

PUBLIC CONTRACT ON THE SALE AND PURCHASE OF GOODS

of 15 March 2022 No. KPS-24
(place)

I. SPECIAL PART

Lithuanian Armed Forces, represented by Navy Forces commander Sea Cpt. Giedrius Premeneckas, acting in accordance with Lithuanian Armed Forces Commander order No. V-1267, dated on 16 October 2020, hereinafter referred to as **the Buyer**, and **And Navielektro Ky**, represented by CEO Asser Koivisto, acting in accordance with company statutes, hereinafter referred to as **the Seller**, hereinafter jointly in this contract on the sale and purchase of goods referred to as the Parties and each separately as the Party, in accordance with the Law on Public Procurement of the Republic of Lithuania (hereinafter referred to as the Law on Public Procurement), have concluded this public contract on the sale and purchase of goods, hereinafter referred to as the Contract, and agreed on the following terms and conditions.

1. Object of the Contract

1.1. **The Seller** undertakes to sell and deliver 3 (three) units of **coastal surveillance radars** model DF-225/NE-21038 series transceiver/ antenna system (hereinafter referred to as the Goods) manufactured by Navielektro and provide training services for the personnel (hereinafter-Services), which comply with the technical specifications provided for in Annex 1 "Technical Specification for Coastal Surveillance Radars" (hereinafter referred to as Annex 1) and other requirements specified in the Contract.

1.2. **The Buyer** undertakes to accept the Goods and Services specified in Annex 1 to the Contract and which comply with the requirements of the Contract and pay for the Goods in accordance with the procedure laid down in the Contract. The price of Services is included in the price of Goods; therefore, Services shall be provided at no extra charge.

2. Contract price/value/product price/pricing rules

2.1. A pricing method of a fixed price with revision shall be applied on the Contract.

2.2. The maximum price of all 3 (three) coastal surveillance radars and maximum price of the Contract is 642 000,00 EUR (six hundred and forty two thousand euros), excluding value added tax ((hereinafter referred to as VAT). Accordingly the price of 1 (one) radar is 214 000,00 EUR (two hundred and fourteen thousand euros), excluding VAT.

2.3. The case of revision is provided in clause 2.2 of the General Part of the Contract.

2.4. The price of the Goods, in addition to all costs and fees related to the supply of the goods specified in General Part 2.4 of the Contract, shall include the following taxes and costs of **the Seller**:

2.4.1. all costs related to logistics, planned transportation, packaging, loading, insurance – according to INCOTERMS 2020 DDP to Vytauto st. 9, 00101 Palanga (1 set), Žaliasis rd. 1, 93102 Neringa (1 set), Kuršių st. 1, 93126 Neringa (1 set);

2.4.2. costs related to repair of the Goods during the warranty period;

2.4.3. all other related costs, taxes, customs, etc., *except for value added tax*, that might affect the price of the Goods and may arise during the performance of the Contract.

2.5. All taxes, fees, customs and charges applicable to this Contract in **the Seller's** country in which it is registered shall be paid by **the Seller**.

3. Place, deadlines and conditions for the delivery of the Goods and Provision of Services

3.1. The supply of the Goods/delivery deadline shall not be longer than 9 (nine) months after placing the order.

3.2. The Goods shall be delivered to the following places: Vytauto st. 9, 00101 Palanga (1 set), Žaliasis rd. 1, 93102 Neringa (1 set), Kuršių st. 1, 93126 Neringa (1 set).

3.3. Conditions for the delivery of the Goods: INCOTERMS 2020 DDP.

3.4. Orders for the delivery of the Goods shall be made in accordance with the Form provided for in Annex 2 to the Contract.

3.5. **The Buyer** acquires the right of ownership to the delivered Goods after signing delivery-acceptance certificate by both Parties (Annex 3). Delivery-acceptance certificate is signed when the Goods (assembled, of high quality, installed and ready for use, with all required documents and meeting all the requirements set out in this Contract and its Annex 1) are delivered to **the Buyer** and **the Buyer's** technical staff is trained in accordance with the procedure set out in Annex 1 to the Contract.

3.6. **The Seller**, complying with the requirements, set out in the Contract and its Annex No. 1, shall provide Services, indicated in Clause V of the Annex 1.

4. Payment procedure

4.1. **The Buyer** shall settle accounts with **the Seller** in accordance with the procedure set forth in clause 4.1 of the General Part of the Contract.

4.2. During the performance of the Contract, VAT invoices shall be submitted using the means of the information system E-invoice by indicating **the Buyer**, the Recipient (if the Recipient is included in the Contract), Contract number and the date. The seller must submit the invoice via the information system, E-account ", which can be found at www.esaskaita.eu. If **the Seller** does not provide the invoice by means of the information system E-invoice, no payment shall be made. In cases when **the Seller** is unable to submit an electronic invoice due to the laws in force in **the Seller's** country, **the Seller** may submit an invoice to **the Buyer** in Portable Document Format (.pdf) by e-mail with the details specified by the Payer/**the Buyer**. **The Seller** shall inform **the Buyer** in writing about the possibility to submit electronic invoices.

5. The Buyer's right to unilaterally terminate the Contract

5.1. If **the Seller** delays in delivering the Goods for more than 30 (thirty) days from the term provided for in clause 3.1 of the Special part of the Contract, **the Buyer** shall have the right to terminate the Contract under the procedure laid down in paragraph 9.2.1 of the General Part of the Contract.

5.2. If **the Seller** does not begin to fulfil obligations, or improperly fulfils obligations, or is late in fulfilling obligations set forth in clause 6.3 of the General Part of the Contract for more than 30 calendar days from the time limit provided for in the Contract, **the Buyer** shall have the right to terminate the Contract under the procedure laid down in clause 9.2.4 of the General Part of the Contract.

5.3. Other cases of unilateral termination of the Contract are provided for in clause 9.2 of the General Part of the Contract.

6. The quality of the Goods

6.1. The Goods must comply with the requirements set out in the Contract and its Annexes.

6.2. **The Buyer** shall check compliance of the Goods with the requirements specified in the Contract or its Annexes upon delivery of the Goods to the addresses specified in clause 3.2 of the Special Part of the Contract in accordance with Chapter 5 of the General Part of the Contract.

6.3. **The Buyer's** representatives have the right to visit **the Seller's and/or sub-supplier's company and:**

6.3.1. participate in the final inspection tests of the supplied/manufactured goods;

6.3.2. get acquainted with the documents proving the conformity of the goods, to participate in the tests (if desired).

6.4. **The Seller** shall be responsible for the product quality control during the manufacturing process and delivery of high-quality Goods that meet the requirements of the Contract, as well as at the request of **the Buyer**, **the Seller** shall execute and present objective data demonstrating compliance with the Goods.

7. Warranty obligations

7.1. The term of the quality guarantee / suitability for use of the Goods delivered by **the Seller** is 24 (twenty four) months from the date of signing the delivery-acceptance certificate.

7.2. The term specified in Clause 6.3 of the General Part of the Contract shall not be longer than 30 (thirty) days.

7.3. **The Seller** should guarantee provision of spare parts and maintenance services of the Goods for at least 10 years period after the entry into force of the Contract.

8. Additional security of the performance of obligations

8.1. **The Buyer** does not require additional enforcement of contractual obligations.

9. Other conditions

9.1. The amount of the minimum losses agreed by the Parties in advance referred to in clause 11.1 of the General Part of the Contract shall be 0.1 percent of the price of undelivered Goods excluding VAT for each day of delay;

9.2. The amount of the minimum losses agreed by the Parties in advance referred to in clause 11.3 of the General Part of the Contract shall be 0.1 percent of the price of the Goods the deficiencies of which have not been eliminated or the price of the Goods which have not been replaced, excluding VAT, for each day of delay;

9.3. The amount of the minimum losses agreed by the Parties in advance specified in clause 11.4 of the General Part of the Contract is 5 percent of the Contract price, excluding VAT, specified in clause 2.2 of the Special Part of the Contract.

9.4. The duration of force majeure circumstances shall be 60 (sixty) days, subject to the provisions of clause 9.1.2 of the General Part of the Contract.

9.5. Export and import licenses, end-user certificates:

9.5.1. The performance of **the Seller's** obligations under this Contract may be subject to export control licenses. If a signed end-user declaration is required to obtain such an export control license, the Parties agree to assist each other in completing and submitting the end-user declaration in accordance with legal requirements;

9.5.2. **The Seller** shall make every effort to obtain the necessary export control licenses. If the necessary export control license is delayed, rejected or revoked, **the Seller** shall notify **the Buyer** in due time, and **the Seller** shall have the right to extend the delivery time accordingly;

9.5.3. **The Payer** agrees not to sell the Goods or otherwise transfer the equipment to any third party without the prior written consent of **the Seller**. The terms and conditions of such consent shall be determined by mutual written agreement.

9.6. **The Seller** shall not use the sub-supplier (s) to perform this Contract.

9.7. **The Seller's** representative: Miika Koivisto, Chief Technical Officer, Phone: +358-2-2437711, E-mail: miika.koivisto@navielektro.fi.

9.8. **The Buyer's** representatives: Lt (N) Vadimas Masijauskas, Lithuanian Navy Sea Surveillance Service, S3/S6/S7 CIS maintenance officer, phone. no.: +370 46 391306, e-mail: vadimas.masijauskas@mil.lt; LCDR Artūras Mieliūnas, Lithuanian Navy Sea Surveillance Service, Head of Technical support section, phone. no.: +370 46 391320, e-mail: arturas.mielionas@mil.lt.

9.9. A person responsible for publishing the Contract and amendments thereof:

Linus Turčinavičius, chief specialist of First procurement organization division, DMA under MOD, phone no. : +370 5 278 5231, e-mail: linas.turcinavicius@kam.lt.

9.10. Annexes to the Contract:

9.10.1. Annex 1. Technical specification of the coastal surveillance radar, 6 sheets;

9.10.2. Annex 2. Form for Ordering the Goods; 1 sheet;

9.10.3. Annex 3. Form of Delivery-Acceptance Certificate, 1 sheet.

10. Validity of the Contract

10.1. The Contract shall be valid for 36 (thirty-six) months from the date of entry into force of the Contract and, in respect of financial and warranty obligations, until the contractual obligations are fully fulfilled.

10.2. Extension of the Contract is not planned.

11. The Buyer's details

Lithuanian Armed Forces

Code 188732677

VAT number LT887326716

Šv. Ignoto st. 8, LT-01144 Vilnius, Lithuania

Account number: LT48 7900 0100 0246 0179

Bank „Swedbank“, AB

12. The Seller's details

Navielektro Ky

Code 0684382-6

VAT number FI06843826

P. O. Box 137 (Hallimestarinkatu 11), 20781 KAARINA, FINLAND

Account No: FI67 5319 3520 0161 96

Bank: Lounais- Suomen Osuuspankki

SWIFT code: OKOY FI HH

THE BUYER

On behalf of
Lithuanian Armed Forces
Navy Forces commander
Capt. (N) Giedrius Premeneckas

(Signature)

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**THE SELLER**

Navielektro Ky

Chief executive officer
Mr. Asser Koivisto

(Signature)

Navielektro
Working Partnership in Vessel Traffic Systems
Hallimestarinkatu 11, 20780 Kaarina, Finland
Phone +358 2 2437711 Fax +358 2 2437733

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CONTRACT ON THE SALE AND PURCHASE OF GOODS

II. GENERAL PART

1. Concepts

- 1.1. The following basic concepts shall be used in the Contract:
 - 1.1.1. The Contract means the General and Special Parts of the Public Contract on the Sale and Purchase of Goods as well as Annexes to the Public Contract on the Sale and Purchase of Goods.
 - 1.1.2. The Parties to the Contract mean **the Buyer and the Seller**.
 - 1.1.2.1. **The Buyer** is a Party to the Contract, the details of which are specified in the Contract, purchasing the Goods under the conditions specified in this Contract;
 - 1.1.2.2. **The Seller** is a Party to the Contract, the details of which are specified in the Contract, selling the Goods under the conditions specified in this Contract.
 - 1.1.3. **The Recipient** is the subdivision of the Buyer specified in the Special Part of the Contract or in the Annex to the Contract to which the Goods are delivered.
 - 1.1.4. Third person means any natural or legal person (including the state, state institutions, municipality, municipal authorities) with the exception of **the Recipient**, which is not a Party to this Contract.
 - 1.1.5. Licenses mean all necessary licenses and/or permits necessary for the execution of the Contract.
 - 1.1.6. The object of the Contract – the goods and all services related to their sale (staff training, installation, delivery, etc.) agreed between the Parties in the Special Part of the Contract and which meet the requirements set by the Buyer.
 - 1.1.7. The minimum losses agreed by the Parties in advance means the amount of money calculated and undisputed by the Contract, which **the Seller** undertakes to pay to **the Buyer** if the contractual obligations have not been fulfilled or have been improperly fulfilled.
 - 1.1.8. Pricing rules mean the Contract price/rates or the rules of calculation of the Contract price/rates and price/pricing adjustment.
 - 1.1.9. A batch of the goods means the quantity of the goods delivered at the same time.
 - 1.1.10. The lot of the goods means the goods having the same characteristics, produced according to the same technology, under the same conditions, obtained from raw materials or materials from the same manufacturer/seller of raw materials or materials.
 - 1.1.11. The lot of materials means a certain quantity of material produced, according to the same technology, under the same conditions, from the same raw materials obtained from the same raw material manufacturer or seller. Laboratory test report, manufacturer's declaration of conformity, assessment certificate or certificate may be used as proof of the quality of the lot of materials.
- 1.2. Calculation of the minimum losses agreed by the Parties in advance shall begin on the day after the last day of the term of fulfilment of obligations under the Contract and shall end upon the fulfilment of obligations by the Party to the Contract (the last day of calculation shall be considered to be the day of fulfilment of obligations).
- 1.3. The titles of parts and articles of the Contract shall be used only for convenience of references and may only be used as an additional means for the purpose to explain the Contract.
- 1.4. Unless otherwise provided for in the Contract, the duration of the Contract and other time limits shall be calculated in calendar days.
- 1.5. If the time limit of payment or fulfilment of obligations coincides with official holidays and non-working days in the Republic of Lithuania, the time limit of fulfilment of obligations and payments under the Contract shall be the following working day.
- 1.6. In the Contract where the context requires, words in singular can have a plural meaning and vice versa.
- 1.7. In cases where a certain meaning is different from the meaning given in words and the meaning given in numbers, the verbal meaning shall be followed.

2. Contract price/product price/pricing rules

- 2.1. The Contract price/product price means the amount of money that is paid by **the Buyer** to **the Seller** in accordance with the procedure and time limits established in the Contract.
- 2.2. The Contract price/product price shall be constant and shall not be changed throughout the duration of the Contract, except where the VAT or excise rate applicable to the Goods changes after signing the Contract. The recalculated price/product price shall be formalised by written agreement between the parties and shall apply to the goods delivered after the date of entry into force of such agreement is signed by the Parties.
- 2.3. The price of the goods shall be changed in accordance with the pricing rules set out in the Contract. The recalculated prices shall be formalised by written agreement by the parties and shall apply to the goods delivered after the date of entry into force of such agreement is signed by the parties (*if such provision established in the Special Part of the Contract applies*).
- 2.4. **The Seller** shall include in the Contract price/the price of the goods all costs and taxes related to the supply of goods, including but not limited to:
- 2.4.1. logistics (transportation) costs;
- 2.4.2. packing, loading, transit, unloading, unpacking, checking, insurance and other costs related to the supply of the goods;
- 2.4.3. all costs related to preparation and submission of documents required by **the Buyer**;
- 2.4.4. the costs of assembling on site and/or commissioning and/or maintenance of the goods delivered;
- 2.4.5. the costs of supplying tools necessary for assembling and/or maintenance of the goods delivered;
- 2.4.6. the costs of providing instructions for use and maintenance provided for in the Technical Specification;
- 2.4.7. the costs for the repair of the goods during the warranty period;
- 2.4.8. all costs related to manufacture and submission of the working samples to **the Buyer**;
- 2.4.9. all costs related to manufacture and submission of material samples (main and accessories) used in the production of the product to **the Buyer**.
- 2.5. The risk of fluctuation of foreign exchange rates and exchange of producer prices shall be borne by **the Seller**.
- 2.6. **The Buyer** and **the Seller** may conclude a tripartite direct settlement agreement with the sub-supplier (s) specified in the Special Part of the Contract under which **the Seller** transfers the right to the sub-supplier, within the scope and conditions agreed by the Parties, to demand from **the Buyer** to pay the agreed part of the Contract price. In the absence of a tripartite direct settlement agreement, the transfer of the claim right to the sub-supplier shall not be valid.
- 2.7. The sub-supplier, wishing to settle accounts directly with **the Buyer**, shall inform **the Buyer** in writing that it wishes to conclude a direct settlement agreement. In addition to the request for a direct settlement agreement, the sub-supplier shall submit:
- 2.7.1. The main terms and conditions of a direct settlement agreement which are set out in clause 2.8 of the General Part of the Contract.
- 2.7.2. Confirmation by **the Seller** that it agrees to conclude a direct settlement agreement on the terms and conditions proposed by the sub-supplier.
- 2.7.3. Documents proving that there are no grounds referred to in Article 46 (1) of the Law on Public Procurement.
- 2.8. A direct settlement agreement shall specify the part of the Contract price, the claim right of which is transferred to the sub-supplier, the payment procedure which shall comply with the procedure set out in the Special Part of the Contract, the sub-supplier's obligation to submit invoices only in agreement with **the Seller**; and upon submission of written evidence of such agreement, the obligation of the Parties and the sub-supplier to inform about changes in the details, the procedure of execution of payments in the event of a dispute between **the Seller** and the sub-supplier, and additional guarantee of the fulfilment of contractual obligations (*applied only if advance payments are planned*).
- 2.9. A direct settlement agreement shall be concluded no later than the date on which the payment obligation arises under clause 4.1 of the General Part of the Contract.

2.10. A direct settlement with the sub-supplier does not exempt **the Seller** from its obligations under this Contract. The rights, duties and other obligations of **the Seller** provided for in the Contract not related to the transfer of the claim of the right to pay the Contract price to the sub-supplier cannot be transferred to the sub-supplier.

2.11. **The Buyer** shall have the right to express to the sub-supplier all objections that it had the right to make to **the Seller** prior to the transfer of the claim.

2.12. In the event of a dispute between **the Seller** and the sub-supplier regarding direct settlement or the procedures provided for in the direct settlement agreement, all payment obligations shall be fulfilled by **the Seller**. If the claim of the sub-supplier (invoice or another document) is not agreed with **the Seller**, a dispute between **the Seller** and the sub-supplier shall be deemed to have arisen.

2.13. All payment documents related to the Contract shall be provided by means of the information system E-invoice. In the event of changes in the legal provisions on the submission of payment documents through the information system E-invoice, the legal regulation in force at that time shall apply accordingly.

3. Terms and conditions for supply of the goods

3.1. Goods shall be delivered within the time limits and procedures specified in the Special Part of the Contract (or in the Annex(s) to the Contract).

3.2. **The Seller** shall deliver the goods at its own risk without additional payment. **The Buyer** acquires ownership of the goods after the parties sign a document confirming the delivery and acceptance of the goods, which shall be signed only if the goods are of high quality and meet the requirements laid down in the Contract and its Annex(s). If the goods delivered are of high quality and meet the requirements laid down in the Contract and its Annex(s), the document certifying the delivery and acceptance of the goods shall be signed no later than within 30 days, except in the case when the goods undergo laboratory tests.

3.3. **The Seller** shall not be paid for the goods submitted in excess of the quantities specified in the Contract/applications/orders.

3.4. If **the Seller** delivers a smaller lot than that specified in the Contract/applications/orders, **the Buyer** shall return the lot of the goods to **the Seller** and the goods shall be deemed not to have been delivered, and **the Seller** shall withdraw the goods at its own expense immediately. If **the Seller** fails to fulfil the obligation to pick up the goods immediately, the Seller shall not have the right to make claims regarding the loss or damage of the goods. **The Seller** shall also be subject to the sanctions provided for in clause 11.1 of the General Part of the Contract (if the deadline for delivery of the goods is missed due to the need to pick up the lot of the goods).

3.5. After the Contract comes into force, **the Seller**, within the time limits specified in the Special Part of the Contract, undertakes:

3.5.1. to prepare, manufacture, coordinate with **the Buyer** and approve the working samples of the goods to be purchased (2 copies, one for **the Buyer**, one for **the Seller**), which comply with the requirements set out in the Contract and its Annex(s) (*if such provision established in the Special Part of the Contract applies*);

3.5.2. to agree with **the Buyer** and submit the product quality assurance plan, prepared in accordance with the recommendations for the preparation of the quality assurance plan to be provided or standards specified in the Special Part of the Contract (*if such provision established in the Special Part of the Contract applies*);

3.5.3. to agree with **the Buyer** on the instructions for the use (maintenance) of the goods, which shall be provided for each product (*if such provision established in the Special Part of the Contract applies*).

3.6. If during the period of validity of the Contract the manufacturer replaces/renews the model/name of the product purchased under this Contract, which is specified in the Contract, **the Seller** must provide documents confirming compliance of the goods with the requirements of the Contract, coordinate and approve the new working samples of the new model/name product (if the approval of working samples was mandatory in accordance with the requirements of the Contract). **The Seller**, upon agreement with **the Buyer** and having concluded an additional agreement with the Buyer, has the right to supply the goods of a new model/name. The goods of the new model/name

must comply with the requirements of the Contract and its Annex(s), be supplied at the same price, and their technical data shall not be worse to the technical data of the goods for which the Contract has been concluded. The goods of a new model must be compatible with other goods to be purchased by **the Buyer** and already purchased under this Contract.

3.7. During the performance of the Contract, the manufacturer of the goods specified in the Contract may be replaced by another manufacturer only due to objective circumstances that could not be foreseen by **the Seller** at the time of submission of the application/tender. Replacement of the manufacturer specified in the Contract is possible only after prior written agreement with **the Buyer** and signing the agreement on the replacement of the manufacturer. A request for the replacement of the manufacturer specified in the Contract to another manufacturer shall be submitted to **the Buyer** in writing, indicating the reasons for such change. In addition, **the Seller** must provide documents confirming the conformity of the proposed new manufacturer's goods with the requirements of the Contract, coordinate and approve the working samples of the goods of the new manufacturer (if the approval of the working samples was mandatory in accordance with the requirements of the Contract). The Goods of the new manufacturer must comply with the requirements of the Contract and its Annex(s), be supplied at the same price, and their technical data shall not be worse to the technical data of the goods for which the Contract has been concluded.

4. Time limits and conditions of payment

4.1. **The Seller** shall be paid when the object of the Contract, which meets the requirements set out in the Contract and its Annex(s) is transferred to **the Buyer** and both parties sign a document confirming the delivery and acceptance of the goods, within 30 (thirty) days from signing this document and receipt of invoice. The invoice must be submitted by electronic means provided for in Article 22 (3) of the Law on Public Procurement /Article 12 (10) of the Law on Procurement in the Field of Defence and Security. If **the Buyer** is late in paying within the time limit provided for in this clause, **the Buyer** at the Seller's request (no later than 30 (thirty) days after receipt of the request) shall pay interest in accordance with the Law of the Republic of Lithuania on the Prevention of Late Payment in Commercial Transactions.

4.2. After **the Seller** delivers the goods, **the Buyer** has the right within 3 (three) days to decide whether laboratory tests will be carried out for the goods delivered by **the Seller** (for the specified lot and/or batch) to ensure that the goods comply with the requirements laid down in the Contract and its Annex(s). If **the Buyer** decides that laboratory tests for the goods will not be carried out, the goods complying with the requirements set out in the Contract and its Annex(s) are accepted and **the Buyer** shall pay to **the Seller** for the goods accepted within 30 (thirty) days from the date of receipt of the invoice. If **the Buyer** decides that laboratory tests of the goods will be carried out, the goods shall be paid within 30 (thirty) days after the results of the laboratory tests have been obtained and confirmed that the goods comply with the requirements set out in the Contract and its Annex(s) (*if such provision regarding advance payment established in the Special Part of the Contract applies*).

4.3. If the advance payment the amount of which is specified in the Special Part of the Contract is paid for the goods, **the Seller** undertakes, within 5 (five) working days from the date of receipt of notification for the amount of advance paid by **the Buyer**, to provide the bank guarantee for the advance payment or insurance company's letter of surety (which would be valid for 2 (two) months longer than the time limit for the delivery of the goods) and the advance payment invoice. If the payment of the advance is secured by a surety, **the Seller** must also provide a confirmation from the insurance company (document proving payment, etc.) that the surety letter is valid (*if such provision regarding advance payment established in the Special Part of the Contract applies*).

4.4. The bank guarantee or surety letter of the advance payment shall include the statement that the guarantor/surety irrevocably and unconditionally undertakes, within 14 (fourteen) days from **the Buyer's** written notification on the termination of the Contract due to the fault of **the Seller**, to pay to **the Buyer** the amount, not exceeding the amount of the surety/guarantee, by transferring the money to **the Buyer's** bank account.

4.5. The bank guarantee or surety letter of the advance payment cannot indicate that the guarantor or surety is liable only for the compensation of direct losses. The bank guarantee or surety letter cannot include terms or conditions that would oblige **the Buyer** to prove to the company which has issued the guarantee or surety letter that the Contract with **the Seller** was terminated lawfully or otherwise would allow the company that has issued the guarantee or surety letter not to pay (or delay payment) the amounts secured (guaranteed) by the guarantee or surety.

4.6. The bank guarantee or a surety letter of the insurance company for the advance payment which does not comply with the requirements set out in clauses 4.3–4.5 of the General Part of the Contract shall not be accepted. In such a case, **the Seller** shall be deemed not to provide **the Buyer** with an advance payment bank guarantee or insurance company's surety letter and shall be settled in accordance with clause 4.1 of the General Part of the Contract.

4.7. The advance shall be paid by **the Buyer** within 10 (ten) days from the date of receipt of the advance payment bank guarantee or surety letter of the insurance company and the advance payment invoice.

4.8. The Parties have the right to conclude additional agreements for the reduction of the amount provided for in the bank guarantee or in the insurance company's surety letter after **the Seller** has properly fulfilled the part of its commitments.

5. Quality of the goods

5.1. The goods must comply with the requirements specified in the Contract and its Annex(s).

5.2. **The Seller** agrees that, in accordance with the requirements of LKS STANAG 4107, the representative of the State Quality Assurance in Lithuania can contact the relevant state quality assurance unit of the NATO state or organisation in the state of **the Seller** to carry out State Quality Assurance Supervision during the duration of the Contract (*if such provision established in the Special Part of the Contract applies*). If **the Seller** is not a manufacturer, this requirement shall be included in **the Seller's** contract with the supplier that will produce the goods for the Seller, informing **the Buyer** and providing relevant documents (*if such provision established in the Special Part of the Contract applies*).

5.3. If the goods at the time of acceptance are found not to comply with the requirements laid down in the Contract and its Annex(s), the representatives of **the Seller** shall be invited without delay, in the presence of whom the certificate shall be drawn up, the goods shall not be accepted, and **the Seller** shall be subject to contractual liability if the time limit for the delivery of the Goods has expired.

5.4. If a conflict over the quality of the goods and their compliance with the requirements laid down in the Contract and its Annex(s) cannot be resolved by mutual agreement between the Parties to the Contract, the Parties shall have the right to invite independent experts. All costs related to the work of experts shall be borne by the Party to whose detriment the decision of the experts has been taken.

5.5. If **the Buyer**, in accordance with clause 4.2 of the General Part of the Contract, decides to perform laboratory tests of the goods from the selected lot (batch), in the presence of **the Seller's** representative, it shall choose the quantity of the goods specified in the Special Part of the Contract, where compliance with the requirements set out in the Contract and its Annex(s) will be checked (*if such provision established in the Special Part of the Contract applies*).

5.6. If, during laboratory tests the goods are found not to comply with the requirements laid down in the Contract and its Annex(s), the remaining goods (lot and/or batch) shall be returned to **the Seller**. No payment shall be made for these goods and the goods shall be deemed not to have been delivered, and **the Seller** shall be subject to the penalties provided for in clause 11.1 of the General Part of the Contract. If the goods are found not to comply with the requirements of the Contract and its Annex(s), **the Buyer** shall not pay for the goods used for testing, while **the Seller** shall have to pay the costs for the laboratory tests and pay **the Buyer** 10 percent of the amount of the price of defective lot, excluding VAT, i.e. the minimum losses agreed by the Parties in advance, which are intended to compensate the administrative costs incurred by **the Buyer** for preparing the goods for laboratory testing procedures. In such a case, **the Seller** shall replace the goods not accepted which do not comply with the requirements laid down in the Contract and its Annex(s) with the new goods which comply with the requirements laid down in the Contract and its annex(s). The exchange of

the goods is carried out within the term specified in the Special Part of the Contract (*if such provision established in the Special Part of the Contract applies*).

5.7. If during laboratory tests, the goods are found to be compliant with the requirements laid down in the Contract and its Annex(s), **the Buyer** shall pay the costs of laboratory tests, while **the Seller** shall replace the goods used for laboratory tests with the new ones to **the Buyer** without additional payment.

6. Product quality guarantee

6.1. The goods shall be given the term of quality guarantee/usability period specified in the Special Part of the Contract (or in the Annex to the Contract).

6.2. 6.2. During the term of quality assurance/usability period, **the Seller** shall, not later than within the time limit specified in the Special Part of the Contract at its own expense, instead of defective goods provide other equivalent goods (the goods do not need to be identical to the goods purchased, but must be able to carry out their functions in accordance with the Contract) which would be available in the goods purchased under the Contract during the correction term corresponding to the requirements of the Contract and its Annex(s) (*if such provision established in the Special Part of the Contract applies*).

6.3. During the period of quality guarantee, **the Seller** shall, not later than within the time limit specified in the Special Part of the Contract at its own expense, remove the defects of the goods or if the Seller fails to remove the defects of the goods, it shall replace them at its own expense with the new ones complying with the requirements of the Contract and its Annex(s) and compensate **the Buyer's** losses (if any) / During the period of usability, **the Seller** shall, not later than within the time limit specified in the Special Part of the Contract its own expense replace the goods complying with the requirements of the Contract and its Annex(s) and compensate for **the Buyer's** losses (if any).

6.4. **The Seller** shall be notified of any deficiencies of the goods observed during the term of the quality guarantee in writing (by post, e-mail, etc.). A claim for the quality of the goods can be made during the entire warranty/usability period.

6.5. During the quality guarantee, **the Buyer** may decide to carry out laboratory tests from the selected batch or each lot (if a batch consists of several lots), in the presence of **the Seller's** representative, by choosing the amount of the goods specified in the Special Part of the Contract for which compliance with the requirements set out in the Contract and its Annex(s) will be checked. If the results of laboratory tests obtained do not comply with the requirements laid down in the Contract and its Annex(s), the entire batch/lot delivered shall be considered as defective and the costs of laboratory tests shall be borne by **the Seller**. The replacement of the goods which do not comply with the requirements with the ones of high quality shall be carried out in accordance with the provisions specified in clause 6.3 of the General Part of the Contract (*if such provision established in the Special Part of the Contract applies*).

6.6. If the goods are replaced with the new ones, the warranty period referred to in the Special Part of the Contract shall be the same from the date of signature of the document confirming the delivery and acceptance of the new goods.

6.7. The term of the quality guarantee for the goods which **the Buyer** has not been able to use at the time of elimination of the deficiencies shall be extended for a period equal to the period of elimination of the deficiencies of the goods.

6.8. The quality guarantee referred to in the Special Part of the Contract (or in the Annex to the Contract) shall not apply if **the Seller** proves that the deficiencies in the goods are the result of incorrect or improper **Buyer's** treatment of the goods or of the activities of third parties, or force majeure.

7. Force majeure circumstances

7.1. The Party shall not be held liable for a failure to fulfil any obligations under this Contract if it proves that this occurred as a result of unusual circumstances beyond the control and reasonable foresight of the Parties and to prevent the occurrence of such circumstances or their consequences. Force majeure are considered to be the circumstances referred to in Article 6.212 of the Civil Code

of the Republic of Lithuania and the Rules on the exemption from liability under force majeure approved by the Resolution No. 840 of the Government of the Republic of Lithuania of 15 July 1996. In determining force majeure circumstances, the Parties shall follow the Resolution No. 222 of the Government of the Republic of Lithuania of 13 March 1997 "On the approval of the procedure for issuing certificates attesting force majeure" or regulatory acts replacing it. In the event of force majeure, the Parties to the Contract shall be exempted from liability for non-fulfilment, partial non-fulfilment or improper performance of obligations under the legislation of the Republic of Lithuania, and the time limits for the fulfilment of obligations shall be extended.

7.2. The Party asking to exempt it from liability shall notify the other Party in writing of force majeure circumstances immediately, but no later than within 10 (ten) working days of the occurrence or manifestation of such circumstances by providing evidence that it has taken all reasonable precautions and made all efforts to minimise the costs or negative consequences and shall also report on the potential time limit for the performance of liabilities. Notification shall be also required when the grounds for non-fulfilment of obligations disappear.

8. Codification

8.1. Within 5 (five) days after the Contract comes into force, **the Seller** must provide **the Buyer** with a copy of duly signed Contract sent to its address and the particulars necessary for the identification of the Goods purchased, in accordance with the forms "List of Material Goods to be Codified" and "Information about the Manufacturer and the Supplier" set out in the Annex to this Contract. **The Seller** must provide completed and signed forms electronically or in paper copies (*if such provision established in the Special Part of the Contract applies*).

8.2. At the request of **the Buyer**, **the Seller** must provide additional technical documentation necessary for codification (e.g., technical characteristics, drawings, photos, catalogues, references, etc.) free of charge within 5 (five) days.

9. Termination of the Contract

9.1. The Contract may be terminated:

9.1.1. by written agreement of the Parties;

9.1.2. when force majeure lasts more than the number of days specified in the Special Part of the Contract (depending on the specifics of the performance of the Contract, a particular term indicated in the Special Part may be from 14 to 60 days) and if both Parties fail to agree on the amendment of this Contract allowing the Parties to continue to fulfil their obligations, each Party may unilaterally terminate the Contract by notifying the other Party in writing not later than 7 (seven) days in advance.

9.2. **The Buyer**, by notifying **the Seller** in writing no later than 7 (seven) days in advance (*if no other time limit is indicated in the Special Part of the Contract*), shall have the right to unilaterally terminate the Contract for a substantial breach of the Contract. A substantial breach of Contract shall be considered if:

9.2.1. **the Seller** is late in delivering the goods within the time limit specified in the Special Part of the Contract;

9.2.2. **the Seller** does not fulfil (or informs that it will not be able to fulfil) the contractual obligation to supply the goods;

9.2.3. **the Seller** increases the price/the rates of the Goods, except as provided for in clause 2.2 of the General Part of the Contract;

9.2.4. **the Seller** fails to fulfil or fulfils improperly its guarantee obligations provided for in clause 6 of the General Part of the Contract;

9.2.5. **the Seller** does not fulfil the obligation established in clause 12.4 of the General Part of the Contract (*if the performance of the Contract is guaranteed by a surety or bank guarantee*);

9.2.6. The goods delivered by **the Seller**, or their quality do not comply with the requirements laid down in the Contract and its Annex(s);

9.2.7. **the Seller** does not provide in timely manner an advance bank guarantee, the validity term of which would be at least valid for the period established in clause 4.3 of the General Part of the Contract (*if advance payment is established under the Contract provide for*);

9.2.8. during the validity of the Contract, **the Seller** is included in the list of unreliable suppliers or the list of suppliers that provide false information;

9.2.9. during the performance of the Contract, it turns out that **the Seller** or the goods supplied by it are not reliable and pose a risk to national security;

9.2.10. during the performance of the Contract, the circumstances provided for in Article 46 (1) of the Law on Public Procurement/Article 34 (1) of the Law on Public Procurement in the Field of Defence and Security become apparent;

9.2.11. During the performance of the Contract, it appears that the Contract was amended in violation of Article 89 of the Law on Public Procurement/Article 53 of the Law on Public Procurement in the Field of Defence and Security

9.3. **The Buyer**, no later than 7 (seven) days in advance (*if other time limit is not specified in the Special Part of the Contract*) by notifying **the Seller** in writing, has the right to unilaterally terminate the Contract if **the Seller** is in liquidation or in court for the opening of bankruptcy or restructuring proceedings, or has been the subject of bankruptcy or restructuring proceedings, or of a decision to initiate out-of-court bankruptcy proceedings has been made.

9.4. Upon termination of the Contract, **the Seller** shall, within 10 (ten) days from the date of termination of the Contract, repay to **the Buyer** the advance which has been paid (if paid) for the goods which have not been delivered.

10. Dispute settlement procedure

10.1. The Contract is concluded and shall be interpreted in accordance with the law of the Republic of Lithuania.

10.2. All disputes or disagreements between the Parties to the Contract relating to the Contract shall be resolved by negotiation, and a failure to resolve a dispute in negotiation, it will be examined in the courts of the Republic of Lithuania in accordance with the procedure established in the legal acts of the Republic of Lithuania based on **the Buyer's** office address (or if **the Buyer** is not a legal entity, but a division of the Lithuanian Armed Forces, it shall be "*based on the office address of the legal entity, i.e. of the Lithuanian Armed Forces*").

11. Liabilities

11.1. If **the Seller** is late in delivering the goods within the time limit specified in the Special Part of the Contract, the Seller shall pay **the Buyer** from 0.05 to 0.2 percent (*a particular amount shall be specified in the Special Part of the Contract*) of the price of non-delivered goods, excluding VAT, for each day of delay/hour (*applicable depending on how the commitment term (days or hours) is calculated in the Special Part of the Contract*, which shall be treated as the minimum losses agreed between the Parties in advance, the payment of which shall not release **the Seller** from the obligation to compensate for any losses incurred by **the Buyer** due to the fact that **the Seller** failed to perform or improperly performed the Contract. **The Seller** undertakes to pay the minimum losses agreed by the Parties in advance no later than the time limit specified in the invoice or claim.

11.2. If during quality guarantee the Seller is late in performing the obligations laid down in clause 6.2 of the General Part of the Contract within the time limit specified in the Special Part of the Contract, **the Seller** shall pay **the Buyer** from 0.05 to 0.2 percent (*a particular amount shall be specified in the Special Part of the Contract*) of the price/rates of the goods, which have not been replaced with the alternative ones, excluding VAT, for each day of delay/hour, which shall be treated as the minimum losses agreed between the Parties in advance, the payment of which shall not release **the Seller** from the obligation to compensate for any losses incurred by **the Buyer** due to the fact that **the Seller** failed to perform or improperly performed the Contract regarding the warranty of the goods/ usability period.

11.3. If **the Seller** is late to fulfil obligations set forth in clause 6.3 of the General Part of the Contract within the time limit specified in the Special Part of the Contract during the warranty / usability period, it shall pay to the Buyer from 0.05 to 0.2 percent (*a particular amount shall be specified in the Special Part of the Contract*) of the price of the goods for which the deficiencies have not been corrected or the price of the goods which are unaltered, excluding VAT, for each

day/hour of delay, which shall be considered as the minimum losses agreed by the Parties in advance, the payment of which does not release **the Seller** from the obligation to compensate for any losses incurred by **the Buyer** due to the fact that **the Seller** failed to perform or improperly performed its obligations relating to the warranty of the goods/ usability period.

11.4. Upon termination of the Contract due to the reasons specified in clauses 9.2.1, 9.2.2, 9.2.3, 9.2.5, 9.2.6, 9.2.7, 9.3 of the General Part of the Contract or due to other reasons specified in the Special Part of the Contract, **the Seller** within 14 (fourteen) days (calculated from the date of the Contract termination) shall pay **the Buyer** not less than 5–7 percent of the Contract price, excluding VAT (or the total tender price excluding VAT, or the total order price excluding VAT) (*a particular percentage or a particular amount shall be specified in the Special Part of the Contract*), which shall be considered as the minimum losses agreed by the Parties in advance, but not more than the price excluding VAT of the outstanding obligations under the Contract. Payment of the minimum losses agreed by the Parties in advance shall not exempt **the Seller** from the obligation to compensate for any losses incurred by **the Buyer** in the event of failure or improper performance of the Contract by **the Seller**. **The Seller** undertakes to pay the minimum losses agreed by the Parties in advance no later than the time limit specified in the invoice or claim.

11.5. After termination of the Contract for the reason set out in clause 9.2.4 of the General Part of the Contract, **the Seller** shall, within 7 (seven) days (counted from the date of termination of the Contract), pay **the Buyer** the minimum losses agreed by the Parties in advance of the purchase price of the defective Goods, excluding VAT, but not more than the price excluding VAT of any outstanding obligations under the Contract. Payment of the minimum losses agreed by the Parties in advance shall not exempt **the Seller** from the obligation to compensate for any losses incurred by **the Buyer** in the event of failure or improper performance of the Contract by **the Seller**.

11.6. Other cases of contractual liabilities to **the Seller** are specified in the Special Part of the Contract.

11.7. In accordance with Article 6.253 (1) and (3) of the Civil Code of the Republic of Lithuania, the delay in financing from the budget is a condition fully exempting **the Seller** from civil liability and the payment of interest for late payment.

12. Contract validity

12.1. The Contract enters into force after both Parties sign it and **the Seller** provides **the Buyer** with the Contract performance guarantee issued by bank or a surety letter of the insurance company (*if the provision that the Contract comes into effect after it is secured with bank guarantee or a surety letter of the insurance company established in the Special Part of the Contract applies*) to ensure payment of the amount referred to in clause 11.4 of the General Part of the Contract. The guarantor/surety shall indicate in the bank's guarantee or in the surety letter of the insurance company that it undertakes to pay to **the Buyer** the amount specified in clause 11.4 of the General Part of the Contract if the Buyer must terminate the Contract for at least one of the reasons listed in clauses 9.2.1–9.2.7, 9.3 or for any other reasons specified in the Special Part of the Contract. Bank guarantee or a surety letter stating that the guarantor or surety is only liable for direct damages will not be accepted, as the obligation to pay the specific amount of the performance assurance referred to in clause 11.4 of the Contract must be met.

12.2. The guarantor/surety shall undertake irrevocably and unconditionally no later than 14 (fourteen) days after a written notification confirming the termination of the Contract on the grounds of fault of **the Seller**, to fulfil the obligation and pay the amount committed by transferring the money to **the Buyer's** account.

12.3. **The Seller** not later than within 5 (five) working days after signing the Contract shall submit to **the Buyer** the Contract performance guarantee issued by bank or a surety letter of the insurance company specified in clause 12.1 of the General Part of the Contract, which shall be valid for two months longer than the time limit for the supply of the goods specified in the Special Part of the Contract. **The Seller** shall also provide a confirmation from the insurance company (a proof of payment, etc.) that the surety letter is valid. The payment of the amount specified in the Contract performance guarantee issued by bank or surety letter of the insurance company shall not be linked

to the full compensation of **the Buyer's** losses and shall not exempt **the Seller** from the obligation to fully compensate the losses.

12.4. If, during the performance of the Contract, the legal entity that has issued the Contract performance guarantee (bank or insurance company) is unable to meet its obligations (suspension of activities, a moratorium, etc.), **the Seller** shall provide a new Contract performance guarantee within 10 (ten) days under the same conditions as the previous one. If **the Seller** does not provide a new Contract performance guarantee, **the Buyer** shall have the right to terminate the Contract in accordance with clause 9.2.5 of the General Part of the Contract.

12.5. Contract performance guarantee shall be returned within 10 (ten) days of the expiry of this guarantee upon written request by **the Seller**.

12.6. The terms and conditions of the Contract shall not be changed during Contract validity unless the amendment is possible in accordance with the provisions of Article 89 of the Law on Public Procurement/Article 53 of the Law on Public Procurement in the Field of Defence and Security and is not contrary to the fundamental principles and objective of public procurement.

12.7. If during Contract validity the Parties notice technical mistakes, spelling errors (provisions incorrectly uploaded from the terms of the tender or procurement conditions, etc.), in the event of changes in the persons responsible for the performance of the Contract or in the particulars of the Parties to the Contract, the Parties may, by written agreement, modify the terms of the Contract. Such a modification to the terms of the Contract shall not be considered an amendment to the terms of the Contract.

12.8. The Contract may be extended under the conditions laid down in the Special Part of the Contract.

12.9. Where necessary, **the Buyer** shall have the right to purchase the Goods not listed in the Contract and its Annexes but relating to the object of the procurement up to 10 percent of the maximum Contract price/Total tender price referred to in clause 2 of the Special Part of the Contract. The goods not covered by the Contract and its Annex(s), but relating to the object of the procurement, may be supplied by **the Seller** only at the prices which are valid at the place of sale, in the catalogue or on the website of **the Seller** at the date of the order or, where such prices are not published, at the prices offered by **the Seller**, which are competitive and conform the market. Where there is a need for the purchase of the goods not covered by the Contract and its Annex(s) but relating to the object of the procurement, **the Buyer** and **the Seller** shall conclude an additional written agreement, the terms of which shall be analogous to the terms of the Contract, adapting them accordingly to the newly purchased goods (*if such provision specified in the Special Part of the Contract applies*).

12.10. The termination of the Contract provided for in the Special Part of the Contract shall not mean the termination of the obligations of the Parties under the Contract and shall not exempt the Parties from civil liability for the breach of the Contract.

13. Correspondence

13.1. Notices sent by **the Buyer** and **the Seller** to each other in Lithuanian/English (*applicable if the Contract is concluded in English*) shall be in writing. Notices sent by the Parties to each other shall be sent by post, e-mail or served in person. Notices shall be sent to the addresses and numbers indicated in the particulars of the Parties in the Special Part of the Contract. If the sender needs a confirmation of receipt, it shall indicate such requirement in the notice. If there is a time limit for the receipt of a reply to the written notice, the sender should specify in the notice the requirement to confirm the receipt of the written notice.

13.2. The Parties undertake to notify each other in writing, within 3 (three) working days at the latest, of any change in the Party particulars referred to in the Special Part of the Contract. The Party to the Contract may not, by failing to notify the change of its particulars in time, claim for any action taken by the other Party in accordance with the Party's particulars provided in the Contract.

14. Confidentiality of information and personal data

14.1. The Parties shall ensure that the information they transmit to each other shall only be used in the performance of the Contract and shall not be used in a way that would harm the Party that has transmitted the information.

14.2. The Parties undertake to ensure confidentiality of all information known to them and/or entrusted to them during and after the end of the Contract or its termination.

14.3. **The Seller** undertakes not to use the information provided to it by **the Buyer** for its own benefit or for the benefit of any third parties without **the Buyer's** prior written consent, nor to disclose such information to other persons, except in cases provided for in the legislation of the Republic of Lithuania and in the Contract.

14.4. Personal data (names, surnames, position, e-mail and phone number) specified in the Contract and its Annexes can only be used to identify responsible persons of the Parties or of **the Recipient** for the performance of the Contract and to communicate on the issues related to the performance of the Contract. If any additional personal data are processed during the performance of the Contract, these data and the purpose of their processing shall be specified in clause 9 of the Special Part of the Contract.

14.5. The Parties to the Contract shall ensure that the processing of personal data during the performance of the Contract shall be available only to those persons who are required to do so in the performance of their obligations under the Contract.

14.6. Personal data specified in the Contract and its Annexes cannot be transferred to third parties without the other Party's consent, with the exception of the sub-suppliers indicated by **the Seller** and **the Recipient** (if such is specified) that are used for the performance of the Contract and only in those cases where it is necessary for the performance of the Contract or such a data omission would cause very serious difficulties in the execution of the Contract. If the sub-supplier is replaced in accordance with the procedure provided for in the Special Part of the Contract, the other Party's consent for data transfer must be obtained.

14.7. If, during the performance of the Contract, it appears that personal data which is not discussed in the terms of the Contract is being processed, the Parties to the Contract shall immediately inform the other Party concerning such data and maintain the confidentiality of that data. Where personal data not provided for in the Contract is processed, clause 9 of the Special Part of the Contract shall be filled in.

14.8. All personal data processed for the purpose of fulfilling contractual obligations may be processed until the end of the obligations of the Parties under the Contract. Only personal data the destruction of which would entail unreasonably much time or financial costs or would not be justified for the purposes of using the result of the Contract may not be destroyed.

14.9. The Parties shall take appropriate technical and organisational measures to ensure security and confidentiality of information. The Parties shall inform each other within 1 (one) working day of any breach of personal data processed under the Contract. A notice about the infringement shall specify the nature of the infringement, the possible consequences of the infringement and the measures taken to remedy or mitigate the effects of the infringement.

14.10. The Parties shall not reimburse each other for costs and losses incurred as a result of fulfilling their personal data processing obligations under this Contract.

14.11. In breach of the obligation laid down in clause 14.3 of the General Part of the Contract, **the Seller** shall pay **the Buyer** 10 percent of the amount of the maximum Contract value/Tender price excluding VAT, which is considered as the minimum losses agreed by the Parties in advance and to compensate any other losses resulting from such infringement.

15. Final provisions

15.1. The Contract is drawn up in English in two copies (one for each Party) (*depending on which languages the Contract will be drawn up*).

15.2. This Contract consists of the General and Special Parts of the Contract and the Annex(s) to the Contract. All Annexes to the Contract shall be an integral part of the Contract.

15.3. None of the Parties shall have the right to transfer to a third party the rights and obligations under this Contract without a prior written consent of the other Party.

15.4. In breach of the obligation referred to in clause 15.3 of this part of the Contract, **the Seller** shall pay **the Buyer** 5 percent of the amount of the maximum Contract/Tender price excluding VAT, which is considered as the minimum losses agreed by the Parties in advance, unless otherwise specified in the Special Part of the Contract.

15.5. **The Seller** guarantees that it has all the licenses necessary for the performance of the Contract. **The Seller** undertakes to compensate for any losses to **the Buyer** in the event **the Buyer** lodges claims, or proceedings are initiated for infringement of patents or licences arising out of or in the performance of the Contract.

15.6. The Parties to the Contract confirm that they did not exceed or violate their competence in the award of the Contract (Articles of Association, regulations, statute, any ruling, decision, order, binding act (including local, individual), transaction, judgement (ruling, order), etc. by the governing body of the Party to the Contract (owner, founder or other competent entity).

15.7. The performance of the Contract may be interpreted by written agreement of the Parties without altering the terms and conditions of the Contract.

15.8. The name of the sub-supplier(s) / sub-provider(s) and a part of the contractual obligations performed by it/them are specified in the Special Part of the Contract.

15.9. During the performance of the Contract, the sub-supplier(s) /sub-provider(s) referred to in the Contract may be replaced with another sub-supplier(s) / sub-provider(s) due to objective circumstances which could not have been foreseen by **the Seller** at the time of submission of the application/tender. The replacement of the sub-supplier(s) / sub-provider(s) shall be possible only after a prior written agreement with **the Buyer**. The request of the sub-supplier(s)/sub-provider(s) to exchange to another shall be submitted to **the Buyer** in writing, specifying the grounds for the replacement, together with supporting documentation, that the new sub-supplier(s)/sub-provider(s) meet(s) all requirements for sub-supplier(s) / sub-provider(s) of the public procurement, on the basis of which this Contract has been signed, while **the Seller** confirms that the exchange of the sub-supplier has not lost its minimum qualification requirements established in the procurement documents. The replacement of the sub-supplier(s) / sub-provider(s) indicated in the Contract with another sub-supplier(s) / sub-provider(s) shall be documented by a written modification of the Contract (*applicable if the Seller intends to use them*).

15.10. A person appointed by **the Seller**/persons representing **the Seller**, accepting and approving **the Buyer's** orders for the Goods, the estimate of the Goods supplied, attending meetings with **the Buyer** and performing any other steps necessary for a proper performance of the Contract are specified in the Special Part of the Contract.

15.11. A person(s) appointed by **the Buyer** who represent/s **the Buyer** and provide **the Seller** with the orders for the goods, estimate of the goods, participate in the meetings with **the Seller** and perform other actions necessary for a proper performance of the Contract, is/are specified in the Special Part of the Contract.

THE BUYER

THE SELLER

On behalf of
Lithuanian Armed Forces
Navy Forces commander
Capt. (N) Giedrius Premeneckas

(Signature)

[STAMP]

Navielektro Ky

Chief executive officer
Mr. Asser Koivisto

(Signature)

Navielektro
Working with the world's Vessel Traffic Systems
Hallimestarinkatu 11, 20780 Kaarina, Finland
Phone +358 2 2437711 Fax +358 2 2437733

TECHNICAL SPECIFICATION OF THE COASTAL SURVEILLANCE RADAR

I. GENERAL REQUIREMENTS

- 1.1. This specification sets out the requirements for shore-based radar (hereinafter – Radar), purposed to monitor the surface of the Baltic Sea, to determine the position of detected objects and to measure their motion parameters.
- 1.2. The Radars will replace the SCANTER 2001 radars integrated into the Sea Surveillance Information System (hereinafter SSIS) that is currently in use by the Purchaser.
- 1.3. The equipment provided by the Supplier must be new and unused (cannot be refurbished).
- 1.4. The equipment provided by the Supplier shall be manufactured in series. The Supplier shall not offer equipment that requires further research or development. A prototype model that has not yet been mass-produced or tested shall not be offered.
- 1.5. The Radar has to be installed using the Purchaser's existing infrastructure.

II. TECHNICAL REQUIREMENTS

- 2.1 The Radar shall be of modular design; it shall be possible to replace defective Radar structural modules at the place of its installation.
- 2.2 The Radar shall be designed to operate in the X band frequency range. The exact operating frequencies are selected by Radar manufacturer depending on the technology used for the high frequency generation / reception modules.
- 2.3 Detection capabilities of the Radar shall comply with the requirements set out for Advanced level in IALA Guideline 1111, supplementing Recommendation V-128.
- 2.4 If Radar transmitter is based on a magnetron, its rated power must be at least 25 kW. If the transmitter uses a Solid State Power Amplifier, its rated power must be at least 300 W.
- 2.5 The pulse width shall be selectable by the user. If a magnetron is used in the Radar transmitter, there shall be at least 4 different selections of the emitted pulse duration in the range of at least 50 ns to 1000 ns.
- 2.6 The pulse/chirp repetition frequency (PRF/CRF) shall be selectable by the user, but only within the limits set automatically by the Radar equipment based on the currently used pulse duration. If a magnetron is used in the Radar transmitter, the total range of the Radar PRF shall be at least from 650.0 Hz to 4000.0 Hz.
- 2.7 The Radar shall be equipped with a PRF/CRF stagger/jitter or similar functionality that is purposed to eliminate interference caused by radars working on same frequencies. The permissible deviation of the Radar PRF/CRF shall be at least 5% of the set value.
- 2.8 The Radar shall be equipped with functionality to determine azimuth sectors where Radar radiates or does not radiate. It must be possible to identify at least four sectors with an accuracy of at least 1° and to choose in which sectors the radar does not radiate.
- 2.9 The overall noise figure shall not exceed 5.2 dB.
- 2.10 The intermediate frequency bandwidth of the Radar receiver shall be automatically adjusted depending on the duration of the Radar pulse width.
- 2.11 The dynamic range of the Radar receiver shall be at least 125 dB.
- 2.12 The Radar shall be equipped with Frequency Diversity functionality allowing Radar operation on at least two different frequencies.
- 2.13 The Radar shall be equipped with functionality that regulates the sensitivity of the Radar receiver (Sensitivity Time Control, STC).
- 2.14 The Radar shall be compatible with SSIS functionality that allows to quickly adjust Radar settings by choosing one of several pre-configured settings profiles.

- 2.15 The Radar shall be equipped with functionality that helps to identify a faulty Radar module.
- 2.16 The Radar shall retain its configurations in the event of a power failure. Settings are to be stored in a non volatile memory in the radar.
- 2.17 The Radar shall have a functionality that provides information about the Radar state to the SSIS software.
- 2.18 The Radar shall have Ethernet computer network interface suitable for remote Radar control and maintenance.
- 2.19 The Radar shall have at least 2 (two) interfaces for the transmission of radar image and trigger signals.
- 2.20 The Radar must have at least 2 (two) interfaces for the transmission of information provided by the Radar antenna (Azimuth Reference Pulse / Azimuth Count Pulse).
- 2.21 The Radar antenna shall be of the slotted waveguide antenna type, its waveguide length shall be at least 18 feet.
- 2.22 The speed of rotation of the Radar antenna shall be selectable by the user. The available setting's range shall be at least 12 revolutions per minute.
- 2.23 The nominal Radar antenna gain shall be at least 35 dB.
- 2.24 The radiation pattern of the Radar antenna shall be not more than 0.45° at -3 dB in the horizontal plane and not more than 20° at -3 dB in the vertical plane.
- 2.25 The radiation side lobes of the Radar antenna shall not exceed -28 dB with a deviation of 3° from the main direction of radiation.
- 2.26 The nominal standing wave ratio of the radar antenna (at the point of connection of the waveguide to the antenna rotating device) shall not exceed 1.5.
- 2.27 If a magnetron is used in the Radar transmitter, the Radar antenna shall be capable of emitting a pulse power of at least 25 kW and a mean power of 50 W.
- 2.28 The continuous operation time of a rotating joint of the Radar antenna until its planned replacement (calculated and recommended by the Radar manufacturer) shall be at least 5 years.
- 2.29 The continuous operation time of the Radar antenna turning unit before the planned oil change (calculated and recommended by the Radar manufacturer) shall be at least 3 years.
- 2.30 The corrosion resistance of the Radar equipment (excluding antenna equipment) shall be at least class C3 with reference to the recommendations listed in standard EN ISO 12944 (or equivalent protection). The corrosion resistance of the Radar antenna shall be at least class C4 with reference to the recommendations listed in standard EN ISO 12944 (or equivalent protection).
- 2.31 The hardware equipment delivered by the Supplier and installed in a building (or other place where environmental conditions are controlled) shall operate at ambient temperatures ranging from 0°C to $+45^\circ\text{C}$.
- 2.32 The Radar antenna equipment shall be protected from the environmental impact at least to the level of IP54 and capable to operate at ambient temperatures from -30°C to $+45^\circ\text{C}$.
- 2.33 The Radar antenna equipment shall operate if the instantaneous wind speed does not exceed 40 m/s. The antenna equipment shall have a free rotation function at wind speeds that are higher than allowed.
- 2.34 The hardware equipment delivered by the Supplier shall be suitable for connection to a $230\text{ V} \pm 10\%$, $50\text{ Hz} \pm 1\%$ (1 phase) or $400\text{ V} \pm 10\%$, $50\text{ Hz} \pm 1\%$ (3 phase) mains supply.

III. INSTALLATION REQUIREMENTS

- 3.1. The supplier shall provide:
- 3.1.2. A set of the Radar equipment together with all mounting components (such as mounting adapters, accessories), cables, waveguides and dehumidification equipment or accessories, cable and waveguide connectors required for the installation in the places specified by the Purchaser.
- 3.1.3. All necessary equipment for the installation of the local Radar configuration and maintenance workstation at each Radar installation site and equipment (if required) for remote Radar configuration and maintenance from the SSIS operator's workstations at the SSIS Control Center

(address Naujoji Uosto str. 24, Klaipeda), using the wide area network owned by the Purchaser.

3.1.4. Equipment for the connection of the Radar to the SSIS, if the Radar offered by the Supplier is incompatible with the existing equipment currently used by the Purchaser (Navielektro Radar Data Processor).

3.1.5. The set of spare parts consisting of:

3.1.5.1. Radar antenna;

3.1.5.2. Rotary encoder;

3.1.5.3. Rotary joint;

3.1.5.4. Radar receiver-transmitter modules (2 pcs.). Modules shall be without magnetrons, but they shall be tuned for different working frequencies, used to fulfil requirements listed in para 2.12 of this specification;

3.1.5.5. Radar data processor (RDP) designed to interface radar and SSIS. RDP shall be without SSIS software but necessary third party software (e.g. operating system) and their licences shall be included.

3.2. The Supplier shall perform all works related to the Radar installation, configuration and its connection to the SSIS (manufacturer Navielektro, software "Maritime Awareness Tactical Information System").

3.3. Information on the installation, configuration and connection of the Radar to the SSIS (free space in equipment cabinets, containers, power supply, bandwidth of the existing wide area network, etc.) shall be collected by the Supplier by inspecting the installation sites specified by the Purchaser before submitting the tender.

3.4. The Supplier shall coordinate the method of the Radar antenna mounting with the Purchaser.

3.5. When connecting the Radars to the Purchaser's information system SSIS, the Supplier shall perform all required SSIS software and/or hardware configuration works. The Supplier shall ensure that the SSIS with integrated Radars, delivered by the Supplier, provides existing functionality related to the processing, display, storage and control of radar information. .

3.6. Configuration of the Radar shall be performed with regard to the specific environmental conditions at the installation site.

3.7. When surveying the Radar installation locations specified by the Purchaser, the Supplier shall assess the possibilities and limitations of installing the equipment offered by him in the mentioned locations. The Supplier shall not offer equipment the installation of which requires substantial changes to the infrastructure available at the Purchaser's locations or the construction of new infrastructure objects.

3.8. The Supplier shall assess whether the lightning protection at the Radar's installation locations specified by the Purchaser complies with the requirements of the manufacturer of the equipment offered by him. If discrepancies are identified, the Supplier shall include in the tender the cost of installation of new lightning protection devices.

3.9. The Supplier shall carry out all installation and configuration work using his own materials and other necessary equipment or tools. Any technical, mechanical, software solutions required for installation or configuration, including Radar's mounting and adaptation of existing mounting structures, Radar connection to the SSIS and SSIS software configuration, shall be performed at the Supplier's expense and shall be included in the Supplier's tender price.

3.10. Any equipment, installation materials and any additional works and services that are not mentioned in the technical specification but are necessary for the installation, configuration and connection of the Radar to the SSIS is the responsibility of the Supplier and shall be provided and included in the tender price.

3.11. The Supplier, when submitting the Radar installed and configured for end use, will have to perform practical suitability tests under the procedure and under the conditions set out in this specification thus confirming the ability of the delivered equipment to perform the required functions.

3.12. If the equipment provided by the Supplier uses non-open source licensed software, its licenses must be granted for an indefinite period of time and the price of the licenses shall be included in the tender price.

IV. DOCUMENTATION, TOOLS, MATERIALS FOR MAINTENANCE

- 4.1. The Supplier shall prepare and deliver the Radar's technical documentation and user manuals in English in digital version, including but not limited to:
 - 4.1.1. lists of the delivered equipment, indicating the name of the equipment, quantity, place of installation, serial number (if any);
 - 4.1.2. general descriptions of the delivered equipment;
 - 4.1.3. user manuals for the delivered equipment, including recommendations for suitable environmental conditions;
 - 4.1.4. technical descriptions of the delivered equipment (including software), hardware connection diagrams, configuration data (settings);
 - 4.1.5. instructions for equipment testing, troubleshooting and periodical maintenance;
 - 4.1.6. installation drawings and descriptions
- 4.2. The documentation package delivered by the Supplier shall provide the Purchaser's technical staff with complete information on how to monitor and test Radar operation, to perform periodic maintenance works, identify a defective Radar structural module, perform possible repair tasks at the Radar installation site (according to Radar manufacturer requirements, shall include replacing of Radar's structural modules).
- 4.3. The Radar shall be equipped with the tools that are necessary for maintenance works.
- 4.4. The Radar shall be equipped with a set of consumables (filters, oil, lubricants, batteries, etc.) that ensure uninterrupted 24/7 operation of the radar for a period of at least 1 (one) year.

V. TRAINING

- 5.1. The Supplier shall train at least 2 (two) Purchaser's employees.
- 5.2. The training must consist of theoretical and practical parts.
- 5.3. The theoretical part of the training must provide information about the components of the Radar, their functions, measures to eliminate / reduce interference caused by environment, possible changes in radar settings and their impact on object detection.
- 5.4. The practical part of the training must include information on how to:
 - 5.4.1. test if Radar is operational and monitor its technical parameters;
 - 5.4.2. perform periodic technical maintenance works;
 - 5.4.3. identify the faulty Radar structural module, replace it with a new one and perform the Radar configuration works that are necessary after the replacement of the faulty module;
 - 5.4.4. make required changes of the SSIS software configuration (related to the Radar integration).
- 5.5. The training shall last for the time planned by the Supplier, but the practical training shall be of at least 18 working hours duration. Training shall be conducted in Lithuanian or English.
- 5.6. Training shall be performed at the Purchaser's premises. Practical training shall be given using workstation at the Radar installation place or SSIS operator's workstation.
- 5.7. The training shall be completed by the time the Radar is tested and handed over to the Purchaser.
- 5.8. Training material (electronic copy of documents) shall be provided to the Purchaser no later than 10 working days before the training commences.
- 5.9. Upon completion of the training, the Supplier shall assess the knowledge and skills of the Purchaser's employees attended the training and, in case of a positive assessment, issue certificates of completion of the training.

VI. RADAR TESTING AND HANDOVER

- 6.1 The Supplier shall provide the results of the Radars performance calculations with regard to object's detection:

6.2.1. The calculations shall be performed using publicly available radar modelling tools, such as the CARPET v3.0 software offered by TNO and the methodology described in IALA Guideline 1111 supplementing IALA Recommendation V-128.

6.2.2. The results of the calculations shall be presented graphically and in a text file format. In addition, the initial data entered by the Supplier into the software used for modelling shall be provided.

6.2 The Radar shall be tested in the presence of the Purchaser's representatives before handing it over to the Purchaser.

6.3 The Radar shall be subject to the following tests and trials:

6.3.1 The Factory Acceptance Test (hereinafter - FAT) - verification of radar parameters at the manufacturer's premises. The Purchaser's representatives are entitled to participate in the FAT, during which key technical parameters shall be checked for compliance with the requirements of this technical specification. The FAT results shall be documented in written form in the FAT report. FAT testing is considered as successfully completed if the test results meet the requirements of this technical specification. The FAT report shall be signed by authorized persons;

6.3.2 The Site Acceptance Test (hereinafter - SAT) - verification of radar operational performance in the presence of the Purchaser's representatives. During the SAT, the operation of the Radar and the compliance of the technical parameters with the requirements of this technical specification shall be verified at the place of installation. The practical inspection to be performed at the SSIS operator's workplace by detecting objects at sea with a typical Radar Cross Section (RCS), as well as detecting, tracking of several vessels available to the Purchaser. The SAT results shall be recorded in the SAT report. SAT is considered as successfully completed if the SAT results meet the requirements of this technical specification.

6.3.3 The Radar is handed over to the Purchaser in case of positive (without remarks and deficiencies) FAT and SAT results. The Radar is considered to be handed over to the Purchaser only after both parties have signed the Radar handover document.

VII. DELIVERY AND WARRANTY

7.1 The Supplier shall deliver the Radar equipment, at its own expense, to the installation locations of the SCANTER 2001 radars currently used by the Purchaser.

7.2 The Supplier shall provide a warranty period of at least 2 (two) years for the radar and its components. The warranty period starts from the day of signing the Radar hand over certificate.

7.3 If the equipment provided by the Supplier uses hard or solid state drives (HDD / SSD) or other memory media, they shall be replaced with new ones in case of warranty repair. Defective memory media shall be destroyed at the Purchaser's premises and shall not be returned to the Supplier.

THE BUYER

On behalf of
Lithuanian Armed Forces
Navy Forces commander
Capt. (N) Giedrius Premeneckas

(Signature)

[STAMP]



THE SELLER

Navielektro Ky

Chief executive officer
Mr. Asser Koivisto

(Signature)

Navielektro
Working Partnership in Vessel Traffic Systems
Hällimiesjärnkatu 11, 20780 Kaarina, Finland
Phone +358 2 2437711 Fax +358 2 2437733

Annex 2
to the Contract
No.
dated _____ 2022

Form for the Ordering the Goods

RUNNING _____
(Date and number of the Contract)

(Date, No.)

No.	Title	Quantity	EUR per each (without VAT)	Total Price EUR (without VAT)

Prepared by: _____
(Person's, assigned by the Seller Position, Name, Surname, Signature)

THE BUYER:

THE SELLER:

Annex 3
to the Contract No. _____
dated _____ 2022

Form of Delivery Acceptance Certificate

Date _____

The Goods below are accepted according to the Contract No. _____ dated _____ 2022:

Description of the Goods	Quantity ordered	Quantity delivered	Unit of measure	Notes

On behalf of Purchaser

On behalf of Seller
