

PRELIMINARY CONTRACT FOR SALE AND PURCHASE OF PRODUCTS

19 April 2017 No. KPS- 117
Vilnius

Lithuanian Armed Forces, code 188732677, Šv. Ignoto str.. 8, LT-01144 Vilnius, Lithuania represented by the Commander of Logistics Command of the Lithuanian Armed Forces Lt Col. Ramūnas Baronas, acting under the official powers granted by the Order of the Commander of the Lithuanian Armed Forces of 1 April 2015 No.V-409 (hereinafter - the **Buyer**) and UAB "Arveka" legal entity code 122599087, L. Stuokos-Gucevičiaus g. 9-6, LT-01122, Vilnius, LLC "SAFARILAND", 13386 International Parkway Jacksonville, FL 32218, United States of America, acting under joint venture agreement of 21 April 2016 No. 1 (hereinafter - the Group of undertakings) represented by LLC "SAFARILAND" VP Managing Director Debbie Conley, operating under Clause 2.7. of the joint venture agreement (hereinafter - the **Seller**), both referred to collectively in this Preliminary Contract as the "Parties" and each individually as the "Party", in accordance with the Law of the Republic of Lithuania on Public Procurement, have entered into the present Preliminary Contract for Sale - Purchase of the Products, hereinafter referred to as the "Preliminary Contract", and agreed on the following terms and conditions.

1. TERMS

1.1. The terms used in the contract:

1.1.1. **Procurement Contract** shall mean the contract for sale and purchase of the products concluded between the **Buyer** and the **Seller** in accordance with the provisions of the present Preliminary Contract.

1.1.2. **Preliminary Contract** shall mean the contract concluded between the **Buyer** and the **Seller**, which is aimed at establishing the conditions for Procurement Contracts to be concluded during the period of validity of the Preliminary Contract.

1.1.3. **Product Prices** shall mean the **Seller's** offered prices of the products referred to in Annex 1 to the Preliminary Contract "Product prices and preliminary quantities" (hereinafter referred to as Annex 1), which cannot be increased by submitting proposals for a specific quantity of the products.

2. SCOPE AND OBJECT OF THE PRELIMINARY CONTRACT

2.1. Under the Preliminary Contract, the **Buyer** and the **Seller** agree to establish the conditions under which, during the period of validity of the Preliminary Contract and under the procedure established in the Preliminary Contract, the Parties will be able to conclude the Procurement Contracts for the **tactical attack gloves** (hereinafter referred to as the products) which are specified in Annex 1 to the Preliminary Contract and are in conformity with the technical requirements of Annex 2 to the Preliminary Contract "Technical specification for the tactical attack gloves" (hereinafter referred to as Annex 2).

2.2. The **Buyer** shall be under no obligation to purchase the total quantity of the products specified in Annex 1 to the Preliminary Contract.

2.3. The **Seller** undertakes to:

2.3.1. during the period of validity of the preliminary contract, to conclude with the **Buyer** a **Procurement Contract**, in accordance with this Preliminary Contract and annexes thereto, and properly perform the Preliminary Contract as well the Procurement Contracts concluded;

2.3.2 upon the conclusion of the first Procurement Contract for the products, to agree upon and approve the working samples of the products (2 units, one to the Buyer and another to the

Seller), which would be in line with the terms and conditions of the relevant Procurement Contract and annexes thereto, and to present the operating/maintenance manuals and the quality assurance plan prepared in accordance with AQAP 2105 or ISO 10005 standard. The working samples, the operating/maintenance manuals and the quality assurance plan shall be valid for the entire period of validity of the Preliminary Contract and shall apply to each Procurement Contract entered into in accordance with the present Preliminary Contract. Working samples of the products may be subject to re-approval during the period of validity of the Preliminary Contract;

2.3.3. during the period of validity of the preliminary contract, to maintain the organizational and technical ability and capacity, which would be no worse than at the moment of signing the Preliminary Contract. Should the **Buyer** receive information, during the period of validity of the Preliminary Contract, that the **Seller** is unable to meet the minimum qualification requirements established in the open tender documents, the **Buyer** may ask the **Seller** to provide the documents as a proof of compliance with the qualification requirements referred to in the open tender documents. Upon evaluation of the submitted documents and having established that the **Seller** does not meet the applicable qualification requirements, the **Buyer** shall be entitled to terminate the Preliminary Contract.

3. PRICES OF THE PRODUCTS

3.1. Prices of the products are set forth in Annex 1 to the Preliminary Contract. The prices of the products shall include all the costs and taxes related to the sale of the products. The Product Prices referred to in Annex 1 to the Preliminary Contract shall remain fixed for the entire period of validity of the Preliminary Contract, except in the cases provided for in Clauses 3.2 and 3.3 of the Preliminary Contract.

3.2. In case of the change of the value-added tax rate applicable to the products, after the conclusion of the Preliminary Contract, the product prices shall be recalculated and recorded in a written agreement between the Parties.

3.3. The products shall be supplied under the Procurement Contract, entered into during the period of validity of the Preliminary Contract, at the prices specified in Annex 2 to the **Procurement Contract**.

4. PROCEDURE OF CONCLUSION OF THE PROCUREMENT CONTRACT

4.1. During the period of validity of the Preliminary Contract, the **Buyer** shall be entitled to submit the order for the products to the **Seller** and conclude the Procurement Contract with the **Seller**. The order shall specify: name of the products, amount of the products, order date, other information requested to be provided by the **Seller**.

4.2. The **Buyer** undertakes to place the order to the **Seller** by CVP IS means of correspondence.

4.3. The **Seller** undertakes to confirm, no later than within three (3) business days by CVP IS means of correspondence, that it agrees to enter into the Procurement Contract on the basis of the order submitted by the **Buyer**.

4.4. The **Seller** agrees to arrive to sign the Procurement Contract with the **Buyer** on the date specified thereby.

4.5. Should the **Seller** refuse, by CVP IS means, to enter into the Procurement Contract for the ordered products with the **Buyer**, the **Buyer** shall be entitled to terminate the Preliminary Contract.

5. NOTIFICATIONS

5.1. Unless specified otherwise, the Parties to the Preliminary Contract shall provide each other with written notifications.

5.2. Notifications of the Parties to the Contract shall be considered as have been submitted in writing provided they have been submitted by mail, fax, e-mail, delivered by hand at the addresses indicated in the contract by the Parties to the contract. Should the addressee report a different address, the documents must be delivered to this new address. If the addressee has not reported a different address in its notification, the reply shall be sent to the same address, to which the notification has been sent.

5.3. If the sender requires acknowledgment of receipt, it shall indicate such a requirement in the notification sent.

6. VALIDITY OF THE PRELIMINARY CONTRACT

6.1. The Preliminary Contract shall enter into force upon signature thereof by the Parties.

6.2. The Preliminary Contract shall be valid for **three (3) years**, unless it shall be terminated on the grounds referred to in Clause 7 of the Preliminary Contract.

7. TERMINATION OF THE PRELIMINARY CONTRACT

7.1. The Preliminary Contract may be terminated:

7.1.1. by a written agreement between the Parties;

7.1.2. in case the force majeure circumstances take longer than one (1) month and the Parties fail to sign an additional agreement on amendment of this Preliminary Contract, allowing the Parties to continue to fulfil their contractual obligations.

7.2. The **Buyer** shall be entitled to unilaterally terminate the Preliminary Contract by at least five (5) days' written notice to the **Seller**, provided that:

7.2.1. during the period of validity of the Preliminary Contract the **Seller** refuses in writing or does not arrive by the established deadline to sign any one of the **Procurement Contracts** under the terms and conditions referred to in Annex 3 to the Preliminary Contract "Draft Contract for Sale - Purchase of the Products" (hereinafter referred to as Annex 3);

7.2.2. if at least one of the **Procurement Contracts** is terminated on the grounds referred to in Clauses 9.2.1 to 9.2.7 of the General Part of the **Procurement Contract**, before expiry of the period of validity of the Preliminary Contract;

7.2.3. The **Seller** fails to fulfil the obligations referred to in Clause 2.3 of the Preliminary Contract;

7.2.4. The **Seller** offers the products at prices that are higher than the prices specified in Annex 1 to the Preliminary Contract.

7.3. Upon termination of the Preliminary Contract on at least one of the grounds referred to in Clauses 7.2.1 to 7.2.4 of the Preliminary Contract, the **Seller** shall, within seven (7) working days from the date of termination of the Preliminary Contract, pay the **Buyer** the pre-agreed minimum damages in the amount of **EUR 25 000 (twenty five thousand euro, 00 cents)**, but not in excess of the total value of the outstanding obligations under the Preliminary Contract.

7.4. Payment of the minimum damages pre-agreed between the Parties shall not release the **Seller** from the obligation to fully reimburse the damages incurred by the **Buyer** due to the Seller's defective performance of the Contract.

7.5. The termination of the Preliminary Contract shall not affect the performance of any of the Procurement Contracts in force, which had been concluded prior to the termination of the Preliminary Contract.

8. FORCE MAJEURE

8.1. None of the Parties shall be liable for the partial or complete failure to fulfill its obligations, if it proves that the obligations have not been fulfilled due to force majeure.

8.2. A Party to the Contract, which is unable to meet its obligations due to force majeure, must immediately, but no later than within ten (10) days from the occurrence or becoming aware of the circumstances, inform the other Party thereabout in writing.

8.3. The force majeure circumstances refer to the circumstances specified in Article 6.212 of the Civil Code of the Republic of Lithuania and the Regulations for exemption from liability in the case of force majeure, approved by Resolution No. 840 of the Government of the Republic of Lithuania of 15 July 1996 No. 840.

9. DISPUTE SETTLEMENT PROCEDURE

9.1. The Contract shall be concluded and shall be construed in accordance with the law of the Republic of Lithuania.

9.2. All and any disputes or disagreements with regard to the Preliminary Contract, which have arisen between **Buyer** and the **Seller**, shall be settled by negotiations, and in case of failure to resolve the dispute, they will be examined in the court of the Republic of Lithuania in accordance with the laws of the Republic of Lithuania, according to the place of the **Buyer's** registered office.

10. INFORMATION ABOUT SUB-SUPPLIERS

No sub-supplier shall be invoked.

11. FINAL PROVISIONS

11.1. The Preliminary Contract is drawn in the Lithuanian and English languages, in quadruplicate - two copies for each Party. In case of any differences in interpretation of the Preliminary Contract, preference must be given to the text of the Preliminary Contract in the English language.

11.2. None of the Parties shall be entitled to assign to a third party the rights and obligations under the Preliminary Contract, without the prior written consent of the other Party.

11.3. During the performance of the Preliminary Contract, the manufacturer of the products referred in Annex 1 to the Preliminary Contract may be subject to change. The change shall be documented in writing, upon the Seller's submission of the documents to the Buyer, showing that the products meet the requirements specified in the technical specifications of the relevant product, submitted in Annex 2 to the Preliminary Contract, and upon joint approval of the product's working sample.

11.4. All the annexes to this Preliminary Contract shall form an integral part of the Preliminary Contract:

Annex 1 "Product prices and preliminary amounts", 1 page;

Annex 2 "Technical specification for the tactical attack gloves", 5 pages;

Annex 3 "Draft Contract for Public Procurement of the Products", 14 pages;

11.5. Terms and conditions of the Preliminary Contract shall not be subject to change during the period of validity of the contract, except the terms and conditions of the contract, the change whereof would not violate the principles and objectives set forth in Article 3 the Law on Public Procurement, provided the consent of the Public Procurement Office with such changes to the terms and conditions has been obtained. The changes to the terms and conditions of the Preliminary Contract shall not be considered the adjustment of the terms and conditions of the contract in the

circumstances provided therein, provided that those circumstances have been clearly and unambiguously specified in the tender documents.

12. Buyer's details
Lithuanian Armed Forces

Code 188732677
VAT payer code: LT887326716
Šv. Ignoto str.8, LT-01144 Vilnius
Account No. LT48 7300 0100 0246 0179
Swedbank, AB

Contact person for the performance of the contract:

Vida Pošiūnienė, Material Resources
Department of the Armed Forces, Clothing
and Soldier Systems Division, tel.+370 5 278
5226,
e-mail: Vida.Posiuniene@mil.lt

BUYER
Lithuanian Armed Forces

on behalf of the Lithuanian Armed Forces
Logistics Command


Lt Col Ramūnas Baronas

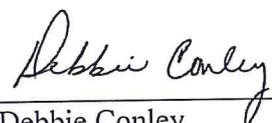


13. Seller's details
Group of undertakings:
UAB "Arveka"
LLC "SAFARILAND"

13386 International Parkway Jacksonville,
FL 32218, United States of America
SWIFT: BOFAUS3N
Invoice No. 3446408195
Bank of America, 50N. Laura Street, Jacksonville
FL 32202, United States of America
Contact person responsible for the quality of the
goods supplied: UAB "Arveka" Director Egidijus
Skužinskas, tel. +37052610990, e-mail:
info@arveka.lt

SELLER
Group of undertakings:
UAB "Arveka"
LLC "SAFARILAND"

on behalf of the group of undertakings
LLC "SAFARILAND"
VP Managing Director


Debbie Conley

19 April 2017
Annex No. 1 to the Preliminary Contract for the Sale and
Purchase of the Products No. *KPS-MF*

PRODUCT PRICES AND PRELIMINARY AMOUNTS

No.	Product name	Unit of measurement pcs.	Preliminary amount of the products for 3 years* Units of measurement	Unit price, EUR (including 21% VAT)	Manufacturer of the product (country, company)
1	Tactical attack gloves	pair	78 000	32.1428	LLC "SAFARILAND", United States of America

* The specified numbers of the products are preliminary, the Buyer shall be under no obligation to purchase them throughout the entire period of validity of the Preliminary Contract.

BUYER
Lithuanian Armed Forces

on behalf of the Lithuanian Armed Forces
Logistics Command


Lt Col Ramūnas Baronas



SELLER
Group of undertakings:
UAB "Arveka"
LLC "SAFARILAND"

on behalf of the Group of undertakings
LLC "SAFARILAND"
VP Managing Director


Debbie Conley

TECHNICAL SPECIFICATION FOR THE TACTICAL ATTACK GLOVES

I. GENERAL PROVISIONS

1. Tactical attack gloves (hereinafter - gloves) must be designed and adapted to the soldiers' tactical actions and shooting activities.
2. They have to be protective gloves ensuring protection against mechanical damage and the contact heat.
3. Gloves should not impair manual dexterity under the effects of atmospheric fluctuations in temperatures from - 30° C to + 60° C.
4. Tactical attack gloves must correspond to the Operator™ gloves manufactured by the company Hatch Corporation (see Annex) or be equivalent to them.
5. Gloves must be new and not used.
6. Leather used for the gloves has to be very soft and thin, envelop the hands ergonomically and ensure extremely precise tactile sensation without any restraint.
7. Gloves should conform to the technical requirements of the NSN codes listed in clauses 7.1. to 7.4. and technical requirements listed in the section "TECHNICAL REQUIREMENTS"
 - 7.1. 8415-01-599-8377;
 - 7.2. 8415-01-591-4907;
 - 7.3. 8415-01-591-4909;
 - 7.4. 8415-01-591-4920.

II. TECHNICAL REQUIREMENTS

8. Gloves should be fingered, with a sustained wrist, sewn in a combined manner:
 - 8.1. The upper half of the hand part and the wrist shall be from a special knitted fabric of moss green (or black) colour, produced from Kevlar® or mixed (Kevlar® and Nomex®) fiber) conferring resistance to mechanical damage and heat. The surface density of the knitted fabric shall be 340 g/m² (± 5%).
 - 8.2. The palm shall be from hand goat or sheep leather of moss green (or black) colour (leather thickness 0.7 to 0.9 mm), resistant to abrasion and cutting, with firmness and special softness, ergonomically fitting to the hand and ensuring extremely precise tactile sensation.
 - 8.3. The lower part of the hand part (the area of maximum recoil) - from the double layer leather padded with the foam of high density (Impact™ or an equivalent).
 - 8.4. The curve of the thumb and the thumb must be covered with a strip of the special fabric ensuring protection from slipping and providing excellent grip when holding a weapon or another instrument. The fibrous composition of the fabric: 45% polyurethane / 55% polyester (± 5%), surface density - 330 g/m².
 - 8.5. The special structure of the gloves must be ergonomic, the gloves must replicate the shape of a hand, not to restrict movements when flexing a hand and fingers.

8.6. For the protection of knuckles, a leather attachment must be sewn on the outer side of the glove, padded with a foam of high density (Impact™ or equivalent).

8.7. The technology of the manufacturing of the gloves, the materials used and the technical solutions must not reduce the overall quality of the gloves.

8.8. Individual parts of the gloves must be stitched using the threads resistant to abrasion, cutting and heat.

8.9. Gloves wrist's inner seams to be hemmed to prevent tearing.

9. Materials used, degradation products, seams and edges, and the parts directly in contact with the user in particular, shall not have a negative impact on consumer health.

10. Wrist extension by at least 13 cm (for size M) prevents the hand from dangerous debris or cuts. The gloves must be crimped with an elastic band at the wrist. The wrist extension must be completed with an elastic band (by creasing the lower part of the gloves).

11. The protective gloves must provide protection from the mechanical risk factors specified in Table 1 (indicators 1-4) and contact heat (indicator 5), ensuring the lowest specified level of protection; they shall also be in compliance with the indicators 6 and 7.

REQUIREMENTS FOR THE PERFORMANCE LEVEL

Table 1

Ref. No.	Name of the indicators	Level of Protection	Value	Testing method
1.	Abrasion resistance (number of cycles)	1	≥ 100	LST EN 388
2.	Resistance to blade cutting (indicator I)	1	$\geq 1,2$	LST EN 388
3.	Resistance to tear (N)	2	≥ 25	LST EN 388
4.	Resistance to puncture (N)	1	≥ 20	LST EN 388
5.	Protection from contact heat, °C	3	≥ 350	LST EN 407
	Other indicators			
6.	pH value (for all substances)	-	> 3.5 but < 9.5	LST EN 420
7.	Amount of chromium (VI), mg/kg	-	≤ 10	LST EN 420

12. Gloves must have a snug fit and be free from wrinkles for not to interfere with the arm's actions.

13. Supplied in pairs according to the size scale. The glove size can be designated by one of the methods provided in Table 2.

TABLE OF GLOVE SIZES

Table 2

Code of size	S	M	L	XL
Glove size (hand circumference in cm)	14-16	18-20	22-24	26-28

III. LABELLING, PACKAGING AND ACCEPTANCE

14. The Director of the Material Resources Department shall approve a working sample presented by the successful tenderer, which shall form the basis for accepting the articles manufactured.
15. For approval of a working sample, the Supplier shall present:
 - 15.1. two products (L size);
 - 15.2. measures table for mutual approval;
 - 15.3. product use guide for mutual approval. The instructions must contain all the relevant information necessary for the proper operation of the product;
 - 15.4. materials used in manufacturing of the product (fabric, furniture, etc.) laboratory testing protocols, proving their compliance with the requirements specified in the technical specification (if required). The protocols must be approved by the manufacturer or the laboratory and submitted in the original language, with their translation into the Lithuanian language;
 - 15.5. samples of product manufacturing materials (fabric, furniture, etc.) (if required). A list of samples to be presented and their quantity must be coordinated with the MRD chief specialist.
16. The batch production may start only upon approval of a working sample.
17. Each article shall be labelled with a label stating:
 - the supplier's name or trademark;
 - the manufacturer's name or trademark (if different from the supplier);
 - indicate the country of origin of the imported products, if it does not match with the country of the registered office of the manufacturer;
 - name of the article (used in planning and accounting of the Lithuanian Armed Forces);
 - size;
 - the contract date and number;
 - the indexes of a batch and lot of a product;
 - date of manufacture;
 - the NSN code given by the Lithuanian Armed Forces.

The labels must be attached securely, the marking details must be of sufficient size for the information provided to be easily legible and understandable.

18. The product labelling strip attached to the side seam must contain:
 - the supplier's name or trademark;
 - the manufacturer's name or trademark (if different from the supplier);
 - fibrous composition;
 - size;

- the contract number and date;
- the batch and consignment code;
- the date of manufacture;
- symbols of maintenance signs (according to DIN EN ISO 3758 (ISO3758));

This strip must be made of the material at least as resistant as the product on which it is attached, and the information would be easily legible for the entire life cycle thereof.

Maintenance portrayed using the symbols shall be applicable in respect of the entire article.

19. The items shall be packed individually in polythene bags and cardboard boxes according to the sizes, no more than 50 units each. Each product must be accompanied with a use and care guide.

20. The batch packaging must have the following indicated:

- supplier's name or trademark;
- manufacturer's name or trademark (if different from the Supplier);
- indicate the country of origin of the imported goods, if it does not match with the country of the registered office of the manufacturer;
- name of the article (used in planning and accounting of the Lithuanian Armed Forces);
- size;
- the contract date and number;
- the indexes of a batch and lot of a good;
- quantity;
- date of manufacture;
- the NSN code given by the Lithuanian Armed Forces.

21. The articles shall be accepted in batches and lots. Each lot must be marked with signs and symbols and a declaration of conformity of the article in form A.2. according to DIN EN ISO / IEC 17050-1 (ISO / IEC 17050-1) shall be presented for it.

22. Of the selected batch of goods, the customer may, in accordance with the provisions of the contract, check the quality of the goods and carry out the laboratory tests with them. In the event that the results do not meet the technical requirements, the entire batch of the goods then delivered shall be defectd.

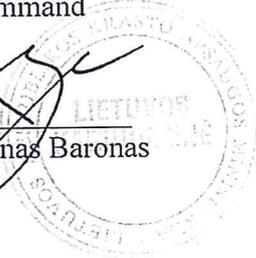
TACTICAL ATTACK GLOVES



BUYER
Lithuanian Armed Forces

on behalf of the Lithuanian Armed Forces
Logistics Command


Lt Col Ramūnas Baronas



SELLER
Group of undertakings:
UAB "Arveka"
LLC "SAFARILAND"

on behalf of the Group of undertakings
LLC "SAFARILAND"
VP Managing Director


Debbie Conley

19 April 2017
Annex No. 3 to the Preliminary Contract for the Sale and Purchase of the
Products No. *KPS-117*

DRAFT CONTRACT FOR PUBLIC PROCUREMENT OF PRODUCTS

I. SPECIAL PART

2017 No. KPS-
Vilnius

Lithuanian Armed Forces, code 188732677, Šv. Ignoto str.. 8, LT-01144 Vilnius, Lithuania represented by Commander of Logistics Command of the Lithuanian Armed Forces Lt. Col Ramūnas Baronas acting under the official powers granted under the Order of the Commander of the Lithuanian Armed Forces of 1 April 2015 No. V-409 (hereinafter referred to as the **Buyer**) and **UAB "Arveka"**, legal person code 122599087, L. Stuokos-Gucevičiaus str.. 9-6, LT-01122, Vilnius, **LLC "SAFARILAND"**, 13386 International Parkway Jacksonville, FL 32218, United States of America, acting under the joint venture agreement of 21 April 2016 No. 1 (hereinafter referred to as the Group of undertakings) represented by LLC "SAFARILAND" VP Managing Director Debbie Conley, acting under Clause 2.7. of a joint venture agreement (hereinafter referred to as the **Seller**), both collectively referred to in this preliminary contract as the "Parties" and each individually as the "Party", acting in accordance with the Republic of Lithuania Law on Public Procurement and the Preliminary Contract for Sale and Purchase of the Products (Contract number) concluded between the Lithuanian Armed Forces and the (*Seller*) on (*date*), have concluded the present contract for public procurement and sale of the goods, hereinafter referred to as "the Contract", and agreed on the following conditions:

1. Object of the Contract:

- 1.1. The **Seller** agrees to sell and deliver to the **Buyer** the **tactical attack gloves** (hereinafter referred to as the products), corresponding to the requirements established in Annex 1 to the Contract "Technical specification for the tactical attack gloves" (hereinafter referred to as Annex 1) and manufactured in accordance with the approved working sample of the product.
- 1.2. The **Buyer** undertakes to pay for the delivered products, which are in conformity with the requirements established in Annex 1 to the Contract and the approved working sample, in accordance with the present Contract.
- 1.3. The products' quantities and prices are given in Annex 2 to the Contract "Quantities and prices of the products" (hereinafter referred to as Annex 2).

2. Contract price:

- 2.1. **EUR** _____ (___ euros ___ cents), including 21% value added tax (hereinafter referred to as the VAT) (*if applicable*). The price of the products shall be inclusive of all taxes and all the **Seller's** costs (warehousing, packaging, transportation, delivery and any other costs that may have an impact on the price or which may arise during the performance of the Contract).
- 2.2. In case of a change in the VAT, the Contract price shall be adjusted in accordance with the General Part of the Contract.

3. Place, term and conditions of delivery of the products:

- 3.1. The **Seller** agrees to deliver to the **Buyer** the products in conformity with the requirements established in the Contract within four (4) months from the entry into force of the Contract, awarded on the basis of the preliminary contract, in line with the sizes specified in Annex 3 to the

Contract "Supply of the products by sizes" (hereinafter referred to as Annex 3).

3.2. The deed of transfer and acceptance of the products will not be signed.

3.3. The **Seller** shall be required to specify the indexes of the products' batch and consignment on the packaging of the products and in the invoice. Each consignment of the same batch of the products shall be marked in the order of precedence. The quantity of the products shall be listed in the VAT invoice in accordance to the sizes.

3. The products shall be delivered to the **Buyer's** warehouse at Savanorių av. 8, Vilnius, the Depot Storage Service of the Lithuanian Armed Forces.

4. Payment procedure:

4.1. The **Buyer** shall pay to the **Seller** in accordance with the procedure established in Clause 4.1 of the General Part of the Contract.

4.2. Should the **Buyer** decide to, an advance payment, of up to thirty (30) percent of the amount specified in Clause 2 of the Special Part of the Contract, shall be made.

5. The **Buyer** shall be entitled to terminate the Contract in line with the procedure established in the General Part of the Contract:

5.1. If the **Seller** delays the delivery of the products by more than thirty (30) days from the deadline established in Clause 3.1 of the Special Part of the Contract;

5.2. If the **Seller** fails in fulfilment of the requirements under Article 6.6 of the Special Part of the Contract;

5.3. In the cases provided for in Clause 9.2 of the General Part of the Contract;

5.4. By the agreement of the Parties, as well as if the force majeure circumstances take longer than thirty (30) days and the both Parties fail to sign agreements on amendment of the present Contract, allowing the Parties to continue to fulfil their contractual obligations;

5.5. In other cases, provided for in the General Part of the Contract.

6. Quality of the products:

6.1. The products must be in compliance with the requirements specified in Annex 1 to the Contract as well as the approved working sample of the product. The product packaging and labelling must be in compliance with the requirements of the Regulations on the approval of the regulations for labelling of items (products) being sold and the indication of prices, approved by the Order of the Minister of Economy Republic of Lithuania No. 170 of 15 May 2002 (the requirements of their current version or the requirements of the respective legislation superseding them, if adopted).

6.2. The **Seller** undertakes to enable the **Buyer's** authorized representative to carry out the quality control of the manufacturing of the products in the process of the manufacturing, to check the products (materials and raw materials used for the production of the products), their original purchase documents.

6.3. The **Seller** warrants that the products and the materials from which they are made are free from defects and are in conformity with the requirements of Clause 6.1 of the Special Part of the Contract.

6.4. The **Seller** (if it is not a manufacturer of the products) must ensure that the manufacturer of the products would comply with the contractual requirements applicable to the products and their quality when manufacturing the product. The **Seller** shall be responsible for the compliance with these requirements and their supervision. The **Seller** shall be responsible for the quality control of the product in the manufacturing process and for the delivery to the **Buyer** of the product of good quality and in compliance with the requirements under the contract.

6.5. Product quality is assessed and the products are taken upon delivery of the products to the **Buyer**. Laboratory tests can be performed with the products in accordance with Clauses 5.5 to 5.7 of the General Part of the Contract. The amount of the products taken for the laboratory testing shall be no more than three (3) pairs of the product batch.

6.6. The **Seller** undertakes to discharge the obligations set forth in Clauses 3.5.1, 3.5.2 and 3.5.3 of

the General Part of the Contract, no later than within ninety (90) days from the entry into force of the Contract. The product quality assurance plan must be prepared in accordance with the LKS AQAP 2105 or ISO 10005 standard (*applicable where the Contract is awarded for the particular product, referred to in Annex 1 to the Preliminary Contract, for the first time*).

7. Quality guarantee:

7.1. The quality guarantee period of the products delivered by the **Seller** shall be twelve (12) months in the conditions of active use, which shall be calculated from the date of issuance of the products from the **Buyer's** warehouse and thirty six (36) months from the signing of the documents of acceptance of the products to the warehouse.

7.2. Clause 6.3. of the General Part of the Contract shall apply. The **Seller** must comply with the obligations referred to in Clause 6.3 of the General Part of the Contract no later than within thirty (30) days from the **Buyer's** written notice.

7.3. Clause 6.5. of the General Part of the Contract shall apply. The **Buyer** may decide to carry out laboratory tests in accordance with Clause 6.5 of the General Part of the Contract during the quality guarantee period. No more than three (3) pairs of the products shall be taken for laboratory testing from the selected consignment or each batch (if the consignment consists of several batches). The replacement of defective products with the good quality ones shall be carried out in accordance with the provisions of Clause 6.3 of the General Part of the Contract.

8. Security for the discharge of obligations:

8.1. the amount secured with a bank guarantee or a surety letter issued by an insurance company shall be ___ (___ euro ___ cents) (seven (7) percent of the price specified in Clause 2 of the Special Part of the Contract). The period of validity of the bank guarantee or the insurance company's surety letter *shall be the period specified in Clause 3.1 of the Special Part of the Contract plus two (2) months (applicable if the Contract price is greater than or equal to EUR 50 000 (fifty thousand euros))*.

8.2. a bank guarantee or the insurance company's surety letter must comply with the requirements of Clauses 12.1, 12.2 and 12.3 of the General Part of the Contract (applicable if the Contract price is greater than or equal to EUR 50 000 (fifty thousand euros)).

8.3. if the Contract price is less than 50 000 (fifty thousand euros), the bank guarantee or the insurance company's surety letter shall not be required. The minimum amount of minimum damages agreed by the Parties in advance in accordance with Clause 11.4 of the General Part of the Contract shall be 7% of the price specified in Clause 2 of the Special Part of the Contract.

9. Sub-suppliers. **Seller** shall not be employing sub-suppliers.

10. Miscellaneous:

10.1. The **Seller** undertakes to:

10.1.1. fulfil the obligations specified in Clause 8 of the General Part of the Contract and submit a signed copy of the Contract and the data required for the identification of the products purchased in accordance with the forms given in Annex 3 "Forms of the documents required for codification" to the Contract to the Lithuanian National Codification Bureau of Lithuanian Armed Forces Material Resources Department (tel. (8 5) 278 5250, fax (8 5) 210 3793);

10.1.2. along with each batch of the products to provide a declaration of conformity of the product's manufacturer according to sample form A.2 of DIN/ISO/IEC 17050-1, attesting that the products meet the requirements laid down in the Contract;

10.1.3. upon termination of the Contract on the grounds referred to in Clause 11.4 of the General Part of the Contract and Clauses 5.1 to 5.3 of the Special Part of the Contract, to pay to the **Buyer**, within fourteen (14) days (counting from the date of termination of the Contract), the minimum damages, in the amount of seven (7) percent of the contract price, agreed upon by the Parties in advance, but no more than the total value of all the outstanding obligations under the Contract;

10.1.4. having failed to deliver the products within the time period specified in Clause 3.1 of the Special Part of the Contract, to pay the **Buyer** minimum damages agreed upon in Clause 11.1 of

the General Part of the Contract for each day of delay.

10.2. The manufacturer referred in Annex 2 to the Contract may be subject to change. The change shall be documented in writing, upon the **Seller's** submission of the documents to the **Buyer**, showing that the products meet the requirements specified in the technical specifications of the relevant product, submitted in Annex 1 to the Preliminary Contract, and upon joint approval of the product's working sample.

10.3. The **Seller** shall appoint its representative to be responsible for the quality of the products supplied: *(name, phone, e-mail)*.

10.4. The **Buyer** shall appoint a contact person for the performance of the Contract *(name, position, telephone, e-mail)*.

10.5. Annexes to the Contract:

Annex 1 "Technical specification for the tactical attack gloves" *(to be attached when concluding the contract for the public procurement of the products)*;

Annex 2 "Quantities and prices of the products" *(to be attached when awarding the contract for the public procurement of the products)*;

Annex 3 "Forms of the documents required for codification", 2 sheets;

Annex 4 "Supply of the products according to the sizes" *(to be attached when awarding the contract for the public procurement of the products)*;

11. Validity of the Contract

The Contract shall be valid until complete fulfilment of all the contractual obligations.

12. Buyer's details

Lithuanian Armed Forces

Code 188732677

VAT payer code: LT887326716

Šv. Ignoto str. 8, LT-01144 Vilnius

Account No. LT48 7300 0100 0246 0179

Swedbank, AB

Correspondence, documentation shall be sent to:

Material Resources Department of the Lithuanian
Armed Forces

Savanorių av. 8, LT-03116 Vilnius

13. Seller's details

Group of undertakings:

UAB "Arveka"

LLC "SAFARILAND"

13386 International Parkway Jacksonville,
FL 32218, United States of America
SWIFT: BOFAUS3N

Invoice No. 3446408195

Bank of America, 50N. Laura Street,
Jacksonville

FL 32202, United States of America

BUYER

Lithuanian Armed Forces

on behalf of the Lithuanian Armed Forces
Logistics Command

Lt Col Ramūnas Baronas

SELLER

Group of undertakings:

UAB "Arveka"

LLC "SAFARILAND"

on behalf of the Group of undertakings
LLC "SAFARILAND"
VP Managing Director

Debbie Conley
Debbie Conley

CONTRACT FOR THE PURCHASE AND SALE OF GOODS

GENERAL PART

1. Definitions

1.1. For the purposes of this Contract, the following definitions shall apply:

1.1.1. Contract shall mean the General Part and the Special Part of this Contract for the Purchase and Sale of the Goods and the annexes to the Contract for the purchase and sale of Goods.

1.1.2. Parties shall mean the **Purchaser** and the **Seller**:

1.1.2.1. **Purchaser** shall mean the Party with the details specified in the Contract which purchases the Good under the terms and conditions laid down in this Contract;

1.1.2.2. **Seller** shall mean the Party with the details specified in the Contract which sells the Good under the terms and conditions laid down in this Contract.

1.1.3. **Recipient** – unit of the Purchaser, to which the Goods are delivered, indicated in the Special Part of the Contract or Annex(s) hereto.

1.1.4. Third Party shall mean any natural person or legal entity (including the state, public authorities, municipality, municipal authorities), which is not a party to this Contract.

1.1.5. Licences shall mean all licences and/or permits required for the performance of the Contract.

1.1.6. Object of the Contract shall mean the goods and all services relating to the selling thereof (personnel training, installation, delivery, etc.) agreed upon by the Parties in the Special Part hereof and corresponding to the requirements of stated by the Purchaser.

1.1.7. Minimal losses agreed by the Parties in advance shall mean an undisputable amount established in the Contract or calculated under the procedure set forth in the Contract which the **Seller** undertakes to pay to the **Purchaser** in the event of non-performance or improper performance of the obligation.

1.1.8. Rules of Marketing shall mean the price determined in the Contract or the rules of calculation and correction of the contract price.

1.1.9. Consignment of Goods shall mean the quantity of goods delivered at one time.

1.1.10. Lot of Goods shall mean consignments of goods manufactured from the same lot of material.

1.1.11. Lot of Materials shall mean a certain amount of material produced from the same raw materials obtained from the same **Seller** following the same technology and under the same terms and conditions. A certificate of conformity shall be considered a proof of the quality of a lot of material concerned.

1.2. The calculation of the minimal losses agreed by the Parties in advance shall commence as of the following day of the term of payment and expire upon the performance of obligations by the Party (the day of performance of the obligations shall be considered the final day of calculation).

1.3. The headings of the parts and articles of the contract are for convenience only and may only be used in the interpretation of the Contract as an additional tool.

1.4. Unless otherwise set out in the Contract, the duration and other terms of the Contract shall be calculated in calendar days.

1.5. Should the payment term coincide with public holidays and days-off in the Republic of Lithuania, the payment term under the Contract shall be the following business day.

1.6. If required by the context, words in the singular may include the plural and vice versa.

1.7. Where the meaning expressed in words differs from the meaning expressed in numbers, the verbal meaning shall prevail.

2. Contract Price/Rates

2.1. Contract price/rates shall mean the amount that the **Purchaser** undertakes to pay to the **Seller** in accordance with the procedure and terms stipulated in the Contract.

2.2. Contract price/rates are stable and shall not be changed throughout the validity period of the Contract, unless the VAT/excise rate applicable to the goods changes after signing the Contract. The recalculated price/rates shall be executed by a written agreement of the Parties and applicable to the goods delivered after the day of entry into force of such agreement signed by the Parties (*if the Special Part provides for such a condition*).

2.3. The rates of the goods shall be changed in accordance with the rules of marketing established in the annex to the Contract. The recalculated price/rates shall be executed by a written agreement of the Parties and applicable to the goods delivered after the day of entry into force of such agreement signed by the Parties (*if the Special Part provides for such a condition*).

2.4. The Contract price shall be inclusive of the price of the goods, any costs and taxes. The rates of the goods shall be inclusive of all costs and taxes relating to the sale of the goods (*applicable if the Contract does not provide for the Contract price*). The **Seller** shall add all costs relating to the supply of the goods into the Contract price, including but not limited to:

2.4.1. Costs of logistics (transportation);

2.4.2. Packing, loading, transit, unloading, unpacking, check-up, insurance and other costs relating to the supply of the goods;

2.4.3. All costs relating to the issue and provision of the documents required by the **Purchaser**;

2.4.4. Costs of on-site assemblage and/or launch into operation, and/or maintenance of the goods delivered;

2.4.5. Costs of supply with the tools required for the assemblage and/or maintenance of the goods delivered;

2.4.6. Costs of providing the use & care guides stipulated in the Technical Specification;

2.4.7. Warranty repair costs of the goods.

2.5. The risk of foreign currency fluctuations and changes in manufacturers' prices shall be assumed by the **Seller**.

3. Terms and Conditions for the Supply of the Goods

3.1. The goods shall be delivered in accordance with the terms and procedure provided for in the Special Part of the Contract (or the annex(s) to the Contract).

3.2. The **Seller** shall deliver the goods at its own risk without additional payment. The **Purchaser** shall acquire the ownership right to the goods upon signing the Delivery and Acceptance Certificate by both Parties which shall only be signed in case the goods are of high quality and comply with the requirements set forth in the Contract and the annex(s) hereto (*if signed*). If the delivered goods are qualitative and corresponds to the requirements stated in the Contract and annex(s) hereto (*if signed*) the Delivery and Acceptance Certificate shall be signed within 30 days except when laboratory tests are carried out for the goods.

3.3. The **Purchaser** shall not pay for the goods supplied in excess of the amounts specified in the applications/orders.

3.4. If the **Seller** shall deliver consignment of the goods which is less than it is specified in the Contract /applications/orders, the **Purchaser** shall return the consignment of the goods to the **Seller**, it shall be deemed that the goods have not been delivered, and the penalties provided in paragraph 11.1 of the General part of the Contract shall be applied to the Seller (in case the delivery term of the goods is missed).

3.5. The **Seller** shall after the entry into force of the Contract carry out the following actions set out in the Special Part hereof under the terms established:

3.5.1. prepare, produce, agree with the **Purchaser** and approve the working reference samples of the goods purchased (2 copies; one to the **Purchaser** and one to the **Seller**) in compliance with the

requirements established in the Contract or the annex(s) hereto (*if the Special Part provides for such a provision*);

3.5.2. agree with the **Purchaser** and submit the plan for assurance of quality of goods to be provided prepared in accordance with the Recommendations of Preparation of the Plan for Assurance of Quality to be Provided or the standards laid down in the Special Part hereof (*if the Special Part provides for such a condition*);

3.5.3. agree the use & care guide for the good which shall accompany each good with the **Purchaser** (*if the Special Part provides for such a condition*).

3.6. The **Purchaser** shall return the working reference samples of the goods specified in Clause 3.5 hereof and the accompanying samples of the main and auxiliary materials used in the production of the goods to the **Seller** as soon as the **Seller** performs all contractual obligations, including warranty obligations.

3.7. If during the validity period of the Contract the manufacturer of the good changes/upgrades the model of the good purchased hereunder specified in the annex(s) to the Contract, the **Seller** shall have a right to deliver the goods of a new model upon negotiating and signing of an additional agreement with the **Purchaser**. The goods of a new model shall comply with the requirements for the purchased goods set forth in the Contract or the annex(s) hereto for the same price and their technical data may not be inferior to the technical data of the goods which constitute the subject-matter of the Contract. The goods of a new model shall match with other goods purchased hereunder and with the goods disposable by the **Purchaser**.

4. Terms and Conditions of Payment

4.1. The **Seller** shall be paid when the object of the Contract in conformity with the requirements established in the Contract and the annex(s) hereto is handed over to the **Purchaser** upon signing the Delivery and Acceptance Certificate by both Parties (*if signed*) within 30 (thirty) days of signing the Delivery and Acceptance Certificate (*if signed*) and receipt of the invoice (the invoice shall be also send by electronic means). If another payment terms are determined they shall be indicated in the Special Part of the Contract.

4.2. After delivery of the goods by the **Seller**, the **Purchaser** shall have the right to decide within 3 (three) days as to whether laboratory tests will or will not be performed in respect of the Goods (lot and/or consignment of the goods concerned) delivered by the **Seller** in order to make sure that the goods are in compliance with the requirements set out in the Contract and the annex(s) hereto. Should the **Purchaser** decide that laboratory tests will not be performed in respect of the goods, the goods in conformity with the requirements set forth in the Contract and the annex(s) hereto shall be accepted and the **Purchaser** shall pay the **Seller** for the goods accepted within 30 (thirty) days of receipt of the invoice. Should the **Purchaser** decide that laboratory tests in respect of the goods are required, the payment for the goods shall be made within 30 (thirty) days of receipt of the results of laboratory tests and confirmation that the goods meet the requirements set out in the Contract and the annex(s) hereto (*if the Special Part provides for such a condition*).

4.3. Where the **Purchaser** decides to pay for the goods in advance, the **Seller** shall be notified thereof and shall submit bank guarantee or security bond from an insurance company for advance payment for the amount of the advance payment paid by the **Purchaser** (the guarantee shall be valid 2 (two) months longer than the term for the delivery of the goods) and an invoice for advance payment within 5 (five) business days of receipt of the notice.

4.4. Record certifying that the guarantor shall irrevocably and unconditionally undertake to pay the **Purchaser** an amount not exceeding the amount indicated in the bank guarantee/security bond by transferring the money to the Purchaser's account within 14 (fourteen) days after receipt of written notice from the **Purchaser**, confirming termination of the Contract, shall be written in the bank guarantee or in the security bond.

4.5. It cannot be stated that the guarantor is liable only for compensation of direct damages. Any terms or conditions which would oblige the **Purchaser** to prove the guarantee or surety bond issuing company that the Contract with the **Seller** was terminated legally or otherwise shall allow the guarantee or surety bond issuing company not to pay (or delay payment) the amount secured by the guarantee or surety bond, cannot be specified.

4.6. Advance payment bank guarantee or insurance company surety bond not corresponding to the requirements stated in the Articles 4.3-4.5 of the General Part of the Contract shall not be accepted. In this case, it will be assumed that the **Seller** failed to provide an advance payment bank guarantee or surety bond from the insurance company Article 4.1 of the Contract shall be applied

4.7. The **Purchaser** shall pay the advance payment within 10 (ten) days of receipt of a bank guarantee for advance payment and an invoice for advance payment (*if the Special Part provides for such a condition*).

5. Quality of the Goods

5.1. The goods shall comply with the requirements set forth in the Contract and the annex(s) hereto.

5.2. The **Seller** agrees that in compliance with the requirements of LKS STANAG 4107, the Government Quality Assurance Representative in Lithuania may apply to a relevant subdivision of the Government Quality Assurance of a NATO member country or organisation in the **Seller's** country to ensure the performance of supervision of the Government Quality Assurance during the validity period of the Contract (*if the Special Part provides for such a condition*). If the **Seller** is not a manufacturer, the said requirement shall be included into the contract between the **Seller** and the supplier manufacturing the goods by notifying the **Purchaser** thereof (*if the Special Part provides for such a condition*).

5.3. In case the non-conformity of the goods with the requirements laid down in the Contract and the annex(s) hereto is identified at the time of acceptance of the goods, the **Seller's** representatives shall be immediately invited, the certificate shall be issued in their presence, the goods shall not be accepted and the **Seller** shall be subject to contractual liability (in this case, the contractual liability shall apply if the term of delivery of the goods has already expired).

5.4. If a conflict over the quality of the goods cannot be resolved by mutual agreement of the Parties, the Parties shall reserve the right to invite independent experts. All costs relating to the work of experts shall be borne by the non-prevailing Party.

5.5. If in accordance with Clause 4.2 of the General Part hereof the **Purchaser** decides to carry out laboratory tests in respect of the goods from the consignment of the goods selected, the amount of the goods indicated in the Special Part hereof the compliance to the requirements set forth in the Contract and the annex(s) hereto of which will be tested shall be selected in the presence of the **Seller's** representative (*if the Special Part provides for such a condition*).

5.6. If laboratory tests inspecting the compliance of the goods with the requirements set out in the Contract and the annex(s) hereto reveal that the good does not comply with the said requirements, a certificate shall be executed, the remaining goods (lot and/or consignment) shall not be accepted and the total amount of goods shall be returned to the **Seller**. The payment for the goods shall not be made and it shall be deemed that the goods were not delivered, and the **Seller** shall be subject to the sanctions provided for in Clause 11.1 of the General Part hereof. If the laboratory tests reveal non-conformity of the goods with the requirements laid down in the Contract and the annex(s) hereto, the **Purchaser** shall not cover the costs of the goods used for testing purposes, while the **Seller** shall bear the cost of the laboratory tests and pay the **Purchaser** the liquidated damages of 10% of the value of the defective lot, which shall be intended to cover administrative costs of the **Purchaser** incurred through arrangement of laboratory test procedures. In such a case, the **Seller** shall replace the goods in non-conformity with the requirements established in the Contract and the annex(s) hereto returned to it with new goods in conformity with the requirements provided for in the

Contract and the annex(s) hereto. The replacement of the goods shall be carried out in accordance with the procedure established in the Special Part hereof (*if the Special Part provides for such a condition*).

5.7. If the laboratory tests conducted in respect of conformity of the Goods with the requirements set out in the Contract or the annex(s) hereto reveal conformity of the goods with such requirements, the **Purchaser** shall cover the cost of the laboratory tests, while the **Seller** shall replace the goods used for the purpose of laboratory testing with new goods free of charge.

6. Quality Guarantee Period of the Goods

6.1. The goods shall be covered by a quality guarantee period /useful life laid down in the Special Part of the Contract (or the annex hereto).

6.2. The **Seller** shall within the term specified in the Special Part of the Contract during the quality guarantee period replace the defective good by a new good in compliance with the requirements set out in the Contract or the annex(s) hereto for a period of elimination of defects at its own cost (*if the Special Part provides for such a condition*).

6.3. The **Seller** shall within the term specified in the Special Part of the Contract during the quality guarantee period of the goods remove the defects of the goods at its own cost or, if the defects cannot be removed, replace the defective good with a new good in compliance with the requirements set out in the Contract or the annex(s) hereto at its own cost / the **Seller** shall within the term specified in the Special Part of the Contract during the useful life replace the goods with the goods in conformity with the requirements set forth in the Contract or the annex(s) hereto at its own cost (*if the Special Part provides for such a condition*).

6.4. The **Seller** shall be notified of any defects of the goods identified during the quality guarantee period /useful life in writing (by fax or mail). Quality claims shall be accepted throughout the warranty period/useful life.

6.5. The Purchaser may decide to carry out laboratory tests in respect of the goods from the consignment of the goods selected or from each lot of the goods (if the consignment consists of several lots) during the quality guarantee period, the amount of the goods indicated in the Special Part hereof the compliance to the requirements set forth in the Contract and the annex(s) hereto of which will be tested shall be selected in the presence of the **Seller's** representative (*if the Special Part provides for such a condition*). If the laboratory tests reveal non-conformity of the goods with the requirements laid down in the Contract and the annex(s) hereto the whole consignment/lot shall be rejected as defective and the Seller shall cover all the costs of laboratory tests.

6.6. In case the good is replaced with a new good, it shall be covered by a new quality guarantee period specified in the Special Part of the Contract which shall be calculated as of the day of signing the taking-over certificate of a new good.

6.7. The quality guarantee period of the goods which the **Purchaser** could not use during the period of elimination of defects shall be extended for a period equal to the period of elimination of defects.

6.8. The warranty specified in the Special Part of the Contract (or the annex hereto) shall not apply if the **Seller** is able to prove that the defects of the goods originated due to incorrect or improper conduct of the **Purchaser** or the third parties, or *force majeure*.

7. Force Majeure

7.1. The Party shall be released from responsibility for the non-performance of any contractual obligations if it can prove that such non-performance was due to unusual circumstances which the Parties could not control or reasonably foresee or prevent the occurrence of such circumstances or

the consequences thereof. For the purposes of this Contract, *force majeure* shall be considered to be the circumstances defined in Article 6.212 of the Civil Code of the Republic of Lithuania and the Rules Governing the Release from Liability in the Event of *Force Majeure* approved by Government of the Republic of Lithuania Resolution No. 840 of 15 July 1996. In identifying *force majeure* circumstances, the Parties shall follow Resolution No. 222 of the Government of the Republic of Lithuania of 13 March 1997 "On the Approval of the Procedure of the Issue of Certificates Testifying the Presence of *Force Majeure* Circumstances" or the regulatory legal acts replacing it. In the presence of *force majeure* circumstances, the Parties shall be exempted from liability for the non-performance of the contractual obligations, partial non-performance or improper performance thereof in accordance with the procedure established in the legal acts of the Republic of Lithuania, and the term for the performance of obligations shall be extended.

7.2. The Party requesting a release from liability shall notify the other Party of the *force majeure* circumstances in writing immediately but no later than within 10 (ten) business days of the day of the occurrence or discovery of existence of such circumstances by providing evidence to all reasonable precautions taken by it and to every possible effort made by it to reduce the costs or negative consequences, as well as communicate the expected term for the performance of obligations. The notice shall be also required upon the expiry of the grounds for the non-performance of obligations.

8. Codification

8.1. The **Seller** shall within 5 (five) days of entry into force of the Contract submit a signed copy of the Contract accompanied by the information required for identification of the goods purchased in accordance with the forms "List of Tangibles to be Codified" and "Information about the Manufacturer or the Supplier" provided in the annex hereto to the address specified by the **Purchaser**. The **Seller** shall provide the completed and signed forms in electronic or paper form (*if the Special Part provides for such a condition*).

8.2. At the **Purchaser's** request, the **Seller** shall within 5 (five) days submit the additional technical documentation required for codification free of charge (e.g. technical characteristics, drawings, photographs, catalogues, links, etc.).

9. Termination of the Contract

9.1. The Contract may be terminated:

9.1.1. By written agreement of the Parties;

9.1.2. If force majeure circumstances persist for a longer period than the number of days indicated in the Special Part of the Contract (depending on the specific characteristics of performance of the Contract a particular period from 14 till 60 days may be indicated in the Special Part of the Contract) and the Parties have not executed any agreements to amend the Contract permitting the Parties to continue the performance of their contractual obligations.

9.2. The **Purchaser** may terminate this Contract unilaterally by a prior 7 (seven) day written notice to the **Seller** if:

9.2.1. The **Seller** is late to deliver the goods by the term specified in the Special Part hereof;

9.2.2. The **Seller** is in delay to provide (or informs that will not provide) the goods in accordance with the contractual obligations;

9.2.3. The **Seller** increases the prices/rates of the goods, except for the case set forth in Clause 2.2 of the General Part of the Contract;

9.2.4. The **Seller** fails to comply with or improperly complies with the warranty obligations set forth in Clause 6 of the General Part of the Contract;

9.2.5. The **Seller** fails to perform the obligation laid down in Clause 12.4 of the General Part of the Contract (*in case the performance of the Contract will be secured by a surety bond or a bank guarantee*);

9.2.6. The quality of the goods delivered by the **Seller** is in non-conformity with the requirements established in the Contract and the annex(s) hereto;

9.2.7. The **Seller** fails to provide a bank guarantee for advance payment valid for a period not shorter than the period specified in Clause 4.3. of the General Part of the Contract in due time (*if the terms and conditions of the Contract provide for advance payment*).

9.2.8. The **Seller** is under liquidation procedure or applied to the court for bankruptcy or restructuring proceedings, or is the subject of bankruptcy or restructuring proceedings, or judicial decision on the initiation of bankruptcy proceedings was decreed.

9.3. Upon termination of the Contract, the **Seller** shall within 10 (ten) days of termination of the Contract return the advance payment paid for the goods that were not delivered to the **Purchaser** (if the advance payment was paid).

10. Dispute Settlement Procedure

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

10.2. All disputes or disagreements arising between the Parties in relation to the Contract shall be solved by way of negotiations; if the Parties fail to solve the dispute, it shall be examined in accordance with the procedure established by the legal acts of the Republic of Lithuania at the courts of the Republic of Lithuania in respect of the domicile of the **Purchaser** (or if the Purchaser is not a legal person but the unit of the Lithuanian Armed Forces - "according to a legal person's - the Lithuanian Armed Forces").

11. Liability

11.1. In the event of delayed delivery of the goods by the term specified in the Special Part hereof, the **Seller** shall pay the **Purchaser** the liquidated damages of 0.2 % of the amount of the value of undelivered goods for each day/hour of delay (applied depending on the term of the obligation indicated in a special part of the contract), the payment of which shall not release the **Seller** from the obligation to cover all the losses incurred by the **Purchaser** in relation to the **Seller's** failure to perform or improper performance of the Contract. The **Seller** undertakes to pay the liquidated damages within the period specified in the invoice or the claim.

11.2. Where the **Seller** fails to fulfil its obligations within the term indicated in the Article 6.2 of the Special Part of the Contract the **Seller** shall pay the **Purchaser** the liquidated damages agreed by the Parties in advance, which shall make up 0.2% of the value of the goods which are not replaced for each day/hour of delay, the payment of which shall not release the **Seller** from the obligation to cover all the losses incurred by the **Purchaser** in the event of the **Seller's** failure to perform or improper performance of its obligations relating to the warranty/useful life of the goods.

11.3. Where the **Seller** fails to fulfil its obligations within the term indicated in the Article 6.3 of the Special Part of the Contract during quality guarantee/useful life period, the **Seller** shall pay the **Purchaser** the liquidated damages agreed by the parties in advance, which shall make up 0.2% of the value of the goods which are not replaced for each day/hour of delay, the payment of which shall not release the **Seller** from the obligation to cover all the losses incurred by the **Purchaser** in the event of the **Seller's** failure to perform or improper performance of its obligations relating to the warranty/useful life of the goods.

11.4. Where the Contract is terminated on the grounds specified in Clauses 9.2.1, 9.2.2, 9.2.3, 9.2.5, 9.2.6 (9.2.7. (*if advance payment is provided for in the terms and conditions of the Contract*)), the **Seller** shall within 14 (fourteen) days (as of the day of termination of the Contract) pay the **Purchaser** the liquidated damages, which equal to 7 (seven) % of the contract price (or the total tender price (including VAT – *in case VAT is included into the contract price*) (a specific percentage or specific fixed amount indicated in the Special Part of the Contract)) which shall not exceed the total value of all outstanding obligations under the Contract. The payment of the

liquidated damages shall not release the **Seller** from the obligation to cover all the losses incurred by the **Purchaser** due to non-performance or improper performance of the Contract by the **Seller**.

11.5. If the Contract is terminated on the grounds provided for in Clause 9.2.4. of the General Part hereof, the **Seller** shall within 7 (seven) days (as of the day of termination of the Contract) pay the **Purchaser** the liquidated damages equal to the purchase value of defective goods which shall not exceed the total value of the outstanding obligations hereunder. The payment of the liquidated damages shall not release the **Seller** from the obligation to cover all the losses incurred by the **Purchaser** due to non-performance or improper performance of the Contract by the **Seller**.

11.6. Other cases of application of contractual liability to the **Seller** are specified in the Special Part hereof.

11.7. Delayed financing from the budget shall be deemed the grounds for absolute release of the **Purchaser** from civil liability and payment of default interest on overdue payment.

12. Validity of the Contract

12.1. The Contract shall take effect from the signature of both Parties (*this condition shall apply if the performance of the Contract will not be secured by a security bond or a bank guarantee*) and submission of the Contract performance guarantee of a bank or the security bond of an insurance company by the **Seller** to the **Purchaser** which guarantees the payment of the amount indicated in Clause 11.4 of the General Part hereof (if the **Purchaser** terminates the Contract on any grounds listed in Clauses 9.2.1 – 9.2.7, the guarantor/surety shall pay the amount indicated in Clause 11.4 of the General Part hereof). The guarantee or the security bond indicating that the guarantor or the surety is liable only for indemnification of direct damages shall not be accepted as the guarantor or the surety must undertake to indemnify the specific Contract performance amount indicated in Clause 11.4 hereof) (*in case the contract performance will be secured by a security bond or a bank guarantee*).

12.2. The guarantor/surety shall irrevocably and unconditionally undertake to perform the duty and pay the amount undertaken by transferring the amount to the **Purchaser's** account within 14 (fourteen) days of a written notice confirming the termination of the Contract at the **Seller's** fault on the grounds provided for in the Contract (*in case the contract performance will be secured by a security bond or a bank guarantee*).

12.3. The **Seller** shall within 5 (five) business days of signing the Contract submit the Contract performance guarantee of a bank or the security bond of an insurance company specified in Clause 12.1 of the General Part hereof to the **Purchaser** which shall be valid two months longer than the term of delivery of the goods provided for in the Special Part hereof. Payment of the amount specified in the Contract Performance Guarantee of a bank or the security bond of an insurance company shall not be deemed to constitute full compensation of damages incurred by the **Purchaser** and shall not release the **Seller** from the obligation to cover such damages in full (*in case the performance of the contract will be secured by a security bond or a bank guarantee*).

12.4. If the legal entity which has issued the Contract performance guarantee (a bank or an insurance company) is unable to perform its obligations in the period of validity of the Contract, the **Seller** shall within 10 (ten) days provide a new Contract performance guarantee under the same terms and conditions. If the **Seller** fails to provide a new Contract performance guarantee, the **Purchaser** shall have the right to terminate the Contract under the procedure stipulated in Clause 9.2.5 of the General Part hereof.

12.5. The Contract Performance Guarantee shall be returned within 10 (ten) days of expiry of the performance guarantee upon a written request of the **Seller**.

12.6. The provisions of the Contract may not be amended during the validity term of the Procurement Contract, except for the provisions of the Contract which, if amended, would not constitute a breach of the principles and objectives stipulated in Article 3 of the Law on Public Procurement and provided that such amendments to the provisions of the Contract have been

authorised by the Public Procurement Office. Correction of the provisions of the Contract under the circumstances provided for herein, if such circumstances are clearly and unequivocally defined and stated in the Terms and Conditions of Tender, shall not be deemed to constitute amendments to the provisions of the Contract.

12.7. Should the Parties identify technical oversights or spelling mistakes (false transfer of provisions from a tender or the procurement terms and conditions, etc.), the persons responsible for the performance of the Contract or the details of the Parties specified herein change during the period of validity of the Contract, the Parties may by a written agreement correct the provisions of the Contract without applying to the Public Procurement Office. Such correction of the provisions of the Contract shall not be considered a change of the provisions of the Contract.

12.8. The Contract may be extended under the terms and conditions laid down in the Special Part hereof.

12.9. The expiry term of the Contract provided in the Special Part of the Contract shall not end the obligations of the Parties indicated in the Contract and shall not release from civil liabilities in the event of breach of the Contract.

13. Correspondence

13.1. The notices in the Lithuanian/English languages (*applicable where the contract is executed in English*) delivered between the **Purchaser** and the **Seller** shall be executed in writing. The notices between the Parties shall be sent by mail, e-mail, fax or delivered in person. The notices shall be sent to the addresses and numbers specified in the details of the Parties in the Special Part hereof. If the sender requires an acknowledgement of receipt, the sender shall indicate such a request in its notice. In case any deadline of reply to a written notice is established, the sender should include a request of acknowledgement of receipt of a written notice.

13.2. The Parties shall within 3 (three) business days notify one another in writing of the change in the contact details of the Party specified in the Special Part hereof. Either Party failing to notify of the change of its details in a timely manner shall not be entitled to file any claims in respect of any actions performed by the other Party following the details of the Party provided in this Contract.

14. Confidentiality

14.1. The Parties shall ensure that the information communicated by one Party to another will be used for the purposes of the Contract exclusively and shall not be used in such a way that would inflict harm on the Party communicating the information.

14.2. The Parties shall ensure the confidentiality of all information known to them and/or entrusted to them throughout the validity of the Contract, upon expiry or termination hereof.

14.3. Unless otherwise provided for in the legal acts of the Republic of Lithuania, the **Seller** shall not use the information entrusted to it by the **Purchaser** either in its personal interest or in the interest of any third parties or disclose such information to other parties without a prior written agreement of the **Purchaser**.

15. Final Provisions

15.1. The Contract has been executed in the Lithuanian/English/Lithuanian and the English languages in two/four counterpart copies (one/two copies to each Party) (*depending on the languages in which the contract will be executed*). Both texts are equally authentic and legally binding. In the event of any discrepancies between the texts in the Lithuanian and English languages, the text in English shall prevail (applicable where the contract is concluded with a foreign seller in the Lithuanian and English languages).

15.2. The Contract is constituted of the General Part and the Special Part, as well as the annex(s) hereto. All annexes to this Contract shall constitute an integral part hereof.

15.3. Neither Party shall be entitled to assign its rights and obligations under the Contract to any third party without a prior written consent of the other Party.

15.4. Unless otherwise provided in the Special Part of the Contract the **Seller** shall pay the **Purchaser** the minimum losses agreed upon by the Parties in advance to an extent of 5 percent of the of the contract/tender price for breach of obligation stated in the Article 15.3 of the Contract.

15.5. The **Seller** warrants that it has all licences required for the performance of the Contract. The **Seller** shall cover the **Purchaser's** losses in case any claims are put forward to the **Purchaser** or proceedings brought regarding the violations related to the patents or licences concerning the Contract or committed in the period of performance of the Contract.

15.6. The Parties hereby confirm that when entering into the present Contract they did not exceed or breach their competence (articles of association, regulations, statute, any resolution, decision, order of the managing body of the Party (owner, incorporator or other competent entity), any binding legal act (including local, individual), transaction, court decision (ruling, judgement), etc.).

15.7. The person/persons appointed by the **Seller** who act on behalf of the **Seller**, accept and confirm the orders for the goods placed by the **Purchaser**, the estimate for the goods supplied, participate in the meetings with the **Purchaser** and carry out other actions required for the proper performance of the Contract are specified in the Special Part hereof.

15.8. The person/persons appointed by the **Purchaser** who act on behalf of the **Purchaser**, place orders for the goods, the estimate for the goods to the **Seller**, participate in the meetings with the **Seller** and carry out other actions necessary for the proper performance of the Contract are specified in the Special Part hereof.

BUYER
Lithuanian Armed Forces

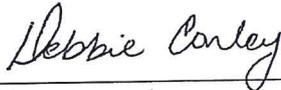
on behalf of the Lithuanian Armed Forces
Logistics Command

Lt Col Ramūnas Baronas



SELLER
Group of undertakings:
UAB "Arveka"
LLC "SAFARILAND"

on behalf of the group of undertakings
LLC "SAFARILAND"
VP Managing Director


Debbie Conley

Annex No. 3
to the Contract for public procurement of the goods No. KPS-

FORMS OF THE DOCUMENTS REQUIRED FOR THE CODIFICATION

List of Codified Tangible Assets

Presenter of the list and date:

Contract number:

Date of Contract:

Attached documents:

No.	Supplier	NCAGE	Actual manufacturer	NCAGE	Factory number or other identification code	NSN code (if available)	Name	Price

Instructions for filling-in of the list of codified tangible assets

Column	Instruction
Presenter of the list and date	Enter the service that is submitting the list and date when the list is filled in
Contract number	Enter the Contract number.
Contract date	Enter the date of the Contract that includes provisions regarding codification.
Attached documents	Indicate what documents (or electronic files) are attached (description, drawings, etc.), number of pages of documents.
Supplier	Indicate the supplier of tangible assets.
NCAGE	Enter the supplier's NCAGE code, if available.
Actual manufacturer	If supplier is not the actual manufacturer of tangible assets, indicate the actual manufacturer.
NCAGE	Enter the NCAGE code of the actual manufacturer, if available
Factory number of other identification code	Indicate the factory number (article) given by the actual manufacturer or other unique identification number of the tangible assets.
NSN code	This column is be filled in, if foreign tangible assets are purchased and NSN code is available.
Name	Indicate name of tangible assets offered by the manufacturer
Price	Indicate price for tangible assets.

INFORMATION ON MANUFACTURER OR SUPPLIER

No.	NCAGE	Name	Address	Phone No.	Fax No.	E-mail address	Company code	Supplier	Manufacturer

Instructions for filling-in of form „Information on the Manufacturer or Supplier“

Column	Instruction
NCAGE *	Enter the supplier's or manufacturer's NCAGE code (if it is granted and available).
Name	Indicate exact name of the supplier.
Address	Indicate exact address of supplier or manufacturer (and zip code).
Phone No.	Enter the phone number of the supplier or manufacturer (city code is necessary).
Fax No.	Enter the fax number of the supplier or manufacturer (city code is necessary).
E-mail address	Enter the e-mail address of the supplier or manufacturer.
Company code	Enter the company number of the supplier or manufacturer.
Supplier (manufacturer)	Mark the right variant (XX) (i.e. whether the supplier is the actual manufacturer of tangible assets or it acts only as a distributor of products of other manufacturers).

* fields marked with asterisk are not obligatory. Other fields, not marked with asterisk, are obligatory.

BUYER

Lithuanian Armed Forces

On behalf of Lithuanian Armed Forces
Commander of the Logistics Support Command

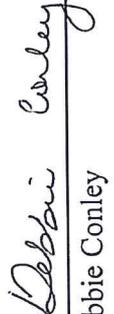

Lt. Col. Ramūnas Baronas

SELLER

Group of undertakings:

UAB "Arveka", LLC "SAFARILAND"

on behalf of the group of undertakings
LLC "SAFARILAND" VP Managing Director


Debbie Conley



