. The Purchaser has the right not to accept the bank guarantee and/or consider it to be invalid, and/or refer to the Seller for a new bank guarantee, and the Seller has to deliver that bank guarantee as soon as possible, if the bank guarantee does not satisfy the Contract’s requirements or if the Purchaser has information about suspension or possible suspension of the activities of the bank that has issued the guarantee (including insolvency, liquidation or procedures of application of legal protection).

3.4.6. If the Seller does not extend the bank guarantee or does not submit a new guarantee on time, the Purchaser shall have the right to demand for default interest of 0,1 percent for each overdue day or to suspend the payments to the Seller for the amount of the bank guarantee. In such a case, the withheld amounts shall be paid to the Seller not earlier than the bank guarantee is extended or anew bank guarantee is delivered, or an obligation to extend or submit the bank guarantee disappears. The lawful deductions should be made before payment.

3.4.7. When the Seller executes the Contract properly, upon the Seller’s request, the Purchaser shall return the bank guarantee to the Seller.

1. **CONTRACT**

**4.1. Validity of the Contract**

4.1.1. The Contract enters into force when it is signed by the last signatory (unless the Special Conditions of the Contract provide otherwise) and shall be valid until all the contractual obligations of the Parties are implemented or until the Contract is terminated. The conditions on quality guarantee, responsibility, confidentiality, data protection, intellectual property, sending and receiving of notices, language, dispute solution and other conditions that survive the contract’s termination or implementation according to their essence shall survive the Contract’s termination and implementation.

4.1.2. If any provision of the Contract is or becomes invalid completely or partially because it contradicts to applicable legal acts or because of any other reason, the remaining provisions of the Contract shall remain valid in full scope. In such a case, the Parties shall negotiate in good will and endeavour at replacing the invalid provision by a lawful and valid provision that would allow achieving the same legal and economic result (as much as it is possible) as the replaced provision of the Contract.

**4.2. Termination and Modification of the Contract**

4.2.1. The Contract may be amended by written agreement of the Parties if this does not contradict to the procedure described in the Law on Procurement.

4.2.2. Both Parties shall be entitled to terminate the Contract unilaterally in extrajudicial procedure, provided the other Party has been notified in writing at least 10 days beforehand, in the following cases:

1. the bankruptcy, restructuring or liquidation is initiated against the other Party, it becomes insolvent or suspends the economic activities, or analogous situation is formed, as described in the legal acts;
2. the Contract’s execution is suspended because of *force majeure* circumstances for more than 120 days**.**

4.2.3. The Purchaser shall be entitled to terminate the Contract unilaterally, provided the Seller has been notified thereof at least 10 days in advance, in the following cases:

1. if the Seller commits essential violation of the Contract;
2. if the Seller assigns the rights and duties arising from the Contract to third persons, without having a written consent of the Purchaser;
3. if the Seller does not satisfy the qualification requirements and removal grounds described in the Purchase Conditions and/or if the Seller loses the right to engage in the activities specified in the Contract;
4. if the Seller cannot and/or refuses to fulfil the contractual obligations or part of them because of own fault, regardless of the value of those obligations;
5. if the Seller violates repeatedly the provisions of clause 1.6 of the General Conditions of the Contract;
6. if the Seller acknowledges in writing to the Purchaser and/or other persons or announces publicly that it is incapable to cover the existing debts or to make future payments;
7. if the amount of default interest payable by the Seller exceeds 20 percent of the Contract’s price;
8. if, after the Contract has been extended, the Seller does not extend the bank guarantee or does not submit a new bank guarantee;
9. if the circumstances are learnt that allow the Purchaser to believe reasonably that the Seller will not fulfil properly the obligations provided in the Contract (e.g., the Seller is not fulfilling its financial obligations to credit institutions and/or competent authorities impose appropriate impact measures on the Seller resulting in withdrawal or essential restriction of the Seller’s rights related to provision of the Services);
10. if, on the Purchaser’s request, the Seller does not submit evidence that would disprove the circumstances leading to termination of his Contract;
11. if real or potential conflict of interests with the Purchaser appears in the course of the Contract’s execution, and thus an objective and appropriate execution of the Contract becomes impossible;
12. due to other important circumstances not specified in the Contract and legal acts. In such a case, the Purchaser shall reimburse reasonable expenses of the Seller incurred before receipt of the Purchaser’s notice in attempt to execute the Contract, if such expenses were approved by the Purchaser in advance.

4.2.4. The Seller shall be entitled to terminate the Contract unilaterally, provided the Purchaser has been notified thereof at least 10 days in advance, if the Purchaser is late to make a payment for more than 30 days.

4.2.5. If the Contract is terminated at the Seller’s fault, the Purchaser shall have the right to demand to pay the fine equal to 5 percent from the Contract’s price.

4.2.6. The Contract may be terminated by mutual agreement of the Parties, and in the cases provided in the Law on Procurement.

4.2.7. The term for provision of the Services may be extended in case of the following circumstances:

1. unfavourable weather conditions that prevent provision of the Services – intensive showers, floods, dense fog, squalls, abundant snow, blizzard, etc. This possibility shall be applicable only for the part of the Services, the quality and/or provision of which depend on the nature’s conditions;
2. the Purchaser’s actions or omission to act prevent the Seller to implement the contractual obligations properly and on time, including the Purchaser’s delay to assign the specialists, who would be responsible for implementation of the obligations provided in the Contract, as well as non-implementation or improper implementation of other obligations of the Purchaser assumed by the Contract;
3. non-implementation of any functions assigned by legal acts to the State or municipal institution, authority or organization or another operator within the set (or reasonable) term;
4. protracted procurement procedures resulting in impossibility or excessive difficulty to start and/or finish provision of the Services within the set term;
5. delay, obstacles or hindrances appear without any input of the Seller, the appearance of which is attributed to third persons (e.g., improper implementation of another contract of the Purchaser, the implementation whereof would affect directly the Contract executed by the Seller);
6. instructions given by the Purchaser to the Seller that are not included into the Contract’s object and that affect execution terms of the Seller’s contractual obligations;
7. other cases provided in the Special Conditions of the Contract, in the Law on Procurement.

4.2.8. If Special Conditions of the Contract do not provide otherwise, the term for implementation of contractual obligations may be extended due to circumstances provided in clause 4.2.7 of the General Conditions of the Contract for the period not exceeding 6 months. The Seller has to refer to the Purchaser not later than within 10 days after appearance of the aforementioned circumstances.

4.2.9. If the Seller asks to extend the term for provision of the Services, it has to substantiate existence of certain circumstances and their impact on the terms of provision of the Services. The term for provision of the Services may be extended only for the duration of the aforementioned circumstances. The Parties shall agree in writing about extension of the term for provision of the Services, and that agreement becomes an integral part of the Contract.

**4.3. Interpretation of the Contract**

4.3.1. The Contract shall be governed and interpreted accordance to the laws of the Republic of Lithuania.

4.3.2. When required so by the context, the words in singular form may also mean plural, and vice versa, in the Contract.

4.3.3. The headings of the Contract’s sections are provided to make the reading easier, and cannot be used directly to interpret the Contract.

4.3.4. For the purpose of the Contract’s interpretation and application, the following sequence of priority of the Contract’s documents shall be established:

1. Technical Specification;
2. Special Conditions of the Contract;
3. General Conditions of the Contract;
4. Interpretations and revisions of the purchase documents, if applicable;
5. Purchase Conditions;
6. Seller’s offer.

4.3.5. The terms indicated in the Contract shall be calculated in calendar days, months and years, unless the Contract provides otherwise.

4.3.6. Business days indicated in the Contract shall mean any day from Monday to Friday, save for national holidays specified in the Labour Code of the Republic of Lithuania. if the term indicated in the Contract ends on the rest day, the term shall be postponed for the next business day. The work hours (work time) shall mean the opening hours available on the Purchaser’s website.

1. **FINAL PROVISIONS**

**5.1. Statements and Warranties**

5.1.1. By signing this Contract, both Parties state and warrant that:

1. they have entered into the Contract with the aim to implement its provisions and being capable to implement the contractual obligations in the scope and terms specified in the Contract;
2. they are solvent and financially capable to implement the Contract, their activities are not restricted, no judicial proceedings regarding restructuring or liquidation are pending or threatening, they have not suspended or restricted their activities, and no bankruptcy proceedings have been initiated against them;
3. they have all the permits, decisions, consents and approvals necessary to enter into this Contract, to implement properly and completely all the undertaken obligations, and they are capable to present them within the reasonable term set by the Purchaser.

5.1.2. By signing this Contract, the Seller also states and guarantees that:

1. it has familiarized in full with all the information and documentation related to the Contract’s subject and object that is needed to implement the undertaken obligations, and that documentation and information that it contains is completely sufficient for the Seller to safeguard proper and full implementation of the obligations undertaken under the Contract and their quality. The Seller confirms that it has examined the documents indicated in the Contract and submitted in advance, understood and verified them, and it also made sure that according to the best knowledge of the Seller, there are no mistakes or other defects in these documents that could prevent proper and timely implementation of the Seller’s obligations;
2. it has all the technical, intellectual, physical, organizational, financial and any other capacities and characteristics necessary and permitting to implement the Contract’s conditions properly.

**5.2. Intellectual Property**

5.2.1. The Seller undertakes to safeguard that the Purchaser would have the right to use all the results of the Services for their intended purpose at its own discretion, without any restrictions (with regard to territory or time) and without paying any additional fee. The industrial and intellectual property rights to the objects that are conveyed together with the results of the Services shall be used by the Purchaser according to the licensing conditions of these objects as much as they do not contradict to the Contract’s conditions.

5.2.2. The Parties agree that any results of provision of the Services prepared or created by the Seller, employees, sub-suppliers or any other third persons assigned by the Seller while implementing the Contract using and/or on the basis of the material, documentation, information, etc. submitted by the Purchaser (hereinafter – Works) shall become an exclusive property of the Purchaser from the moment of their creation. In addition to the Works, all the industrial and intellectual property rights to the Works shall be conveyed to the Purchaser and they shall become its exclusive property. The following rights shall be included (without limitation): [1] to reproduce the Work in any form and mode; [2] to publish the Work; [3] to translate the Work; [4] to adapt, arrange, stage or remake the Work otherwise; [5] to distribute the original Work or its copies through sale, rent, lease for use or other transfer into ownership or possession, as well as through import and export; [6] to exhibit publicly the original Work or its copies; [7] to perform the Work publicly using any means and methods; and [8] to broadcast, re-broadcast or make the Work public otherwise (including making it available on publicly accessible computer networks (Internet) and to change, adapt and modify the Work otherwise without having a consent of the Seller, its employees or third persons engaged to execute the Contract. The rights listed in this clause shall be conveyed to the Purchaser without any additional fee for the entire validity period of these rights, without any limitations regarding the territory, in the maximum scope permitted by the legal acts.

5.2.3. In order to safeguard proper implementation of the provisions of this section, the Seller undertakes to enter into the necessary agreements with the assigned employees, sub-suppliers and any third persons. The Seller also undertakes to indemnify the Purchaser against any claims of third parties regarding use of the objects of intellectual property, when the Purchaser is using these objects without prejudice to the Contract’s conditions.

**5.3. Confidentiality and Personal Data Protection**

5.3.1. The Seller undertakes not to disclose, not to transmit or transfer otherwise to third persons any information received from the Purchaser for the Contract’s implementation, as well as information created while executing the Contract, and the Contract’s content, regardless to the form, in which the information is provided (hereinafter – “Confidential Information”). The Seller has to comply with this duty for 10 years calculated from the day when the Contract is fulfilled in full.

5.3.2. The information is not regarded as Confidential Information if:

1. is or was publicly available at the time of presentation;
2. was received from third party, to which the Purchaser is not applying any restrictions on disclosure;
3. cannot be considered confidential according to the valid legal acts;
4. is specified as non-confidential by the other Party in writing.

5.3.2. If the Seller doubts whether the information is Confidential Information, the Seller shall treat it as Confidential Information.

5.3.3. The Seller undertakes to store the Confidential Information properly and reasonably, in compliance with all the applicable professional standards, to use, multiply and disclose it to the employees, members of management bodies, third persons (sub-suppliers, legal, financial, business and technical consultants), who would be bounded by certain confidentiality obligations, only in the scope necessary to fulfil their contractual obligations.

5.3.4. The Seller undertakes to notify the Purchaser immediately about the occurred or threatening unlawful disclosure or use of the Confidential Information.

5.3.5. The Seller’s duty not to disclose the Confidential Information provided herein shall not be applied when it is provided in the legal acts that the Confidential Information has to be disclosed to the competent State, municipal or other authority, institution, organization or its representative, and court. If according to the applicable normative legal acts the Seller has to disclose any part of the Confidential Information, before such disclosure, it has to notify the Purchaser thereof in writing.

5.3.6. If the Seller discloses the Confidential Information unlawfully, it shall pay the fine of 3 000 euros to the Purchaser and reimburse any direct losses incurred by the Purchaser because of this, if they are not covered by the fine.

5.3.7. When the Confidential Information is in electronic form, the Seller undertakes:

1. to make sure that a legal and functioning version of antivirus software would be installed in all the computer work place, where the electronic Confidential Information will be used while executing the Contract;
2. to make sure that the electronic Confidential Information would not be transmitted and/or processed online, in spaces of certain services (e.g., Dropbox, Google Drive, One Drive), except when such services are provided to the Seller according to corporate (not personal use) contracts entered into with providers (suppliers) of such services;
3. to make sure that portable electronic storage media (e.g., USB memory sticks) containing the Confidential Information would be enciphered or stored in locked in the information storage plants (e.g., cabinets, safe boxes, separate locked premises) or protected otherwise from theft or loss.

5.3.8. Each Party acknowledges and confirms that personal data specified in the Contract shall be processed solely for the purpose of the Contract’s implementation, in compliance with strict confidentiality obligations and requirements of personal data protection. The requirements of personal data protection, rights of data subjects and duties of data processors are governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

**5.4. Conflict of Interests**

5.4.1. The Seller undertakes to perform its duties impartially, honestly and properly, to avoid any conflict of interests, and to behave in such a way as not to raise any doubts about such a conflict, to withdraw from making the decisions that may cause conflict of interests. The conflict of interests may be caused by economic, political, family-related, emotional and any other reasons.

5.4.2. If the circumstances are learnt that may cause a conflict of interests to the Seller, it has to refrain immediately from the any actions that could make the conflict of interests real, and it shall submit immediately a written statement in free form (or make an oral statement, by making certain notes in the minutes of meeting) about opting out and/or refraining from certain actions that could make the conflict of interests real. Such a statement should be submitted to the Purchaser’s representative indicated in the Contract.

5.4.3. The Seller undertakes not to use and not to allow other persons to use the work position and office for personal gain, to use the information related to the Purchaser’s activities for personal benefit and benefit of other persons, and not to use any property, assets and rights of the Purchaser in some other way than for the interests of the Purchaser and the Group, and in accordance with the defined procedures.

**5.5. Language**

5.5.1. Any communication between the Parties in relation to the Contract’s implementation shall be in Lithuanian, unless the Parties agree otherwise. If the Seller’s registered address (or place of residence) is not in the Republic of Lithuania, the communication may be carried out in English or in other language agreed by both Parties.

5.5.2. All the documentation presented by the Seller has to be in Lithuanian, unless the Contract provides otherwise or the Parties agree otherwise in writing.

**5.6. Notices**

5.6.1. All the notices that have to be delivered according to this Contract or other applicable legal acts shall be delivered to the Contract’s Party under signature or sent by registered mail or e-mail to the addresses provided in the Contract. The notices shall be considered delivered within 5 business days after the registered mail has been sent to the other Party using the address provided in the Contract. It is considered that e-mail notices are received on the next business day after having been sent.

5.6.2. The Party has to notify the other Party in advance and in writing about its changed particulars. All the notices (documents) sent by one Party to another before receipt of the notice about changed address shall be considered to be delivered properly.

5.6.3. The Contract’s number and date have to be indicated in the notices, applications, demands, invoices, deeds and other communication sent by the Parties.

**5.7. Settlement of Disputes**

5.7.1. Any disputes, disagreements or demands arising from the Contract or related to it, its violation, termination or validity shall be solved by means of negotiations between the Parties.

5.7.2. If the Parties do not succeed in solving the dispute, disagreement or demand by means of negotiations in 30 days, they shall be referred to the court of the Republic of Lithuania according to the Purchaser’s registered address.

**5.8. Transfer of Rights**

5.8.1. The Purchaser is entitled to transfer its rights and/or duties arising from the Contract to third persons without separate consent of the Seller. The Seller shall be notified thereof by written notice.

5.8.2. The Seller has no right to transfer its rights and/or duties arising from the Contract to third persons without written consent of the Purchaser. If the Seller violates this requirement, the Seller and the third person, who has taken over its rights and duties, shall have solidary liability to the Purchaser. The violation of this condition shall be considered an essential violation of the Contract.

**5.9. Waiver of Rights**

5.9.1. If the Parties do not use any rights provided in the Contract, this shall not mean a waiver of these rights, save for the cases when the waiver is executed in writing.

**5.10. Documents of the Contract**

5.10.1. The Contract may be made in several copies of equal legal power that would form one and the same Contract.

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