

**ENGINEERING SERVICE AGREEMENT FOR
COMBINED HEAT AND POWER PLANT IN
VILNIUS**

between

**UAB VILNIAUS KOGENERACINĖ JĖGAINĖ (“the
Client”)**

and

**ÅF-CONSULT LTD,
AF-CONSULT UAB,
ÅF-CONSULTING AS
 (“the Engineer”)**

17th of January, 2017

CONTENT

1. Agreement
2. Appendix 1 – Scope and Description of Services
3. Appendix 2 – Personnel, Equipment, Facilities & Services to be provided by the Client
4. Appendix 3 – Time Schedule
5. Appendix 4 – Remuneration and Payment
6. Particular Conditions of the Agreement
7. Appendix A – Form of Performance Security
8. The General Conditions of Agreement of FIDIC Conditions of Client/Consultant Model Services Agreement
9. The General conditions of FIDIC Conditions of Contract for Plant and Design-Build, First edition 1999
10. Meeting Minutes of the Agreement Negotiations between the Parties
11. Procurement documents
12. The Engineer's tender

THE AGREEMENT

This Agreement is made on the 17th day of January, 2017

between

UAB Vilniaus kogeneracinė įmonė, a public limited liability company registered according to the laws of the Republic of Lithuania, entity code 303782367, registered address: Žvejų str. 14, LT-09310 Vilnius, Lithuania (hereinafter called "the **Client**") represented by Chief Executive Officer Saulius Barauskas acting pursuant articles of association of the Client

and

ÅF-CONSULT LTD, entity code 1800189-6, address: Bertel Jungin aukio 9, 02600 Espoo, Finland,

AF-CONSULT UAB, entity code 135744077, address: Lvovo str. 25, LT-09320 Vilnius, Lithuania,

ÅF-CONSULTING AS, entity code 10449422, address: Akadeemia tee 21/3, Tallinn, Estonia,

(hereinafter jointly called "the **Engineer**") represented by ÅF-CONSULT LTD *Managing Director*, Jari Leskinen, acting pursuant Articles of Association and Joint operating agreement concluded on 14th of June, 2016.

Whereas the Client requires that certain Services shall be provided by the Engineer in accordance with this Agreement, namely the support for Client's activities, necessary for successful implementation of the Project providing in a timely and cost-effective way engineering support and EPC Contract(s) management assistance throughout the lifetime of the Project;

Whereas the Client has accepted a Final Tender of the Engineer for the provision of such Services in the sum of 3 746 990,65 (three millions seven hundred and forty-six thousand nine hundred ninety euros and 65 euro cents) EUR exclusive of VAT (hereinafter called "the Agreement Price");

The Client and the Engineer are the parties to this Agreement (hereinafter called together the "Parties" and individually the "Party").

Now it is agreed as follows:

1. In this Agreement words and expressions shall have the meanings as are respectively assigned to them in the General and Particular Conditions of the Agreement.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement and shall together constitute the Agreement between the Client and the Engineer. The term "the Agreement" shall be construed accordingly in all such documents (except the ones indicated in subparagraphs 2.4., 2.5., 2.6, 2.7, 2.8):
 - 2.1. This Agreement with Appendices:
 - (i) Appendix 1 – Scope and Description of Services;
 - (ii) Appendix 2 – Personnel, Equipment, Facilities & Services to be provided by the Client;
 - (iii) Appendix 3 – Time Schedule;
 - (iv) Appendix 4 – Remuneration and Payment;
 - 2.2. Particular Conditions of the Agreement with Appendices;
 - (i) Appendix A – Performance Security;
 - 2.3. The General Conditions of Agreement of FIDIC Conditions of Client/Consultant Model Services Agreement, Fourth Edition 2006;
 - 2.4. Draft copies of the Particular Conditions of Contracts (EPC) to be concluded with the Contractors (provided to the Engineer during public procurement procedure);

- 2.5. The General conditions of FIDIC Conditions of Contract for Plant and Design-Build, First edition 1999;
 - 2.6. Technical documentation from EPC tender functional specification (provided to the Engineer during public procurement procedure);
 - 2.7. Drawings & block schemes from EPC tender functional specification (provided to the Engineer during public procurement procedure);
 - 2.8. Preliminary project milestone schedules (Waste incineration unit & Biofuel-fired unit (provided to the Engineer during public procurement procedure));
 - 2.9. Meeting Minutes of the Agreement Negotiations between the Parties as of 19th of September, 2016, 11th of October, 2016 and 4th of November, 2016;
 - 2.10. Procurement documents;
 - 2.11. The Engineer's tender.
3. In case of inconsistency or ambiguity between the provisions of any of the documents which constitute the Agreement, they shall be construed to determine the inconsistency or ambiguity in the same descending order of precedence in which they appear in Clause 2 above.
 4. This Agreement incorporates the entire agreement and understanding between the Parties and supersedes all previous oral and written agreements and representations whether made negligently or innocently at any time prior to the execution of the Agreement and which are not expressly incorporated as terms of the Agreement.
 5. In consideration of the payments to be made by the Client to the Engineer as hereinafter mentioned, the Engineer hereby covenants with the Client to provide, and complete the Services in conformity with the provisions of the Agreement, whether the same is expressly set forth in the Agreement or can be reasonably implied there from for the purpose of providing efficient and sustainable Services for the completion of the Project within the time frame, budget and quality defined in EPC Contracts.
 6. The Client hereby covenants to pay the Engineer in consideration of provision and completion of the Services, the Agreement Price at the times and in the manner prescribed by the Agreement.

The Agreement Price amounts to 3 746 990,65 (three millions seven hundred and forty-six thousand nine hundred ninety euros and 65 euro cents) EUR including all taxes, customs duties and the like with the exception of the Value Added Taxes (VAT).

The VAT amounts to 786 868,04 (seven hundred eighty-six thousand eight hundred and sixty-eight euros and 4 euro cents) EUR.

A breakdown of the Agreement Price and payment conditions are set out in Appendix 4 [Remuneration and Payment] to the Agreement.

The Agreement Price reflects a maximum amount payable by the Client to the Engineer for Services under this Agreement not subject to any alteration. However the Agreement Price shall be decreased respectively in case Client omits certain Services from Engineer's scope of supply pursuant provisions of Appendix 4 to this Agreement. The Client does not covenant to order all services possible to order under Appendix 1 [*Scope and Description of Services*] and Appendix 4 [*Remuneration and Payment*] to the Agreement.

The Engineer hereby declares that he has satisfied himself on and taken account of all the conditions and circumstances affecting the Agreement Price (especially the fact that Project will be implemented by 2 (two) Contractors and therefore Engineer shall be responsible for providing Services in regard of 2 (two) EPC Contracts, including, but not limited to management of interfaces as they are defined in Particular Conditions of the EPC contracts between the EPC Contractors) meaning that he has satisfied himself as to the correctness and sufficiency of the Agreement Price.

The Client shall have no liability for increases in the Engineer's costs of performing the Agreement of any nature whatsoever caused by changing in taxation (except for VAT Tax), inflation, or otherwise. Change in VAT taxation rate for Services under this Agreement is Client's risk. The Agreement Price will not be adjusted in case of VAT rate change.
 7. The Client shall sign the Agreement only after the Agreement is approved by the management board and shareholders of the Client and/or any other approvals, decisions or procedures required by Client's

articles of association and respective laws for signing and/or execution of the Agreement are received / completed. The Agreement shall come into full force and effect on the date of signing this Agreement by both Parties (the "**Effective Date**"). However, the commencement date of the Agreement (the "**Commencement Date**") shall occur on the date specified in Particular Conditions.

In Witness thereof the Parties hereto have caused this Agreement to be executed in two originals on the date month year above set forth, whereof each Party is receiving one original.

Authorized Signature on behalf of the
Client

Saulius Barauskas

(signature)

Authorized signature on behalf of the
Engineer

Jari Leskinen

(signature)