

CONTRACT FOR PUBLIC PURCHASE AND SALE OF SERVICES

I. SPECIAL PART

23d. rugpjūtis 2025 No. *1-73*
Klaipėda

The Naval Logistics Service of the Lithuanian armed forces, represented by Chief of Lithuanian Naval Logistics Service CDR Gintaras Stulginskis (hereinafter referred to as the **Purchaser**), and **Navielektro KY**, represented by CEO (Chief Executive Officer) Asser Koivisto acting pursuant to as an owner of the company (hereinafter – the **Provider**), hereinafter jointly referred to as the “Parties” in this **Contract** for Public Purchase and Sale of Services and each of them separately is referred to as the “Party”, acting in accordance with the Law on Public Procurements of the Republic of Lithuania (hereinafter referred to as The Law), have concluded the following **Contract** for Public Purchase and Sale of Services, which is further referred to as the “**Contract**”, and agreed regarding the following terms and conditions.

1. Subject-matter of the Contract

1.1. The **Provider** shall provide and the **Purchaser** shall purchase **connection services of the electro-optical surveillance system (EOS) to the sea surveillance information system (SSIS)** (hereinafter – Services), corresponding to the requirements set out in Contract Annex No. 1 “Technical requirements for the connection services of the electro-optical surveillance system to the sea surveillance information system” (hereinafter – Annex 1) and other requirements specified in the **Contract**.

1.2. The **Purchaser** undertakes to accept the Services complying with the requirements set forth in Annex 1 and pay for them in accordance with the procedure laid down in the **Contract**.

2. Contract price/value/the price of the Services/pricing rules

2.1. The price of the Contract is 97.500 EUR (ninety seven thousand five hundred euros) without Value Added Tax (hereinafter – VAT).

2.2. The Contract is subject to fixed-price pricing rules. The cases and the conditions of price variation are provided in clauses 2.2 and 2.3 of the General Part of the Contract.

2.3. The Service price cannot be increased during the entire period of validity of the Contract, except for the case when the VAT applied to the Services changes after the signing of the Contract. In the event of a change in the amount of VAT applied to Services, the price of Services are changed and applied in accordance with the procedure established in clause 2.2 of the general part of the Contract and after revision

2.4. The price of the Services shall include all taxes and all costs related to the provision of the Services and proper performance of the **Contract**. If any works, services, materials or taxes are not included, it shall be deemed that they will be provided free of charge and shall be calculated at the **Provider's** expense. The **Provider** shall have no right to request to cover any additional costs in connection with the performance of the **Contract**.

2.5. All taxes, fees, duties and charges applicable to this Contract in the country of the **Provider** registration shall be paid by the **Provider**.

2.6. If any works, services, materials or taxes are not included in **Provider's** invoices, it shall be deemed that they will be provided free of charge and shall be calculated at the **Provider's** expense. The **Provider** shall have no right to request to cover any additional costs in connection with the performance of the Contract.

3. Place of Service Provision, its Terms and Conditions

3.1. **The Provider** undertakes to connect 3 (three) electro-optical systems DAT-CON IID900/A1000 (hereinafter referred to as EOS), owned by the **Purchaser**, to the Sea Surveillance Information System (SSIS). Place where the Services must be provided: Naujoji Uosto str. 24, Klaipėda, LT-92244, Lithuania Republic.

3.2. The Services shall include the delivery, installation and configuration of all required hardware and software to control the EOS and display its video information at any SSIS user workstation.

3.3. Prior to the commencement of the provision of Services specified in Annex 1, the **Provider** undertakes to draw up and agree with the **Purchaser's** representative a schedule for the performance of the Services.

3.4. The Services shall be accepted by signing a Certificate on Transfer and Acceptance (hereinafter referred to as Annex 2) in accordance with clause 3.2 of the General Part of the **Contract**.

3.5. **The Provider** shall ensure that the circumstances specified in Article 45(2¹) of the Law do not arise at the time of conclusion and performance of the **Contract**. **The Purchaser** shall have the right at any time to request that the **Provider** submit the supporting documents specified in Article 51(12) of the Law that there are no conditions as specified in Article 45(2¹) of the Law. **The Provider** shall provide the documents requested by the **Purchaser** not later than within 10 business days from the date of receipt of the request.

3.6. **Provider** undertakes to reduce paper usage in the provision of services, eliminate unnecessary copying and printing of documents, sign documentation by electronic signature and provide it only in electronic format, and use only recycled paper for printing where necessary.

3.7. The Services have to be procured in 4 (four) months from the day of placing the **Purchaser's** order if the order is placed by the 03.10.2025

4. Payment procedure:

4.1. The **Purchaser** shall make payments to the **Provider** for the Services in accordance with the procedure, set out in clause 4.1 of General Part of the **Contract**.

4.2. Advance payment is not anticipated.

4.3. Electronic invoices submitted by **the Provider** must comply with the European standard for electronic invoicing, the reference of which was published in the Commission Implementing Decision (EU) 2017/1870 of 16 October 2017 on the publication of the reference of the European standard on electronic invoicing and the list of its syntaxes pursuant to Directive 2014/55/EU of the European Parliament and of the Council. Electronic invoices that do not comply with the European electronic invoice standard can only be submitted using the general information system for the administration of invoices (hereinafter - SABIS), indicating the **Purchaser**, the **Contract** number and the date. If the **Provider** does not submit an invoice by means of SABIS, the **Purchaser** does not make the payment.

4.4. Only in cases when due to the laws in force in **the Provider's** country **the Provider** is unable to submit an electronic invoice by means of SABIS, **the Provider** may provide **the Purchaser** with an invoice in Portable Document Format (.pdf) by e-mail with the details specified by **the Purchaser**. **The Provider** shall inform **the Purchaser** in writing about the possibility to submit electronic invoices.

5. The **Purchaser's** right to unilaterally terminate the **Contract**:

5.1. If the **Provider** fails to commence the provision of the Services more than 10 days after the commencement date agreed in accordance with clause 3.7 of the Special Part of the **Contract** for the commencement of the provision of the Services, the **Purchaser** shall have the right to terminate the **Contract** in accordance with the procedure set out in clause 9.2 of the General Part of the **Contract**.

5.2. A circumstance is found to exist which meets at least one of the conditions listed in Article 45(2¹) of the Law.

5.3. The **Provider** fails to provide the **Purchaser** with the documents referred to in clause 3.6 of the Special Part of the **Contract** within the prescribed time limit.

5.4. Other cases of unilateral termination of the **Contract** are set out in clause 9.2 of the General Part of the **Contract**.

6. The Quality of Services

6.1. The quality of Services must meet the requirements, set out in the **Contract** and its annexes.

6.2. The **Provider** undertakes to immediately inform the **Purchaser** in writing about the circumstances that have arisen during the performance of the **Contract**, which hinder the timely provision of the Services and / or eliminate the shortcomings of the Services, indicating the reasons for the circumstances and the expected duration. The existence of such circumstances does not release the **Provider** from the obligation to fulfil its contractual obligations within the time limits specified in the **Contract**.

7. Warranty obligations

Changes made to the SSIS during the procedure of EOS connection shall be provided with a warranty period of at least 6 months under the terms and conditions set out in **Contract**.

8. Additional enforcement of contractual obligations

8.1. A surety letter of insurance company or bank guarantee shall not be required to secure the performance of the **Contract**.

8.2. In the event of termination of this **Contract** pursuant to the stipulations enumerated in sub-clauses 9.2.1, 9.2.2, 9.2.3, 9.2.5, 9.2.6, 9.2.7, or 9.3 of the General Part of the **Contract**, or for any other reasons specified in the Special Part of this **Contract**, the **Provider** shall, within a period of 14 (fourteen) days from the date of termination, remit to the **Purchaser** a penalty. The penalty shall be 7% of the initial value of the **Contract**, exclusive of VAT, as delineated in clause 2.1 of the Special Part of this **Contract**.

9. Other Terms and Conditions

9.1. The amount of minimum losses agreed by the Parties in advance and indicated in clause 11.1 of the General Part of **Contract** is 0.05 percent from the value of the **Contract**.

9.2. The amount of the minimum losses agreed by the Parties in advance referred to in clause 11.3 of the General Part of the **Contract** shall be 0.05 percent for each day of delay for the value of services not rendered.

9.3. The amount of the minimum losses agreed by the Parties in advance specified in clause 11.4 of the General Part of the **Contract** shall be 5 (five) percent of the value of the **Contract** value in Eur excluding VAT indicated in clause 2.1 of the special part of the **Contract**.

9.4. Upon termination of the **Contract** in the case specified in clause 5.3 of the Special Part of the **Contract** the amount of the minimum losses agreed by the Parties shall be 7 (seven) percent of the value of the **Contract** price in Eur excluding VAT indicated in clause 2.1 of the special part of the **Contract**.

9.5. The duration of force majeure circumstances is 30 (thirty) days subject to the provisions of clause 9.1.2 of the General Part of the **Contract**.

9.6. Representative of the **Provider** – Mr. Mats Koivisto, phone: +358 2 2437711, e-mail: mats.koivisto@navielektro.fi

9.7. Representative of the **Purchaser** – Mr. Vadimas Masijauskas, phone: +370 706 70306, e-mail: vadimas.masijauskas@mil.lt

9.8. Annexes of the **Contract**:

9.8.1. Annex No. 1 “Technical specification for connection services of the electro-optical surveillance system (EOS) to the sea surveillance information system (SSIS)”, 1 page.

9.8.2. Annex No. 2 The Certificate of transfer and acceptance, 1 page.

9.8.3. Annex No. 3 Provider’s proposal for services, 1 page.

9.8.4. Annex No. 4 EOS Services Compliance Matrix, 1 page.

10. Validity of the Contract

10.1. The **Contract** shall be valid for 6 (six) months if the order is placed by the 03.10.2025 from the day the **Contract** enters into force and, in respect of the financial and warranty obligations, until the financial and warranty obligations are fully discharged.

10.2. Extension of the **Contract** is not planned.

11. Purchaser’s Details

The Naval Logistics Service of the Lithuanian Armed Forces

Reg. No. 304216991

Address: Naujoji Uosto str. 24, LT-92244 Klaipėda, Lithuania.

12. Provider's Details**Navielektro Ky**

Legal entity code – FI06843826

VAT number – FI0684382-6

Address: Hallimestarinkatu 11, 20780 Kaarina,
Republic of Finland

SWIFT - code: OKOYFIHH

IBAN: FI67 5319 3520 0161 96

Bank: Lounais-Suomen Osuuspankki

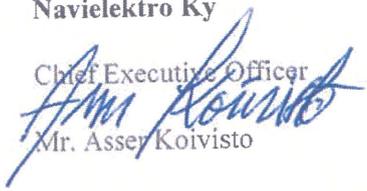
THE PURCHASER

**Naval Logistics Service
of the Lithuanian Armed Forces**Chief of the Naval Logistics Service
CDR Gintaras Stulginskis

THE PROVIDER

Navielektro Ky

Chief Executive Officer


Mr. Assej Koivisto


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

CONTRACT FOR PUBLIC PURCHASE AND SALE OF SERVICES

II. GENERAL PART

1. Definitions

1.1. The key definitions used in this **Contract** are as follows:

1.1.1. **Contract** means the General and Special Parts of this **Contract** for Purchase and Sale of Services, including annexes of **Contract** for Purchase and Sale of Services.

1.1.2. Parties of the **Contract** mean **the Purchaser** and **the Provider**:

1.1.2.1. **The Purchaser** means the party of the **Contract**, which contact details are indicated in the **Contract**, purchasing Services in accordance with terms and conditions, set out in this **Contract**;

1.1.2.2. **The Provider** means the party of the **Contract**, which contact details are indicated in the **Contract**, providing Services in accordance with terms and conditions, set out in this **Contract**.

1.1.3. **Recipient** means **Purchaser's** division, indicated in the Special Part of the **Contract** or Annex of the **Contract**, to which services are provided.

1.1.4. Third person means any natural or legal person (as well as any state, public authorities, municipality or municipal institutions) except Recipient, which is not considered the Party of this **Contract**.

1.1.5. Licences mean all licences, patents and/or permits that are necessary for implementation of the **Contract**.

1.1.6. Subject-matter of the **Contract** means services, related to their provision for which the Parties of the **Contract** made in the Special Part of the **Contract** and which correspond to the requirements, set out by **the Purchaser**.

1.1.7. The minimum losses agreed by the Parties in advance mean the indisputable amount of money, which was set out in the **Contract** or calculated in accordance with the procedure, set out in the **Contract**, which **the Provider** undertakes to pay to **the Purchaser**, if obligation was not performed or was performed improperly.

1.1.8. The pricing rules mean the price indicated in the **Contract** or the rules for calculation and correction of price of the **Contract**.

1.1.9. Products mean products which are purchased together with services and used for provision of services or products which are created during the provision of services.

1.1.10. Consignment of products means the number of products delivered at the same time.

1.1.11. Batch of products means consignments of products made from the same batch of material.

1.1.12. Batch of materials means a specific amount of material made from the same raw materials, obtained from the same **Provider** under the same technology and same conditions. The Certificate of Conformity or a Certificate shall be deemed an evidence proving the quality of batch of material.

1.2. Calculation of the minimum losses agreed by the Parties in advance shall begin on the following day after the last day on which **Contractual** obligations had to be implemented and end after the fulfilment of obligations by the Party of the **Contract** (the last day of calculation is the day when obligations were fulfilled).

1.3. Captions of chapters and articles of the **Contract** are used just for the reference and shall be used only as additional measure during interpretation of the **Contract**.

1.4. If the **Contract** does not provide otherwise, the duration and other deadlines of the **Contract** shall be calculated in calendar days.

1.5. If deadline for making payments or fulfilment of obligations coincides with the day of public holidays and bank holidays in the Republic of Lithuania, then the following business day shall be considered as the deadline for making payments and fulfilment of obligations.

1.6. In the **Contract**, where the context requires it, words provided in singular form may have the meaning of plural form and vice versa.

1.7. When a certain meaning differs from the indicated in words or numbers, the meaning provided in words shall be followed.

2. Price of the Contract / Rates of Services / Pricing Rules

2.1. The price/rates of the **Contract** shall mean an amount of money, which **the Purchaser** shall pay to **the Provider** in accordance with the procedure and deadlines, set out in the **Contract**.

2.2. The price/rates of the **Contract** are fixed and shall not be changed during the entire period of validity of the **Contract**, except for the cases when VAT rate applicable to services and products, related to their provision, is changed after signing the **Contract**. The recalculated price/rates shall be documented by a written agreement between the Parties and applicable to those services and products, related to their provision, which will be provided after such agreement, signed between the Parties, enters into force.

2.3. The rates of services shall be changed in accordance with the pricing rules, set out in the **Contract**. The recalculated rates shall be documented by a written agreement between the Parties and applicable to those services, which will be provided after such agreement, signed between the Parties, enters into force *(if it is indicated in the Special Part that such condition shall be applied)*.

2.4. The price of the **Contract** shall include the price of services and all expenses and taxes related to the provision of services. The rates of services shall include all expenses and taxes related to the provision of services *(it shall be applied if the price of the Contract is not indicated in the Contract)*. **The Provider** must include all expenses related to provision of services in the price of the **Contract** or rates of services, including but not limited to:

2.4.1. The costs of logistics (transportation);

2.4.2. Expenses related to packing, loading, transit, unloading, unpacking, checking, insurance, etc.;

2.4.3. All expenses related to preparation and provision of documents, required by **the Purchaser**;

2.4.4. Expenses related to acquisition or rent of measures, tools, equipment or technique that are necessary for provision of services, as well as operating expenditures of technical measures of equipment mentioned in this paragraph;

2.4.5. Expenses related to provision of user manual and maintenance instructions, indicated in Technical Specification;

2.4.6. Expenses of warranty repair.

2.5. The risk related to fluctuation of foreign currency rates and changes of manufacturers' prices shall be assumed by **the Provider**.

3. Terms and Conditions for Provision of Services

3.1. Services shall be provided according to the terms and procedure, set out in the Special Part of **Contract** (or) its annex(-es).

3.2. **The Provider** shall provide services at its own risk and at no extra charge. The properly provided services shall be transferred by mutually signing the Certificate on Transfer and Acceptance, which shall be signed only if the quality of provided services is high and services meet the requirements, set out in the **Contract** and its annex(-es) *(if it is signed)*. If the quality of provided services is high and services meet the requirements, set out in the **Contract** and its annex(-es) *(if it is signed)*, then the Certificate on Transfer and Acceptance shall be signed at the latest by 30 days.

4. Payment Terms and Conditions

4.1. **The Provider** shall receive payment, after the subject-matter of the **Contract**, meeting the requirements, set out in the **Contract** and its annex(-es), is transferred to **the Purchaser** by mutually signing the Certificate on Transfer and Acceptance *(if it is signed)* within 30 (thirty) days from the day the Certificate on Transfer and Acceptance is signed *(if it is signed)* and the day of invoice receipt (invoice shall be provided by electronic means, provided in Article 22(3) of Law on Public Procurements). If other payment conditions are established, they shall be indicated in the Special Part of the **Contract**. If **the Purchaser** delays to pay on deadline, indicated in this paragraph, **the Purchaser**, upon request of **the Provider** (at the latest by 30 (thirty) days from the request) shall pay interest in accordance with Law on the Prevention of Late Payments That Shall Be Made In Accordance With Commercial Contracts of the Republic of Lithuania.

4.2. If payment in advance, which amount is indicated in the Special Part of the **Contract**, will be made for services, **the Provider** undertakes to provide a bank guarantee or a surety bond of the insurance

company, securing payment in advance, within 5 (five) business days from the receipt of notification, for amount of payment in advance made by **the Purchaser**, (which would be valid 2 (two) months longer than the period of service provision) and invoice for payment in advance.

4.3. It shall be indicated in the bank guarantee or a surety bond that the guarantor/surety irrevocably and unconditionally undertakes to pay the amount of money, not exceeding the amount of the surety bond/guarantee, to **the Purchaser** by making payment to **the Purchaser's** account within 14 (fourteen) days from receipt of a written notification from **the Purchaser**, confirming termination of the **Contract** due to the fault of **Provider**.

4.4. It cannot be indicated that guarantor or a surety is responsible only for the compensation of direct losses. The document cannot contain provisions or conditions, obliging **the Purchaser** to prove to the company, which issued a guarantee or a surety bond, that the **Contract**, concluded with **the Provider**, was terminated legally or it would otherwise allow the company, which issued a guarantee or a surety bond, to not pay (or delay payment of) the amount of money, ensured (secured) by the guarantee or a surety bond.

4.5. If bank guarantee or a surety bond of the insurance company, securing payment in advance, fails to meet the requirements, set out in paragraphs 4.2-4.4 of the General Part of **Contract**, it will not be accepted. In such a case, it will be deemed that **Provider** failed to provide a bank guarantee or a surety bond of the insurance company, securing payment in advance, to **the Purchaser** and that payment will be made in accordance with paragraph 4.1 of the General Part of the **Contract**.

4.6. **The Purchaser** shall make payment in advance within 10 (ten) days from the day of receipt of bank guarantee or a surety bond of the insurance company, securing payment in advance, and invoice for payment in advance (*if it is indicated in the Special Part of Contract that payment in advance will be made*).

4.7. The Parties are entitled to conclude supplementary **Agreements** regarding the reduction of amount, indicated in the bank guarantee or a surety bond of the insurance company, securing payment in advance, after the Provider fulfils part of its obligations properly.

5. The Quality of Services

5.1. Services shall meet the requirements, set out in the **Contract** and its annex(-es).

5.2. If **the Purchaser** checks the quality of provided services during their provision and detects deficiencies of provided services or a fact that it was delayed to provide services, they were not provided at all or other **Contractual** obligations were violated, a Certificate on Inspection shall be concluded, which shall be signed by representatives of **the Purchaser** and **Provider** (if **Provider's** representative refuses to sign it, the Certificate on Inspection shall be signed only by the **Customer's** representative); meanwhile, **the Provider** shall be subject to **Contractual** liability.

5.3. If a conflict regarding service quality and their compliance with the requirements, set out in the **Contract** and its annex(-es) cannot be solved by mutual agreement between the Parties of the **Contract**, the Parties are entitled to involve independent experts. All expenses, related to the work of experts, shall be covered by a Party, in prejudice of which the decision of experts was made.

5.4. **The Provider** undertakes to allow representative of **the Customer** to perform the inspection of service quality during the course of production, to check supplementary substances and raw materials, as well as documentation of their initial acquisition.

5.5. If inconformity with the requirements, set out in the **Contract** and its annex(-es), is found during the acceptance of products, which are deemed the result of service provision, representatives of **the Provider** shall be invited, in the presence of which the Deed shall be concluded, products shall not be accepted and **the Provider** shall be subject to **Contractual** liability (in such a case, the **Contractual** liability shall be applied, if period given for delivery of products is expired) (*it shall be applied, if the transferred/sold products are directly related to the subject-matter of Contract during the fulfilment of Contract, concluded for provision of services*).

6. Quality Guarantee¹

6.1. The period of the quality guarantee shall be indicated in the Special Part of the **Contract**: (or annex of the **Contract**).

6.2. During the period of quality guarantee, **the Provider** must provide other analogical product, meeting the requirements, set out in this **Contract** or its annex(-es), instead of the defective product, which could be used during the period given for elimination of defects of product acquired according to this **Contract**, at its own expense no later than within the period, set out in the Special Part of **Contract** (*if it is indicated in the Special Part that this provision shall be applied*).

6.3. During the period of quality guarantee, **the Provider** must eliminate defects of products at its own expense no later than within the period, set out in the Special Part of **Contract**, or to replace defective product to the new product, meeting the requirements, set out in this **Contract** or its annex(-es), if **Provider** could not eliminate the defects (*if it is indicated in the Special Part that this provision shall be applied*).

6.4. **The Provider** shall be notified about defects of products, noticed during the period of quality guarantee, in writing (by fax or e-mail). It is possible to make a claim regarding the quality during the entire period of validity of the quality guarantee.

6.5. The period of quality guarantee of eliminated product defects by **the Provider** shall be calculated from the day the Certificate on Transfer and Acceptance of Eliminated Product Defects was signed.

6.6. If product was replaced to a new product, it shall be subject to the same period of quality guarantee, which was indicated in the Special Part of the **Contract**, which shall be calculated from the day the Certificate on Transfer and Acceptance of New Product was signed.

6.7. The quality guarantee, set out in the Special Part of **Contract** (or annex of the **Contract**) shall not be applied, if **the Provider** proves that product defects occurred due to incorrect or improper behaviour of **the Customer** or due to activities of third persons, or due to force majeure.

7. Force Majeure Circumstances

7.1. The Party shall not be deemed responsible for non-fulfilment of any obligations according to this **Contract**, if it proves that it occurred due to extraordinary circumstances, which the Parties could not control, rationally foresee and prevent the occurrence of such circumstances or their consequences. The force majeure circumstances are circumstances, indicated in Article 6.212 of the Civil Code of the Republic of Lithuania and the Rules of Exemption from Liability in Case of Force Majeure Circumstances, approved by Resolution No 840 of 15 July 1996 of the Government of the Republic of Lithuania. During determination of force majeure circumstances, the Parties shall follow Resolution No 222 of 13 March 1997 of the Government of the Republic of Lithuania "On the Approval of Procedure for Issuing Certificates Confirming Force Majeure Circumstances" or any other normative legislation replacing it. Under the force majeure circumstances, the Parties of **Contract** shall be exempted from liability for non-fulfilment, partial fulfilment or improper fulfilment of obligations, set out in the **Contract**, in accordance with procedure, established in legislation of the Republic of Lithuania: meanwhile, the period given for the fulfilment of obligations shall be extended.

7.2. The Party, asking to exempt it from liability, must immediately notify the other Party about the occurrence of force majeure circumstances in writing, but no later than within 10 (ten) business days from the occurrence and detection of such circumstances, by providing evidence confirming that it took all the reasonable precautions and made every effort to reduce expenses or negative consequences, as well as notify about the possible period of fulfilment of such obligations. It is also required to notify when the reason for non-fulfilment of obligations disappears.

8. Codification

8.1. **Provider** must provide a copy of the signed **Contract** to **the Customer** within 5 (five) days after the **Contract**: enters into force, by sending it to the **Customer**'s indicated address, as well as data that is necessary to identify products to be purchased that are related to service provision in accordance with the forms, provided in the annex of this **Contract** "A List of Material Assets to Be Codified" and "Information on Manufacturer and Supplier". **The Provider** shall submit completed and signed forms in electronic form or their paper versions (*if it is indicated in the Special Part that this provision shall be applied*).

8.2. Upon **Customer**'s request, **the Provider** must provide additional technical documentation that is necessary for codification (e.g., technical characteristics, drawings, photos, catalogues, references, etc.) within 5 (five) days free of charge.

9. Termination of the Contract

9.1. This **Contract** may be terminated:

9.1.1. Upon written **Contract** between the Parties;

9.1.2. If force majeure circumstances last longer than the number of days indicated in the Special Part of the **Contract** (depending on specifics applicable to fulfilment of the **Contract**, the specific period of time, indicated in the Special Part, may be from 14 to 60 days) and both Parties fail to make **Contracts** regarding the amendment of this **Contract**, allowing to further fulfil their obligations, then each Party of the **Contract** may unilaterally terminate the **Contract** by notifying the other Party of the **Contract** in writing at the latest by 7 (seven) days;

9.2. **The Customer** is entitled to terminate the **Contract** unilaterally due to the fundamental breach of the **Contract** by informing **the Provider** about it in writing no later than 7 (seven) days in advance (*if other period of time is not indicated in the Special Part of the Contract*). The fundamental breach of the **Contract** is made, if:

9.2.1. **The Provider** fails to begin providing services during the period of time, indicated in the Special Part of the **Contract**;

9.2.2. **The Provider** delays the provision of services (or informs that it will not provide them) during the period(-s) of time, indicated in the Special Part of the **Contract**;

9.2.3. **The Provider** increases prices/rates of services, except for the case, indicated in paragraph 2.2 of the General Part of the **Contract**;

9.2.4. **The Provider** fails to fulfil or improperly fulfils guarantee obligations, indicated in paragraph 6 of the General Part of **Contract**;

9.2.5. **The Provider** fails to fulfil obligation, indicated in paragraph 12.4 of the General Part of **Contract** (*if the fulfilment of Contract will be secured by a surety bond or bank guarantee*);

9.2.6. Services provided by **the Provider** do not meet the requirements, set out in the **Contract** or its annex(-es) and **the Provider** fails to eliminate defects of services in accordance with the procedure, set out in the Special Part of the **Contract**;

9.2.7. **The Provider** fails to provide bank guarantee, securing payment in advance, in a timely manner, which would be valid for no less than it is indicated in paragraph 4.2 of the General Part of the **Contract** (*if payment in advance is established in accordance with terms and conditions of the Contract*);

9.2.8. During the period of validity of the **Contract**, **the Provider** is involved in the Lists of Unreliable Suppliers or Suppliers Who Provided False Information;

9.2.9. If it is found that **Provider** or its provided products or services are unreliable and pose a risk to the national safety;

9.2.10 If it is found during the fulfilment of the **Contract** circumstances set out in Article 46(1) of Law on Public Procurement;

9.2.11. If it is found during the fulfilment of the **Contract** that the **Contract** was amended by violating Article 89 of Law on Public Procurement.

9.3. **The Customer** is entitled to terminate the **Contract** unilaterally no later than 7 (seven) days in advance (*if other period of time is not provided in the Special Part of the Contract*) by notifying **the**

Provider about it in writing, if **the Provider** is being liquidated or the case was brought to court regarding the bankruptcy or restructuring, or it was subject to the case taken to court regarding the bankruptcy or restructuring, or a decision was made regarding the initiation of non-judicial procedure of bankruptcy.

9.4. After termination of the **Contract**, **the Provider** shall refund payment in advance, made by **the Customer** (if such payment was made) for services, which have not been unfulfilled part of the **Contract**.

10. Procedure for Dispute Resolution

10.1. This **Contract** was concluded and shall be interpreted in accordance with the law of the Republic of Lithuania.

10.2. All disputes or disagreements between the Parties of the **Contract**, related to the **Contract**, shall be solved by mutual negotiation and in case of failure to solve the dispute, it shall be settled before the courts in accordance with procedure, set out in the legislation of the Republic of Lithuania, based on the location of **the Customer** (or if **the Customer** is the division of Lithuanian Armed Forces, then "*based on the location of the legal entity – Lithuanian Armed Forces*").

11. Liability

11.1. If **Provider** delays to provide services within period of time, set out in paragraph 3 of the Special Part of **Contract** or delays to eliminate defects of the provided services and/or products (if products were provided/sold during the provision of services) within the period of time, set out in the Special Part of the **Contract**, **the Provider** shall pay for the minimum losses agreed between the Parties in advance, amounting from 0.05 to 0.2 % to **the Customer** (a specific amount shall be indicated in the Special Part of **Contract**) from the price of services (and/or products) which was not rendered within the time limit or which defects haven't been corrected excluding VAT for every day/hour of delay (*it shall be applied depending on the fact how period of time given for fulfilment of obligations is calculated in the Special Part of the Contract*), which payment shall not exempt **the Provider** from liability to compensate losses incurred by **the Customer** due to the fact that **the Provider** failed to fulfil or improperly fulfilled its obligations, related to the warranty granting elimination of defects of services (and/or products).

11.2. If the **Contract** is terminated due to the reasons, set out in paragraphs 9.2.1, 9.2.2, 9.2.3, 9.2.4, 9.2.5, 9.2.6, (9.2.7 (*if payment in advance was estimated in accordance with terms and conditions of the Contract*)) or 9.3 of the General Part of **Contract** or other reasons, indicated in the Special Part of the **Contract**, **Provider** shall pay the amount of the minimum losses agreed between the Parties in advance to **the Purchaser** of at least 7 % (seven percent) from the price of the **Contract** excluding VAT (or the total price of tender) (a specific percentage or specific fixed amount shall be indicated in the Special Part of the **Contract**), but no more than the total price of all obligations that were not fulfilled according to this **Contract** excluding VAT, within 14 (fourteen) days (calculating from the day on which the **Contract** was terminated). Payment of the minimum losses agreed between the Parties in advance shall not exempt **the Provider** from liability to compensate all losses incurred by **the Purchaser**, if **Provider** failed to fulfil or improperly fulfilled the **Contract**.

11.3. Other cases related to application of **Contractual** obligation to **the Provider** are indicated in the Special Part of the **Contract**.

11.4. If services were not provided or the provided services have poor quality and there are no opportunities to provide services or to eliminate defects of the provided services, **the Provider** shall pay **the Purchaser** an amount of minimum losses agreed between the Parties in advance and indicated in the Special Part of the **Contract** for every such failure to provide a service, indicated in the **Contract** or its annex(-es), or its defective provision. Payment of the minimum losses agreed between the Parties in advance shall not exempt **the Provider** from liability to compensate all losses incurred by **the Purchaser**, if **Provider** failed to fulfil or improperly fulfilled the **Contract**. **The Provider** undertakes to pay the minimum losses agreed between the Parties in advance no later than within deadline, indicated in the invoice or request.

11.5. The delay of funding from the budget shall be deemed a condition that should completely exempt **the Purchaser** from civil liability and payment of interest to the **Provider** for the delayed payment.

12. Validity of the Contract

12.1. The **Contract** shall enter into force after it is signed by both Parties and after **the Provider** submits bank guarantee or a surety bond of the insurance company, securing the fulfilment of the **Contract**, to **the Purchaser** (*this condition should be applied, if the fulfilment of the Contract will be secured by a surety bond or bank guarantee*), ensuring payment of amount, indicated in paragraph 11.2 of the General Part of the **Contract** (the guarantor/surety shall undertake in the bank guarantee or a surety bond of the insurance company to pay the amount, indicated in paragraph 11.2 of the General Part of **Contract**, to **the Purchaser**, if the **Contract** is terminated due to at least one reason, indicated in subparagraphs 9.2.1–9.2.7 or paragraph 9.3 or other reasons, set out in the Special Part of the **Contract**). A guarantee or a surety bond, indicating that a guarantor or a surety will be liable only for the compensation of direct losses, will not be accepted because they must undertake to compensate a specific amount, securing the fulfilment of the **Contract**, indicated in paragraph 11.2 of the **Contract**) (*if the fulfilment of the Contract will be secured by a surety bond or bank guarantee*).

12.2. A guarantor/surety shall irrevocably and unconditionally undertake to fulfil its obligation and to pay the undertaken amount no later than within 14 (fourteen) days from receipt of a written notification, confirming termination of the **Contract** regarding the grounds, set out in the **Contract**, occurred due to the fault of **the Provider**, by transferring money to the bank account of **the Purchaser** (*if the fulfilment of the Contract will be secured by a surety bond or bank guarantee*).

12.3. **The Provider** shall provide a bank guarantee or a surety bond of the insurance company, indicated in paragraph 12.1 of the General Part of the **Contract**, securing the fulfilment of the **Contract**, to **the Purchaser**, which would be two months longer than the period given for the provision of services or period of validity of the **Contract**, set out in the Special Part of the **Contract**, no later than within 5 (five) business days after signing the **Contract**. **The Provider** shall also provide a confirmation from the insurance company (a document proving the payment, etc.), certifying that a surety bond is valid (*if the fulfilment of Contract will be secured by suretyship*). Payment of amount, indicated in bank guarantee or a surety bond of the insurance company, securing the fulfilment of the **Contract** (*if the fulfilment of the Contract will be secured by a surety bond or bank guarantee*), shall not be associated with the complete compensation of losses incurred by **the Purchaser** and shall not exempt **the Provider** from liability to fully compensate them.

12.4. If during the fulfilment of **Contract**, a legal entity that issued a security (a bank or an insurance company) cannot fulfil its obligations (its activity is suspended, moratorium is announced, etc.), **the Provider** shall provide new security, ensuring the fulfilment of the **Contract**, under the same terms and conditions as the previous one within 10 (ten) days. If **the Provider** fails to provide new security, ensuring the fulfilment of the **Contract**, **the Purchaser** is entitled to terminate the **Contract** in accordance with the procedure, set out in subparagraph 9.2.5 of the General Part of the **Contract**.

12.5. The security, ensuring the fulfilment of the **Contract**, shall be returned within 10 (ten) days from the expiry date of the security by submitting a written **Provider's** request (*if the fulfilment of the Contract will be secured by a surety bond or bank guarantee*).

12.6. Terms and conditions of the **Contract** cannot be amended during the validity period of the **Purchase Contract**, except for:

12.6.1. Cases, when such amendment is possible based on the provisions, set out in Article 89 of Law on Public Procurements and when it does not contradict the main principles and objective of the public procurements. Cases, when such amendment is possible based on the provisions, set out in Article 89 of Law on Public Procurements

and when it does not contradict the main principles and objective of the public procurements.

12.7. If the Parties noticed technical mistakes or typing errors (improperly transferred provisions from the tender or procurement conditions, etc.) during the validity of the **Contract**, or upon the change of persons, responsible for the fulfilment of the **Contract**, or contact details of the Parties, indicated in the **Contract**, the Parties of the **Contract** may clarify terms and conditions of the **Contract** by written **agreement**. Such clarification of terms and conditions of the **Contract** will not be deemed an amendment of terms and conditions of the **Contract**.

12.8. The **Contract** may be extended according to terms and conditions, set out in the Special Part of the **Contract**.

12.9. The end of validity period of the **Contract**, indicated in the Special Part of the **Contract**, does not mean the end of obligations of the Parties, which shall be fulfilled under the **Contract**, and shall not exempt the Parties from the civil liability for the infringement of the **Contract**.

13. Correspondence

13.1. Notifications sent by **the Purchaser** and **the Provider** to each other in Lithuanian/English language (*it shall be applied, if the Contract is concluded in English language*) shall be provided in written form. Notifications sent by the Parties to each other shall be sent by mail, e-mail, fax or delivered in person. Notifications shall be sent to addresses and numbers, provided as the contact details of the Parties in the Special Part of the **Contract**. If sender needs to receive confirmation of receipt, he/she shall indicate such requirement in his/her notification. If deadline for response to the written notification is set, the sender should indicate the requirement to confirm the receipt of written notification in his/her notification.

13.2. The Parties undertake to notify each other about the changed contact details of either Party, set out in the Special Part of the **Contract**, in writing at the latest by 3 (three) business days. If the Party of the **Contract** fails to notify about its changed contact details in a timely manner, it cannot make any claims regarding actions taken by the other Party, following the contact details of the Party, indicated in the **Contract**.

14. Confidentiality of Information, Secrecy and Personal Data

14.1. The Parties must ensure that information, which they transfer to each other, will be used only during the fulfilment of the **Contract** and will not be used for other purposes, which would harm the Party that provided such information.

14.2. The Parties undertake to ensure confidentiality of information they are aware of and (or) that was entrusted to them during the validity period of the **Contract** and after the expiry of validity period of the **Contract** or after its termination.

14.3. **The Provider** undertakes to not use information provided by **the Purchaser** for the benefit of himself or any third persons, as well as not to disclose information to other persons, except for the cases, provided in the legislation of the Republic of Lithuania, without a prior written consent of **the Purchaser**.

14.4. Personal data provided in the **Contract** and its annexes (names, surnames, positions, e-mail addresses or phone numbers) may be used only in identifying the persons, assigned by the Parties or Recipient, who are responsible for the fulfilment of the **Contract**, and to communicate on the matters related to the fulfilment of the **Contract**. If any additional personal data is processed during the fulfilment of the **Contract**, such data and the purpose of such processing shall be indicated in paragraph 9 of the Special Part.

14.5. The Parties of the **Contract** shall ensure that only those persons will acknowledge with the personal data, processed during the fulfilment of the **Contract**, who need it in order to fulfil their obligations according to the **Contract**.

14.6. Personal data, indicated in the **Contract** and its annexes, cannot be transferred to third persons without a separate consent of the other party, except for sub**Contractors** indicated by the **Provider** and Recipient (if such was indicated), who will be hired for the fulfilment of the **Contract** and only in such cases, when it is necessary for the fulfilment of the **Contract** or if non-disclosure of such data would cause serious difficulties for the fulfilment of the **Contract**. If the sub**Contractor** is being replaced according to the procedure, set out in the Special Part, a separate consent of the other Party shall be obtained regarding the transfer of data.

14.7. If during the fulfilment of the **Contract**, it is found that personal data is processed which were not discussed in terms and conditions of the **Contract**, the Parties of the **Contract** shall immediately inform the other party regarding such data and keep such data confidential. If it is found that personal data not provided for in the **Contract** are processed, paragraph 9 of the Special Part shall be completed.

14.8. All personal data that were processed in order to fulfil obligations, set out in the **Contract**, may be processed only until the moment when there are no obligations of the Parties left, which were set out in the **Contract**. Only such personal data may be left non-destroyed, which destruction would mean irrationally high costs of time and finances or which would be unjustifiable for the purpose of use of the **Contractual** result.

14.9. The Parties must take sufficient technical and organisational measures to ensure the security and confidentiality of information. The Parties shall inform each other about any breach of personal data processed according to the **Contract** within 1 business day. The notification about the breach must contain such information as the type of breach, possible consequences of such breach and measures taken in order to eliminate or mitigate the consequences of such breach.

14.10. The Parties shall not compensate expenses and losses to each other, incurred due to the fulfilment of obligations related to processing of personal data in accordance with this **Contract**.

15. Final Provisions

15.1. The **Contract** was concluded in Lithuanian/English/Lithuanian and English language in two/four copies (one/two for each of the Parties) (*it shall be applied depending on languages the Contract will be concluded in*). Both texts are authentic and have an equal legal power. If there are any discrepancies between texts in Lithuanian and English languages, text in English language should be prioritised (it shall be applied, if the **Contract** is concluded *with foreign supplier in Lithuanian and English languages*).

15.2. This **Contract** consists of the General and Special Part of the **Contract** and its annex(-es). All annexes of this **Contract** shall be deemed an integral part of the **Contract**.

15.3. None of the Parties are entitled to transfer rights and obligations that shall be fulfilled according to this **Contract**, to the third person without a prior written consent of the other Party.

15.4. Having violated obligation, indicated in paragraph 15.3 of this part of the **Contract**, the **Provider** shall pay the amount of the minimum losses agreed by the Parties in advance, which is 5 % of the price of **Contract**/tender excluding VAT, to the **Purchaser**, unless the Special Part of the **Contract** provides otherwise.

15.5. The **Provider** guarantees that it has all licences, which are necessary for the fulfilment of the **Contract**. The **Provider** undertakes to compensate losses to the **Purchaser**, if the **Purchaser** becomes a subject of the claim or case made regarding the infringement of patents or licences, arising out of the **Contract** or made during its fulfilment.

15.6. The Parties of the **Contract** confirm that by concluding this **Contract** they have neither exceeded nor violated their competences (Articles of Association, provisions, statute, any resolution made by the management body of the Party (owner, founder or other competent subject), decision, order, any mandatory legislation (including local or individual), transaction, court order (ruling, judgement), etc.).

15.7. The fulfilment of the **Contract** may be interpreted by the written **agreement** between the Parties without changing terms and conditions of the **Contract**.

15.8. Name of the sub**Contractor**(-s) and part of its fulfilled **Contractual** obligations are indicated in the Special Part of the **Contract**.

15.9. The replacement of sub**Contractor**(-s) indicated in the **Contract** shall be documented by written amendment of the **Contract** (*it shall be applied, if the Provider intends to hire them*).

15.10. Person(-s) assigned by the **Provider**, who represent(-s) the **Provider**, accept(-s) and confirm(-s) orders placed by the **Purchaser**, who is/are responsible for the quality of provided services, participate(-s) in the meetings with the **Purchaser** and take(-s) other actions that are necessary for the proper fulfilment of this **Contract**, is/are indicated in the Special Part of the **Contract**.

15.11. Person(-s) assigned by the **Purchaser**, who represent(-s) the **Purchaser**, place(-s) orders to the **Provider**, participate(-s) in the meetings with the **Provider** and take(-s) other actions that are necessary for the proper fulfilment of this **Contract**, is/are indicated in the Special Part of the **Contract**.

THE PURCHASER

Naval Logistics Service
of the Lithuanian Armed Forces

Chief of Naval Logistics Service
CDR Gintaras Stulginskis



THE PROVIDER

Navielektro Ky

Chief Executive Officer

Mr. Asser Koivisto
Mr. Asser Koivisto

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Annex I

**TECHNICAL SPECIFICATION FOR CONNECTION SERVICES OF THE ELECTRO-
OPTICAL SURVEILLANCE SYSTEM TO THE SEA SURVEILLANCE INFORMATION
SYSTEM**

No.	Requirements
1.	The service provider shall connect 3 electro-optical systems DAT-CON HD900/A1000 (hereinafter referred to as EOS) owned by the purchaser, installed at the Palanga, Klaipėda and Nida sea surveillance posts, to the Sea Surveillance Information System (hereinafter referred to as SSIS).
2.	The EOS connection service shall include the delivery, installation and configuration of all required hardware and software to control the EOS and display its video information at any SSIS user workstation.
3.	The quality of the EOS information at the SSIS user workstation shall not be worse than is provided by the hardware and/or software of the purchasers' EOS .
4.	EOS control measures at the SSIS user workstation shall correspond with the capabilities of the EOS hardware and/or software.
5.	EOS video information shall be displayed in a software window that is separate from the main chart-based software window.
6.	There shall be functionality that allows to point connected EOS to the selected SSIS track and automatically adjust required settings (zoom, focus, etc.).
7.	There shall be functionality that allows displaying of moving SSIS object in such a way that it is visible in the EOS video display window at all times, as far as the technical capabilities of the EOS allow. The requirement applies if the purchasers' EOS hardware and/or software supports such functionality (video tracking).
8.	There shall be functionality that allows recording and later reviewing of video information provided by all or selected connected EOS.
9.	There shall be functionality that allows making of screenshots of the video information displayed at the SSIS user's workstation, using SSIS software tools.
Additional information	
1.	Changes made to the SSIS shall be provided with a warranty period of at least 6 months under the terms and conditions set out in the purchase and sale contract.
2.	The description of the EOS control protocol will be provided by the purchaser.
3.	Testing of EOS control protocol can be performed remotely.