

GENERAL PART OF THE PURCHASE – SALE CONTRACT OF THE GOODS

1. DEFINITIONS IN THE CONTRACT

Entities

- 1.1. **Supplier** shall mean an entity or a group of entities specified in the SP of this Contract, who supplies the Goods indicated in the Contract to the Buyer.
- 1.2. **Buyer** shall mean a legal entity specified in the SP of the Contract (the Authorizing Authority), who purchases the Goods indicated in the SP of the Contract from the Supplier.
- 1.3. **Authorizing Authority** shall mean a legal entity having authorised the Contracting Authority to conduct the procedures and other Procurement-related procedures prior to conclusion of the Contract (the Preliminary Contract, if the Preliminary Contract is subject to conclusion) in accordance with the provisions established in Article 83 of the Law on Public Procurement of the Republic of Lithuania or respectively Article 91 of the Law on Procurement Procedures of Entities Operating in the Water, Energy, Transport, or Postal Services Sectors of the Republic of Lithuania or on other grounds.
- 1.4. **Party** shall mean the Buyer or the Supplier, each individually. The Parties shall mean the Buyer and the Supplier jointly.
- 1.5. **Third Party** shall mean any other natural or legal entity, other than the Party to this Contract.
- 1.6. **Contracting Authority** shall mean a legal entity duly authorised by the Buyer, who would organize and implement the public procurement procedures on behalf of the Buyer and for the best interests thereof.
- 1.7. **Sub-Supplier** shall mean a legal or natural entity hired by the Supplier for supply of the Goods indicated in the Contract or specific functions related to supply, assembling, installation, commissioning, etc. of the Goods on the basis of a valid mutual agreement with the Supplier.

General terms

- 1.8. **Procurement** shall mean a public procurement organised by the Contracting Authority for the purpose of conclusion of the Contract for supply of the Goods.
- 1.9. **Goods** shall mean movable property specified in Paragraph 1 of the SP of the Contract sold by the Supplier and purchased by the Buyer as well as delivery, assembling, installation, commissioning and other services related to proper preparation for operation of the movable property subject to purchasing as specified in Paragraph 1 of the SP of the Contract.
- 1.10. **Total Contract Price** shall mean the amount indicated in Paragraph 2 of the SP of the Contract, which may not be exceeded during the validity period of the Contract (except in the cases when the recalculation has been stipulated in the Contract), to be paid by the Buyer to the Supplier for the supplied Goods based on the price rates of the Goods (if specified), including all costs and taxes.
- 1.11. **Price Rates of the Goods** shall mean price rates (if specified) indicated in Paragraph 2 of the SP of the Contract, according to which the Buyer shall make payments for the supplied Goods, including all costs and taxes.
- 1.12. **Defects of the Goods** shall mean non-conformities of the quality of the Goods with the requirements established in the Procurement Documents, failures, hidden defects, malfunctions, etc. identified by the Buyer or (and) the Third Parties at the time of transfer – acceptance of the Goods or (and) during the warranty period applicable to the Goods, which make the Goods unfit for using for the purpose that the Buyer intended to use them for or which result in reduced efficiency of the Goods to such a scope that the Buyer would not have bought the Goods at all or would not have paid such a price for them, if the latter was aware of such defects.
- 1.13. **Related Work** shall mean the work and services related to supply of the Goods. The Related Work includes installation, commissioning, testing, calibration, programming, assembling of the Goods as well as other work and services specified in the SP of the Contract or (and) without which the Buyer would not be able to use the Goods for the direct purpose thereof, therefore the Supplier, as a professional in one's field, was required to anticipate and include it in the Tender.

Documents

- 1.14. **Contract** shall mean this Contract consisting of documents listed in Item 2.1. of the GP of the Contract.
- 1.15. **GP of the Contract** shall mean this document, which shall be an integral and inseparable part of the Contract defining the standard provisions of the Contract, standard rights, duties and responsibilities of the Buyer and the Supplier.
- 1.16. **SP of the Contract** shall mean the special part of the Contract detailing the object of the Contract, the volumes, price and price rates (if applicable) of the Goods, terms for delivery and transfer – acceptance procedure of the Goods as well as other provisions agreed by the Parties.
- 1.17. **Technical Specification** shall mean a document setting the technical requirements applicable to the Goods.

1.18. **Order** shall mean an order of Goods placed by the Buyer to the Supplier via text message, e-mail, fax and/or via the information system specified by the Buyer, which includes the Buyer's name, title of the Goods, quantity and price rates of the Goods, Goods delivery/collection location and deadline, as well as other information required by the Buyer which is related to the supply of Goods. An Order is placed via the contacts specified in the special part of the Contract of the Supplier, and is considered to be received on the day of delivery, but no later than 5 working days after the day an Order is placed via mail, or on the day an order is placed via e-mail/fax if it is placed via e-mail/fax, if the special part of the Contract does not provide otherwise.

1.19. **Certificate of Transfer – Acceptance of the Goods** shall mean the Certificate of Transfer – Acceptance of the Goods or other equivalent document certified by the Parties by affixing their signatures upon delivery of the Goods by the Supplier or (and) collection of the Goods by the Buyer at the place designated for transfer of the Goods. If any Related Work needed for proper use of the Goods has been specified in the SP of the Contract, the Certificate of Transfer – Acceptance of the Goods shall be signed after proper completion of all Related Work in relation to supply of the Goods.

1.20. **Procurement Conditions** shall mean the entirety of documents, which are submitted during the Procurement Procedures conducted by the Contracting Authority and on the basis of which the Supplier submitted the Tender.

1.21. **Tender** shall mean the entirety of documents submitted by the Supplier during the Procurement Procedures conducted by the Contracting Authority for the purpose of supply of Goods under this Contract.

1.22. **Invitation to Conclude the Contract** shall mean a notice submitted to the Supplier inviting the Buyer to sign the Contract and informing on the period set for conclusion of the Contract.

1.23. **Invoice** shall mean a VAT invoice or other invoice and (or) payment document (if the Supplier is not a VAT payer) submitted to the Buyer for payment for the proper and high-quality Goods delivered by the Supplier in a timely manner. The Invoice issue date shall be the same as the signing date of the Certificate of Transfer – Acceptance of the Goods. The Invoice for payment shall be submitted by using the electronic service “E-Invoice” (the website of the electronic service “E-Invoice” is available at www.esaskaita.eu) within 5 (five) business days or other time limit agreed by the Parties since signing of the Certificate of Transfer – Acceptance of the Goods.

1.24. **Invoice Receipt Date** shall mean the date of submission of the Invoice by using the electronic service “E-Invoice”.

1.25. **Legislations** shall mean legislations of the Republic of Lithuania and international agreements, legislations of the European Union or individual or regulatory enactments of any public authority of the Third Party, which are binding on either Party and (or) affect performance of this Contract regardless of legal power and (or) jurisdiction, as well as internal legal acts of the Buyer, which the Supplier has been made familiar with.

1.26. **Law** shall mean respectively the Law on Procurements Conducted by the Contracting Entities Operating in Water, Energy, Transport, or Postal Services Sectors of the Republic of Lithuania (relevant version) applicable to the utilities sector or the Law on Public Procurement of the Republic of Lithuania (relevant version) applicable to the classical sector.

Dates and time limits

1.27. **Day** shall mean a calendar day, unless this Contract establishes otherwise.

1.28. **Business day** shall mean a business day in the Republic of Lithuania, unless this Contract establishes otherwise.

1.29. **Year** shall mean a period of 365 days, unless this Contract establishes otherwise.

1.30. **Effective Date of the Contract** shall mean the day of signing the Contract or any other date of entry into force indicated in the SP of the Contract.

2. ENTRY INTO FORCE, STRUCTURE AND INTERPRETATION OF THE CONTRACT

2.1. This Contract is an integral and indivisible document consisting of the documents listed below. The following priority order of the Contractual documentation shall be established for the purposes of construction and application of the Contract:

2.1.1. the Technical Specification (including clarifications and specifications made by the Buyer or the Contracting Authority within the course of the Procurement Procedures, annexes, if any);

2.1.2. the SP of the Contract (including annexes);

2.1.3. the GP of the Contract (including annexes);

2.1.4. the Invitation to Conclude the Contract submitted to the Supplier by the Buyer or the Contracting Authority by using electronic tools;

2.1.5. the Final Tender of the Supplier;

2.1.6. the minutes of Negotiations conducted by the Parties drawn up within the course of implementation of the Procurement Procedures and the revised Tender of the Supplier (if such documents have been drawn up);

2.1.7. clarifications and specifications of the Procurement Documents (Conditions) drawn up by the Buyer or the Contracting Authority, if any of them have been submitted;

2.1.8. other Procurement Documents;

- 2.1.9. the conditions of the invitation to submit applications with documents proving qualifications drawn up by the Buyer or the Contracting Authority, if this Contract is concluded after implementation of Procurement Procedures by the Buyer or the Contracting Authority, the value of which shall be no lower than the established international procurement threshold;
- 2.1.10. Initial Tender of the Supplier;
- 2.1.11. the Supplier's application with documents proving qualifications, if this Contract is concluded after implementation of Procurement Procedures by the Buyer or the Contracting Authority, the value of which shall be no lower than the established international procurement threshold.
- 2.2. In the event of any ambiguities, discrepancies, or contradictions in the Contract documents, the rules specified in the Contract document of a higher legal power shall be deemed as superseding the analogous rules set out in the Contract document of a lower legal power as from the effective date of the Contract.
- 2.3. All concepts and terms used in this Contract shall have the generic meaning or the specific meaning, which is closest to the nature of the Contract, unless a different meaning thereof has been specified and clarified in the Contract.
- 2.4. Unless specifically indicated otherwise in this GP of the Contract, words used in a singular form shall also mean plural, words denoting one gender shall also include respective words of any other gender, words having the meaning of an entity shall include both legal and non-legal entities, and a reference to the whole shall also mean a reference to any part of it and vice versa (in each specific case).
- 2.5. The Contract has been concluded in accordance with the Law and the provisions of other legislations. In the event of a situation when the GP of the Contract and (or) the SP of the Contract are not consistent with the requirements established by the Law, the rules of the Law shall prevail. The Parties do hereby state and confirm that the provisions of this Contract are not contrary to the provisions of the Procurement Conditions.
- 2.6. The Contract has been concluded and it shall be construed and applied in accordance with the laws of the Republic of Lithuania.

3. CERTIFICATIONS AND GUARANTEES OF THE PARTIES

- 3.1. Each of the Parties do hereby certify and guarantee to the other Party that:
- 3.1.1. the Party has been duly incorporated and operating lawfully in accordance with the requirements stipulated in the legislations of the home-country;
- 3.1.2. the Party has taken all legal actions necessary for the proper conclusion and validity of the Contract;
- 3.1.3. by concluding the Contract the Party acts within the limits of its competence and in compliance with legislations, rules, statutes, court orders, articles of association, regulations, decrees, obligations and arrangements binding thereon;
- 3.1.4. the Party's representatives signing this Contract, have been duly authorised by the Parties to sign it and personal data of the Parties and (or) their representatives necessary for the proper conclusion of the Contract are not regarded as confidential information;
- 3.1.5. the Party is not aware of any upcoming changes in the legal framework that are likely to affect implementation of the Party's obligations assumed under this Contract;
- 3.1.6. the Contract is a valid, legal and binding obligation for the Party implementation of which may be enforced in accordance with the terms and conditions of the Contract;
- 3.1.7. the terms and conditions of this Contract are clear and enforceable by the Parties as on the effective date of the Contract;
- 3.1.8. neither conclusion of this Contract, nor implementation of obligations assumed by the Buyer or the Supplier under this Contract shall not contradict and violate (i) any decision, order, decree or instruction of any court of law, arbitration tribunal, public authority or municipal body applicable to the Parties; (ii) any agreement or other transaction to which the respective Party is a party to, or (iii) provisions of any law or other legislations applicable to the Parties.
- 3.2. The Supplier does hereby certify that the latter:
- 3.2.1. is not involved in any prohibited agreements specified in Article 5 of the Law on Competition of the Republic of Lithuania and in any agreements;
- 3.2.2. the Goods would not be rented, handed over for lease-for-use, pledged, sold, or otherwise transferred to the Third Parties, the Goods would not be seized or subject to any restrictions, furthermore, no transactions would be made, including any future transactions, which would complicate the Buyer's capacity to dispose of the Goods as on the delivery date of the Goods;
- 3.2.3. holds all permits, licenses, employees, organisational and technical means necessary for supply of the Goods as established by legislations;
- 3.2.4. has included in the Tender price all costs necessary for supply of Goods under this Contract and shall assume risks associated with the Supplier's costs related to implementation of the Contract may increase and (or) implementation of the Contract may become more complicated for the Supplier due to circumstances out of the Buyer's control;

3.2.5. has become familiar or does hereby undertake to get acquainted with all internal legislations of the Buyer that are relevant for the proper implementation of the Supplier's obligations and does hereby undertake to implement them properly.

3.3. The Buyer does hereby certify that the latter:

3.3.1. has implemented or authorised the Contracting Authority to implement the public procurement procedures necessary for the conclusion of this Contract;

3.3.2. would accept high quality the Goods supplied in accordance with the provisions of this Contract and would make settlements for such Goods in accordance with the procedure and by the deadlines specified in the Contract.

3.4. If it turns out that the certifications(s) and (or) declaration(s) of the Parties specified in this Contract are false and (or) wrong, the Party must compensate for the other Party's losses incurred as a result of such false and (or) wrong certifications(s) and (or) declaration(s).

4. OBJECT OF THE CONTRACT

4.1. The object of this Contract shall be the Goods specified in Part 1 of the SP of the Contract and described in the Technical Specification.

4.2. The Supplier does hereby declare that the titles of disposition, management, and use of the Goods being sold have not been restricted, no third-party claims have been raised regarding the Goods being sold.

5. QUANTITY AND PRICE OF THE GOODS

5.1. Paragraph 2 of the SP of the Contract defines the quantity of Goods supplied to the Buyer.

5.2. Price of the Goods and the price rates of the Goods shall be specified in Paragraph 2 of the SP of the Contract.

5.3. The Supplier has included in the price of the Goods all costs (unless established otherwise in the SP of the Contract) and taxes related to supply of the Goods, including VAT, but not limited to:

5.3.1. costs related to implementation of the obligations provided for in the Contract (transportation, packaging, transit, inspection, insurance, assembling of the delivered Goods on site and (or) commissioning and (or) maintenance costs of the aforementioned work);

5.3.2. costs of the Related Work, including costs related to labour and consultation of the Buyer throughout the entire validity period of the Contract;

5.3.3. warranty servicing costs of the Goods planned for the period established in the Contract, including all costs incurred by the Supplier in relation to materials, transportation, personnel, etc. used during the warranty servicing;

5.3.4. all costs incurred in relation to preparation, arrangement, and submission of the documents listed in the Technical Specification;

5.3.5. costs of establishment in the Republic of Lithuania (if this is necessary in order to ensure supply of the Goods), or costs related to the enforcement of the right of free movement of Goods (costs of obtaining validation documents, confirmations of such right from competent authorities and (or) professional associations of the Republic of Lithuania, etc.);

5.3.6. costs of conclusion and implementation of this Contract, including costs related to the forced implementation of the Contract;

5.3.7. all other direct and indirect costs related to supply of the Goods, and [the price of] any work and (or) services necessary for supply of the Goods, which had to or could have been anticipated by the Seller, as a specialist in the respective field, if the latter had acted with due diligence and properly taken into account the circumstance that the Buyer seeks the Seller to supply the Goods by also simultaneously implementing the Related Work as required or (and) established in the Procurement Documents in order to enable using the Goods for the direct purpose thereof without incurring any extra costs on the Buyer's side;

5.3.8. other costs related to supply of Goods.

5.4. VAT shall be calculated and paid in accordance with the procedure established by legislations effective at the time when the obligation to calculate VAT arises. Upon change of the VAT rate fixed by the legislations effective in the Republic of Lithuania, the total price of the Goods (excl. VAT) fixed under the Contract shall not change, and the total price of the Goods shall be respectively recalculated to the amount of the changed VAT rate. The risk of change in the VAT rate shall be assumed by the Buyer.

5.5. All payments and settlements under the Contract shall be made in the national currency of the Republic of Lithuania, i.e. the.

6. PAYMENTS, MONETARY OBLIGATIONS AND WITHHOLDINGS

6.1. The Buyer shall pay to the Supplier for the actually delivered Goods within the period specified in Paragraph 6 of the SP of the Contract.

- 6.2. When issuing the Invoice and the Certificate of Transfer – Acceptance of the Goods, the Supplier shall indicate the date and number of the Contract and shall clearly specify (in the VAT invoice or its spreadsheet or in the Certificate of Transfer – Acceptance of the Goods) the particular Goods, which were transferred. The Supplier shall additionally specify the name, surname, and contact telephone number of the Buyer's person in charge for implementation of the Contract as indicated in the SP of the Contract in the submitted Invoice.
- 6.3. The Supplier shall be required to submit the Invoices by using the electronic service "E-Invoice" (the website of the electronic service "E-Invoice" is available at www.esaskaita.eu) under the procedure established by the Law and other legislations.
- 6.4. If any penalties are calculated for the benefit of the Supplier under this Contract, the amount payable by the Buyer for the Goods shall be reduced by the amount of the accrued penalties. The Buyer shall also be entitled to deduct the accrued penalties from any payments made to the Supplier by setting off of such penalties under the procedure established by legislations by notifying such setting-off of penalties to the Supplier in writing (via e-mail, recorded mail, fax, or other means).
- 6.5. The Parties do hereby agree to apply the following procedure for setting-off the Buyer's payments made under this Contract:
- 6.5.1. the first priority for setting off shall be the Supplier's claims related to implementation of payment obligations for the Goods supplied under this Contract;
- 6.5.2. the second priority for setting off shall be the Supplier's claims related to compensation for penalties or losses under this Contract;
- 6.5.3. the third priority for setting off shall be other amounts due from the Buyer to the Supplier (if any).
- 6.6. In the case of international payments under this Contract, the SHA payment scheme shall apply (the paying Party shall pay the bank fees for the international payment order, and foreign banks' fees shall be paid by the Party receiving the payment).
- 6.7. The Buyer shall be entitled to withhold the payment to the Supplier, if the Supplier defaults on the timely implementation of the obligations under this Contract.

7. QUALIFICATION REQUIREMENTS

- 7.1. If any qualification requirements for (a) specialist(s) hired by the Supplier have been established in the Procurement Documents, in that case the Supplier shall make sure that equivalent qualifications of the Supplier and (or) the specialist(s) thereof are ensured throughout the entire validity period of the Contract.
- 7.2. The Supplier shall be entitled to replace the Supplier's specialist specified in the Tender, who was subject to qualification requirements established in the Procurement Documents, only if all of the following conditions are met: (i) the Supplier shall submit a motivated written application regarding replacement of the specialist to the Buyer no later than 10 (ten) calendar days prior to the preferred date for replacement of the specialist (the time period set for submission of the application may be shorter only in the event of illness or death of the specialist planned to be replaced); (ii) the Supplier shall specify a different specialist proposed as a substitute of the specialist specified in the Tender and subject to replacement in the application; (iii) the Supplier shall supplement the application with all documents proving that the new specialist met the personnel qualifications specified in the Procurement Documents; (iv) the Supplier shall obtain a written consent of the Buyer regarding replacement of the specialist with the new specialist identified by the Supplier. The Buyer shall undertake to give a response no later than within 10 (ten) calendar days since receipt date of the documents specified in this Item from the Supplier. In order to avoid any doubts, the Parties do hereby agree that, after the Parties implement all conditions listed in this Item, a separate agreement regarding amendment of the Contract would not be concluded, and the documents listed in this Item and submitted by the Parties to each other shall be regarded as an integral part of the Contract.
- 7.3. Upon request of the Buyer, the Supplier shall submit sufficient proofs of holding all permits, certificates, licences and (or) other documents in compliance with the requirements established by the legislations necessary for supply of the Goods in the territory of the Republic of Lithuania based on the requirements established in the legislations or other documents, internal procedures, descriptions and other documentation of the Supplier specified in the Procurement Documents as mandatory to the Buyer within a time period specified by the Buyer.

8. QUALITY OF THE GOODS

- 8.1. The requirements applicable to the Goods and (or) the quality of the Goods shall be defined in Paragraph 3 of the SP of the Contract, the Technical Specification and the legislations governing the quality and supply of the Goods, or (and) safety thereof. If any specific quality, supply, safety requirements have been established in the Technical Specification and (or) the SP of the Contract, in that case the quality of the supplied Goods shall meet the requirements established by the legislations as well as the typical quality standards and conditions applicable to this type the Goods.
- 8.2. The warranty period of the Goods shall be established in Paragraph 3 of the SP of the Contract and calculation thereof shall start from the date of transfer of the Goods or a part thereof, if parts of the Goods are supplied, for the Buyer's ownership, i.e. from the date of signing the Certificate of Transfer – Acceptance of

the Goods. The warranty period established in the SP of the Contract shall not limit the Buyer's right to raise claims in respect of the Supplier regarding the defects of the sold Goods under the procedure and within the time limits established in Art. 6.338 of the Civil Code of the Republic of Lithuania. During the warranty period of the Goods the Supplier shall be liable for the damages resulting from inadequate / faulty Goods caused to the Buyer or the Third Parties, unless the Supplier proves otherwise by submitting evidences that the quality of the Goods deteriorated because of actions / omissions of the Buyer or the Third Parties.

8.3. If the Buyer is not able to use the Goods with an established warranty period due to obstacles depending on the Supplier, in that case calculation of the warranty period shall be suspended until the Supplier eliminates such obstacles (the defects of the Goods are regarded as obstacles). In such a case the Supplier shall extend the warranty period such a period of time equivalent to the one when the Buyer was not able to use the Goods due to defects of the Goods.

8.4. By signing the Contract, the Supplier guarantees that the Goods sold by the Supplier are new, not used before, suitable for using for the intended purpose thereof, free of any hidden shortcomings of the Goods which would prevent using the Goods for the intended purpose thereof or which would result in reduced efficiency of the Goods. The Supplier does hereby also guarantee that the Goods supplied under this Contract are of high quality, free of defects in terms of design, materials, or workmanship resulting due to any actions or omission of the Supplier, including the ones which could develop during normal operation of the Goods under the conditions prevailing in the final destination point of the Goods.

8.5. Pursuant to Article 6.317 of the Civil Code of the Republic of Lithuania, the Supplier's guarantee (certification) regarding the title of ownership of the Goods and quality thereof exists regardless whether such guarantee has been established in the Contract or not (statutory guarantee).

8.6. It is presumed that the Supplier shall bear material liability for all shortcomings of the Goods identified at the time of transfer – acceptance of the Goods or (and) during the warranty period in the event of failure to prove that the shortcomings of the Goods developed after transfer of the Goods to the Buyer because the Buyer or the Third Parties associated with the latter violated the rules applicable to use or storage of the Goods.

8.7. The Goods shall be supplied in the manufacturer's packaging (not applicable, if the Goods do not require packaging based on the type thereof, and (or) a partial package is being purchased). The packaging shall be in compliance with requirements applicable durability during loading and unloading work in order to protect the Goods from the impact of weather factors during transportation and storage of the Goods in order to preserve the Goods during transportation thereof.

8.8. If shortcomings of the Goods are observed during acceptance – transfer of the Goods, the Buyer shall be entitled not to accept the Goods. Any observed shortcomings of the Goods shall be recorded on the Certificate of Transfer – Acceptance of the Goods by specifying the reasons of the decision made. The shortcomings of the Goods shall be eliminated at the Supplier's cost within the time periods established in the SP of the Contract.

8.9. If shortcomings of the Goods are observed upon signing of the Certificate of Transfer – Acceptance of the Goods during the warranty period established in Paragraph 3 of the SP of the Contract, the Buyer shall notify this to the Buyer in writing specifying that the Supplier was required to take the following actions at one's own effort and expense within the period established in Paragraph 3 of the SP of the Contract from the date of sending the Buyer's notification on identified shortcomings:

8.9.1. to eliminate the shortcomings, or

8.9.2. to replace inadequate Commodity (Goods) with another identical and high quality Commodity, which would meet the requirements established in the Procurement Documents in full, without any extra costs to the Buyer.

8.9.3. The Buyer also shall have the right to raise other claims in respect of the Supplier as established in Article 6.334 of the Civil Code of the Republic of Lithuania.

8.10. The Supplier shall eliminate all shortcomings of the Goods observed during acceptance – transfer of the Goods and (or) during warranty period thereof resulting not due to the fault of the Buyer or the Third Parties (except for the Third Parties associate with the Supplier and (or) the Sub-Suppliers hired by the Supplier) or not due to *force majeure* circumstances at one's own expense within the period specified in Paragraph 3 of the SP of the Contract. The Supplier shall implement all work and (or) services associated with elimination of shortcomings of the Goods or replacement of the Goods at one's own expense, including replacement, assembly (dismantling), repair, installation, commissioning, supply of the Commodity and other related work and (or) services.

8.11. If the Supplier fails to eliminate the shortcomings of the Goods observed during acceptance – transfer of the Goods and (or) during warranty period thereof or upon failure to replace the defective Goods with high-quality ones within the period specified in Paragraph 3 of the SP of the Contract, at the Buyer's claim the Supplier shall pay the Buyer the penalty in the amount fixed in Paragraph 3 of the SP of the Contract and compensate for the related direct losses incurred by the Buyer to the extent not covered by the penalty.

8.12. If the Supplier fails to eliminate the shortcomings of the Goods observed during warranty period or upon failure to replace the defective Goods with high-quality ones within the period specified in Paragraph 3 of the SP of the Contract and when such shortcomings of the Goods prevent from using them for the intended

purpose thereof, the Buyer shall be entitled to eliminate such shortcomings at one's own effort or by hiring Third Parties, and the Supplier in that case shall undertake to cover the costs incurred by the Buyer in relation to elimination of the shortcomings within 10 (ten) calendar days on the basis of a VAT invoice submitted by the Buyer or other equivalent document. The Parties do hereby agree that in such a case it shall be deemed that the minimum costs incurred by the Buyer shall amount to 20.00 Euros (twenty Euros 00 Euro ct) for each poor-quality Commodity (unless a different amount has been established in the SP of the Contract as the minimum amount for compensation of losses). If the Buyer is able to objectively prove that the losses incurred as a result of the poor-quality Commodity exceed the amount of 20.00 Euros (twenty Euros 00 Euro ct) (or other amount established in the SP of the Contract as the minimum amount for compensation of losses), the Supplier shall pay the provided amount of losses in full, except for cases when the Supplier proves that the shortcomings of the Goods resulted from inadequate storage or operation of the Goods by the Buyer.

8.13. The Supplier shall compensate losses incurred by the Buyer in relation to determination of the quality (failures) of the Goods at public authorities authorized to provide such services on the basis of an invoice submitted by the Buyer. The Buyer shall be entitled to conduct such an expert examination of the Goods without a prior consent of the Supplier, if the Buyer has reasonable doubts regarding the quality of the Goods at the time of acceptance – transfer thereof or during the warranty period or if any hidden defects of the Goods, non-conformities with the requirements established in the Contract or the legislations are found after transfer of the Goods to the Buyer or the Goods (or a part thereof) are impossible to use for the direct purpose thereof due to malfunctions or other shortcomings.

8.14. In the event of a dispute, the Parties may order an expert examination. The Supplier shall pay the costs incurred in relation to hiring an independent expert.

8.15. The Buyer has the right to return poor-quality Goods to the Supplier at the time of transfer – acceptance of the Goods or during the warranty period without giving the Supplier a right to replace the poor-quality Goods or to eliminate shortcomings of the Goods, if the shortcomings of the Goods place the electrical and (or) gas infrastructure or the Third Parties at risk or if the failures are of a continuous and (or) recurring nature (more than five failures of the Goods per month or more than 2 failures of the Commodity per one month). In such a case the Supplier must collect the Goods from the place specified by the Buyer at one's own cost within 10 (ten) calendar days and the Contract Price to be paid to the Supplier under the Contract shall be reduced respectively to the value of such defective Goods.

8.16. When supplying the Goods and (or) implementing the work associated with supply of the Goods, the Supplier shall ensure compliance with requirements of the occupational safety, fire safety, environmental protection and other requirements established by legislations applicable to supply of the Goods.

9. RIGHTS AND OBLIGATIONS OF THE PARTIES

9.1. The Buyer shall undertake:

- 9.1.1. to implement the Contract in a proper and fair manner;
- 9.1.2. during implementation of the Contract to cooperate with the Supplier in submitting information reasonably required for the implementation of the Contract the need for the submission of which arises within the course of implementation;
- 9.1.3. to accept the Goods delivered at an agreed time, provided that they meet the requirements applicable to the Goods as specified in the Contract;
- 9.1.4. upon proper implementation of contractual obligations by the Supplier, to pay to the Supplier for the proper Goods delivered in accordance with the procedure and within the terms established in the Contract based on the Price and (or) Price Rates (if established) fixed in Paragraph 2 of the SP of the Contract;
- 9.1.5. to follow the requirements of the policy of zero tolerance for corruption of Lietuvos Energija group (the policy is published on the website www.le.lt), and the application of corruption risk management measures during the implementation of the Contract;
- 9.1.6. to properly implement other obligations provided for in the Contract and the effective legislations of the Republic of Lithuania.

9.2. The Supplier shall undertake:

- 9.2.1. to implement the Contract in a proper and fair manner;
- 9.2.2. to deliver the Goods to the place specified by the Buyer in compliance with the requirements established in the Contract. To unload the Goods at one's own cost, implement the Related Work, unless specified in the SP of the Contract;
- 9.2.3. to make arrangements for the equipment and labour force needed for proper implementation of the Contract;
- 9.2.4. to assume the risks of accidental loss or deterioration of the Goods before delivery of the Goods to the destination point thereof, as well as risks associated with damage caused to the Goods within the course of unloading thereof from the Supplier's vehicle at the place specified by the Buyer, if the Supplier is in charge for unloading of the Goods at the destination point;

- 9.2.5. to submit all the required documentation in the language specified in the procurement Documents to the Buyer along with the Goods, including operation and maintenance manuals of the Goods, and to consult the Buyer on other issues related to the contractual obligations of the Supplier;
- 9.2.6. to submit the Invoices by using the electronic service "E-Invoice" (the website of the electronic service "E-Invoice" is available at www.esaskaita.eu) under the procedure established by the Law and other legislations;
- 9.2.7. to immediately notify the Buyer in writing of any circumstances, which impede or could impede the Supplier to deliver the Goods within the terms and under the procedure established in the Contract;
- 9.2.8. to ensure the compliance with requirements of occupational safety, fire safety, environmental protection and other requirements established by legal acts applicable to the supply of the Goods (if any);
- 9.2.9. to take into account the Buyer's comments, additional information given during implementation of the Contract, if they would be given;
- 9.2.10. to indemnify, at one's own expense, the Buyer against any claims, lawsuits, or losses arising from the Supplier's actions or omission and (or) negligence within the course of implementation of the Contract and to compensate for damages inflicted to and losses suffered by the Third Parties due to the fault thereof, including infringement of any legislations, unlawful use of patents, trademarks, other intellectual property objects, damages caused as a result of Goods of inadequate quality, or violation of any persons' rights;
- 9.2.11. to comply with the provisions of the Civil Code of the Republic of Lithuania and other effective legislations of the Republic of Lithuania related to implementation of the Supplier's contractual obligations and ensure that such provisions are complied with by the Supplier's employees and representatives. The Supplier does hereby guarantee to the Buyer and/ or the Third Parties compensation for losses in the event of the non-compliance with the requirements of the effective legislations of the Republic of Lithuania by the Supplier or the Third Parties associated with the Supplier, which would form grounds for any claims or initiation of procedural actions against the Buyer and/ or the Third Parties;
- 9.2.12. to guarantee confidentiality and protection of information received from the Buyer during implementation of the Contract and related to implementation of the Contract. Upon expiry of the period set for implementation of the contractual obligations, at the Buyer's request, to return all documents received from the Buyer and necessary for implementation of the Contract;
- 9.2.13. to follow the requirements of the policy of zero tolerance for corruption of Lietuvos Energija group (the policy is published on the website www.le.lt), and the application of corruption risk management measures during the execution of the Contract;
- 9.2.14. to immediately inform about circumstances arising during the validity period of the Contract due to which the Contract may no longer comply with the national security, corruption prevention, economic and other international sanctions, or with other requirements of legal acts intended for the protection of the public interest;
- 9.2.15. to not use the Buyer's brand(s) and/or name in any advertisements, publications or anywhere else without a prior written consent from the Buyer;
- 9.2.16. to properly implement other obligations provided for in the Contract and the effective legislations of the Republic of Lithuania.
- 9.3. The Buyer shall be entitled:**
- 9.3.1. to proper implementation of the contractual obligations by the Supplier in good faith throughout the entire validity period of the Contract as well as penalties, compensation of losses in the event of the Supplier's failure to comply with the contractual obligations or (and) violation of the requirements of the legislations;
- 9.3.2. without a separate notice to conduct any inspections, which the Buyer deems necessary, if there are any doubts whether the Supplier would be able to supply the Goods in due time, or when the Goods are supplied in a poor quality, unprofessional manner;
- 9.3.3. on the basis of a written and well-founded request, to demand replacement of the Supplier's employee, if the Buyer believes that the person is not diligent or implements one's duties inappropriately;
- 9.3.4. to give comments related to the Goods supplied by the Supplier, which must be taken into account by the Supplier.
- 9.4. The Supplier shall be entitled:**
- 9.4.1. to receive payment in the amount specified in the Contract for the Goods supplied to the Buyer in a timely, proper, and high-quality manner;
- 9.4.2. to request the Buyer to submit information or documents related to proper implementation of the Contract the need for the submission of which arises during implementation of the Contract;
- 9.4.3. to demand the Buyer to accept the Goods subject to transferring, which meet the requirements of the Procurement Documents, Contract, and legislations applicable to the supply of the Goods and to sign the Certificate of Transfer – Acceptance of Goods;
- 9.4.4. to demand for proper and timely implementation of other contractual obligations of the Buyer.
- 9.5. Other obligations, rights, and duties of the Buyer and the Supplier have been defined in effective legislations of the Republic of Lithuania and the SP of the Contract (if defined).

10. TERMS FOR DELIVERY AND THE PROCEDURE FOR TRANSFER – ACCEPTANCE OF THE GOODS

- 10.1. The terms for delivery of the Goods and the additional procedures are specified in Paragraph 5 of the SP of the Contract.
- 10.2. The Goods shall be delivered based on individual Orders placed by the Buyer to the Supplier, unless specified otherwise in the SP of the Contract.
- 10.3. It shall be considered that the Supplier received the Order on the day it was placed by the Buyer via e-mail or fax specified in the special part of the Contract, if no other deadline is specified in the special part of the Contract. If an Order is placed via registered mail, then the Order shall be considered to be received on the day it is delivered to the Supplier, but no later than 5 (five) working days after the Order is placed via mail.
- 10.4. The Supplier, having implemented the obligations specified in the Contract in relation to delivery of the Goods of proper quality to the destination point established for delivery of the Goods and completion of the Related Work as well as work associated with supply of the Goods (unless specified otherwise in the SP of the Contract), shall request the Buyer in writing for signing the Certificate of Transfer – Acceptance of the Goods.
- 10.5. The Certificate of Transfer – Acceptance of the Goods shall be drawn up in two copies both having equal legal power signed by the authorised persons of both Parties, unless specified otherwise in the SP of the Contract. The title of ownership of Goods shall transfer to the Buyer from the date of signing the Certificate of Transfer – Acceptance of the Goods.
- 10.6. Unless Paragraph 5 of the SP of the Contract provides otherwise, the Buyer shall sign the Certificate of Transfer – Acceptance of the Goods no later than within 5 (five) business days of the Supplier's written request regarding signing the Certificate of Transfer – Acceptance of the Goods, if the quality of Goods complies with the requirements established in the Contract.
- 10.7. At the time of transfer – acceptance of the Goods the Supplier shall hand over all drawings, manuals and other data and documents (if applicable), giving detailed descriptions how to use, maintain, adjust, and repair the Goods or parts thereof specified in the Contract for the ownership of the Buyer. As long as the Buyer is not provided with manuals for operation and maintenance of the Goods and (or) other information specified in the Procurement Documents (if applicable), it shall be deemed that the Supplier's contractual obligations have not been implemented and the Goods have not been delivered.
- 10.8. The Supplier shall cover the shipment costs incurred in relation to delivery of the Goods to the destination point, including unloading and the Related Work, unless specified otherwise in the SP of the Contract.
- 10.9. The Supplier shall assume the risks associated with accidental loss or damage caused to the Goods before delivery of the Goods to the destination point thereof. The Supplier shall assume the risks associated with damage caused to the Goods at the time of unloading thereof and (or) within the course of implementation of the Related Work (if implemented by the Supplier or the Third Parties associated with the latter), unless specified otherwise in the SP of the Contract.
- 10.10. Prior to expiry of the deadline established in the Contract for delivery of the Goods, the time limits set for delivery of the Goods may be extended by written agreement of the Parties, if the Supplier submits a well-founded request for extension of time limit set for delivery of the Goods to the Buyer at least 10 (ten) calendar days prior to the established time limit (if the time limit set for delivery of the Goods is shorter than 10 (ten) calendar days, in that case the Supplier shall apply no later than 1 (one) business day prior to expiry of the deadline) and the circumstances specified in it are associated with at least one of the following circumstances:
- 10.10.1. the additional instructions given to the Supplier affect the time limits for delivery of the Goods by the Supplier;
- 10.10.2. the actions of state or municipal authorities or any obstacles associated with the Buyer and (or) and (or) the Third Parties hired by the Buyer interfere with timely implementation of the obligations by the Supplier;
- 10.10.3. circumstances not anticipated at the time of signing this Contract (unexpected changes to the Order placed by the Buyer, actions or omissions of the Third Parties associated with the Buyer, disputes in progress under a pre-trial or judicial procedure, amendments to the provisions of legislations related to implementation of the Contract, the Buyer discovers new circumstances in presence of which the quantity of the Order or the delivery conditions must be revised, etc.) are discovered within the course of implementation of the Contract.
- 10.11. Failure to implement the contractual obligations by the Supplier's contrahent shall not be regarded as an important circumstance forming basis for extension/ changing of the time limit set for delivery of the Goods.
- 10.12. The Parties hereto shall undertake to immediately notify the other Party of any occurrence of the circumstances referred to in Paragraph 10.10. of the GP of the Contract in writing.
- 10.13. The time limit set in the Contract for delivery of the Goods may be extended pursuant to Paragraph 10.10. of the GP of the Contract only for such a period that the Contactor is able to prove by submitting objective proofs (photographs, applications, certifications issued by state authorities, etc.).
- 10.14. The time limit set in the Contract for delivery of the Goods shall be extended for a period not exceeding 30 (thirty) calendar days. If it turns out that the circumstances have not ceased or new circumstances specified in Paragraph 10.10. of the GP of the Contract developed prior to expiry of the extension period, the time limit

set for delivery of the Goods may be extended for another period of 30 (thirty) calendar days subject to written agreement of the Parties only upon submission of an application, including substantiation and proofs, by the Supplier. The number of extensions shall be unlimited, but the total period of supply of the Goods shall not exceed 3 (three) years, unless specified otherwise in the SP of the Contract.

10.15. Upon receipt of a well-founded request of the Supplier, including clear specification and objective substantiation of the reasons causing breach (delay) of the deadlines set for delivery of the Goods related to at least one of the circumstances specified in Paragraph 10.10. of the GP of the Contract and based on factual proofs, the Buyer shall have the right not to require payment of penalties during the period of existence of these circumstances, but only in such a case, if the time limit set for delivery of the Goods was not extended in due time not because of the Supplier's negligence or omission.

11. THE SUPPLIER'S RIGHT TO HIRE THIRD PARTIES (SUB-SUPPLY), JOINT VENTURE

11.1. Any natural or legal entities hired by the Supplier for implementation of this Contract, irrespective of the legal relationships associating these entities with the Supplier, shall be classified as entities acting on behalf of the Supplier. Actions of these entities in relation to implementation of the Contract shall cause the same consequences and liability for the Supplier as if they were the actions of the latter.

11.2. Sub-supply shall not establish any contractual relationships between the Buyer and the Sub-Supplier (except for direct settlements specified in Paragraph 11.10. of the GP of the Contract). The Supplier shall be liable for the actions or omissions of one's Sub-Suppliers. The Buyer's consent regarding hiring of a Sub-Supplier for implementation of the contractual obligations shall not relieve the Supplier from any obligations assumed under the Contract.

11.3. For the purpose of implementation of the Contract the Supplier may hire only those Sub-Suppliers, who have been specified in the Supplier's Tender, or (and) those Sub-Suppliers, who were specified to the Buyer by the Supplier prior to the start of implementation of the Contract, or (and) those Sub-Suppliers, who would be hired by the Supplier for implementation of the contractual obligations during the validity period of the Contract. The Supplier shall not be entitled to hire Sub-Suppliers, if no such intentions have been specified in the Tender thereof. Replacement of the Sub-Supplier or (and) hiring a new Sub-Supplier is allowed only for that part of the contractual obligations, which has been planned for transferring to them based on the Tender thereof and which has been specified in the SP of the Contract.

11.4. Replacement of Sub-Suppliers or hiring new Sub-Suppliers is allowed only when the Supplier submits an application to the Buyer regarding replacement of the Sub-Supplier specified in the Contract or hiring a new Sub-Supplier, documents proving that the new Sub-Supplier met the qualification requirements specified in the Procurement Documents (if any qualification requirements were applicable to Sub-Suppliers in accordance with the Procurement Documents based on the assumed part of the contractual obligations) and obtains a written consent of the Buyer regarding replacement of the selected Sub-Supplier or hiring a new Sub-Supplier. Besides the aforementioned documents, the Supplier is also required to provide the Buyer with a copy of the written notification given to the Sub-Supplier specified in the Contract informing the latter about the fact of replacement thereof and the planned replacement date. In order to avoid any doubts, the Parties do hereby agree that, after the Parties implement all conditions listed in this Item, a separate agreement regarding amendment of the Contract would not be concluded, and the documents listed in this Item and submitted by the Parties to each other shall be regarded as an integral part of the Contract.

11.5. In the event when the Sub-Supplier preferred to be hired the Supplier does not meet the qualification requirements applicable to Sub-Suppliers in accordance with the Procurement Documents, the Supplier shall undertake to replace the Sub-Supplier failing to meet the qualification requirements with another one within 5 (five) business days since the receipt date of the Buyer's notification regarding the Sub-Supplier's failure to meet the qualification requirements.

11.6. The Supplier shall make sure that the Sub-Suppliers implementing the Contract would have the required qualifications and experience required for proper implementation of the Contract at the moment of conclusion of the Contract and throughout the entire validity period of the Contract. The Supplier shall be liable in respect of the Buyer for the quality of the contractual obligations implemented by the Sub-Suppliers, compliance with the safety and supply requirements and (or) other requirements established on the basis of the nature of the Contract.

11.7. If the Supplier replaces the existing Sub-Supplier or hires (engages, employs, allows implementation of a part of the contractual obligations under the Contract, etc.) a new one without obtaining a written consent of the Buyer in accordance with Item 11.4. of the GP of the Contract or the contractual obligations under the Contract are implemented by Sub-Suppliers, whose qualifications do not meet the qualification requirements established in the Procurement Documents or (and) legislations applicable to this type of activities, upon the Buyer's claim, the Supplier shall pay a fine specified in [Item] 17.5. of the GP of the Contract.

11.8. In the event of necessity to substitute the partners indicated in the Joint Venture Agreement with other partners, all conditions listed below must be met:

11.8.1. the Supplier shall submit the following documents to the Buyer:

- 11.8.1.1. application of the remaining partner in a joint venture for substitution of the partner in a joint venture;
- 11.8.1.2. application of the withdrawing partner in a joint venture for withdrawal from the partner in a joint venture and for transfer of all obligations under the Joint Venture Agreement to the new and (or) remaining partner in a joint venture;
- 11.8.1.3. a written consent of the new and (or) remaining partner in a joint venture regarding substitution of the withdrawing partner in a joint venture and takeover of all obligations of the withdrawing partner in a joint venture and of the new and (or) remaining partner in a joint venture and the documentary proof of qualifications of the new or remaining partner in a joint venture (if applicable).
- 11.8.2. The Supplier submit the Buyer with a copy of a new Joint Venture Agreement or amendment of the existing Joint Venture Agreement determining the same obligations of the remaining partner in a joint venture as in the previous Joint Venture Agreement, and the new and (or) remaining partner in a joint venture shall take over all obligations of the withdrawing partner in a joint venture under the previous Joint Venture Agreement.
- 11.9. The Buyer shall have the right to make the final decision regarding substitution of a partner in a joint venture. If the Buyer approves the substitution, substitution of a partner in a joint venture shall be formalised in the form of a written agreement of the Parties. In the event of the Supplier's refusal of a partner in a joint venture, substitution thereof or hiring a new partner and without a written permission of the Buyer, upon the Buyer's claim, the Supplier shall pay a fine to the amount specified in Item 17.5. of the GP of the Preliminary Contract.
- 11.10. The Supplier shall not be entitled to hire the Buyer's employees for implementation of this Preliminary Contract or to hire the Buyer's employees for implementation of the Preliminary Contract on any other grounds. This may be considered as a material breach of the Preliminary Contract.
- 11.11. In case when a possibility for the Buyer to make settlements with the Sub-Suppliers directly has been established in the Procurement Documents, if the Sub-Supplier expresses a wish to use the opportunity of making settlements directly, a tripartite agreement shall be concluded by the Buyer, the Supplier, and the Sub-Supplier.

12. USE, SUPPLY OR CONTRACT FOR WORK

- 12.1. In cases when, during supply of the Goods, the Supplier must take certain objects of the Buyer and return them back to the Buyer upon delivery of the Goods, or when for the purpose of supply of the Goods the Buyer delivers to the Supplier any movable objects owned by the Buyer, notwithstanding other provisions of the Contract, the following rules shall apply:
 - 12.1.1. such objects shall be handed over by the Buyer to the Supplier under EXW conditions in accordance with INCOTERMS 2010, at a place specified in writing;
 - 12.1.2. the delivered objects shall be returned by the Supplier to the Buyer under DDP conditions in accordance with INCOTERMS 2010 by the deadlines specified in writing in the Contract or otherwise to a place of delivery specified in writing;
 - 12.1.3. such transfer of the Buyer's objects to the Supplier shall not grant to the Supplier any rights of possession to the objects, except for the rights necessary for the fulfilment of the Supplier's obligations under this Contract.
- 12.2. If the contractual documents specify that the Supplier is required to provide certain services to the Buyer and (or) carry out certain work for the benefit of the Buyer within the course of supply of the Goods, such provision of the services or performance of work (including deadlines and procedure of submission of quality reports) shall be subject to application of the provisions of this Contract *mutatis mutandis*.
- 12.3. Without prejudice to the provisions of Section 10 of the GP of the Contract, the following special rules shall also apply to the supply of the Goods under this Contract:
 - 12.3.1. all the Goods supplied to the Buyer must be delivered under DDP conditions in accordance with INCOTERMS 2010, including costs incurred in relation to unloading of the Goods and the Related Work. The address for delivery of the Goods has been specified in the SP of the Contract;
 - 12.3.2. where the Goods are handed over to the Buyer for direct use, but not for consumption thereof in order to achieve the result of supply of the Goods, the procedures of acceptance – transfer and raising claims regarding defects, which occurred during transportation of the Goods, established in the Convention on the Contract for the International Carriage of Goods by Road (CMR) (Geneva) shall apply.
- 12.4. Without prejudice to the provisions of Section 10 of the GP of the Contract, the following special rules shall apply to execution of work under this Contract:
 - 12.4.1. the Supplier shall carry out construction survey, designing, construction contract work in accordance with the requirements of the effective legislations and (or, if applicable) in accordance with the requirements of the design task given by the Buyer, technical design and (or, if applicable) following the instructions given by the project manager, technical supervisor, or engineer appointed by the Buyer;

12.4.2. if the works of other type are carried out in accordance with this Contract, the procedure of implementation thereof shall also be subject to the provisions of the Civil Code of the Republic of Lithuania regulating the procedure of implementation of such work.

13. INTELLECTUAL PROPERTY RIGHTS

13.1. All results and rights related to them acquired within the course of implementation of the Contract, including the intellectual property rights, except for personal non-property rights to the results of intellectual activity, shall be the ownership of the Buyer, which shall pass on to the Buyer from the moment of transfer – acceptance of the Goods without any restrictions and indefinitely and which may be used, published, disposed or transferred by the Buyer to the Third Parties without a separate consent of the Supplier, unless specified otherwise in the SP of the Contract, or the intellectual property rights may not be transferred by the title of ownership due to the type of the Goods or (and) the exclusive rights, patents, etc. of the manufacturer of the Goods, if the Supplier has informed about this in advance and submitted respective documents/ proofs.

13.2. Any documents related to the Contract, except for the Contract itself, shall be the ownership of the Buyer and upon completion of implementation of the Supplier's obligations, at the Buyer's claim, they must be returned (together with all copies of such documents) to the Buyer.

13.3. The text of this Contract, except for documents unilaterally executed by the Supplier and data identifying the Supplier, shall be the Buyer's copyright work. The procedures of conclusion and performance of this Contract shall constitute the best practices of the Buyer. The Supplier shall be granted only the non-exclusive fixed-term right to use the text of the Contract only for the purposes of implementation of this Contract. Any other use of the text of this Contract and (or) know-how acquired by the Buyer within the course of implementation of the procedures of conclusion and performance of this Contract in the Supplier's activities shall be subject to an advance written consent of the Buyer.

13.4. The Supplier does hereby guarantee compensation for losses and/ or damage to the Buyer (including litigation costs) due to any claims arising in respect to any infringement or suspected infringement of the intellectual property rights (including defence in the case of suspected infringement), unless such infringement (suspected infringement) arises due to the Buyer's fault.

13.5. The Supplier shall immediately notify the Buyer of any action brought or any claim lodged against thereof regarding infringement or suspected infringement of any intellectual property rights in relation to the Contract.

14. LIABILITIES OF THE PARTIES

14.1. The Parties do hereby declare that the penalties established in this Contract shall be deemed as fair and small and agree that they would not be reduced, regardless if a part of the obligation has been implemented. The Parties do hereby also acknowledge that the amount of the aforementioned penalties shall be regarded as the minimum indisputable amount of losses incurred by the injured Party, which the other Party shall compensate to the injured Party as a consequence of breach of (failure to comply with) the Contract without requiring proofs supporting the amount of the losses.

14.2. The Parties shall be liable for failure to implement their contractual obligations or inadequate implementation thereof in accordance with the procedure established in this Contract and legislations. Compensation of losses and payment of penalties shall not exempt the Party from proper implementation of the provisions of the Contract.

14.3. Upon the Buyer's claim for compensation of the incurred losses, the penalties shall be included in compensation of losses. Penalties shall be applied on account of the amounts specified in the Contract, excluding VAT.

14.4. Penalties to be paid by the Party on the basis of the Contract must be paid within 10 (ten) calendar days since receipt date of an invoice or other document issued for the purpose of payment thereof and specifying the claim for payment of the penalties.

14.5. In the event of the Supplier's failure to implement the obligations thereof under the Contract or inadequate implementation thereof, this shall constitute a breach of the Contract. In the event of breach of the Contract by the Supplier, the Buyer shall be entitled to apply any lawful remedies, including, but not limited to:

14.5.1. to require proper implementation of the contractual obligations thereof;

14.5.2. to require compensation of losses;

14.5.3. to use the security issued for the Contract, if such a requirement has been established in the Procurement Conditions;

14.5.4. to require payment of penalties to the amount established in the SP of the Contract and to compensate losses;

14.5.5. to terminate the Contract under the procedure established in Item 17.4. of the GP of the Contract.

14.6. If there are no grounds for withholding the payment and the Buyer fails paying the Supplier for the Goods within the period specified in Paragraph 6 of the SP of the Contract, upon the Supplier's claim, the

Buyer shall pay default interest amounting to 0.05 percent of the overdue amount for each day of delay. Violation of the Supplier's contractual obligations shall be regarded as grounds for the withholding.

15. FORCE MAJEURE CIRCUMSTANCES

15.1. The Party shall be exempted from liability for failure in implementation of the Contract, if the failure in implementation of the Contract resulted from *force majeure*, i.e. circumstances, which could not be controlled by that Party or which could have been reasonably anticipated at the time of conclusion of the Contract and these circumstances or the consequences thereof could not have prevented from occurrence. The Party's lack of the required financial resources or violation of the obligations assumed by the Supplier's contrahents shall not be regarded as *force majeure*. The Contracting Parties shall inform each other about occurrence of *force majeure* circumstances via fax immediately followed by notification in writing. The Party having failed to notify the other Party about *force majeure* circumstances shall not be entitled to rely on them as the grounds for exemption from liability in the event of failure in implementation of the Contract.

15.2. In presence of *force majeure* circumstances, the Parties shall be exempted from implementation of their contractual obligations for the entire period of existence of the aforementioned circumstances, but for no longer than 2 (two) months.

15.3. If the *force majeure* circumstances persist for a period exceeding 2 (two) months, either of the Parties shall be entitled to terminate this Contract unilaterally by giving a written notification about this to the other Party 5 (five) calendar days in advance.

15.4. Upon termination of the Contract, the Parties shall make settlements with each other and implement other obligations specified in the Contract no later than within 3 (three) business days from the Contract termination date.

16. SECURITY FOR IMPLEMENTATION OF THE CONTRACT

16.1. The provisions of this Paragraph shall be applicable, if the SP of the Contract establishes that the Supplier is required to submit the Contract surety in order to secure proper implementation of the Contract.

16.2. No later than within 10 (ten) calendar days of the signing date of this Contract, the Supplier shall provide the Buyer with the Contract surety for an amount indicated in the SP of the Contract as well as all accompanying documents (original copies), which shall be effective for the entire validity period of the Contract. In case if the validity period of the Contract surety could expire during the validity period of the Contract, the Supplier shall provide a new Contract surety to the Buyer no later than 5 (five) business days prior to expiry of the security for implementation of the Contract or to extend the existing one for a period of at least 6 (six) months. In all cases the Contract surety shall be valid continuously throughout the entire validity period of the Contract.

16.3. If the Supplier fails to submit a new Contract surety or to extend the existing one under the procedure established in Item 16.2. of the GP of the Contract for the specified time limit prior to expiry of the Contract surety, this shall be considered as a material breach of the Contract.

16.4. The Contract surety shall be submitted in a currency used by the Parties for making mutual settlements, unless specified otherwise in the SP of the Contract.

16.5. Implementation of the Contract shall be secured by an unconditional and irrevocable banker's guarantee issued under the established procedure and approved regulations or by an unconditional and irrevocable suretyship insurance letter issued by insurance companies under the established procedure and approved regulations, unless specified otherwise in the SP of the Contract.

16.6. If a banker's guarantee is submitted as means for securing implementation of the Contract, the Contract shall be secured by an unconditional and irrevocable guarantee issued in accordance with the established procedure and approved regulations by a bank registered in the Republic of Lithuania or in other Member State of the European Union or the European Economic Area, or by any other international bank with at least A- (A minus) rating of long-term borrowing in accordance with "Fitch Ratings" Agency (or an equivalent of "Standard&Poor's" or "Moody's" rating agencies). The rating must be met by the bank having issued the guarantee or the group of companies, which it belongs to.

16.7. If a letter issued by an insurance company is submitted as means for securing implementation of the Contract, such a letter must be issued by an insurance company with an investment-level rating certified by an international rating agency no lower than one of the following: BBB by Agency "Standard&Poor's"; BBB by Agency "Fitch IBCA"; Baa2 by Agency "Moody's"; B++ by Agency "A.M. Best". If an insurance company has no rating, it shall be deemed as acceptable only in case, if the aforementioned ratings have been established for the stakeholder of an the insurance company holding no less than 50 percent of the insurance company' shares.

16.8. The Contract surety shall indicate that the entity issuing the Contract surety shall unconditionally and irrevocably undertake to pay the Buyer an amount not exceeding the one specified in the Contract surety within 7 (seven) business days since the Buyer's first notification regarding violation of the obligations established in

the Contract, partial or complete failure to implement them or inadequate implementation thereof submitted to the entity issuing the Contract surety. The entity issuing the Contract surety shall not be entitled to require the Buyer to submit proofs of one's claim. The Buyer would indicate in the notification for the entity issuing the Contract surety that the amount of the Contract surety is due to the former because of the Supplier's failure to implement the conditions of the Contract in part or in full or violation of the Contract in any other manner. The Buyer shall not undertake to prove the actually incurred losses and, by signing the Contract and submitting the Contract surety, the Supplier confirmed that the amount of the Contract surety shall be deemed as minimum losses incurred by the Buyer, which shall not be subject to proving.

16.9. If the Supplier fails to provide the Contract surety within the period specified in Item 16.2. of the GP of the Contract, the Buyer shall be entitled to terminate the Contract unilaterally without a notice period without any compensation of any losses incurred by the Supplier as a result of unilateral termination of the Contract. If, based on the provisions of the SP of the Contract, the Contract shall enter into force from the moment, when the Supplier submits the Contract surety to the Buyer, this provision of the Contract regarding termination of the Contract shall not be applicable and it shall be deemed that the Supplier refused to conclude the Contract, thus the Buyer shall become entitled to use the security issued in order to secure the Tender validity respectfully.

16.10. The Buyer shall return the Contract surety to the Supplier (if a paper original copy of the surety has been submitted) no later than within 10 calendar days since the receipt date of the Supplier's request and upon implementation of the obligations assumed under this Contract.

17. VALIDITY, TERMINATION AND AMENDMENT OF THE CONTRACT

17.1. The moment when the Contract enters into force and the validity period thereof is specified in the SP of the Contract.

17.2. The Contract may be terminated based on written agreement of the Parties.

17.3. The Buyer shall be entitled to terminate this Contract unilaterally under an extrajudicial procedure at any time by notifying this to the other Party in writing (via fax or e-mail) 10 (ten) calendar days in advance, having paid for the high-quality Goods actually delivered prior to the Contract termination date.

17.4. The Buyer shall be entitled to terminate the Contract unilaterally under an extrajudicial procedure by notifying this to the Supplier in writing 5 (five) calendar days in advance, if the Supplier committed a material breach of the Contract. A breach of the Contract committed by the Supplier shall be regarded as material, if:

17.4.1. the supplied Goods do not comply with the requirements established in the Contract at the time of transfer – acceptance thereof and the Supplier fails to eliminate the shortcomings of the Goods for a period exceeding 30 (thirty) calendar days since expiry of the time period established for elimination of the shortcomings specified in the SP of the Contract;

17.4.2. any shortcomings of the Goods are identified during warranty servicing of the Goods and the Supplier delays elimination of the shortcomings of the Goods for a period exceeding 30 (thirty) calendar days since expiry of the time period established for elimination of the shortcomings specified in the SP of the Contract;

17.4.3. if shortcomings of the Goods are identified in case of more than 30 percent of the delivered quantity of the Goods or the quantity established in the Order or the Contract;

17.4.4. the Supplier delays delivery of the Goods more than twice in a row;

17.4.5. the Supplier fails to comply with the deadlines set for delivery of the Goods as specified in Paragraph 5 of the SP of the Contract and the delay exceeds a period of 30 (thirty) calendar days since expiry of the scheduled deadline;

17.4.6. the amount of penalties accrued in respect of the Supplier under the Contract reaches the maximum amount of penalties applicable to the Supplier as specified in the SP of the Contract;

17.4.7. qualifications of the Supplier no longer comply with requirements of this Contract, and such non-compliances have not been rectified within 14 (fourteen) calendar days of the day when the qualifications became non-compliant;

17.4.8. the Supplier violates the provisions of this Contract regulating competition or management of intellectual property or confidential information;

17.4.9. the Supplier violates the provisions of Section 11 of the GP of the Contract;

17.4.10. other circumstances specified in the Contract and (or) Article 6.217 of the Civil Code of the Republic of Lithuania exist.

17.5. If the Contract is terminated due to the circumstance(s) specified in Item 17.4. of the GP of the Contract, i.e., in the event of a material breach of the Contract committed by the Supplier, or upon termination of implementation of the Contract by the Supplier without valid grounds not under the procedure established in the Contract, the Supplier shall undertake to pay the Buyer a fine amounting to 5 (five) percent of the total price of the Contract, excluding VAT, and to compensate direct losses incurred in relation to termination of the Contract. Upon the Buyer's claim for compensation of the incurred losses, the amount of the fine shall be included in the compensation of the losses.

17.6. The Supplier shall assume risks that, upon termination of the Contract on the grounds established in Item 17.4. of the GP of the Contract, the later could be included in the list of unreliable suppliers under the procedure established by legislations of the Republic of Lithuania.

17.7. The Buyer shall be entitled to terminate the Contract unilaterally under an extrajudicial procedure by notifying this to the Supplier in writing 5 (five) calendar days in advance, if the Supplier is subject to bankruptcy or restructuring proceedings, or extra-judicial bankruptcy process, initiation of the procedures of forced liquidation or arrangement with creditors, or analogous procedures in accordance with the laws of the country of one's registration, the Buyer becomes aware of any other enforcement of the rights of the Supplier's creditors, which could have an essential impact on the Supplier's abilities to continue implementation of the Contract and (or) there are other grounds established in the directives of the European Parliament and of the Council, including offences defined in legislations of the European Union.

17.8. Upon termination of this Contract on any grounds, the Parties shall undertake:

17.8.1. to take all measures in order to reduce the losses incurred by them as a result of termination of the Contract;

17.8.2. to submit all documents necessary for making settlements under this Contract in full to the other Party within 10 (ten) calendar days since the receipt date of a notification on termination of the Contract (before the Contract termination date);

17.8.3. to make settlements for the proper, high-quality Goods delivered prior to termination of the Contract in compliance with the requirements established in the Contract.

17.9. The Buyer may suspend implementation of the Contract or a part thereof for such period of time and in such a manner as the former deems necessary. If the suspension period takes longer than 30 (thirty) calendar days, the Supplier shall be entitled to request permission to resume implementation of the Contract, and if the Buyer does not give the permission within 10 (ten) calendar days of the respective request of the Service Provider without valid circumstances – to terminate the Contract by notifying this 10 (ten) calendar days in advance.

17.10. The provisions of the Contract may not be amended during the validity period of the Contract, except for those provisions of the Contract amendment of which has been stipulated in the Contract and (or) is allowed in accordance with the provisions of the Law.

17.11. Technical adjustments (for example, details of the Parties, errors) and correction of separate provisions regarding implementation of the Contract under the circumstances provided for in the Contract shall not be deemed as the amendment of the contractual provisions.

17.12. Amendment of the contractual provisions may be initiated by each Party, by submitting to the other Party a respective application and the supporting documents. The Party having received such an application shall examine it within 20 (twenty) calendar days and submit a motivated written response to the other Party. In the case of disagreement of the Parties the Client shall have the right to make the decision.

18. CONFIDENTIAL INFORMATION

18.1. The Parties do hereby agree to keep the Contract, except for the fact of conclusion thereof, and all information communicated to each other or discovered/ recorded/ filmed, etc. within the course of implementation of the Contract in any other manner confidential indefinitely, regardless of whether this information was provided in an oral or a written form. The Parties hereto do hereby agree not to disclose any confidential information to any Third Parties without a prior written consent of the other Party, and also not to use any confidential information for personal or Third Party needs, except for cases when such information shall be disclosed under the procedure established by legislations or it must be disclosed to a specialist/ advisor in the area a law, finance or other area, or to a creditor.

18.2. All information provided by the Buyer to the Supplier shall be considered as confidential, except for publicly available information and the Procurement Documents, in all other cases the Buyer must confirm in writing that certain provided information was not confidential.

18.3. Confidential information shall also include:

18.3.1. Information received in electronic form, in writing or in any other way during the execution of the Contract;

18.3.2. Data, personal data, electronic data, archived information and other information prepared by employees of the Party.

18.4. A person to whom confidential information is revealed by one of the Parties must assume confidentiality obligations according to the provision of this article and use such information for the intended purpose only. The provisions of this article shall not apply to information which is or becomes publicly available or received through disclosure or must be disclosed according to the requirements of legal acts. Instructions for the supply and use of Goods, and other similar information shall also not be considered as confidential information. If a Party breaches its obligations to protect confidential information and not disclose it as provided in this Contract, it must compensate all losses incurred by the other Party due to the breach of this Contract,

as well as take all reasonable measures to eliminate the consequences of such disclosure within the shortest possible time.

18.5. Šalys žino, sutinka ir įsipareigoja neskleisti, negarsinti, neperduoti tretiesiems asmenims konfidencialios informacijos, šia informacija naudotis tik Sutarties įvykdymo tikslui, o pasibaigus Sutarties galiojimui ar Sutartį nutraukus – grąžinti konfidencialią informaciją kitai Šaliai ar pateiktą informaciją sunaikinti.

18.6. The Party, who infringes the confidentiality obligation specified in the Contract, based on a reasonable claim of the other Party, shall undertake to pay a fine amounting to 3000.00 Euros (three thousand Euros and 00 Euro ct), exclusive of value-added tax, and to compensate for all losses incurred by the other Party to the extent not covered by the established fine.

18.7. All information received within the course of implementation of the Contract may be used by the Buyer for the purposes of activities carried out by the Buyer or any company in the Group of "Lietuvos energija", UAB, and/ or the company directly or indirectly controlled by the Buyer and/ or the company directly or indirectly controlling the Buyer, and such use shall not be regarded as a breach.

18.8. The Supplier shall sign a separate confidentiality agreement, which may establish other provisions regulating confidential information, if this is established in the Procurement Documents or if this is required by the Buyer.

19. FINAL PROVISIONS

19.1. The Parties do hereby agree that the Buyer shall be entitled to transfer the rights and obligations arising on the basis of this Contract to the Third Party without a written consent of the Supplier, if the procedures of reorganisation, liquidation, restructuring, or bankruptcy of the Buyer have been initiated under the procedure established by legislations, or the Buyer's legal status has changed, or the Third Party has taken over the Buyer's functions or a part thereof on the basis of a transaction. The successor of the Buyer's rights and obligations shall become the Party to this Contract taking over all rights and obligations assumed by the Buyer on the basis of this Contract from the moment of takeover of the rights and obligations. Upon the Supplier's claim, the Buyer shall provide the Supplier with documents certifying financial capacities of the Third Party taking over the Buyer's rights and obligations as well as other required documents.

19.2. Changing of the Supplier, as the Party, shall be allowed only under the procedure established by legislations upon initiation of the procedures of reorganisation, liquidation, restructuring, or bankruptcy of the Supplier, or upon changing of the Supplier's status, or upon takeover of the Supplier's functions or a part thereof by the Third Party on the basis of a transaction. No later than 30 (thirty) business days before the moment of taking over the Supplier's rights and obligations the Supplier shall inform the Buyer about this in writing and supplement the aforementioned letter with the documents certifying the qualifications of the successor of the Supplier's rights and obligations. The qualifications of the successor of the Supplier's rights and obligations shall be no inferior than the qualifications of the Supplier with whom the Contract has been concluded, based on the criteria established in the Procurement Documents. Upon receipt of the Supplier's letter supplemented with all documents certifying the qualifications of the successor of the Supplier's rights and obligations, the Buyer shall evaluate the content of the submitted documents and approve or refuse to approve changing of the Party to the Contract in writing no later than within 10 (ten) business days. Upon the Buyer's approval, amendment of the Contract shall be signed. The Parties hereto do hereby declare and acknowledge that such transfer of the Supplier's rights and obligations shall not constitute a novation within the meaning of provisions of Section Three, Part I, Book VI of the Civil Code of the Republic of Lithuania and as such shall not affect the validity of the Contract. The Supplier shall not become entitled to transfer one's rights and obligations under this Contract to the Third Party without a prior written consent of the Buyer. Failure to comply with this condition shall be regarded as a material breach of the Contract.

19.3. All notifications and other information between the Parties under this Contract shall be in writing and shall be considered as duly provided, if they are handed over in person, sent via courier, mailed as a recorded mail or by using other means specified to the addresses specified in the annexes to the Contract.

19.4. The Parties shall designate contact persons for communication whose details shall be specified in Annex 1 to the SP of the Contract.

19.5. Any change in the address, requisites, and contact persons of each Party specified in the SP of the Contract must be notified to the other Party within 2 (two) business days. All notifications and other correspondence sent to the address indicated in this Contract shall be deemed as duly delivered before notifying any changes in the address.

19.6. All relationships between the Parties arising from this Contract and not contemplated within the provisions thereof shall be regulated by laws and other legislations of the Republic of Lithuania.

19.7. The Parties hereto shall undertake to settle any disputes regarding implementation of this Contract by way of negotiations. If the Parties fail to settle the disputes by way of negotiations, they shall be resolved by courts of law of the Republic of Lithuania under the procedure established by legislations.

19.8. If any provision of this Contract is or becomes partly or fully invalid, this shall not affect the validity of the remaining provisions of this Contract. In that case, the Parties hereto do hereby agree to make every effort

in order to replace the invalid provision with a legally effective rule the effect of which, to the extent possible, should be equivalent to the effect of the replaced rule.

19.9. By concluding this Contract the Parties do hereby confirm that they are familiar with Regulation (EU) 2016/679 of the European Union and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), implementation of which would be started on 25 May 2018, could affect implementation of this Contract. The Parties do hereby acknowledge that this Contract and the Annexes thereof could be amended as of 25 May 2018 or further changes could be made in order to ensure compliance with General Data Protection Regulation before 25 May 2018 as well, therefore, they do hereby agree to make further revisions and (or) amendments of Contract and the Annexes thereof as well as to take other measures required in order to ensure compliance with the requirements of the General Data Protection Regulation.

19.10. If a need arises to process personal data after the conclusion of the Contract, the Parties shall undertake to immediately conclude an additional agreement on data processing to the Contract, and take other necessary measures in order to ensure compliance with the requirements of the Regulation. The Parties shall acknowledge that signing an additional agreement on data processing will not be considered to be a substantial change of the conditions of this Contract.

19.11. Titles of the paragraphs / sections of the Contract have been provided solely for convenience of the Parties in terms for giving references to them and shall not be used for explicit construction of the contractual provisions.

19.12. The Contract has been concluded in two copies both having equal legal power, delivering one copy to each Party.

20. MISCELLANEOUS

20.1. The Parties hereto do hereby agree that the Supplier shall submit the Buyer the final documents and other material related to supply of the Goods only in the Lithuanian language at the time of delivery of the Goods, unless established otherwise in the SP of the Contract. If it has been established in the Procurement Documents that all documents shall be submitted in the Lithuanian language, but the Supplier has respectively submitted the final documents and other material necessary for supply of the Goods in a language other than the Lithuanian language, in that case the Supplier shall attach translations into the Lithuanian language of such documents certified by affixing the translator's signature and seal of the translation bureau.

20.2. The Buyer may also establish in the SP of the Contract and (or) in the Technical Specification any documents, which, in addition to those required under Paragraph 20 of the GP of the Contract, shall be submitted in the Lithuanian language or other language acceptable to the Buyer.

20.3. If the Supplier fails to implement the requirements established in Paragraphs 20 and (or) 20.2 of the GP of the Contract (submits the documents not in the Lithuanian language and such documents are not accompanied by a document [translation] into the Lithuanian language certified by affixing the translator's signature and seal of the translation bureau), the Buyer shall be entitled to translate such documents on one's own account without issuing a separate notice and, in that case, to reduce the amount due for the supplied Goods by the amount of actually incurred costs related to the translation services.
