

CONTRACT FOR THE PURCHASE AND SALE OF GOODS GENERAL TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION OF THE CONTRACT

- 1.1. **Detailed report** – a free form written document provided by the Supplier to the Buyer, the exact content of which shall be determined during the performance of the Contract by the authorized representatives of the Parties.
- 1.2. **Instruction** – any written or oral (which must subsequently be confirmed in writing) instruction given by the Buyer or its representative to the Supplier regarding the performance of the Contract.
- 1.3. **Buyer** – the company(-ies) of the AB „Lietuvos geležinkeliai“ group of companies (hereinafter referred to as the **LTG Group**), specified in the Special Terms and Conditions of the Contract, directly and/or indirectly controlled by AB „Lietuvos geležinkeliai“ (hereinafter referred to as the **LTG**), hereinafter referred to as the **Party**.
- 1.4. **Procurement** – acquisition of goods by the Buyer with the selected supplier(s) by concluding a purchase and sale contract.
- 1.5. **Goods** – Goods defined in the Special Terms and Conditions of the Contract, its annexes, which the Supplier undertakes to supply to the Buyer in accordance with the Contract and the requirements of applicable legal acts. The definition “Goods” used in the Contract shall include all activities related to the supply of Goods, which are specified in the Procurement Terms and Conditions, their explanations and/or clarifications. Technical requirements for the Goods shall be specified in the Annexes to the Special Terms and Conditions of the Contract.
- 1.6. **In writing** – means sending any instruction, notification, inquiry, claim, order or document signed by the Party by e-mail, registered mail, CVP IS means or delivering it directly to the interested party, through the contacts indicated in the Special Terms and Conditions of the Contract (unless a particular provision of the Contract stipulates otherwise).
- 1.7. **Invoice** – value added tax (hereinafter referred to as the **VAT**) invoice, invoice, credit and debit documents.
- 1.8. **Contract** – this contract for the purchase and sale of goods, which consists of the General and Special Terms and Conditions of the Contract, their Annexes and Procurement Documents.
- 1.9. **Parties** – the Buyer and the Supplier, each separately referred to as a Party.
- 1.10. **Supplier** – an business entity that supplies the Goods provided for in the Contract.
- 1.11. Words presented in the singular may also have a plural meaning and vice versa according the context of the Contract.
- 1.12. When a certain value of a number differs from the verbal value of the specified number, the verbal value of the number shall be used. If the abbreviation of the name of the payment currency does not correspond to the full name of the payment currency in words, the full name of the currency in words shall be considered to be correct.
- 1.13. Unless otherwise specified in a separate clause of the Contract, the duration of the Contract and other time-limits shall be calculated in calendar days.
- 1.14. If services are provided and/or works are performed on the basis of the Contract, *mutandis mutandis* they shall be subject to all the provisions of the Contract and services, works and Goods shall be collectively referred to in the Contract as Goods. In addition, such services and works shall be subject to the requirements of legal acts according to the nature of the services and/or works.

2. DECLARATIONS AND WARRANTIES OF THE PARTIES

- 2.1. Each Party shall declare and warrant to the other Party that:
 - 2.1.1. the Contract has been read, understood by the Parties and confirmed by the signatures of persons with appropriate powers of each Party;
 - 2.1.2. the Contract was concluded with the aim of realizing its provisions and being able to actually perform the obligations specified in the Contract;
 - 2.1.3. the Contract was entered into without violating and without the intention of violating the legal acts of the Republic of Lithuania and the documents regulating their operational activities and contractual obligations;
 - 2.1.4. they are solvent, their operational activities are not restricted, they have not been subject to or are not expected to be subject to legal proceedings for restructuring or liquidation, they have not suspended or limited their operational activities, they have not been subject to legal proceedings for bankruptcy.
- 2.2. The Supplier shall declare and guarantee that:
 - 2.2.1. it has fully familiarized itself with all the information related to the subject matter of the Contract and other documentation provided at its request, necessary to perform the obligations assumed on the basis of the Contract and to deliver the Goods, and this documentation and the information provided in it are completely and fully sufficient for the Supplier to ensure proper and complete performance of all obligations assumed under the

Contract and their quality. The Supplier's rights to sell the Goods or perform the Contract are not restricted by third parties, courts or state institutions;

2.2.2. it has all licenses, permits, attestations, qualification certificates, as well as all other necessary qualifications and competence to supply the Goods and perform the obligations stipulated in this Contract;

2.2.3. it has all the technical, intellectual, physical and any other capabilities and characteristics necessary and allowing him to properly perform the terms and conditions of the Contract;

2.2.4. it hasn't got any debts or obligations to any third parties that would prevent the proper performance of the obligations assumed by this Contract, and undertakes not to assume such obligations during the entire period of validity of this Contract;

2.2.5. The taxes of the Supplier's country for the sold Goods are duly paid.

2.2.6. Sanctions implemented in the Republic of Lithuania (hereinafter referred to as the **Sanctions**) are not applied to the Supplier and/or to the business entities used by it, whose capabilities it relies on, and/or to sub-suppliers, as well as to the persons controlling each of the mentioned persons and/or to the Supplier under the Contract, including sanctions of the United States of America, as defined in the Law on the International Sanctions of the Republic of Lithuania (hereinafter referred to as the **Law on Sanctions**) and other international, European Union and Republic of Lithuania legal acts (for at least one of the applicable sanctions);

2.2.7. The Supplier and/or the business entities used by it, whose capabilities it relies on, and/or the sub-suppliers and the Goods supplied by them will not pose a threat to national security and/or the Buyer's business, including full compliance with the requirements and legal provisions applicable at the time of the Procurement.

2.3. In the event of a change in the circumstance(s), indicated in the Sub-Clause 2.1.4 and Clause 2.2. of the General Terms and Conditions of the Contract, the Party shall undertake to inform the other Party thereof in writing no later than within 3 (three) days.

2.4. The parties declare and guarantee that each of the statements specified in Clauses 2.1 – 2.2 of the Contract is true and correct on the date of conclusion of the Contract.

3. RIGHTG AND OBLIGATIONS OF THE SUPPLIER

3.1. The Supplier shall undertake:

3.1.1. to perform the Contract in the most economically beneficial way for the Buyer, in accordance with the principles of transparency, cooperation and non-discrimination, in accordance with the requirements of the Contract, using all the necessary technical and organizational measures that ensure the safe, high-quality delivery of the Goods and the security of the Buyer's data, including, but not limited to, the protection of personal data and confidential information, proper information management, cyber-security;

3.1.2. consistently, in accordance with the requirements of legal acts and Procurement documents, including the Contract and its annexes, to perform all contractual obligations, including warranty service after the expiry of the Contract and other obligations stipulated in the Contract. The Supplier shall provide all the necessary equipment, work safety and manpower required for the performance of the Contract;

3.1.3. to deliver Goods that fully meet the requirements specified in the Contract;

3.1.4. to familiarize itself with and comply with the provisions of the LTG group's supplier code of conduct ([published publicly](#)¹) and the operating principles specified therein, as well as ensure that all third parties used by the Supplier (sub-suppliers, business entities on whose capabilities the Supplier relies and other related persons, hereinafter referred to as **persons**);

3.1.5. to comply with all legal acts valid and applicable in the Republic of Lithuania as well as Procurement documents, including the Contract, and documents and instructions submitted by the Buyer during the performance of the Contract. To ensure that the employees of the Supplier and the used persons comply with them;

3.1.6. within the deadline set by the Buyer, to compensate the Buyer at its own expense for all losses caused by the violation of legal acts by the Supplier and/or persons used, and/or improper performance of the Contract, non-performance and/or termination of the Contract and/or due to sanctions applied by state authorities and/or initiated legal proceedings, if such sanctions were imposed or legal proceeding were initiated due to the fault, negligence, concealment of information on the part of the Supplier and/or persons used;

3.1.7. to ensure that the Contract will be performed only by persons with such right;

3.1.8. to assume the risk of loss or damage of the Goods until the moment of signing the Deed of Transfer-Acceptance of the Goods, unless otherwise specified in the Special Terms and Conditions of the Contract;

3.1.9. immediately, but no later than within 3 (three) days, to inform the Buyer in writing if it turns out that the Supplier cannot ensure compliance with any of the Supplier 's obligations or guarantees under the Contract or if

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

circumstances have arisen that could affect the proper and timely performance of the Contract. Informing the Buyer shall not release the Supplier from the liability and shall not be a basis for making amendments to the Contract, except for cases where the provisions of the Contract state otherwise.

3.2. The Supplier shall have the right to receive payment for the Goods transferred to the Buyer, provided that it properly performs the Contract.

3.3. The Supplier shall have other rights provided for in the Contract and in the legal acts of the Republic of Lithuania in force.

4. RIGHTS AND OBLIGATIONS OF THE BUYER

4.1. The Buyer shall undertake:

4.1.1. to perform the Contract under the terms and conditions provided for therein and in compliance with the principles of cooperation, transparency and non-discrimination. However, this shall not give the right to amend the Contract under conditions other than those specified in the Contract or to assume the obligations specified in the Contract or a part of them for the Supplier or to perform other actions contrary to the Contract or legal acts;

4.1.2. to provide the Supplier with available information and/or documents necessary for the performance of the Contract (*if applicable*).

4.2. The Buyer shall have the right, at any time during the performance of the Contract, to require the Supplier to provide supporting documentation concerning the compliance of the Supplier, the persons engaged, manufacturer's and/or the persons controlling them and/or of goods (including their components and packaging) offered by the Supplier, and of the services provided and their providers, with national security requirements and/or the provisions of the Law on Public Procurement of the Republic of Lithuania (hereinafter: 'PPL'), including the Article 37(9), Article 47(9) and/or Article 45(2)(1), and the provisions of the Law on Procurement by Contracting Entities Operating in the Water, Energy, Transport and Postal Services Sectors of the Republic of Lithuania (hereinafter: the 'PL'), including the Article 50(9), Article 58(4)(1) and/or the Article 47(9) of PPL and/or concerning the (non)application of sanctions. If the Supplier fails to provide the information and documents specified by the Buyer within the time specified by the Buyer, the Buyer shall have the right to terminate the Contract in accordance with the procedure set out in the General Conditions of the Contract.

4.3. The Buyer shall have other rights provided for in the Contract and in the legal acts of the Republic of Lithuania in force.

5. PRICING RULES AND SETTLEMENT TERMS AND CONDITIONS

5.1. The Contract price and pricing rules shall be defined in the Special Terms and Conditions of the Contract.

5.2. The Contract Price specified in the Special Terms and Conditions of the Contract (hereinafter referred to as the **Contract Price**) and the rates specified in the Contract (hereinafter referred to as the **Rates**) shall include all taxes and fees applicable in Lithuania/another country that may arise during the performance of the Contract.

5.3. The contract price and rates, VAT exclusive, specified in the Supplier's tender shall be final and shall not be changed during the entire period of validity of the Contract (*unless otherwise stipulated in the Special Terms and Conditions of the Contract or its annexes*). The Supplier shall be considered a professional market participant who, when submitting an tender, was obliged to properly calculate the tender price and individual rates, taking into account the market conditions and possible changes in it, the organizational, technical and financial means and capacities required for the performance of the Contract, therefore the Supplier shall assume the risk of price increase of the Goods, including but not limited to the components of the Goods used in the production or supply of the Goods, etc.

5.4. The Parties concord and agree that the Contract Price and Rates (depending on the pricing chosen in the Special Terms and Conditions of the Contract) that are VAT exclusive cannot be changed due to amendments in legal acts, i.e., all the risk due to a possible increase in the Contract Price and Rates shall be assumed by the Supplier, except for VAT. If the legal acts governing the application of VAT change during the period of the validity of the Contract, the Contract Price and Rates that are VAT exclusive shall not be changed, however, the Buyer shall pay the Supplier for the Goods, properly delivered in accordance with the Contract, the Contract Price and Rates, which shall be equal to the amount obtained after adding VAT, calculated according to the newly approved tax rate, to the Contract Price and Rates that are VAT exclusive specified in the Contract, unless the adopted legal acts provide otherwise. The recalculated Contract Price and Rates shall be formalized in the agreement signed by the Parties and shall be applied from the date of the new VAT application (regardless of when the agreement was signed).

5.5. During the performance of the Contract, all Invoices shall be provided only electronically in accordance with the provisions of Article 22 of the PPL or Article 34 of the PL. Electronic Invoices that comply with the European

standard for electronic invoices shall be provided by means chosen by the Supplier. Electronic invoices that do not comply with the European electronic invoice standard shall be provided only by using the information system "E.sąskaita" means. Together with the Invoice, the deeds of transfer-acceptance of the Goods signed by both Parties and other documents specified in the Contract shall be submitted. Advance payment invoices may be submitted by the Supplier to the person responsible for the performance of the Contract or by means of the information system "E.sąskaita", if the Special Terms and Conditions of the Contract provide for an advance payment.

5.6. The invoice issued by the Supplier shall meet the legal requirements and shall be issued on the date that shall not be earlier than the one on which the Deed of Transfer – Acceptance of Goods, on the basis of which the invoice shall be issued, was signed. In addition, the Invoice issued by the Supplier shall include:

5.6.1. Supplier's VAT payer's code, name;

5.6.2. Contract number and date, procurement order number, which shall be specified in the order ("PU number") (if specified);

5.6.3. Data and contacts of responsible persons of the Parties;

5.6.4. exact names, measurement units and rates (price) of the Goods corresponding to the names, measurement units and rates (prices) specified in its tender and in the Contract;

5.6.5. Date and number (if such deed bears one) of the Deed of Transfer – Acceptance of Goods and other data requested by the Buyer.

5.7. In the event that the Invoice provided by the Supplier does not meet the requirements of the Contract, the Buyer shall return such Invoice to the Supplier for correction, instructing it to immediately submit an Invoice that meets the requirements of the Contract. The payment term shall be calculated from the date of receipt of the Invoice that meets the requirements of the Contract.

5.8. According to the Contract, payments shall be made in the national currency of the Republic of Lithuania, unless otherwise provided in the Special Terms and Conditions of the Contract. The Supplier shall assume the risk of possible exchange rate changes (if any).

5.9. Payment for Goods duly provided and accepted by the Buyer shall be made in accordance with the procedure established in the Special Terms and Conditions of the Contract, according to the Invoice duly completed and submitted by the Supplier. The settlement shall be made by bank transfer to the Supplier's bank account specified in the Contract, or to another bank account specified by the Supplier in writing (the letter shall be signed by the Supplier's executive officer or a person authorized by him), if the Supplier has transferred its monetary claim arising from the Contract to a third party (financier), and after notifying the Buyer in writing thereof. The fact of factoring (transfer of a monetary claim) shall be clearly indicated in the Invoice.

5.10. In the event of the Supplier's improper performance of contractual obligations, the Buyer shall have the right, without limiting the possibilities of applying other remedies provided for in the Contract and legal acts, to apply to the Supplier a unilateral set-off from all amounts payable to the Supplier under the Contract for non-performance of obligations and/or accrued penalties (by notifying the Supplier in writing thereof), and, if they are not sufficient, also the securities of performance of obligations provided by the Supplier (by notifying the Supplier in writing thereof), to cover the penalties specified in the Contract and all losses incurred by it. This provision shall be valid regardless of the termination of the Contract and the application of other sanctions.

5.11. The Buyer shall have the right to suspend payments to the Supplier if the Supplier does not perform or improperly performs any obligations assumed by the Contract or stipulated by legal acts, until these obligations are properly performed.

6. SECURITY OF PERFORMANCE OF THE CONTRACT

6.1. The performance of the Contract shall be secured by the contractual penalties and other ways of securing the performance of the Contract, if provided for in the Special Terms and Conditions of the Contract.

7. QUALITY OF GOODS AND WARRANTY OBLIGATIONS

7.1. The Supplier shall guarantee the quality of the Goods and the absence of hidden defects. The quality of the goods shall meet the requirements and standards set forth in the Contract and legal acts regulating the quality and supply of such Goods.

7.2. The warranty period for the Goods shall be specified in the Contract, during its period of validity, even if the warranty period is longer than the one of the Contract, the Supplier shall eliminate all defects at its own expense in accordance with the procedure and time-limits specified in the Contract. The warranty period for the Goods or their parts shall come into effect from the moment of transfer of the Goods or part thereof to the Buyer, after the Parties have signed the Deed of Transfer – Acceptance of the Goods. The warranty obligations period shall be

extended at the expense of the Supplier for such period during which the Buyer could not use the Goods due to the fault of the Supplier or during which the defects were eliminated.

7.3. During the period of validity of the Contract and/or the warranty period, the Supplier shall eliminate all discrepancies in the performance of the Contract, Goods and/or non-compliance with the requirements of the Contract at its own expense in accordance with the procedure and time-limits specified in the Special Terms and Conditions of the Contract.

7.4. Eliminating defects and/or the Buyer's refusal to accept poor-quality Goods shall not extend or suspend the deadline for delivery of the Goods and shall not exempt the Supplier from penalties, except for the cases clearly established in the Contract or if independent expertise has established that the Goods are of good quality or that the Buyer has no culpa for their non-compliance with the terms and conditions of the Contract (only in the event that the Buyer did not comply with the written rules for the use and storage of the Goods provided by the Supplier).

7.5. The Buyer, having noticed defects during the warranty period of the Goods and/or during the period of validity of the Contract, shall send the Supplier a deed of defects by e-mail specified in the Contract, indicating the non-acceptance of the Goods, the defects of the Goods and an invitation to the Supplier to sign within no more than 2 (two) business days and send it to the Buyer within 3 (three) days. In case the Supplier does not send a signed deed of defects or a reasoned refusal to acknowledge the defects, it shall be considered that the Supplier has acknowledged the defects. In case the Supplier does not acknowledge the defects, the Parties shall consult on the appointment of an independent expertise, and if an agreement cannot be reached within 3 (three) business days, the Buyer shall carry out an expertise at its own choice and submit the conclusions of the expertise to the Supplier. Where the Supplier fails to send the signed defects report or reasoned refusal to accept defects the Supplier shall be deemed to have accepted the defects. If the Supplier fails to accept the defects, the Parties shall agree on obtaining an independent expert's report, and in the case of failure to reach agreement within 3 (three) working days, the Buyer shall conduct procurement procedures for expertise services and shall provide expertise conclusions to the Supplier. The costs of expertise, including costs related to the conduct of procurement procedures, shall be borne by the Buyer if as a result of the expertise it is established that the Goods comply with the requirements set out in the Contract, or by the Supplier if as a result of the expertise it is established that the Goods do not meet the requirements set out in the Contract.

7.6. If the Supplier notices defects in the Goods or other discrepancies in performance of the Contract, it must immediately eliminate the defects at its own expense, and if the discrepancies are related to the performance of the Buyer's Contract, it must inform the Buyer in writing thereof.

7.7. If the Supplier does not eliminate the defects within the time-limit specified in the Contract, the Buyer shall have the right not to accept the Goods transferred later as well as not to pay for them, and to submit a written notification to the Supplier about the non-acceptance thereof. Newly supplied Goods shall be subject to the same warranty terms and conditions provided for in the Contract. In case the Supplier does not deliver quality Goods within the specified time-limit, it shall return to the Buyer the price paid by the latter for these Goods within 5 (five) calendar days and submit a credit Invoice (if payments have already been made).

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

8. SUPPLY OF GOODS, PACKAGING OF GOODS

8.1. The Supplier undertakes, in accordance with the requirements of the Contract and legal acts, to supply the Goods and transfer them to the Buyer, including related actions, at the place specified in the Contract, in accordance with the procedure and time-limits specified in the Contract. The procedure for the delivery of goods shall be specified in the General Terms and Conditions of the Contract and additionally detailed in the Special Terms and Conditions of the Contract, the Supplier shall unconditionally comply with the procedure and requirements specified in the Contract.

8.2. The goods shall be ordered, supplied and transferred to the Buyer in accordance with the procedure provided for in the Contract, upon signing the Deed of Transfer – Acceptance of the Goods by the Parties. The delivery of Goods earlier than specified in the Contract can only be carried out after receiving the consent of the Buyer and coordinating on the time.

8.3. If during the performance of the Contract the Parties draw up a schedule for the supply of Goods, then it may be changed only with the written consent of the Buyer. By drawing up or amending the schedule, the time-limits of delivery of the Goods or other time-limits specified in the Contract (except if they are shortened with the consent of the Parties) or other terms and conditions of the Contract may not be changed, except if the possibility of change

is clearly indicated in the Contract (e.g., extension or suspension of the time-limits) or if the change of such terms and conditions of the Contract is carried out according to the procedure established by the PPL or PL.

8.4. The Goods shall be delivered to the Buyer with the manufacturer's marks and markings. The costs of delivery of the Goods and the risk of accidental loss of the Goods before their transfer to the Buyer, before the Parties sign the Deed of Transfer – Acceptance of the Goods, shall belong to the Supplier. In case the Buyer incurs any costs related to the importation of the Goods to the Republic of Lithuania or their delivery to the Buyer, the Supplier shall reimburse such costs no later than within 10 (ten) calendar days according to a separate invoice.

8.5. The date of delivery of the goods shall be considered to be the actual date of transfer of the Goods, specified in the Deed of Transfer – Acceptance of the Goods, which shall be signed by the Buyer and the Supplier. The Buyer shall accept the Goods and sign the Deed of Transfer – Acceptance of the Goods no longer than 5 (five) days after the actual transfer of the Goods, unless a different time-limit is set in the Special Terms and Conditions of the Contract or its annexes or if defects in the Goods are identified. During acceptance, the Buyer, having determined that the Goods have defects and do not meet the requirements of the Contract, shall send the Supplier a notification of non-acceptance, which shall specify the reasons for non-acceptance of the Goods, and invites the Supplier to participate in drawing up a deed on defects. In case the Buyer does not sign the Deed of Transfer – Acceptance within the time-limit specified in the Contract, a reasoned written refusal to accept the Goods shall be sent to the Supplier no later than the next working day, specifying the time-limit during which the Supplier is invited to participate in drawing up the deed of defects.

8.6. In case the Supplier notifies in writing that it will not participate in drawing up the deed on defects, or if it does not arrive after sending the written invitation by the time-limit specified in the letter, the Buyer shall unilaterally write the deed on defects and in this case it shall be considered that the Supplier has acknowledged the defects. In case the Supplier does not acknowledge the defects specified by the Buyer in writing, the Parties shall consult on the appointment of an independent expertise in accordance with the procedure specified in Section 7 of the General Terms and Conditions of the Contract.

8.7. After drawing up a deed for defects or performing an independent expertise, the Goods shall be accepted for storage by drawing up a Deed of Storage of Goods until the Supplier collects the Goods or the Buyer signs the Deed of Transfer – Acceptance of the Goods. The Deed of Storage of Goods shall include the documents received together with the Goods, all available data on the stored Goods, their storage conditions, and protective measures.

8.8. The Supplier shall reimburse the Buyer for all costs of storage of the Goods, if it is determined that the Goods do not meet the requirements of the Contract.

8.9. After the parties have signed the Deed of Transfer – Acceptance of the Goods, the Supplier shall undertake to submit the Invoice no later than within 2 (two) working days. The Invoice shall be issued (the date of its issuance) on the date on which the Buyer signed the Deed of Transfer – Acceptance of the Goods.

8.10. The Supplier, together with the Deed of Transfer – Acceptance of the Goods, shall provide the Buyer with all the documents specified in the Contract or required by legislation or the manufacturer's requirements, including, but not limited to, operational and maintenance instructions or other documents that describe in detail how to use, maintain and repair any Goods or parts thereof, instructions, as well as other documents of Goods, as far as they relate to the Goods and the Supplier's contractual obligations (the documents shall be in the original language and a translation into Lithuanian approved by the translation agency shall be submitted, unless otherwise specified in the Special Terms and Conditions of the Contract). Failure to submit the documents specified in this clause shall be considered a defect in the Goods, preventing the Buyer from accepting the Goods.

8.11. The right of ownership to the Goods and the risk of accidental loss shall be transferred to the Buyer from the moment of signing the Deed of Transfer – Acceptance of the Goods. When the Goods are delivered to the Buyer, from the transfer of the Goods till the signing of the Deed of Transfer – Acceptance, the Buyer shall take all reasonable measures necessary to protect the Goods from loss or damage.

8.12. If the deadline for the performance of a specific task or obligation assigned to the Supplier is not specified in the Contract, the Supplier shall perform it within the time-limit specified in the Buyer's letter.

8.13. The Supplier shall have the right to change the model or manufacturer of the Goods or part thereof if all the following conditions are met:

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

8.13.2. if the replaced Goods fully meet the requirements of the Procurement Documents, are not poorer, but of equal or better quality than the currently supplied Goods and the Supplier provides documents confirming this;

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

8.13.4. if the Supplier, no later than 14 (fourteen) business days before the expected replacement, submitted a written request to the Buyer with supporting documents for the change and received the written consent of the Buyer.

8.14. Upon receipt of the Supplier's request for replacement of Goods, the Buyer shall check whether the replacement complies with all provisions of Clause 8.13 of the General Terms and Conditions of the Contract, the including the competitiveness of the offered rates of the Goods and compliance with the market prices. The fees shall be considered competitive and in line with market prices if the Buyer conducts market price research and determines that the rates of the offered goods are in line with the market.

8.15. The Buyer shall have the right to disagree with the replacement of Goods and shall have the right to terminate the Contract if the replacement does not meet all the criteria according to Clause 8.13 of the General Terms and Conditions of the Contract and (or) the Supplier has not provided evidence or their presentation does not substantiate the compliance of the replaced Goods with the Procurement Terms and Conditions.

8.16. The Parties shall conclude a written agreement to the Contract on the replacement of Goods, if the Buyer confirms the possibility of the replacement.

8.17. The Buyer shall have the right to demand the replacement of the Goods or the termination of the Contract if at least one of the circumstances specified in Clause 8.13.1 becomes apparent. In such a case, the Buyer shall apply in writing to the Supplier, who within the time-limit specified by the Buyer shall provide an answer regarding the replacement of the Goods, as well as documents substantiating the compliance of the replaced Goods with the requirements of the Procurement Documents. After the Buyer is convinced of the conformity of the replaced Goods, the Parties shall sign an agreement to the Contract.

8.18. For legal clarity, the Parties shall agree that the replacement of the Goods under the conditions set forth in the Contract shall be considered to be the performance of the Contract under the conditions stipulated therein. The replacement of Goods under conditions other than those specified in the Contract shall be carried out in accordance with the provisions of Article 89 of the PPL or Article 97 of the PL.

8.19. The packaging of the Goods shall meet the requirements of resistance to loading and unloading operations, protect against the influence of meteorological and other factors during the transportation and storage of the Goods.

8.20. The ownership right to the Goods shall be transferred to the Buyer upon signing the Deed of Transfer – Acceptance of the Goods.

8.21. If the Supplier is not registered in the Republic of Lithuania, together with the Deed of Transfer – Acceptance of the Goods, it shall submit the completed "Register form for the weights of packaging of Goods" (Annex No. 1 to the General Terms and Conditions of the Contract).

9. LIABILITY OF THE PARTIES

9.1. The liability of the Parties shall be determined in accordance with the legislation of the Republic of Lithuania in force and the Contract. The Parties shall undertake to properly perform their obligations under the Contract and to refrain from any actions that could cause damage to each other or complicate the performance of the obligations assumed by the other Party.

9.2. The payment of the penalties shall not release the Contracting Parties from the obligation to perform the obligations assumed in the Contract, except for the cases clearly provided for in the legal acts of the Republic of Lithuania.

9.3. Payment of the penalties or extension or suspension of the Contract shall not exempt the Supplier from compensation for losses based on the reasonable claim of the Buyer.

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

9.5. If the Supplier does not perform or improperly performs any of the terms and conditions of the Contract or any obligation that it must perform, refuses or ignores any instruction that the Buyer has the right to give in accordance with the terms and conditions of the Contract or the provisions of legal acts, the Buyer shall have the right to notify the Supplier in writing of the non-performance of such an instruction and demand that the Supplier corrects the violations specified in the notification. Upon the failure by the Supplier to eliminate the non-conformity, defect and failure to properly perform all contractual obligations within the time-limit specified in the Contract, and if no time-limit has been specified for a specific obligation, then within the time-limit specified by the Buyer, the Supplier shall,

at the Buyer's request, pay the penalties and compensate all losses, to the extent that they are not covered by the penalties, and the Buyer shall acquire the right to unilaterally terminate the Contract due to the fault of the Supplier.

9.6. During the performance of the Contract, the Supplier shall be liable, including material liability, for the security of the data and documents transferred to it, as well as for the security of information and data contained in the information systems to which the Supplier has access, and shall indemnify the Buyer for all losses related to the partial or complete loss, damage and/or use of documents, data for purposes other than the performance of the Contract or disclosure without the written consent of the Buyer.

9.7. In all cases, the Supplier shall be liable, including material liability, for the damage caused by the improper performance of the Contract by the Supplier and the persons it uses, the breach of obligations and/or the guarantees provided by the Supplier, as well as by the actions or omissions of the Supplier and/or the persons it uses, and shall undertake to compensate all losses, regardless of whether damage would be caused to the Buyer, its employees or any third parties and/or their property. In all cases, the Supplier shall be liable for losses or damages caused by persons used by it during the delivery of the Goods, regardless of whether such losses or damages were caused to the Buyer, its employees or any third parties and their property.

9.8. If the Supplier and/or the persons used by it do not comply with the legal requirements in force during the performance of the Contract and, as a result, state or other competent authorities apply fines or other sanctions to the Buyer, as well as if due to any circumstances related to the Supplier, the persons used by it or with the Goods it supplies, the Buyer is subject to sanctions, including, but not limited to, any commercial, economic or financial sanctions, embargoes or other restrictive measures established, applied or administered by the Republic of Lithuania and/or the European Union or their institutions, the United Nations Security Council, the government of the United States of America, including the Office of Foreign Funds Control (OFAC) of the Department of the Treasury of the USA and/or the authorities of these entities, the Supplier shall undertake to protect the Buyer from any adverse consequences, to be liable against the Buyer for any adverse consequences that may be caused to the Buyer by the sanctions, and to compensate the Buyer and third parties for all losses incurred by them as a result thereof (including, but not limited to, impairment to the Buyer's business reputation, operational restrictions, loss of business transactions and customers or other negative consequences related to restrictions on the activities of the Buyer or its employees). The Supplier must immediately, but not later than within 1 (one) working day from the sanctions effective date or from the date of knowledge about intended sanctions, inform the Buyer in writing if the Object of Procurement or any part thereof, the Supplier or any person engaged thereby, the manufacturer, shareholder, or beneficiary may be or is subject to the sanctions. Having breached the requirement to duly inform the Buyer in writing of the circumstances referred to in this clause of the Contract, the Supplier shall pay a fine equal to 5 (five) per cent of the Contract price excluding VAT and compensate for losses to the extent not otherwise covered by the fine. Payment of the fine shall not exempt from termination of the Contract or declaration thereof null and void in accordance with the provisions of the Contract.

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

10. FORCE MAJEURE AND STATE ACTIONS

10.1.1. During the period of validity of the Contract, the Party may be fully or partially exempted from the performance of contractual obligations and civil liability (consequences), if it proves that the Contract was not fully or partially performed due to *force majeure* circumstances.

10.1.2. The parties shall understand the circumstances of *force majeure* as they are defined by Article 6.212 of the Civil Code of the Republic of Lithuania (hereinafter referred to as the CC) and the resolution no. 840 of the Government of the Republic of Lithuania dated 15th of July 1996 "*On exemption from liability in case of force majeure circumstances*". The conditions of *force majeure* shall be determined in each specific case individually, and the Party relying on the circumstance of *force majeure* shall prove that the circumstances of *force majeure* actually have a direct influence on the performance of the Contract and prove the entire set of conditions specified below:

10.1.2.1. the circumstances relied on by the Party did not exist at the time of the conclusion of the contract and their occurrence could not be reasonably foreseen;

10.1.2.2. due to the occurred circumstances, the Contract cannot be objectively performed;

10.1.2.3. The Party that failed to perform the Contract could not control those circumstances or could not prevent them;

10.1.2.4. The Party has not assumed the risk of occurrence of those circumstances or their consequences.

10.1.3. The Party requesting full or partial exemption from contractual obligations and/or contractual civil liability on the basis of *force majeure* shall notify the other Party in writing immediately, but no later than within 5 (five) calendar days from the occurrence of such circumstances/obstacles, hindering the proper performance of the Contract, at the time of occurrence or discovery thereof, by providing:

10.1.3.1. objective and detailed evidence and written explanations about unforeseen circumstances/obstacles and their impact as well as risks on the proper performance of the contractual obligations of the Party, as well as that it has taken all reasonable precautions and made every effort to reduce costs or possible negative consequences for the proper performance of the Contract;

10.1.3.2. the preliminary time-limit for the performance of obligations, if the circumstances that make it impossible to perform the Contract are temporary.

10.1.4. If the circumstances of force majeure continue for more than 3 (three) months, any of the Parties shall have the right to unilaterally terminate this Contract by notifying the other Party in writing 5 (five) calendar days in advance.

10.1.5. In the presence of the set of conditions specified above, but if the force majeure circumstance exists temporarily, the Party shall be released from liability only for such a period as is reasonable, taking into account the influence of that circumstance on the performance of the Contract. Upon the disappearance of at least one of the above-mentioned conditions, the status of force majeure can no longer be applied to the Contracting Parties and the obligations established in the Contract automatically begin to apply to the Parties. In any case, the Party that has been fully or partially exempted from contractual obligations and civil liability (consequences) due to non-performance/improper performance of the Contract, upon the disappearance of at least one of the above-mentioned conditions, shall immediately inform the other Party in writing.

10.1.6. The Parties are aware that force majeure is not considered to be circumstances when contractual obligations cannot be performed due to the lack of goods in the market, lack of funds or breaches of obligations committed by the contractors of the Party.

10.1.7. The Parties are aware that when determining the existence of force majeure circumstances, the certificate issued by the Chamber of Commerce and Industry does not in itself create material legal consequences, since the existence of force majeure circumstances, whereas the fact of the existence of force majeure circumstances, but not the issuance of a certificate, is considered to be the basis for exemption from civil liability for non-performance of the contract, non-application of civil liability. A certificate testifying to the circumstances of force majeure has only procedural legal significance, as it can only be evaluated as evidence in a civil case regarding the performance of contractual obligations or the application of civil liability. A certificate regarding the force majeure, to the extent that it contains a legal assessment of certain circumstances, cannot be considered *prima facie* evidence within the meaning of Article 197 of the Code of Civil Procedure, because the legal assessment of facts is the prerogative of the court and it is not bound by the legal assessment and qualification provided by other persons.

10.1.8. The provisions of this Contract regarding the application of force majeure circumstances do not deprive the other Party of the right to terminate the Contract or suspend its performance, and/or demand payment of penalties and losses.

10.1.9. If the Party fails to notify the other Party of the occurrence of a force majeure circumstance and its influence on the performance of the Contract within the stipulated time-limit, shall compensate for all direct and indirect losses caused by non-performance/improper performance of the Contract.

Regarding state actions as a basis for exemption or partial exemption from civil liability in the case of COVID-19:

10.1.10. During the period of validity of the Contract the Party may be fully or partially exempted from liability for non-performance of the Contract, caused by mandatory and unforeseen actions (acts) of state authorities, arising from the coronavirus (COVID-19) or its variants, which made it impossible to perform the obligation and for which the Parties had no right dispute (Article 6.253 part 3 of the Civil Code). The impact of the actions (acts) of state institutions on the performance of contractual obligations shall be determined in each specific case individually, and the Party relying on this circumstance shall prove that (i) the basis for not applying contractual civil liability or for fully or partially exempting the Party from it exists exclusively due to the actions of state institutions (acts),

which actually have a direct influence on the performance of the Contract, and prove that (ii) in each case, all the conditions specified below exist:

10.1.10.1. these actions (acts) must be unforeseen and binding on the Party – the Party could not foresee them in advance (at the time of concluding the Contract);

10.1.10.2. the actions (acts) must be such that it is impossible to perform the obligation;

10.1.10.3. The Party did not have the right to challenge actions (acts) in court or administrative procedure.

10.1.11. The Party requesting full or partial exemption from liability due to non-performance of the Contract due to mandatory and unforeseen actions (acts) of state institutions arising from the coronavirus (COVID-19) or its variants shall notify the other Party in writing immediately, but no later than within 5 (five) calendar days from the moment of occurrence or discovery of such actions, which hinder the proper performance of the Contract, by submitting:

10.1.11.1. objective and detailed evidence and written explanations about the mandatory and unforeseen actions (acts) of the state authorities and their impact as well as risks on the proper performance of the contractual obligations of the Party, as well as that it has taken all reasonable precautions and made every effort to reduce costs or possible negative consequences for the proper performance of the Contract;

10.1.11.2. the preliminary time-limit for the performance of obligations, if the actions (acts) of the state, which make it impossible to perform the Contract are temporary.

10.1.12. If a Party is unable to perform its contractual obligations due to mandatory and unforeseen actions (acts) of state institutions arising from the coronavirus (COVID-19) or its variants for more than 3 (three) months, any of the Parties shall have the right to unilaterally terminate this Contract by giving written notification to the other Party 5 (five) calendar days in advance.

10.1.13. In the presence of the set of conditions specified above, but if the mandatory and unforeseen actions (acts) of state institutions exist temporarily, the Party shall be released from liability only for such a period as is reasonable, taking into account the influence of that circumstance on the performance of the Contract. Upon the disappearance of at least one of the above-mentioned conditions, the provisions of Article 6.253 part 3 of the Civil Code can no longer be applied to the Contracting Parties and the obligations established in the Contract automatically begin to apply to the Parties. In any case, the Party that has been fully or partially exempted from the performance of contractual obligations and civil liability (consequences) due to non-performance/improper performance of the Contract, upon the disappearance of at least one of the above-mentioned conditions, shall immediately inform the other Party in writing.

10.1.14. These provisions related to the application of state actions (acts) do not deprive the other Party of the right to terminate the Contract or suspend its performance, and/or demand payment of penalties and losses.

10.1.15. Upon the failure by the Party to send a notification or to fully inform the other Party in time, in accordance with the procedure provided for in the Contract, it shall compensate the other Party for all the damage it has suffered due to the late notification or the fact that there was no notification.

11. CONFIDENTIALITY OBLIGATIONS

11.1. The Parties shall agree to keep the terms and conditions of the Contract, all documentation and information that the Contracting Parties receive from each other during the performance of the Contract, confidential and shall not disseminate any information about it to third parties without the prior written consent of the other Party, except for cases where it is required by the procedure established by the laws of the Republic of Lithuania.

11.2. Public disclosure of information about the Buyer or Supplier if the Buyer or Supplier violates payment and/or settlement terms, and disclosure of information about the Supplier if it violates the Contract, including but not limited to the terms specified in the Contract, will not be considered a breach of this obligation.

11.3. The obligation of confidentiality shall enter into force from the date of its signing and shall be valid for 10 (ten) years after the expiry of the Contract. If the Contract relates to national security or a strategic object important to the Buyer or the LTG Group, the obligation of confidentiality shall be valid indefinitely.

11.4. The Supplier and any person it uses shall have no right to film, photograph and/or record in other ways the environment and/or persons in the territory of the Buyer or LTG Group without separate written consent of the Buyer. Violation of this clause shall give the Buyer the right to demand the destruction of all filmed or otherwise recorded information and to unilaterally terminate the Contract due to the fault of the Supplier.

11.5. A Supplier who has illegally used, lost or disclosed any confidential information, including the non-compliance with the requirements of Clause 11.4, shall pay a fine of 5,000.00 EUR (five thousand euros) to the Buyer and compensate the reasonable losses incurred by the Buyer, to the extent not covered by the fine.

11.6. According to the written request of the Buyer, the Supplier shall return to the Buyer all the documentation received during the performance of the Contract (without the right to keep copies) and destroy all information, documents and other data, as far as this does not contradict the mandatory requirements of legal acts.

11.7. Considering the nature and scope of confidential information, the Buyer shall have the right to demand the signing of a separate confidentiality contract, which shall be concluded together with the Contract and shall be form an integral part thereof. If the scope, nature or meaning of confidential information or (and) the fact of its transmission and use became clear only during the performance of the Contract, and the Buyer determines that it is necessary to conclude a separate confidentiality contract, after signing the Contract, but no later than before the disclosure of the confidential information, confidentiality contract shall be signed, which shall become an integral part of the Contract. Before signing the confidentiality contract, its draft may be amended, but in any case, the Parties cannot amend the terms and conditions of the Contract and/or change the economic balance of the Contract in favour of the Supplier with the confidentiality contract.

12. VALIDITY AND AMENDMENTS OF THE CONTRACT

12.1. The period of validity of the Contract shall be determined in the Special Terms and Conditions of the Contract.

12.2. If any provision of the Contract becomes or is recognized as invalid in whole or in part, this shall not affect the validity of other provisions of the Contract.

12.3. Upon termination of the Contract or its expiry, the provisions of the Contract related to warranty service, payment of penalties and losses calculated before the termination of the Contract, liability and settlements between the Parties under the Contract, as well as all other provisions of this Contract, which, as clearly stated, shall remain in force after the termination of the Contract or shall remain in force for the full performance of the Contract.

12.4. The Contract may be amended during its period of validity by the agreement of the Parties under the terms and conditions established in the Contract, if such amendment, regardless of its monetary value, has been clearly, accurately and with specific circumstances and scope of amendment formulated in the Contract in advance. For legal clarity, it shall be determined that amending of the terms and conditions of the Contract in accordance with the rules clearly established in advance and made public in the Contract, shall not be considered an amendment of the Contract, but shall be attributed to the performance of the Contract under the terms and conditions established therein. In other cases, the Contract can be amended by the written agreement of the Parties only in accordance with the procedure established by Article 89 of the PPL or Article 97 of the PL.

13. SAFETY AND HEALTH OF THE EMPLOYEES

(shall be applied according to the nature of the Procurement object)

13.1. The Supplier shall ensure that its employees and the persons used, in performing the obligations assumed by the Contract:

13.1.1. will comply with the requirements of occupational safety and health, traffic safety, fire and civil safety, environmental protection, electrical safety legislation, so that the Goods will be supplied, including related actions, legally and safely, ensuring smooth rail transport traffic, in compliance with all requirements of local legislation of the Buyer, transferred to the Supplier;

13.1.2. will be equipped with collective (if necessary) and personal protective equipment (when providing Services in a dangerous railway zone or road transport zone, in the crane work zone – not lower than Class 2 high-visibility warning vests or high-visibility warning work clothes), in the crane work zone – and protective helmets as well as their wearing control will be carried out, will be equipped with first aid kits, work tools that are in order will be provided, the occupational risk in the workplaces of employees will be assessed;

13.1.3. if the employees of the Supplier and the persons it uses will supply the Goods or perform other actions in the **dangerous railway zone** (the distance from the edge of the railway track is less than or equal to 2.5 meters), until the start of the supply of the Goods or the performance of such actions, they will have passed an exam directly or indirectly related to railway traffic in accordance with the procedure established by the traffic safety authority and will have obtained a certificate in electronic form, in accordance with the requirements of the Law on Railway Traffic Safety of the Republic of Lithuania and will be trained according to the Buyer's "Safe conduct training program for employees of non-railway enterprises in the protection zones of railway tracks and their facilities" and having obtained the P-26 form certificates established by the Buyer, unless the Parties agree in writing on another equivalent training procedure, other employees will be acquainted with the safety requirements for working in railway transport, their knowledge will be checked according to the procedure established by the employer;

13.1.4. If the employees of the Supplier and the persons it uses will supply the Goods or perform other actions in the **protection zone** of railway tracks and their facilities (the distance from the edge of the railway track is greater than 2.5 meters), until the start of the supply of the Goods or the performance of such actions, the work managers or other representatives of the Supplier will be trained according to the Buyer's "Safe conduct training program for

employees of non-railway enterprises in the protection zones of railway tracks and their facilities” and having obtained the P-26 form certificates established by the Buyer, unless the Parties agree in writing on another equivalent training procedure, other employees will be acquainted with the safety requirements for working in railway transport, their knowledge will be checked according to the procedure established by the employer;

13.1.5. according to the procedure established by their employer, they will be trained and instructed on how to safely supply the Goods, acquainted with the risk factors specified in the **Memorandum for customers, suppliers of goods, service providers, contractors who perform work and provide services in the territory of LTG Group companies regarding the requirements for safety and health of the employees**. The memorandum is published on the LTG website <http://www.litrail.lt/sauga-ir-aplinkosauga>;

13.1.6. They will not be under the influence of alcohol, narcotic, toxic and/or psychotropic substances in the Buyer's territory. Metrologically tested technical means (breathalyzers, etc.) may be used to determine intoxication from alcohol or intoxication from psychoactive substances;

13.1.7. will maintain order and cleanliness in the work zone, properly store materials and work equipment, will not leave them unattended;

13.1.8. properly manage the generated waste, sort it into the containers intended for that purpose and hand it over to the waste handlers on time;

13.1.9. will carry out the legal instructions of the competent representatives of the Buyer regarding the performance of the requirements of safety and health of the employees, traffic safety, fire and civil safety, environmental protection, electrical safety;

13.1.10. The dangerous areas of the supply of Goods (their installation), where dangerous and/or harmful factors may operate (appear), will be fenced with signal fences and marked with safety and health protection signs or otherwise clearly marked to prevent unauthorized persons from entering them.

13.2. When the Goods are supplied by the employees of more than one employer under the Contract, before starting to supply the Goods, the Supplier shall appoint a person to coordinate the employers' activities in the field of safety and health or a coordinator for safety and health of the employees who coordinates the work of the Supplier and the work of other employees, creating safe and health-friendly working conditions for the employees. The appointment shall be formalized in writing (order, decree, protocol of agreement, or other local (local) legal act) informing the Buyer about it and providing a copy of the relevant document.

13.3. If only the Supplier supplies the Goods and/or performs other actions under the Contract, and a coordinator for safety and health of the employees is not appointed, the Supplier shall appoint a person authorized by the employer in matters of safety and health of the employees, responsible for safety and health of the employees at the workplace. A responsible person appointed by the Supplier shall instruct the Supplier's employees on safety issues.

13.4. During the performance of the Contract, the Supplier shall organize and ensure the safe movement of its vehicles and other moving mechanisms in the Buyer's territory, vehicle traffic shall be organized in accordance with the traffic rules of the relevant type of transport. The Supplier shall be liable for the organization of safe traffic of its own, used persons and/or rented vehicles of all types in the Buyer's territory.

13.5. During the performance of the Contract, the Supplier shall be acquainted with the notification schemes for railway transport disasters, traffic incidents or faults, evacuation and emergency management plans and other measures that must be taken in the event of a railway transport disaster, traffic incident or fault and other emergencies.

13.6. The Supplier shall ensure that all tools, mechanisms, scaffolding, ladders, lifting devices, electrical and mechanical tools, devices and other work tools are in good order, inspected in the prescribed manner, used in accordance with the rules of safe operation specified by their manufacturers and kept in a safe place, and when supplying the Goods or performing other actions in accordance with the Contract in the dangerous railway zone – at a safe distance from the railway track.

13.7. The Supplier may not leave the Goods in unsafe conditions that could harm the safety and health of employees and the smooth operation of railway transport, damage equipment or endanger human health or life.

13.8. The Supplier shall stop the supply of Goods or related actions if a situation has arisen that poses a threat to the safety and health of persons or smooth rail traffic. The supply of Goods shall also be stopped when natural conditions prevent their safe supply.

13.9. The Supplier must immediately notify the Buyer (sauga@ltg.lt ; dss@ltg.lt) and at the addresses specified in the deed-permit about any unfortunate event, injury or incident, railway transport disaster, traffic accident, fault or damage being caused or caused to the employees of the Buyer or of the Supplier's, contractors or property.

13.10. If the Buyer notices at any time that the supply of Goods, including related actions, is carried out with defects that endanger the safety and health of employees, the environment or the safety of property, the Buyer shall have the right to demand that the Supplier immediately stop the supply. Only after eliminating the causes, the Supplier shall apply in writing to the Buyer, requesting permission to extend the supply of the Goods (this shall not extend or change the time-limit of supply of the Goods specified the Contract).

13.11. For the performance of the Contract, the Supplier shall have no right to enter into employment or other contracts with the Buyer's employees, as well as to use the Buyer's employees for the performance of the Contract without mutual written agreement with the Buyer. Violation of this clause shall be considered a fundamental breach of the Contract, and the Buyer shall have the right to unilaterally terminate the Contract before the expiry term, according to the procedure established in the Contract, however, this shall not release the Supplier from its obligations and liabilities under the Contract.

13.12. The Supplier, when supplying Goods together with another employer or performing related actions at the same workplace, shall undertake to organize work in such a way as to guarantee the safety and health of all employees, regardless of which employer the employee works for. The Supplier, in cooperation with other employers, shall undertake to take measures so that the provisions of occupational safety and health legislation are implemented in such workplaces and all employees are informed about possible dangers and risk factors caused by the activities of each of the employers.

13.13. The Supplier shall ensure the implementation of the legal acts of the Government of the Republic of Lithuania, the Ministry of Health Protection of the Republic of Lithuania, including the ones regarding the control of Covid-19.

13.14. Employees who supply Goods in the LTG group shall be equipped with mandatory safety measures due to Covid-19, it shall be ensured that every time they arrive at the objects or territories of the LTG group, body temperature measurements are taken for the employees, if such requirements are raised in accordance with the procedure established by the legislation of the Republic of Lithuania and/or the Buyer.

13.15. Upon the failure by the Supplier to comply with the requirements provided for in Clauses 13.1 - 13.15:

13.15.1. upon the first determination of the fact that the safety requirements are not observed during the performance of the Contract, the Supplier will be warned in writing about improper performance of the Contract;

13.15.2. upon the second determination of the fact that the safety requirements are not observed during the performance of the Contract, the Supplier shall undertake to pay the Buyer a fine of 500.00 EUR (five hundred) for improper performance of the terms and conditions of the Contract;

13.15.3. upon the third and every subsequent determination of the fact that the safety requirements are not observed during the performance of the Contract, the Supplier shall undertake to pay the Buyer a fine (Bn) for improper performance of the Contract, which shall be calculated according to the formula:

$$B_n = B_v \times 2$$

where:

B_v – the amount of the fine imposed previously.

13.16.4. Payment of a fine or submission of a warning shall not exempt the Supplier from compensation for losses incurred by the Buyer due to the breach of (at least one) provisions of Chapter 13 of the General Terms and Conditions of the Contract.

14. TERMINATION OF THE CONTRACT

14.1. The Contract may be terminated by written agreement of the Parties.

14.2. The Buyer shall have the right to unilaterally terminate the Contract in the absence of the Supplier's fault, upon notifying the Supplier in writing 30 (thirty) days in the following cases:

14.2.1. when the legal acts related to the subject matter of the Contract, the performance of the Contract, or the activities performed by the Buyer for which the Contract was concluded change, and the Buyer decides to terminate the Contract due to such changes;

14.2.2. when the Buyer loses or his permits, licenses, necessary to carry out the activities for which the Contract was concluded, are cancelled for it;

14.2.3. when the Buyer decides to stop performing the activity for which the Contract was concluded, or to change the performance of the activity and the need for the Contract disappears;

14.2.4. when the Buyer's management body adopts a decision(s) due to which the need for the Contract disappears;

14.2.5. when the Buyer's financial situation changes (deteriorates) or the Buyer loses financing and for this reason decides to terminate the Contract;

14.2.6. when the Buyer's organizational structure – legal status, nature or management structure – changes and this may affect the proper performance of the Contract or the need for the Contract;

14.2.7. when there is no longer a need for purchased Goods;

14.2.8. when the Buyer receives an instruction/recommendation to terminate the Contract from the institutions involved in procurement management;

14.2.9. when the Supplier goes bankrupt or is liquidated, suspends economic activity or an analogous situation occurs in accordance with the procedure provided for in other legal acts;

14.2.10. upon the occurrence of other objective and/or circumstances specified in legal acts.

14.3. The Buyer shall have the right to unilaterally terminate the Contract, in the event of the Supplier's fault, after notifying the Supplier in writing less than 14 (fourteen) days in advance, in the following cases:

14.3.1. when the Supplier's organizational structure – legal status, nature or management structure – changes and this may affect the proper performance of the Contract;

14.3.2. when the Supplier is found guilty of professional misconduct by a decision of a competent authority or court in force;

14.3.3. when the Supplier is late in performing its contractual obligations (at least one) within the time-limits specified in the Contract or specified by the Buyer (if a specific time-limit is not specified in the Contract) and the delay lasts longer than 30 (thirty) days from the Buyer's written (e-mail) request;

14.3.4. when the Supplier fails to perform its contractual obligations, refuses to perform them, initiates the termination of the Contract under conditions not specified in the Contract and/or violates contractual obligations (at least one) and this is considered a fundamental breach of the Contract;

14.3.5. when the entity that issued the security for the performance of the Contract cannot perform its obligations and the Supplier, upon the written request of the Buyer, has not submitted a new security for the performance of the Contract under the same conditions as the previous one within the time-limit specified in the Contract;

14.3.6. when the Supplier and/or at least one of the persons use by it does not comply with the provision(s) of the LTG Group Supplier Code of Conduct and/or the operating principle(s) specified therein;

14.3.7. when the Supplier does not pay the default interest applied and accrued by the Buyer and the arrears exceed the amount of penalty specified in the Special Terms and Conditions of the Contract;

14.3.8. when other objective and reasonable circumstances become apparent, as a result of which the Supplier will not be able to properly perform the Contract and the Supplier cannot provide reasonable evidence that it will perform the Contract properly (for example, due to a conflict of interests, restrictions applied to audit service providers, as provided by the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, Article 4 of the Law on Auditing Financial Statements of the Republic of Lithuania, etc.);

14.3.9. where the Supplier, within the time limit indicated by the Buyer, fails to provide the documents specified by the Buyer concerning the compliance of the Supplier, the persons engaged, the manufacturers and/or the persons controlling them and/or of goods (including their components and packages) offered by the Supplier and their manufacturers, and of the services provided and their providers, with national security requirements and/or the provisions of the PPL, including Article 37(9), Article 47(9) and/or Article 45(2)(1), the provisions of the PL, including Article 50(9), Article 58(4)(1) and/or Article 47(9) of the PPL and/or sanctions;

14.3.10. if at least one of the grounds specified in Article 90 of the Civil Code or Article 98 of the PL appears (except for Article 90 part 1 paragraphs 2 and 4 of the PPL or Article 98 part 1 paragraphs 2 and 4 of the PL, which are considered grounds for rejection, if such a basis was applied at the time of Procurement), or the grounds for termination of the Contract established in the CC or another legal act;

14.3.11. due to other types of failure to act, preventing the performance of the Contract and other cases specified in the Contract.

14.4. The Buyer shall unilaterally terminate the Contract by notifying the Supplier in writing, when the Government of the Republic of Lithuania, in accordance with the procedure established by the Law on the Protection of Objects Important for Ensuring National Security of the Republic of Lithuania, adopts a decision confirming that the Contract does not meet the interests of national security, or the recommendations of the Coordination Commission for the protection of objects important for National Security are submitted in accordance with the procedure established by this law on measures necessary to ensure national security interests, related to the protection of objects important for ensuring national security. Such Contract shall be considered illegal and invalid, the moment of invalidity of the Contract shall be determined in accordance with the aforementioned law.