# *Project*

**SALE AND PURCHASE AGREEMENT FOR AN ELECTRIC VESSEL \_\_\_\_\_\_\_\_\_**

20\_\_\_\_ m. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_ d.

Kaunas

Joint Stock Company Inland Waterways Directorate, represented by its Director General Vladimir Vinokurov, acting in accordance with the company's Articles of Association, (hereinafter referred to as the Purchaser)

and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, company code \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_, acting under , (hereinafter referred to as the "Seller"), hereinafter referred to collectively as the "Parties", have entered into the following contract for the sale and purchase of an electric vessel (hereinafter referred to as the "Contract").

1. **SUBJECT OF THE CONTRACT**
   1. The subject of the contract is the purchase of an electric boat (pusher).
   2. The Seller undertakes to design, construct, deliver and transfer to the Buyer, within the terms and conditions set out in the Contract, an electric vessel (pusher) (hereinafter referred to as "the Goods" or "the Vessel"), and the Buyer undertakes to take delivery of the Vessel complying with the terms and conditions of the Contract and to pay for the Vessel in accordance with the terms and conditions of the Contract.
   3. The Vessel shall be designed, constructed, completed, delivered and handed over to the Buyer by the Seller in accordance with the requirements of the Technical Specification (Annex 1)and the Seller's offer (Annex 2) for the Contract Purchase (the "Offer"). The supply of the Goods shall include the performance of the services and works necessary for the supply of the Goods.
   4. The vessel shall be transferred by the Seller to the place specified by the Buyer in Kaunas Winter Port
2. **VALIDITY, COMMENCEMENT, DURATION AND TIME LIMITS**
   1. The Contract shall enter into force upon its signature by both Parties and upon the provision by the Seller of a performance security complying with the terms of the Contract. The Contract shall remain in force until the contractual obligations have been fully discharged, but not longer than 31 years.
   2. The Vessel shall be designed, constructed, delivered to the Buyer within until June 30th, 2026 ("Vessel Delivery Period"). This time limit may be extended by written agreement between the Parties for a period not exceeding 10 months for objective circumstances. in accordance with the grounds set out in the Law on Procurement by Contracting Entities in the Field of Water Management, Energy, Transport or Post of the Republic of Lithuania.
   3. The timing and sequence of the design, construction, delivery and handover of the Vessel shall be set out in a calendar schedule for the construction of the Vessel covering the stages from design to handover of the Vessel to the Purchaser, in accordance with the terms of the Contract, and agreed with the Purchaser in accordance with the terms of the Contract (the "Timetable").
   4. In the event of the circumstances referred to in Clause 2.5 of the Contract, as well as any other circumstances not provided for in the Contract which prevent the Seller from performing the Contract on time and which the Seller could not reasonably have foreseen, the time limit for the delivery of the Vessel may, by agreement between the Parties, be extended to the extent of the duration of the circumstances which have prevented the Vessel's timely delivery. A request for an extension of the delivery date, together with all documents supporting the request, must be submitted to the Buyer before the expiry of the requested extension of the delivery date of the Vessel.
   5. The Seller shall be entitled to an extension of the delivery date of the Vessel if:
      1. The Buyer fails to perform and/or improperly performs its obligations under the Contract.
   6. The Contract shall cease to have effect if it has been duly performed, if it is terminated in the cases provided for by law or by the Contract, in the event of a court decision to that effect, and in any other case provided for by law or the Contract.
3. **PRICE (pricing rules) AND PAYMENT TERMS**
   1. The Contract Price shall be based on fixed price pricing (for the purchase of the Vessel);:
   2. Maximum value of the contract:

|  |  |
| --- | --- |
| Contract price excluding VAT | *(specify amount in figures) Eur (specify amount in words)* |
| VAT (....... %) | *specify amount in figures) Eur (specify amount in words)* |
| Contract price (sum of Contract price excluding VATand VAT) | *(specify amount in figures) Eur (specify amount in words)* |

* 1. The value of the initial Contract shall be equal to the Contract price, excluding VAT, as stated at the time of conclusion of the Contract, i.e. EUR *(indicate amount in words)*. The Initial Contract Value shall remain unchanged throughout the duration of the Contract, except in cases where the Contract Price and the Initial Contract Value are revised due to a change in the price level. For the purposes of this Contract, the Initial Contract Value shall be equal to the Seller's quotation price, exclusive of VAT, for the total quantity and/or volume of the Goods specified in the Purchase Documents and in the Contract.
  2. The Contract Price includes the price of the Vessel, all taxes, the cost of materials and equipment, transport costs, insurance costs, warranty maintenance costs, staff training (meaning a five day training of three excluding transport and accomodation) and instruction costs (meaning instructions of the Vessel at the shipyard and the cost of all tests, technical approvals and/or inspections by the Builder, Seller, or any classification society of the Vessel during construction, technical inspections up to the date of delivery, delivery and handover to the Buyer, the preparation and submission of documents required by the Buyer included in Annex ..., other direct and indirect costs incurred by the Seller in connection with the design, construction, technical inspections and tests, and delivery and handover of the Vessel. By signing the Contract, the Seller declares that it has thoroughly examined the technical specification and conditions set out in the Contract and the Purchase Documents and that it has anticipated and evaluated the full scope of the task of designing, building and delivering the Vessel.
  3. The Contract Price shall remain unchanged throughout the term of the Contract, except in the case of price revisions due to changes in taxes and price levels, and in the case of price revisions due to the withdrawal or addition of goods, as provided for in the Contract:
     1. **Changes in Taxes** - If during the term of the Contract there is a change in the Value Added Tax (VAT) applicable to the Goods, which directly affects the price of the Goods supplied by the Seller under the Contract, the Contract will be subject to a changed VAT rate. The unpaid part of the Contract Price shall be recalculated and the recalculation shall be formalised by an agreement after the date of entry into force of the Law of the Republic of Lithuania on Value Added Tax, which changes the VAT rate, and shall become an integral part of the Contract. The recalculated price shall apply from the date of introduction of the new VAT (irrespective of the date of signature of the agreement). The recalculated Contract Price will be equal to the amount obtained by adding to the Contract Price, exclusive of VAT, the VAT calculated according to the newly adopted VAT rate (after taking into account the part of the Contract Price paid and the part of the Contract Price remaining to be paid and to which the recalculation of the price is applicable), unless otherwise provided for in the adopted legislation. The Contract Price shall be revised in respect of the Goods if the delivery of and payment for the Goods under the Contract becomes due after the entry into force of the relevant legislation. The Contract Price excluding VAT shall not be altered as a result of a revision of the VAT, unless otherwise provided for by enacted legislation;
     2. **due to a change in the price level**, if the term of delivery of the Goods, including extensions provided for in the Contract, is 6 (six) months or more, the Contract Price may be recalculated at the initiative of the Seller and on the basis of the documents submitted by it, due to a change in the *price index of the Manufacturers' Price Index of Industrial Production - Manufacture of Other Motor Vehicles and Equipment* (hereinafter referred to as "the Index"), published publicly on the official statistics portal of the State Data Agency, if the change of the Index is more than five (5) percent. The Contract Price shall be recalculated in accordance with the established procedures:
        1. The moment of review shall be the date of receipt of the Party's request to the other Party to review the Contract Price.
        2. The first review of the Contract Price may take place no earlier than six (6) months after the date of entry into force of the Contract and thereafter the Contract Price may be reviewed at intervals of not less than six (6) months from the date of entry into force of the agreement on the last revision under this clause.
        3. The recalculation shall be made only for that part of the Contract which has not been redeemed, i.e. the part of the Contract Price of the Goods which has not been handed over to the Buyer and which has not been paid for, less the amounts of the advance paid to the Seller prior to recalculation of the Contract Price. A subsequent revision of the Contract Price may not cover the period for which the revision has already been made.
        4. In cases where the total Contract Price is revised by agreement of the Parties in respect of additional Goods, the part of the Contract Price of the Goods not delivered to the Buyer that was agreed less than six (6) months prior to the time of the revision shall not be revised, if such price of the additional Goods has been calculated by applying a price (part of the Contract Price) for Goods other than the price of the Contract Price.
        5. The Contract Price shall be recalculated by multiplying the price of the Goods not delivered to the Buyer under the Contract and not paid for by the Index Change Factor, which shall be calculated in accordance with the formula*:*

*K = Ipb / Ipr*

*Where:*

*K - Coefficient of change of the index;*

*Ipb - the value of the Index at the end of the review period (in the month of the date of the request for review of the Contract Price to the other Party);*

*Ipr - the value of the Index at the beginning of the review period; in the case of the first recalculation, the beginning of the period (month) is the month of the date of entry into force of the Treaty. In the case of the second and subsequent revisions, the start of the period (month) shall be the month of the published value of* the relevant *Index used at the time of the last revision.*

* + - 1. For the calculation of the Index Ratio, the Index Values shall be taken to four (4) decimal places and the resulting Index Ratio shall be rounded to two (2) decimal places, with the last digit being increased by one if the first digit after it is between 5 and 9.
      2. If the resulting Index Coefficient (K) is greater than 1.05 (one and five hundredths), the revised part of the Contract Price shall be increased by multiplying it by the resulting coefficient, and if the resulting coefficient is less than 0.95 (ninety-five one-hundredths), the revised part of the Contract Price shall be decreased by multiplying it by the resulting coefficient.
      3. The decision of the Party receiving the request to recalculate the price of the Goods (agreement to recalculate the price of the Goods or refusal to recalculate the price of the Goods) must be taken and the other Party must be notified in writing of the agreement to recalculate the price or refusal to recalculate the price of the Goods within 10 working days from the date on which the other Party's request for the recalculation of the price of the Goods and all documents in support of the request have been submitted to the other Party in conformity with the terms and conditions of the Agreement. The Party requesting the revision of the Contract price must provide in the request all the necessary information: the name of the Contract, the number, the date, the list of the undelivered and unpaid goods (part) with the quantities, the values of the Index with references to public sources on the Official Statistics Portal of the State Data Agency or to any other official data from other sources. The other Party shall not be required to provide an official document or certification issued by the State Data Agency or any other authority. A Party shall not be entitled to refer to a different Index in its request or to request a conversion to a different Index than the one referred to in this procedure. Once the Party receiving the request for recalculation of the price of the Goods has notified the other Party in writing of its agreement to recalculate the price of the Goods, the Parties shall conclude an agreement on the recalculation of the price of the Goods within 30 days from the date on which the Party's request for recalculation of the price of the Goods and all documents in support of the request have been submitted to the other Party in accordance with the terms of the Agreement. In such agreement, the Parties must specify the Index values used to calculate the Index coefficient - at the beginning of the period and the date of its determination, at the end of the period and the date of its determination, the coefficient of change in the Index, the change in the price of the Goods, the revised price of the Goods, the revised value of the original Contract and the amount of the Performance Security and other information relevant for the revision of the Contract price. The Parties shall not be entitled by agreement to modify the procedure set out in the procedure or any other provisions of the Contract, except in accordance with the provisions of the applicable law.
      4. If, at the time of the revision of the Contract Price, the delivery of the Goods is delayed for reasons for which the Seller is not entitled to an extension of the delivery time, the part of the Contract Price which is delayed due to the rise in the level of the prices may not be revised due to the rise in the price level (may not be increased), but it must be revised in the event that the revision of the Contract Price is initiated by the Buyer due to the fall of the level of prices.
    1. the Contract Price shall be increased **due to the purchase of additional Goods** or purchases additional Goods in accordance with the procedure set out in the Contract, or on the grounds set out in the Law on Procurement by Contracting Entities of the Republic of Lithuania in the Field of Water Management, Energy, Transport or Postal Services (the "Law"), Article 97, Paragraphs 1, Items 1, 2, 3 and 5, and 2.
  1. The Contract Price and the value of the initial Contract may be subject to change by bilateral written agreement of the Parties.
  2. The Buyer undertakes to pay for the Goods in instalments in the following order:
     1. the first instalment of 10 per cent of the Contract Price shall be payable in advance within 15 (fifteen) days of receipt of the letter of guarantee for repayment of the advance payment specified in the Contract and of the invoice for prepayment;
     2. a second instalment of 20 per cent of the Contract Price, payable within 15 (fifteen) days of the date of cutting of the metal and receipt of the invoice;
     3. a third instalment of 15 per cent of the Contract Price, payable within 15 (fifteen) days of the completion of 50 per cent of the framing work from the date of receipt of the invoice;
     4. the fourth instalment - 15 per cent of the Contract Price - shall be paid within 15 (fifteen) days of the completion of the sandblasting and the date of receipt of the invoice;
     5. the fifth instalment of 15 per cent of the Contract Price shall be payable within 15 (fifteen) days of the completion of the hull work and the date of receipt of the invoice;
     6. the sixth instalment of 10 per cent of the Contract Price shall be payable within 15 (fifteen) days of the completion of the launching works and the date of receipt of the invoice;

* + 1. the seventh instalment of 10 per cent of the Contract Price shall be payable within 15 (fifteen) days of the completion of the in-water tests and the date of receipt of the invoice;
    2. the last instalment payment - 5 per cent of the Contract Price - shall be paid within 30 (thirty) days after the delivery of the Vessel to the Buyer . Payment shall be made in accordance with the invoice submitted to the Buyer in accordance with the Contract;
  1. The Buyer shall pay to the Seller the sums due under the Contract by bank transfer to the bank account specified by the Seller in the invoice. Invoices must bear the date and number of the Contract. The money shall be deemed to have been paid on the date on which the Seller receives the payment in its bank.
  2. For the purposes of the Contract, all invoices must be submitted electronically only. Electronic invoices complying with the European Standard for Electronic Invoicing shall be submitted by means chosen by the Seller. Electronic invoices which do not comply with the European Electronic Invoicing Standard may only be submitted by means of the "SABIS" information system. Invoices submitted by any other means will be considered as not having been submitted properly and will not be accepted.
  3. If necessary, the Buyer may purchase from the Seller goods not listed in the Annex to the Contract but related to the object of the purchase, up to a maximum of ten (10) per cent of the initial Contract value. The Buyer shall pay for such goods at prices offered by the Seller that are competitive and market-conform.

1. **SHIP DESIGN, CONSTRUCTION, TESTING AND HANDOVER** 
   1. Ship design and construction:
      1. within 14 (fourteen) working days from the date of entry into force of the Contract, the Seller shall provide the Buyer with a Schedule, agreed with the Buyer, in accordance with the terms set out in the Contract. The submitted Schedule may be changed by written agreement of the Parties, without prejudice to the procedure for changing the delivery date of the Vessel set out in the Contract;
      2. The Seller shall ensure that the Vessel is designed and its hull constructed in accordance with good shipbuilding practice in accordance with the requirements of the ship classification society, and that it complies with the requirements of the legislation of the European Union . Any legislation of the Republic of Lithuania that should be applied by the Seller in the construction of the Vessel should be provided by the Buyer;
      3. The Seller shall, not later than 90 (ninety) days from the date of entry into force of the Contract, prepare a design of the Vessel and submit it to the Buyer;
      4. The Seller must agree with the design and drawings or general arrangement of the Vesselwith the Buyer and the classification society in advance. The agreed design and drawings of the Vessel shall be submitted by e-mail or directly to the Buyer;
      5. The Buyer hereby approves the design and drawings of the Vessel.
      6. The Seller shall ensure that all materials and equipment supplied and used, and their quality, shall be of the types and quality specified in the design drawings, specifications in accordance with the Vessel's technical specification and the Offer. If certificates of conformity to the quality of the materials are not provided, or it is evident that the characteristics stated in the certificate are not true, the materials shall be subjected to such tests at the Seller's expense as may be required by the Purchaser at the site of manufacture, assembly, preparation or construction of the Vessel. All materials and equipment used shall be new and shall conform to European Union (EU) standards applicable to materials, equipment of this type or be equivalent to such standard;
      7. during the construction of the Vessel, the necessary surveys and inspections of the Vessel, plant and equipment will be carried out by the Buyer to ensure that the construction of the Vessel is carried out in accordance with this Agreement, the Vessel's technical specification, design and drawings and the Seller's tender for the purchase. The Buyer shall have the right to participate in all tests, inspections and technical inspections of the Vessel, its installations or equipment throughout the construction period. The Seller undertakes to inform the Buyer of such tests, inspections and technical inspections at a reasonable time, specifying the location and time of the tests, inspections or technical inspections to be carried out. In the event that the Buyer discovers any non-conformity of the work carried out, the materials and equipment used, with the Contract, with the technical specification, design or drawings for the Vessel, or with the characteristics specified in the Seller's tender for the purchase, the Seller shall be notified thereof, and shall be obliged to rectify the non-conformity at the Seller's own expense, within the time limit for the delivery of the Vessel specified in the Contract. During the construction of the Vessel and until its delivery to the Buyer, the Buyer must have free and unrestricted access during working hours to the Vessel, to its equipment, machinery, engines and to any part of it where work is being carried out or where materials are being stored, including the shipyard and workshops, provided that such visits shall be announced to the Seller and that Seller may join such visit;
      8. The Seller's construction number assigned to the Vessel is for the sole purpose of identifying the Vessel and its spare parts.
   2. Ship trials:
      1. The purpose of the Vessel tests is to demonstrate that the Vessel has been constructed, equipped and completed in accordance with the terms of the Contract and the Vendor's offer for purchase, and that the Vessel and its equipment are functioning properly. The Vessel's machinery, systems and equipment shall be subjected to tests required for ESTRIN certification in accordance with ESTRIN regulationsin the presence of representatives of Buyer.
      2. The Buyer shall have the right to require the Seller, to carry out obligatory tests of the completed Vessel in the Buyer's presence prior to the testing of the Vessel;
      3. during and after the construction and completion of the Vessel, the Seller shall give the Buyer not less than 14 days' prior written notice of all forthcoming tests and inspections of the Vessel, its components and other parts, and shall permit and make reasonable facilities available for the participation of the Buyer's representatives in such tests and inspections;
      4. Not later than 14 (fourteen) days prior to the scheduled date of delivery of the built Vessel to the Buyer, the Seller shall agree in writing with the Buyer the time and place of the testing of the Vessel, allowing the Buyer or his representative to participate in the testing of the Vessel. The scheduled trials of the Vessel shall be carried out in weather conditions which the Seller considers favourable. In the event that weather conditions are not favourable on the agreed test date, the tests shall be carried out at the earliest opportunity when weather conditions are favourable;
      5. if, according to the results of the tests on the Vessel, the Vessel or other equipment on the Vessel does not comply with the requirements of the Contract and the Offer, the Seller shall take all necessary measures to rectify any non-compliance without delay, and in any event not later than 30 days from the day of the date of the test results. The Seller shall immediately arrange for the Vessel to be retested, after having rectified the deficiencies identified, on a date and at a time to be agreed with the Buyer. The Seller shall immediately remedy the deficiencies at its own expense and carry out the retests until the required result is achieved.
   3. Transfer of the vessel:
      1. if the results of the tests of the constructed Vessel comply with the requirements of the Contract and, the technical specification of the Vessel = and the certificate of technical inspections has been issued to the Vessel to confirm this, the Buyer shall confirm in writing that it is in a position to take delivery of the Vessel, then the Seller shall notify the Buyer in writing that the Vessel is ready for delivery and handover and shall agree in writing the date and time of the handing over of the built Vessel with the Buyer. The Buyer shall have the right to refuse to accept the Vessel or any workmanship on the grounds that, in its opinion, the Vessel(s) or any workmanship does not comply with the Contract and the Technical Specification and the Offer.;
      2. not less than two (2) weeks prior to the handover of the Vessel to the Buyer, the Seller shall, at Buyer‘s expense, train and instruct three of the Buyer‘s persons (excluding transport and accomodation)
      3. At the time of delivery and handover of the Vessel to the Buyer, the Seller shall provide the Buyer with the following documents together with the Act of Acceptance of the Vessel: certificate of technical inspection issued by the classification society for the hull of the vessel, valid inland certification conform Es-Trin, including test reports and relevant equipment manuals in the english language, test reports and material certificates. System drawings mentioned for operation will be part of the documentation. Buyer is responsible for Lithuanian flag registration.
      4. The Buyer shall be obliged to accept the Vessel if it complies with the requirements set out in the Contract and the Technical Specificationandand the Offer;
      5. The Buyer shall, within 2 (two) working days at the latest, sign the Acceptance Deed or reject the Seller's request to sign the Acceptance Deed, stating the reasons for the decision, the deadlines for the correction of the deficiencies and the measures to be taken by the Seller in order to have the Acceptance Deed signed. The Seller shall rectify the deficiencies referred to immediately at its own expense. The Acceptance Deed shall be signed in two (2) copies, one for each Party, having equal legal force, or, in the case of an electronic document, signed by both Parties with a qualified electronic signature;
      6. The Buyer shall sign the Vessel Acceptance and Handover Act if the Vessel complies with the terms of the Contract and the Technical Specification and the Offer, European Union;
      7. .;
      8. The Seller warrants that at the time of delivery the Vessel is free from any pledge, legal lien, security interest, claims of the Seller or any other person, and any outstanding and enforceable financial and non-financial obligations in respect of the Vessel. In the event of claims against the Vessel arising prior to the date of delivery, the Seller undertakes to indemnify the Buyer against the consequences of such claims.
   4. Vessel shall be delivered and the ownership of the Vessel shall pass to the Buyer upon the signing by the parties of the Act of Acceptance of the Vessel in accordance with the Contract and payment of the last installment of the Contract Price of the Vessel as further defined in Clause 3.

**5. WARRANTY TERMS AND OBLIGATIONS**

5.1. The Pusher and all its systems/equipment except batteries shall be subject to a warranty period of 12 (twelve) months from the date of delivery of the Vessel to the Buyer. Batteries are covered by a 24-month warranty in accordance with the technical specification for batteries provided by the Seller (Annex 3)

5.2. During the period of the Vessel's warranty, the Seller shall remedy at its Supplier‘s yard(s) and in the normal working hours, by repairing or if necessary replacing at its own cost, any defects notified in writing by the Buyer on the Vessel's delivery due to bad workmanship and/or use of defective materials or defects on the hull or of the parts, machinery and equipment embedded and installed on or delivered with the Vessel, that it is not discoverable on delivery and which become apparent during the period of 12 months from the date of delivery of the Vessel provided the defect is notified to the Seller in writing within 5 days from its discovery.

The guarantee shall apply only to the work of the Seller and of its subcontractors and/or suppliers. The Seller’s liability shall be limited to the above mentioned obligations as to extent and duration and the Seller and/or its subcontractors and suppliers shall have no further liability whatsoever for any direct or indirect loss, damages or expense in any way deriving from or connected with the above defects and for defects due to normal wear and tear or overloading or due to corrosion of the materials or due to accidents, fire, improper loading or stowage of the Vessel, mismanagement or negligence in the use and maintenance of the Vessel.

If the replacements or repairs under this Article cannot be conveniently made at suitable location near to the Vessel’s area of operation (i) the Seller shall carry out the replacements or repairs at (one of) the yard(s) of the Seller’s supplier or (ii) the Buyer may have carried out elsewhere such repairs and/or replacements; in such a case the Seller is discharged from this guarantee and shall reimburse the Buyer the approved, documented and reasonable expenses incurred by the Buyer, but such a reimbursement shall not exceed the estimated costs of carrying out the guarantee work at the yard(s) of the Seller’s supplier.

* 1. If the Buyer informs the Seller in writing of the defects and if necessary, the Seller undertakes to visit the Vessel within 4 working days to identify and remedy the defects. If the nature and extent of the defects make it impossible to remedy the defects immediately, the Seller shall agree with the Buyer a time limit for remedying the defects within no later than 4 working days after the visit of the Vessel.
  2. Failure of the Seller to visit the Vessel to identify defects and/or to agree on a time limit for rectification of the defects in accordance with the Contract which has not been remedied within reasonable time after notification to the seller in writing, or failure of the Seller to commence rectification of the defects for more than fifteen (15) working days after the expiration of the agreed time limit for rectification of defects, , the Buyer shall be entitled to have the defects remedied by a third party and the Seller shall be obliged to pay the Buyer unconditionally for the reasonable and documented costs of doing so.
  3. The Seller must replace all defective parts with original parts only.

5.6. If the Seller does not accept that the Goods are defective, either Party may request an independent expert examination. If the Seller does not respond/appoint an independent expert agreed with the Buyer for more than ten (10) days after the Buyer's request (the Buyer shall not unreasonably withhold its consent to the Seller's use of the proposed expert to resolve the dispute, and/or if the dispute has lasted more than thirty (30) days since the Buyer's first request), the Buyer shall have the right to request an independent expert on its own, after having first agreed with the Seller on the appointment of an independent expert. In this case, the costs of the expert examination shall be borne by:

5.6.1. if the Goods comply with the requirements specified in the Contract, the Buyer;

5.6.2. if the Goods do not comply with the requirements set out in the Contract, the Seller.

5.7. The Seller undertakes to ensure the prompt supply of available critical parts during the warranty period and to supply all other necessary parts as soon as possible.

1. **SUBCONTRACTING and joint activities**

**(APPLIES IF THE SUPPLIER PARTICIPATES THROUGH SUB-SUPPLIERS OR IN A JOINT OPERATION)**

* 1. For the performance of the Contract for the supply of the Goods referred to in this Clause (including the execution of the works and the provision of the services covered by the supply of the Goods), the Seller intends to use the following subcontractors: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(*This clause shall be completed if the Seller has specified in the offer the part of the supply of the Goods to be subcontracted and the subcontractors to be used*).
  2. Upon conclusion of the Contract, but no later than the commencement of performance of the Contract, the Seller undertakes to inform the Buyer of the names, contact details and representatives of the subcontractors referred to in Clause 7.1 of the Contract. The Seller also undertakes to keep the Buyer informed of changes to this information throughout the performance of the Contract, as well as of additional and new subcontractors it intends to use at a later date.
  3. The Seller may, during the period of performance of the Contract, within the limits of the subcontracting allowed in the Contract documents, for those Goods for which the Seller has subcontracted in its offer, either change the subcontractor used or use an additional subcontractor without changing the subcontractors used ("additional subcontractor").
  4. The Seller shall have the right to use a new subcontractor during the period of performance of the Contract, even if it did not foresee the use of subcontractors for the relevant part of the supply of the Goods at the time of the submission of the offer ("New Subcontractor"), if during the period of performance of the Contract there arise material circumstances which make such use necessary and which a prudent Seller could not have foreseen, including, without limitation, cases where:
     1. the Seller's equipment required to deliver the Goods fails and the Seller is unable to repair it or, due to meteorological conditions or other reasons, is unable to deliver the replacement or other necessary equipment to the place of delivery of the Goods within a time period exceeding 5 days or any other time period specified by the Buyer which would materially interfere with the delivery of the Goods in accordance with the delivery dates set out in the Contract;
     2. to complete the Vessel within the time limit set and to increase the efficiency of the performance of the Contractual Obligations, or if the Buyer reasonably requires completion of the Goods earlier;
     3. On the grounds set out in Article 97(1)(2) to (5) and (2) of the Act, the Contract shall be amended or additional Goods shall be purchased;
     4. in the event of any other features of the Seller's organisational structure or business activities relevant to the supply of the Goods.
  5. If the Seller wishes to change a sub-supplier, to use an additional sub-supplier or to use a new sub-supplier, the Seller must inform the Buyer in advance in writing of the intended change or the use of an additional or new sub-supplier, and must provide the Buyer with the documents confirming the qualifications of the changing, additional or new sub-supplier (if sub-suppliers have been subject to the Qualification Requirements or the right to supply Goods, for which the new subcontractor is used is linked to the qualification requirements) and the absence of grounds for exclusion (where the Seller relied on the capability of the subcontractor being replaced or where the Contract provides for the right of the Buyer to require subcontractors to provide proof of absence of grounds for exclusion). In order to use a new subcontractor, the Vendor must additionally state the reasons for using the new subcontractor.
  6. The Purchaser shall, upon receipt of the Vendor's request and all documents, verify (where applicable) within 5 (five) working days of receipt of all documents whether the subcontractor's qualifications meet the requirements of the Contract Documents and whether there are no grounds for compulsory exclusion of the subcontractor, and shall notify in writing of its consent to the substitution of a subcontractor, or to the use of an additional subcontractor or new subcontractor. The Parties agree that once all the conditions set out in this clause have been fulfilled by the Parties, an agreement to amend the Contract shall be concluded.
  7. If the Seller substitutes a subcontractor, additional subcontractor or new subcontractor in violation of the procedures set out in the Contract, the Seller shall, at the Buyer's request, immediately withdraw from such subcontractor and replace it with a suitable subcontractor in accordance with the procedures set out in the Contract.
  8. The Seller shall immediately remove any subcontractor which is subject to international sanctions or other restrictions or which violates international sanctions implemented in the Republic of Lithuania, and shall ensure that such subcontractor does not perform the Contract from the moment of application of the sanctions or other restrictions to it and/or from the moment of the discovery of its other violation of international sanctions implemented in the Republic of Lithuania, and shall replace such subcontractor with a new subcontractor, if necessary, in accordance with the procedure set out in the Contract.
  9. If, at the time of the performance of the procurement, the subcontractor's qualifications for the right to engage in the relevant activities have not been verified or have not been verified to the full extent, the Seller undertakes to the Buyer that the Contract will be performed only by persons who are so qualified. At the request of the Buyer, the Seller shall provide the Buyer with documents proving the subcontractor's eligibility to perform the relevant activities.
  10. The Seller shall at all times remain liable for the performance of the Contract, including the quality of the part of the Contract subcontracted to subcontractors, and for any damage caused.
  11. If the Seller uses subcontractor(s) to perform the Contract, a tripartite direct settlement agreement may be signed between the Buyer, the Seller and the subcontractor, describing the procedure for direct settlement with the subcontractor. The Buyer shall, no later than 3 (three) working days after the entry into force of the Contract and the date of the Contract 7.2 of the date of receipt of the contact information on the subcontractor from the Seller, and in the case of a change of the subcontractor, or the engagement of an additional or new subcontractor, as provided for in the Contract, from the date of the Buyer's consent to the change of the subcontractor, the Buyer shall inform the subcontractor in writing of the possibility for direct settlement, and in order to make use of such a possibility, the subcontractor shall submit a written request to conclude a trilateral settlement agreement to the Buyer. No advance payment may be made to the subcontractor and direct payment to the subcontractor may be made only after the Buyer has accepted the Goods delivered by the subcontractor from the Seller in accordance with the procedure set out in the Contract. The tripartite contract shall not be inconsistent with the provisions of the Contract and the Purchasing Documents and shall provide for the right of the Seller to object to unreasonable payments to the subcontractor. In the event of a dispute between the Seller and the subcontractor, they shall settle the dispute independently, without the Buyer being present. Amounts paid to the subcontractor shall be reduced by the amounts due to the Seller.
  12. Where the Contract is concluded with a Vendor representing entities acting on the basis of a joint operating agreement , the Vendor shall be subject to the terms and conditions of the joint operating agreement set out in the Contract Documents: [to be added at the time of conclusion of the Contract].

1. **RIGHTS AND OBLIGATIONS OF THE PARTIES**
   1. **The Buyer undertakes:**
      1. to perform the Contract duly and faithfully;
      2. to cooperate with the Seller during the performance of the Contract by providing information reasonably necessary for the performance of the Contract, the need for which has arisen during the performance of the Contract;
      3. to pay the Seller on time for the Vessel in accordance with the specified requirements and delivered on time;
      4. Comply with the internal rules of procedure in the shipyard;
      5. give the necessary authority to the Seller to act on behalf of the Buyer (if such authority is required);
      6. duly perform other duties provided for in the Contract and in the legislation of the Republic of Lithuania.
   2. **The Buyer has the right to:**
      1. to carry out any inspections that the Buyer deems necessary, without prior notice, in the event of any suspicion (doubt) that the Seller will fail to deliver the Vessel on time or that the Vessel is being constructed in a substandard, unprofessional or irregular manner;
      2. During the design and construction of the Vessel, to monitor, inspect, supervise and control the progress of the Vessel's design and construction works, their quality, the materials used, the quality of materials, etc.;
      3. To give the Seller binding instructions during the design and construction of the Vessel, including but not limited to: for materials or equipment which, in the Purchaser's opinion, do not conform to the design drawings, specifications, technical specification and other provisions of the Contract; at Buyers expense: for the substitution of materials or equipment for materials or equipment of good quality and suitability; for the redoing of any work at the Seller's expense, irrespective of any previous testing or partial payment already made in connection therewith, which is not in accordance with the drawings, the technical specification for the Vessel,; and for any other instructions in connection with the performance of the Contract. The Buyer shall have the right to make a claim against the Seller for rectification of deficiencies in the work carried out/performed, , if such deficiencies could not be discovered on such an examination as a reasonably careful skill person would make at the time of the take-over of the Vessel an which manifest themselves within twelve (12) months after delivery of the Vessel;
      4. Visit the shipyard and watch the construction of the Ship. The Buyer's representatives shall have the right of unrestricted access during normal business hours to all areas of the shipyard or subcontractors' premises where the Vessel or parts of the Vessel are being manufactured;
      5. require the Seller to make changes to the Vessel, provided that such changes have been notified in writing 20 working days before they are due to take place, provided that such changes do not change the technical requirements of the specification. The Seller shall be obliged to comply with such requirements provided that such changes at Buyer‘s costs and time;
      6. during the construction of the Vessel, to reasonably require the replacement of an employee of the Seller or a person performing the Seller's duties if it has reasonable grounds that such person is not performing his/her duties properly;
      7. Require the Seller to perform warranty servicing of the Vessel and require the Seller to make a proposal for any post warranty servicing of the Vessel;
      8. The Buyer shall have other rights provided for in the Contract.
   3. **The Seller undertakes:**
      1. to perform the Seller's obligations under the Contract and the Buyer's requirements, to deliver the Goods in accordance with the Contract and the Offer, at the Seller's expense and risk, with the utmost care and efficiency, including, but not limited to, the design, manufacture, testing, technical inspection and testing and provision of the Goods in accordance with the best generally accepted professional and technical standards and practices, using all necessary skill and knowledge;
      2. to design, construct the hull of the Vessel in accordance with the rules and requirements of one of the classification societies as a member of the International Association of Classification Societies (IACS, see https://iacs.org.uk/membership/iacs-members) and in accordance with the Seller's experience, unless otherwise provided for in the Contract.
      3. to test and deliver the Vessel to Kaunas Winter Port in accordance with the legislation in force in the Republic of Lithuania.
      4. at its own expense and risk, bring the Vessel to the place of delivery of the Vessel at Kaunas winter port (Lithuania) and hand it over to the Buyer;
      5. Carry out the shipbuilding processes and use materials in accordance with the requirements of the technical documentation and standards;
      6. promptly inform the Buyer in writing of any circumstances which prevent or may prevent the Seller from completing the construction of the Vessel and handing over the Vessel within the Vessel's construction period. The Seller shall in this case take all reasonable measures as soon as possible to ensure that the circumstances do not affect the quality of the construction work on the Vessel and that the ongoing part of the construction work on the Vessel can be carried out as soon as possible so as not to affect the delivery date of the Vessel;
      7. submit to the Purchaser, by the 15th (fifteenth) day of each calendar month, a written report on the work carried out during the previous month (progress of the Contract);
      8. Provide information in writing, at the request of the Purchaser, on the work to be carried out in the coming month or other period requested by the Purchaser;
      9. by inviting the Buyer to attend periodic meetings to discuss the progress of the Contract;
      10. meet the deadlines set out in the Contract and the Schedule;
      11. ensure that, at the time of conclusion of the Contract and throughout the term of the Contract, the Seller and its employees maintain the necessary qualifications and experience to perform the Contract. If, at the time of the performance of the procurement, the Seller's qualifications for the relevant activities have not been verified or have not been verified to the full extent, ensure that the Contract will be performed only by persons who are qualified to do so.;
      12. not to use the Buyer's trademark, symbol or name in any advertising, marketing, publications or other sources without the Buyer's prior written consent, and not to use any intellectual work produced by the Buyer.
      13. to ensure the confidentiality and protection of information received from the Buyer in the course of the performance of the Contract and related to the performance of the Contract,;
      14. upon completion of the Contract and at the written request of the Buyer, return all documents received from the Buyer for the performance of the Contract, if the form of the documents makes such return practicable, or destroy such documents;
      15. comply with the procedures set out in the Contract for the notification of subcontractors' contact details and the use of representatives, replacement, additional and new subcontractors;
      16. comply with environmental, social and labour law obligations set out in the legislation of the European Union;
      17. sign a personal data processing agreement if the Seller will process personal data on behalf of the Buyer in performance of the Agreement;
      18. to familiarise themselves with and comply with the Inland Waterways Authority's Corruption Prevention Policy in their dealings with the Purchaser and any third parties engaged to perform the Contract, which is available at http://www.vvkd.lt. The Seller shall ensure that the requirements of this clause and the Policy and the Code of Conduct for Employees are complied with by the employees and other representatives of the Seller and of the third parties it engages to perform the Contract;
      19. During mobilisation, war, state of emergency, or when the Government of the Republic of Lithuania, having assessed the risk that the factors which have led to or may lead to the declaration of mobilisation, the imposition of a state of war or a state of emergency threaten national security, not to use subcontractors, not to rely on the capabilities of economic operators, and not to supply (not to use in the performance of works or the rendering of services) the Goods (including their constituent parts), the place of registration of the manufacturer or the place of domicile or the country of citizenship of a natural person, or the place of registration of a legal entity controlling any of the aforementioned entities, is included in the list of hostile states and territories approved by the Government of the Republic of Lithuania ("the List"), and to refrain from supplying (not to use for works or services) the Goods (includin.g their components) whose country or territory of origin is included on the List, and to refrain from supplying the services provided from the countries or territories included in the List. Upon the Buyer's request, the Seller undertakes to provide the documents referred to in the Law confirming the registration of the Seller, the subcontractor, the entity on whose capacity the Seller relies, the manufacturer of the Goods (including its components) or the registration of the legal entities controlling such entities, or the domicile and nationality of the individuals, as required by the Law, documents issued by the manufacturer or other third party confirming the origin of the Goods (including their components) supplied (used in the performance of works or services) and the place from which the Services are provided. Where compliance with the requirements referred to above has been verified during the procurement procedures, the Seller undertakes to inform the Buyer immediately of such changed circumstances and to provide the documents referred to in this clause in respect thereof
   4. **The Seller shall be entitled to** receive the Contract Price subject to the clauses of this Contract, as well as other rights provided for in the Contract and the legislation of the Republic of Lithuania;
   5. The Seller confirms that at the time of conclusion of the Contract, the Seller, its subcontractors and the entities whose capabilities the Seller relies on are not subject to any international sanctions in force in the Republic of Lithuania and/or international sanctions of other countries (the United Kingdom or the United States of America) and/or other restrictive measures imposed by the laws of the Republic of Lithuania that have an impact on the performance of the Contract or that may have an impact on its performance. Should the sanctions or restrictive measures referred to in this Clause be imposed on the Seller or entities whose capabilities the Seller has relied on in the performance of the Contract, the Seller undertakes to notify the Buyer in writing without delay and, should the sanctions or restrictive measures be imposed on the Seller's subcontractors, to remove such subcontractors from the performance of the Contract and, if necessary, to replace such subcontractors in the manner provided for in the Contract. The Seller confirms that it will only use materials for the performance of the Contract that are not subject to restrictive measures and will only source them from territories that are not subject to restrictive measures, and that it will take the utmost precautions to ensure that there is no risk of violation of international sanctions during the course of the Contract. The Seller, in the event of a breach of its obligations under this clause of the Contract, and in the event that the Seller's representations set out in this clause are found to be untrue, shall be liable to indemnify the Buyer against any loss relating to such breach and untrue representations, including, but not limited to, loss relating to termination of the Contract.
   6. Neither Party shall be entitled to assign all or any part of its rights and obligations under the Agreement to any third party without the prior written consent of the other Party.
2. **Modification and termination of THE CONTRACT**
   1. The Contract may be amended, supplemented or terminated only in writing. The Contract shall be amended by the Parties signing an agreement to amend the terms of the Contract, except that the terms of the Contract may be amended by unilateral written notice:
      1. if during the term of the Contract there is a change in the address, bank account No., contact details, other details of the Party provided for in the Contract, the Parties shall not enter into a written agreement to amend the Contract. A Party that changes its particulars or other data shall be obliged to inform the other Party in writing of the change in accordance with the notification procedure set out in the Contract;
      2. where a Buyer has received a request from the Seller to recalculate the price of the Goods in accordance with the conditions set out in the Contract and notifies the requesting Party in writing of its agreement to recalculate the price of the Goods, the revised price of the Goods shall apply as from the date on which the agreement to recalculate the price of the Goods was concluded or the date on which the other Party was notified of its agreement to recalculate the price of the Goods within the time limit set out in the Contract, whichever is the earlier;
      3. when the subcontractors used for the performance of the Contract are changed or additional or new subcontractors are used, in accordance with the procedure laid down in the Contract.
   2. The terms and conditions of the Contract may be amended during the term of the Contract in the cases and on the grounds set out in Article 97 of the Law.
   3. During the term of the Contract, the Party initiating the amendment shall submit to the other Party a written request to amend the terms of the Contract and copies of the documents supporting the circumstances, arguments and explanations referred to in the request. The other Party shall respond to the submitted request for modification of a term of the Contract in a reasoned manner no later than within 10 (ten) working days.
   4. Amendments to the Agreement shall enter into force upon signature, unless otherwise agreed by the Parties. Amendments to the Contract shall form an integral part of the Contract.
   5. The Buyer shall have the right to unilaterally terminate the Contract out of court by notifying the Seller in writing at least 15 (fifteen) days in advance for the following reasons:
      1. if the Seller is bankrupt under conditions other than those of Article 97 of the Law (its successor in title does not agree to continue to perform the Contract on the same terms);
      2. ;
      3. if the Seller is more than ninety (90) days late in delivering the Vessel,;
      4. if the delivery of the Vessel has to be postponed for an indefinite period due to Force Majeure, or if the Force Majeure event lasts for more than 6 (six) months after the expiry of the deadline for delivery of the Vessel, including any extensions of such deadline as provided for in the Contract;
      5. if the Vessel or any intermediate result thereof is lost or damaged prior to its delivery to the Buyer and such causes make it impossible for the Seller to perform the Contract on time and such has not been remedied within 90 days;
      6. if it becomes known that the Seller is subject to seizure of assets or provisional measures of protection, the Seller has entered into an amicable agreement with its creditors, the grounds for bankruptcy or restructuring proceedings have arisen, or a petition has been filed for the opening of bankruptcy or restructuring proceedings against the Seller, bankruptcy or restructuring proceedings have been instituted, tax arrears have been incurred or other relevant circumstances exist and the totality of these circumstances suggests that the Seller will not be able to perform the Contract in a timely manner or to a satisfactory standard, or that the recovery of damages resulting from the breach of the Contract may be impeded;
      7. if the Seller (including any of the Seller's employees, agents, subcontractors, representatives, etc.) gives or offers (directly or indirectly) to any employee of the Buyer any benefit in the form of goods, gratuities, commissions, services or any other tangible or intangible benefit as an inducement or reward for doing or refraining from doing any act in connection with the Contract, or for showing or refraining from showing favouritism or disfavour to any person in connection with the Contract (a "Bribe").In the event of termination of the Contract by the Buyer on this basis, the Seller shall reimburse the Buyer for actual costs incurred by the Buyer in connection with the completion of the Contract and shall indemnify the Buyer for any loss suffered as a result of the termination;

an extension of the period of time when the Seller fails to provide a performance security in accordance with the Contract;

* + 1. if the liquidated damages assessed against the Seller exceed 10 (ten) per cent of the original Contract value;
    2. when the Government of the Republic of Lithuania, in accordance with the procedure established by the Law on the Protection of Objects Important for National Security, adopts a decision confirming that the Agreement is not in the interests of national security;
    3. on the grounds set out in Article 98(1)(1) to (4) of the Law;
    4. in other cases provided for in the Contract.
  1. In the event of termination of the Contract by the Buyer on the grounds set out in Clause 8 of this Contract, then, , the Seller shall be liable to repay to the Buyer the amount of all monies paid by the Buyer for or on account of the Contract Price price of the Vessel as from the date when such monies were paid by the Buyer to the Seller up to the date of the repayment thereof.
  2. The Seller shall have the right to terminate the Contract by giving 14 written notice to the Buyer if the Buyer is in arrears in payment for more than 14 (fourteen) days and, despite the Seller's request in writing, has not remedied the situation within the period specified by the Seller,
  3. The Parties may unilaterally terminate the Contract immediately, but not later than within 5 (five) business days, if the implementation of the mandatory international sanctions, as defined in the Law on International Sanctions of the European Union prohibits the performance of the Contract, by notifying the other Party in writing, if the Contract has entered into force prior to the establishment of the implementation of such international sanctions..

1. **RESPONSIBILITY OF THE PARTIES**
   1. If the Buyer, through no fault of the Seller, fails to pay for the quality Goods duly delivered by the Seller within the time limit set out in the Contract, the Buyer shall, at the Seller's request, be liable to pay to the Seller, for each day of delay, a default interest of 0.05 (five one-hundredths of a) per cent of the amount of the default, not exceeding ten (10) per cent of the original Contract value.
   2. If the Seller, through no fault of Buyer, delays in delivering the Vessel in accordance with the time limits set out in the Contract for more than 30 (thirty) days (except in the case of Clause 9.3, where liability shall apply in a different manner), the Seller, at the Buyer's request, shall be liable to pay to the Buyer a late payment interest of 0.05 (five hundredths) per cent of the Contract price exclusive of VAT for each day of delay. The Seller shall be liable to pay fines and damages not covered by fines at the Buyer's request.
   3. If the Seller fails to deliver the Vessel within the time limit or fails to remedy the defects in accordance with the procedure and within the time limits laid down in the Contract, the Buyer shall be entitled, without formal notice and without prejudice to its other remedies, to charge interest at the rate of 0.05 (five one-hundredths of a per cent) of the Contract price exclusive of VAT for each day of default. If the Buyer so requests, the Seller shall be liable to pay the default interest and to compensate for any damages not covered by the default interest. The payment of interest shall not relieve the Parties of their obligation to perform their obligations under the Contract. .
2. **Contract Performance Assurance, EMERGENCY PAYMENT GUARANTEE AND INSURANCE**
   1. The performance of the contract is secured by a bank guarantee. The amount of the performance security shall be 5 (five) per cent of the initial value of the Contract.
   2. The Seller shall provide the Buyer with an irrevocable first demand bank guarantee within fourteen (14) days after the signature of the Contract. A draft of the Contract performance guarantee document shall be submitted to the Buyer for approval.
   3. The term of validity of the Contract performance guarantee must be at least 30 (thirty) days longer than the term of delivery of the Vessel. The Performance Security shall be valid for all of the Seller's obligations under the Contract, including any penalties, interest, liquidated damages or other amounts reasonably claimed from the Seller under the Contract.
   4. If, during the term of the Contract, at the expiry of the validity period of the Contract performance guarantee, the time limit for delivery of the Vessel under the conditions set out in the Contract is extended or postponed due to the suspension of the Contract or the delivery of the Vessel to the Buyer is delayed, The Seller shall, not later than five (5) working days before the expiry of the validity period of the submitted performance security, deliver the extended performance security or provide a new performance security and a copy of the proof of payment for the same period as the extension of the deadline for delivery of the Vessel or, where the deadline for delivery of the Vessel is not extendable, for the period of time within which the Seller expects to deliver the Vessel and for an additional period of thirty (30) days, unless such delay is caused by the Buyer.
   5. If the Seller fails to extend the term of validity of the Contract Performance Security, or fails to provide the Contract Performance Security for the recalculated Initial Contract Value in the cases set out in the Contract, the Buyer shall have the right, at its option, to suspend payments under the Contract or to terminate the Contract in the event the Seller has not remedied such failure within reasonable time upon receipt of written notice thereof by the Buyer.
   6. The Seller shall provide the Buyer with an irrevocable, first demand, unconditional guarantee for the repayment of the first advance payment (the first instalment of 10%), the value of which shall be equal to one hundred percent (100%) of the amount of the advance payment specified in the Contract. A draft of the advance payment repayment guarantee shall be submitted to the Buyer for approval.
   7. The advance payment guarantee must be issued by a bank (or, if the parent bank has one, by a bank with a credit rating not lower than Standard & Poor's - A-, or Moody's - A3, or Fitch - A-) and the advance payment guarantee must be valid for a period of at least thirty (30) days after the date of delivery of the Vessel to the Buyer or the termination of the Agreement

10.8. The Buyer may invoke the performance security for the Contract if the amount demanded is repayable by the Seller as per final and non-appealable or not appealed court order under the Contract terms and has not been repaid in any of the following circumstances:

10.8.1. the Seller has failed to perform, is failing to perform or is not properly performing its material obligations under the Contract;

10.8.2. the Seller fails to comply with the Buyer's instruction to rectify the defects in the Goods within a reasonable period of time according to the insdustry standart agreed by both parties in the remedy period

10.8.3. if the Buyer has suffered any actual loss (including, without limitation, additional costs, loss of revenue or other direct loss, interest and/or penalties) as a result of any action (act or omission) by the Seller;

10.8.4. the Seller shall unilaterally terminate the Contract without a justifiable reason (other than in the cases set out in the Contract or Lithuanian Law).

1. **CONFIDENTIALITY**
   1. The information contained in and/or relating to the Contract, as well as any other information disclosed by the Parties to each other during the performance of the Contract, whether intentionally or accidentally (other than information which may not be regarded as confidential information by virtue of the law, as well as information which may be publicly available), shall be confidential. Each Party undertakes not to disclose any confidential information received from the other Party in connection with the performance of the Contract. Such information, both during the term of the Contract and after the termination of the Contract, may be disclosed to third parties only to the extent that such disclosure is necessary for the proper performance of the Contract, and only with the prior written consent of the other Party, subject to compliance with the requirements of personal data protection.
   2. The Parties agree that in the event of disclosure of confidential information by the Seller, the Seller shall indemnify the Buyer against all direct damages. The Parties agree that in the event of disclosure of confidential information by the Buyer, the Buyer shall indemnify the Seller against all direct damages
   3. Each Party shall ensure compliance with the legislation of the European Union, official or commercial secrets and data protection. The Parties undertake to ensure the security of personal data and to carry out the processing of personal data in a lawful manner in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation) and of any other legislation regulating the processing of personal data. The Seller confirms that it has been informed of and has read the rules governing the processing of the Buyer's personal data, which are available [at](http://www.vvkd.lt) www.vvkd.lt.
   4. The Parties may not use each other‘s data for direct marketing purposes (including for sending promotional messages).
2. **CORRESPONDENCE AND THE PERSONS RESPONSIBLE FOR IMPLEMENTING THE CONTRACT**
   1. The parties correspond in Lithuanian or, in the event that the Seller is no Lithuanian party, in English. All notices, consents and other communications which a Party may give under the Contract shall be deemed valid and duly served if they are served on a representative of the Party or sent by post, email to the addresses specified in the Contract.
   2. In the event of a change in the address and/or other particulars of the Party specified in the Contract, as well as in the person responsible for the performance of the Contract, the Party shall inform the other Party by giving at least five (5) business days' notice. Any claims by a Party arising out of or in connection with improperly served notices shall be deemed to be unfounded.
   3. The Buyer's person responsible for the performance of the Contract is [\_\_\_\_\_\_\_\_\_\_] tel. [\_\_\_\_\_\_\_\_\_\_\_], e-mail [\_\_\_\_\_\_\_\_\_\_]. The representative referred to in this clause shall not be entitled to amend or terminate the Contract.
   4. The Seller's person responsible for the performance of the Contract is tel. [\_\_\_\_\_\_\_\_\_\_\_], email.
   5. The Parties may change the representatives and their contact details referred to in the Contract by unilateral written notice.
3. **FORCE MAJEURE**
   1. Should the construction or delivery of the Vessel be delayed or any work required of the Seller hereunder be prevented or hindered by events such as, but not limited to: Acts of God; war or other hostilities or preparations therefore, civil commotions, riots or insurrections; blockades; embargoes, export or import restrictions; epidemics; pandemics; strikes, lockouts or other labour disturbances or difficulties whatsoever; earthquakes; landslides; floods; exceptional weather conditions not included in normal planning; prolonged failure of electric current; damage by fire, lightning or explosion; provided in any such case that the delay could not have been avoided by reasonable efforts on the part of the Seller, or should the construction or delivery of the Vessel be delayed owing to causes of any of the foregoing kinds of force majeure affecting the Seller‘s other commitments, then and in any such case the number of days of delay so caused shall be permissible delay and the Vessel‘s delivery date shall be postponed by the cumulative amount of such permissible delays.
   2. Within 2 days after the Seller becoming aware of the extent of an event of force majeure the Seller shall notify the Buyer in writing thereof indicating the extent of the delay so caused.
   3. The Party requesting to be relieved of liability must notify the other Party in writing of the force majeure circumstances as soon as possible, but not later than 3 (three) working days after the occurrence or discovery of such circumstances, providing evidence that it has taken all reasonable precautions and made every effort to minimise the costs or adverse consequences, and of the likely time limit for the fulfilment of its obligations. Notification is also required when the grounds for default cease to exist. If a Party fails to give timely notice or to inform, it shall be liable to compensate the other Party for any damage suffered by the other Party as a result of the failure to give timely notice or the absence of any notice.
   4. If the Force Majeure event continues for more than one two month from the date of notification, either Party may terminate the Contract by giving five (5) working days' notice to the other Party. Force majeure shall not be deemed to mean that a Party does not have the necessary financial resources, or that the debtor's counterparties are in breach of their obligations, or that the debtor is in breach of its obligations to its counterparties.
4. **FINAL PROVISIONS**
   1. The Contract shall be executed in Lithuanian and English language (if the seller is a foreign entity) by means of an electronic document and shall be signed by both Parties by electronic signature. In case Seller is a foreign entity, the English wording shall prevail.
   2. The invalidity of a term of the Contract shall not invalidate the Contract as a whole, unless the Parties would not have entered into the Contract at all without that term. The Parties agree that in the event of the invalidity of one of the clauses of the Contract, provided that such invalidity does not invalidate the Contract as a whole, the said clause shall, by written agreement of the Parties, be immediately replaced by a new clause which is the closest in meaning and content to the invalid clause and which has a similar legal and economic effect to that of the clause which has been replaced.
   3. In the event of any inconsistency between the provisions of the Contract and those of the Technical Specification, the terms of the Contract shall prevail.
   4. The contract is governed by the law of the Republic of Lithuania. Disputes arising between the Parties in connection with the Contract shall be settled by negotiation or, failing such negotiation, by judicial dispute resolution in the courts of the Republic of Lithuania. The contractual jurisdiction shall be the courts located in Vilnius City.
   5. The time limits set out in the Contract in days shall be calculated in calendar days (d.), unless otherwise specified in the Contract.
   6. The Parties confirm that they have read the Agreement, understood its contents and consequences, accepted it as being in accordance with their intentions and signed it.
   7. The Annexes to the Agreement shall form an integral part thereof. Annexes to the Agreement:
      1. Annex 1 to the contract - technical specification;
      2. Annex 2 to the Contract - Seller's Offer and general arrangement (if applicable).
      3. Annex 3 Tecnical specification of the batteries
5. **DETAILS AND SIGNATURES OF THE PARTIES**

|  |  |
| --- | --- |
| **On behalf of the Buyer** | **On behalf of the Seller** |
| **AB Inland Waterways Directorate** |  |
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|  |  |
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