

I. CONTRACT FOR THE PURCHASE AND SALE OF SERVICES

SPECIAL PART *Nr. S-54*

23rd day of September, two thousand and nineteen

// 2019-10-09

Logistic department of the Navy of the Lithuanian armed forces, legal entity code 304216991, Naujoji Uosto str. 24 Klaipeda, Lithuania, represented by CinC Logistic department commander Rimantas Barauskas, acting in accordance with the Article 23.11 Logistic department of the Navy of the Lithuanian armed forces regulations, approved by the order of Lithuanian Minister of National Defense No. V-152, as of 17 February 2016 (hereinafter referred to as the **Purchaser**), and Navielektro Ky, represented Asser Koivisto CEO, acting in accordance with the company regulations (hereinafter referred to as the **Supplier**), hereinafter in this contract for the purchase and sale of services referred to as the **"Parties"** and individually as the **"Party"**, acting in accordance with the Law on Public Procurement of the Republic of Lithuania, have entered into the present contract for the purchase and sale of services, hereinafter referred to as the **"Contract"**, and agreed upon the terms and conditions set forth hereunder.

<p>1. Object of the Contract. The Provider provides, and the Buyer buys, the Upgrade of sea surveillance information system (including goods used for upgrading of sea surveillance information system), in accordance with the requirement stated in "Technical specification for upgrade of sea surveillance information system" (hereinafter - Annex 1).</p>
<p>2. Contract Price. 2.1. Under this Agreement the service may be purchased for no more than 67 000,00 EUR (sixty seven thousand Eur, 00 ct) without VAT. 2.2. Contract price are not subject to change throughout the term of the Agreement.</p>
<p>3. Place, Term and Conditions for the Delivery of the Services. 3.1. Place of supply of services: Navy of the Lithuanian armed forces, Naujoji Uosto str. 24, LT-92244, Klaipeda. 3.2. The term of delivery shall be 6 (six) months from the contract signature. Delivery and acceptance certificate will be signed following procedure established in the General part of this Contract. 3.3 Services are provided as it is stated in General part of this Contract.</p>
<p>4. Payment Procedures. 4.1. Payment for the Services shall be paid according to the procedure established in clause 4.1 of the General Part of the Contract. In course of this Contract, all invoices, credit and debit documents shall be submitted through the information system "E. saskaita", except cases provided in Article 22 part 12 of the Law on Public Procurement of the Republic of Lithuania. 4.2. Advance payment – on the basis of this Contract advance payment for this contract not applicable.</p>
<p>5. The Purchaser's right to unilaterally terminate the Contract 5.1. Where the Supplier is in delay to deliver the Services for more than 10 (ten) days, the Purchaser shall have a right to terminate the Contract following the procedure established in the General Part of the Contract. 5.2. Other cases of the possible unilateral termination of the Contract are in clause 9.2 of the General Part of the Contract. 5.3. This Contract can be terminated as specified in Article 90 of the Law on Public Procurement of the Republic of Lithuania.</p>
<p>6. Quality of the Services 6.1. Quality of the Services shall meet the requirements set out in the Contract and its corresponding Annexes.</p>

7. Warranty (Quality Guarantee)

7.1. Warranty (Quality guarantee) period of the delivered **Services** shall be not less than 12 months on the day of the signature of the delivery – acceptance certificate for the **Services**.

7.2. The **Supplier** on its own expenses must eliminate the deficiencies of the services provided and cover the associated losses incurred by the **Purchaser** (if any) within 30 (thirty) days of receipt of a written notice from the **Purchaser**.

8. Additional Performance Guarantee.

On the basis of this Contract additional performance guarantee for this contract not applicable.

9. Other terms:

9.1. The amount of the minimum loss agreed by the **Parties** in paragraph 11.2 of the General Part of the **Contract** shall be 7 (seven) % of the amount specified in clause 2.1 of the Special Part of the **Contract**, excluding VAT.

9.2. The amount of the minimum loss agreed by the **Parties** in paragraph 11.4 of the General Part of the **Contract** is EUR 500 (five hundred Eur);

9.3. The amount of the minimum loss agreed by the **Parties** in paragraph 11.5 of the General Part of the **Contract** is EUR 200 (two hundred Eur);

9.4. Failure to provide services or to remedy defects in the provision of services not covered by Clause 11.5 of the General Part of the **Contract** - 5 (five) day;

9.5. The duration of force majeure shall be 15 (fifteen) days, subject to the conditions of paragraph 9.1.2 of the General Part of the **Contract**.

9.6. **Supplier** shall pay the **Purchaser** the minimum losses agreed by the **Parties** in advance to an extent of 5 percent of the **Contract**/tender price stated in 2.1. without VAT for breach of obligation stated in the Article 15.3 of the General part of the **Contract**.

9.7. In a case of a contracts termination, the **Provider** within 10 (ten) days after the day of the contract termination day shall reimburse the **Buyer** his advance payment (if the advance payment was paid) for services which were not provided.

9.8. **Subcontractors** – not invoked.

9.9. This **Contract** may be amended in accordance with the provisions of Article 89 of the Law on Public Procurement.

9.10. All changes of the **Contract**, additions and annexes are valid, if they are agreed upon in writing and ratified with signatures of representatives from both parties. All changes, additions and annexes of the **Contract** ratified with the signatures of the representatives of both parties become an unexclusive part of the **Contract**.

9.11. In accordance with Lithuanian Pricing rules and regulations, ratified by Public purchase councils directors 28th June 2017 order No. 1S-95 “Regarding pricing rules methodology confirmation”, paragraph 10.1, **Contracts** price calculation method – fixed price.

9.12. **Provider** appointed responsible for the performance of the **Contract** – Mats Koivisto CTO, phone No. +358 2 2437711, e-mail mats.koivisto@navielektro.fi

9.13. **Purchaser's** representative appointed responsible for the performance of the **Contract** – LT (N) Vadimas Masijauskas, phone No. +370 46 391306, e-mail vadimas.masijauskas@mil.lt

Purchaser's representative appointed responsible for acceptance and verification of services - LT (N) Vadimas Masijauskas, phone No. +370 46 391306, e-mail vadimas.masijauskas@mil.lt

9.14 **Purchaser** representative, responsible for the **Contracts** and its changes announcement in according Article 86 part 9 of the Law on Public Procurement – LCDR Marius Budvytis.

9.15 **Contract annexes**::

9.15.1. Annex 1 “**Technical specification for upgrade of sea surveillance information system**” - 2 pages.

10. Validity of the Contract

10.1. The **Contract** becomes valid when it is signed by both parties. The contract valid 6 months from the date when both parties sign it. **Contract** provisions will be in force after the **Contract** expiration date until full completion of the **Parties** obligations related to the **Goods** and/or **Related** services.

10.2. **Contract extension** – not foreseen.

Translation from Lithuanian
In case of differences in interpretation the English text shall prevail

11. Purchaser's Details:

Logistic department of the Navy of the Lithuanian Armed Forces

Registry code – 304216991

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

The Payer

Lithuanian Armed Forces

Registry code – 188732677

VAT identification number – LT887326716

Account LT48 7300 0100 0246 0179

Bank: AB „Swedbank“

12. Supplier's Details:

Navielektro Ky

Registry code – 0684382-6

Address: P.O. Box 137, 20781 KAARINA, FINLAND,

VAT identification number – FI0684382-6

Account number – FI53 1935 2001 6196

Bank name – Lounais – Suomen Osuuspankki, Finland

SWIFT code – OKOY FI HH

PURCHASER

PIRKĖJAS

Logistic department of the Navy of
the Lithuanian armed forces

Lietuvos kariuomenės

Karinių jūrų pajėgų Logistikos tarnyba

CDR Rimantas Barauskas

seal /A. V.



SUPPLIER

TEIKĖJAS

Navielektro Ky

Asser Koivisto

seal /A. V.

Navielektro
Working Partnership in Vessel Traffic Systems
Hallmesjärvelän tie, 20781 Kaarina, Finland
Phone +358 9 24177101 Fax +358 9 2413733

II. CONTRACT FOR THE PURCHASE AND SALE OF SERVICES II. PASLAUGŲ PIRKIMO – PARDAVIMO SUTARTIS

GENERAL PART BENDROJI DALIS

1. Definitions

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

1.1.1. Contract must mean the general part and the special part of this contract for the purchase and sale of services and the annexes to the contract for the purchase and sale of services.

1.1.2. Parties must mean the **Purchaser** and the **Supplier**:

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

1.1.2.2. **Supplier** must mean the Party with the details specified in the Contract which provides the Services under the terms and conditions laid down in this Contract.

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

1.1.4. Licences must mean all the licences, patents and/or permits required for the performance of the Contract.

1.1.5. Object of the Contract must mean the services and the goods relating to the provision thereof agreed by the Parties in the Special Part of the Contract.

1.1.6. Liquidated Damages must mean an undisputable amount established in the Contract or calculated under the procedure set forth in the Contract which the **Supplier** undertakes to pay to the **Purchaser** in the event of non-performance or improper performance of the obligation.

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

1.1.8. Goods must mean the goods used in the provision of services, purchased along with services or produced in the provision of services.

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

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

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

1.2. The estimation of the minimal losses mutually and in advance agreed by the contract (liquidated damages) parties must commence as of the following day of the contractual obligations fulfilment designated date and expire upon the performance of obligations by the Party (the day of performance of the obligations must be considered the final day of calculation).

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

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

1.5. 1.5. If the maturity of the payments or obligations coincides with the official holidays and non-working days in the Republic of Lithuania, the term of fulfilment of the obligation and payments under the Contract shall be the following business day.

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

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

2. Contract Price/Rates

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

2.2. Contract price/rates are stable and must not be changed throughout the validity period of the Contract, unless the VAT rate applicable to the services and the goods related to the provision thereof changes after signing the Contract. The recalculated price/rates must be executed by a written agreement of the Parties and applicable to those services and the goods relating to the provision thereof which will be provided after the day of entry into force of such agreement signed by the Parties.

2.3. Service fees are changed according to the pricing rules set out in the Annex to the Agreement. Recalculated rates are formalized by written agreement between the Parties and apply to goods delivered after the date of entry into force of the agreement signed by the Parties (if specified in this Part).

2.4. The Contract price must include the price of services, all costs and taxes relating to the provision of services. The rates of services must include all costs and taxes relating to the provision of services (*applicable if the contract does not provide for the Contract price*). The **Supplier** must add all costs relating to the provision of services into the Contract price/rates of services, including but not limited to:

2.4.1. costs of logistics (transportation);

2.4.2. packing, loading, transit, unloading, unpacking, check-up, insurance and other costs relating to the provision of services;

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

2.4.4. costs relating to the purchase or rent of the means, tools, equipment and technical devices required for the provision of services, as well as the maintenance costs of the afore-mentioned equipment and technical devices;

2.4.5. costs of providing the use & care guides stipulated in the Technical Specification;

2.4.6. warranty repair costs.

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

3. Terms and Conditions of the Provision of Services

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

3.2. The **Supplier** must provide the services at its own risk without any additional payment. The services duly provided must be handed over and accepted upon signing the delivery-acceptance certificate by both Parties which must only be signed in case the services are provided in a quality manner and comply with the requirements set forth in the Contract and the annex(s) hereto (*if signed*). When the services provided are of high quality and meet the requirements set out in the Contract and its annex (s) (*if signed*), the delivery-acceptance act must be signed no later than 30 days.

4. Terms and Conditions of Payment

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

In case the **Purchaser** is late to pay the **Supplier** following the procedure laid down herein the **Purchaser** if requested by the **Supplier** shall pay interest (not late than 30 (thirty) days from request received day) in accordance with Law on Delay prevention of payments made under commercial contracts of Republic of Lithuania.

5. Quality of Services

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

5.2. Should the **Purchaser** upon the inspection of the quality of the provision of services during the period of the provision of services identify any defects in the provision of services or the fact of delay of the

provision of services, the failure to provide the services or the breach of other contractual obligations, the inspection report must be issued and signed by the authorised representatives of the **Purchaser** and the **Supplier**, and the **Supplier** must be subject to contractual liability (should the **Supplier's** representative refuse to do it, the inspection report must be signed by the **Purchaser's** representative only).

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

5.4. The **Supplier** must ensure the required conditions for the **Purchaser's** representative to carry out the quality control of the provision of services in the process of production, inspect auxiliary materials and raw materials, as well as their primary purchase documents.

5.5. In case the non-conformity of the goods which are the outcome of the provision of services with the requirements established in the Contract and the annex(s) hereto is identified at the time of acceptance thereof, the **Supplier's** representatives must be invited and the certificate must be issued in their presence, the goods must not be accepted and the **Supplier** must be subject to contractual liability (in this case the contractual liability must apply if the term for the delivery of goods has already expired) (*applicable if the goods handed over/sold in the performance of the contract of services are directly related with the object of the contract*).

6. Warranty¹

6.1. The warranty period must be specified in the Special Part of the Contract (or the annex hereto).

6.2. The **Supplier** must within the term specified in the Special Part of the Contract during the warranty period replace the defective good by an analogue good in conformity with the requirements set out in the Contract or the annex(s) hereto for a period of elimination of defects at its own cost (*if the Special Part provides for such a condition*).

6.3. The **Supplier** must within the term specified in the Special Part of the Contract during the warranty period remove the defects of the goods at its own cost or, if the defects cannot be removed, replace the defective good with a new good in conformity with the requirements set out in the Contract or the annex(s) hereto at its own cost (*if the Special Part provided for such a condition*).

6.4. The **Supplier** must be notified of any defects of the goods identified during the warranty period in writing (by fax or mail). Quality claims must be accepted throughout the warranty period.

6.5. The warranty period for the defects removed by the **Supplier** must be calculated as of the day of signing the taking-over certificate for the defects of the goods removed.

6.6. In case the good is replaced with a new good, it must be given the same warranty period specified in the Special Part of the Contract which must be calculated as of the day of signing the taking-over certificate of a new good.

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

7. Force Majeure

7.1. The Party must be released from responsibility for the non-performance of any contractual obligations if it can prove that such non-performance was due to unusual circumstances which the Parties could not control or reasonably foresee or prevent the occurrence of such circumstances or the consequences thereof. For the purposes of this Contract, *force majeure* must be considered to be the circumstances defined in Article 6.212 of the Civil Code of the Republic of Lithuania and the Rules Governing the Release from Liability in the Event of *Force Majeure* approved by Government of the Republic of Lithuania Resolution No. 840 of 15 July 1996. In identifying *force majeure* circumstances, the Parties must follow Resolution No. 222 of the Government of the Republic of Lithuania of 13 March 1997 "On the Approval of the

¹ The warranty period shall be specified where the goods handed over/sold in the performance of the contract for the purchase and sale of services are directly related with the object of the contract.

Procedure of the Issue of Certificates Testifying the Presence of *Force Majeure* Circumstances” or the regulatory legal acts replacing it. In the presence of *force majeure* circumstances, the Parties must be exempted from liability for the non-performance of the contractual obligations, partial non-performance or improper performance thereof in accordance with the procedure established in the legal acts of the Republic of Lithuania, and the term for the performance of obligations must be extended.

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

8. Codification

8.1. The **Supplier** must within 5 (five) days of entry into force of the Contract deliver to the National Codification Bureau of the Material Management Centre of the Material Resources Department of the Lithuanian Armed Forces at the address Savanorių pr. 8, LT-03116 Vilnius (information is provided by dialling 2 785 252) a copy of the signed Contract accompanied by the information necessary for the identification of the purchased goods relating to the provision of services in accordance with the forms “List of Tangibles to be Codified” and “Information about the Manufacturer and the Supplier” provided in the annex hereto. The **Supplier** must provide the completed and signed forms in electronic or paper form (if the *Special Part* provides for such a condition).

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

9. Termination of the Contract

9.1. The Contract may be terminated:

9.1.1. By written agreement of the Parties;

9.1.2. If *force majeure* circumstances persist for a longer period than the number of days indicated in the *Special Part* of the Contract (depending on the specific characteristics of performance of the Contract a particular period from 14 till 60 days may be indicated in the *Special Part* of the Contract) and the Parties have not executed any agreements to amend the Contract permitting the Parties to continue the performance of their contractual obligations, each party has right unilaterally terminate the Contract by a prior 7 (seven) day written notice to the other party.

9.2. The **Purchaser** may terminate this Contract unilaterally by a prior 7 (seven) day written notice (if the special part of the Contract does not determine other period) to the **Supplier** due to major failure of the **Supplier** to fulfil the contractual obligations. The major failures to fulfil the contractual obligations are:

9.2.1. The **Supplier** is late to start delivering of the **Services** by the term specified in the *Special Part* hereof;

9.2.2. The **Supplier** is late in providing (or not providing) services within the term / s specified in the *Special Part* of the Agreement;

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

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

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

9.2.6. The services provided by the **Supplier** do not comply with the requirements set out in the Contract and its Annex (s) and the Provider shall not eliminate the deficiencies of the provided services in accordance with the procedure specified in the *Particular Agreement*.

9.2.8. During the term of the Contract, the **Supplier** is included in the list of Unreliable Suppliers.

9.2.9. If the **Supplier** is found to be unreliable and endangers national security.

9.3. The **Purchaser** may terminate this Contract unilaterally by a prior 7 (seven) day written notice (if the special part of the Contract does not determine other period) to the **Supplier** if the **Supplier** is under liquidation procedure or applied to the court for bankruptcy or restructuring proceedings, or is the subject of bankruptcy or restructuring proceedings, or judicial decision on the initiation of bankruptcy proceedings was decreed.

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

10. Dispute Settlement Procedure

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

10.2. All disputes or disagreements arising between the Parties in relation to the Contract must be solved by way of negotiations; if the Parties fail to solve the dispute, it must be processed in accordance with the procedure established by the legal acts of the Republic of Lithuania at the courts of the Republic of Lithuania in respect of the domicile of the Lithuanian Armed Forces.

11. Liability

11.1. The **Supplier** shall pay the **Purchaser** from 0.05 to 0.2% of the amount specified in clause 7 (7.2 / 7.3) of the special part of the Agreement in case of delay in correcting the defects in the provision of services and / or goods (in the case of services provided / sold) specified in the Special Part of the Contract) from services (and / or goods) whose defects do not correct the VAT-exclusive price for each day / hour of delay (applicable depending on how the commitment term is calculated in the Special Part of the Contract). does not release the **Provider** from the obligation to indemnify the losses incurred by the **Buyer** in the event of the **Supplier** failing or inadequately fulfilling its obligations related to the guarantee of service defects (and / or goods).

11.2 Upon termination of the Agreement in the general part of the Contract 9.2.1, 9.2.2, 9.2.3, 9.2.4, 9.2.5, 9.2.6, (9.2.7 (if advance payment is provided for under the terms of the contract)), 9.3 or other Agreement For the reasons specified in the Special Part, the **Supplier** shall pay the **Purchaser** within 14 (fourteen) days (counting from the date of termination of the Agreement) at least 7 (seven)% of the contract price excluding VAT (or the total bid price or a specific fixed amount specified in the Contract). in a special section) or a minimum loss agreed in advance by the Parties, but not more than the VAT exclusive of any outstanding obligations under this Agreement. The payment of minimum losses agreed upon in advance by the Parties does not release the **Supplier** from the obligation to compensate all losses incurred by the **Buyer** in the event of failure or improper performance of the Contract by the **Supplier**.

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

11.4. If the services were not provided, their provision was in delay or the services were provided in low quality and there is no possibility to provide the services or to eliminate the defects in the provision of services, the **Supplier** must be liable to pay to the **Purchaser** the amount of the liquidated damages specified in the Special Part hereof for each failure to provide or defective provision of the services set out in the annex hereto. The payment of the liquidated damages must not release the **Supplier** from the obligation to cover all the losses incurred by the **Purchaser** due to the non-performance or improper performance of the Contract by the **Supplier**. The **Supplier** undertakes to pay the liquidated damages no later than within the term specified in the invoice or the claim.

11.5. If no services have been provided that can still be provided, or service shortcomings can be rectified, the **Supplier** undertakes not to provide the services not provided or to rectify the defects in the provision of services at the latest by the deadline specified in the Special Section. If the **Service Supplier** fails to provide the services within the specified term or fails to remedy the deficiencies in the provision thereof, the **Supplier** shall pay to the **Buyer** the amount specified in the Special Part of the Agreement for the

services or services not provided, the defects of which have not been corrected without VAT. The payment of minimum losses agreed upon in advance by the Parties does not release the **Supplier** from the obligation to compensate all losses incurred by the Buyer in the event of failure or improper performance of the Contract by the **Supplier**. The **Supplier** undertakes to pay the minimum losses agreed upon in advance by the Parties at the latest by the deadline specified in the invoice or on demand. 11.6. *Delayed financing from the budget must be deemed the grounds for absolute release of the Purchaser from civil liability and payment of default interest on overdue payment.*

12. Validity of the Contract

12.1. The Contract shall take effect from the signature of both Parties.

12.6. The provisions of the Contract may not be amended during the validity term of the Procurement Contract, except for the provisions of the Contract which, if amended, would not constitute a breach of the principles and objectives stipulated in Article 3 of the Law on Public Procurement and provided that such amendments to the provisions of the Contract have been authorised by the Public Procurement Office (if it is required by legislation of Republic of Lithuania). Correction of the provisions of the Contract under the circumstances provided for herein, if such circumstances are clearly and unequivocally defined and stated in the Terms and Conditions of Tender, shall not be deemed to constitute amendments to the provisions of the Contract.

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

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

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

13. Correspondence

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

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

14. Confidentiality

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

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

14.3. Unless otherwise provided for in the legal acts of the Republic of Lithuania, the **Supplier** must not use the information entrusted to it by the **Purchaser** either in its personal interest or in the interest of any

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third parties or disclose such information to other parties without a prior written agreement of the **Purchaser**.

15. Final Provisions

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

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

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

15.4. Unless otherwise provided in the Special Part of the Contract the **Supplier** shall pay the **Purchaser** the minimum losses agreed by the Parties in advance to an extent of 5 percent of the Contract/tender price without VAT for breach of obligation stated in the Article 15.3 of the General part of the Contract.

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

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

15.7. The performance of the Contract may be interpreted by the Parties by a written agreement without changing the terms of the Contract.

15.8. The name of the subcontractor (s), part (s) of contractual obligations performed by him / her are specified in the special part of the Contract.

15.9. The substitution of the subcontractor (s) in the Contract with another subcontractor (s) is formalized by a written amendment to the Contract (applicable if the **Supplier** intends to use them).

15.10. The person / persons appointed by the **Supplier**, who represent the **Supplier**, accepts and approves the orders provided by the Buyer, responsible for the quality of the provided services, participates in meetings with the Buyer and performs other actions necessary for proper performance of this Contract are specified in the special part of the Contract.

15.11. The person / persons appointed by the Buyer who represent the Buyer, place orders with the **Supplier**, participate in meetings with the **Supplier** and perform other actions necessary for the proper performance of this Contract are specified in the special part of the Contract.

PURCHASER

PIRKĖJAS

Logistic department of the Navy of
the Lithuanian armed forces
Lietuvos kariuomenės
Karinių jūrų pajėgų Logistikos tarnyba

CDR Rimantas Barauskas



SUPPLIER

TEIKĖJAS

Navielektro Ky

Asser Koivisto

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TECHNICAL SPECIFICATION FOR UPGRADE OF SEA SURVEILLANCE INFORMATION SYSTEM

1. General requirements:

- 1.1. The upgrade of Sea Surveillance Information System (hereinafter – SSIS) shall include all necessary works and goods (if required) to meet the requirements of this specification for the exchange of information between SSIS (software NAVIELEKTRO Maritime Awareness Tactical Information System, version 7.21.8) and analogous maritime surveillance information systems operated by the Latvian and Estonian Naval Forces. The scope of supply hereinafter referred to as "Services".
- 1.2. The Provider shall update the existing SSIS documentation and provide the Purchaser the complete set of updated SSIS documentation. The set of updated SSIS documentation shall contain information on any changes made to SSIS, including software processes.
- 1.3. The Provider shall perform all SSIS configuration works required to meet the requirements of this specification
- 1.4. The Provider must deliver all licenses required to fulfill the requirements of this specification, including licenses for operating system software (if any).
- 1.5. The schedule for performing of Services shall be submitted to the Purchaser for approval no later than 30 calendar days before the first scheduled works.
- 1.6. After performing of all Services, the Provider, together with Purchaser representatives, performs the Site acceptance test, thereby confirming the ability of the upgraded SSIS to perform the required functions. The Site acceptance test procedure shall be agreed in advance with the Buyer.
- 1.7. The warranty period for provided Services shall be at least 12 months starting from the date of signature of the taking over certificate.
- 1.8. The Purchaser will provide the computer network connections required for the exchange of information specified in this specification between SSIS and analogous maritime surveillance information systems operated by the Latvian and Estonian Naval Forces.

2. Technical requirements:

- 2.1. The exchange of information on tracked objects between SSIS and analogous maritime surveillance information systems operated by the Latvian and Estonian Naval Forces shall be automated using the SSIS internal data format / protocol.
- 2.2. The SSIS upgrade shall ensure that SSIS users have the means allowing them to determine criteria by which SSIS will automatically select / filter the tracks processed by the system and send them to analogous maritime surveillance systems operated by Latvian and Estonian Naval Forces.
- 2.3. The Provider shall provide and configure software tools that will ensure automatic transmission of tracks processed by SSIS (including continuous updating) at least in the following cases:
 - 2.3.1. Tracks which identification is based on the information provided by the Automatic Identification System (AIS) but is partially confirmed by other means (AIS confirmed tracks);
 - 2.3.2. Certain tracks (track's recognition is based on verified information, e.g. visual ID);
 - 2.3.3. Non-AIS shiners, i.e. tracks originated from radar plots only. In order to make track history available to other country, all non-AIS shiners have to be shared from the moment the track is initiated;

- 2.3.4. Tracks with other additional unclassified information collected (e.g. hazards, violations, oil spills, etc.). The list shall not be exhaustive – there shall be means allowing to modify it at any stage by SSIS system administrators;
- 2.3.5. Nationally owned shore based AIS receiver data.
- 2.4. The Provider shall develop and configure software tools that will ensure functionality of transmission and following continuous update of any track manually (SSIS user action required) selected by the SSIS operator.
- 2.5. The Provider shall develop and configure software tools that will ensure the processing, rendering at the SSIS operator's workplace and storage of the data received from analogous maritime surveillance systems operated by Latvian and Estonian Naval Forces on the tracks monitored in their areas of responsibility:
- 2.5.1. There shall be means to set up different displaying options for the objects received from analogous maritime surveillance information systems operated by the Latvian and Estonian Naval Forces;
- 2.5.2. There shall be means allowing the SSIS user to filter tracks received from the analogous maritime surveillance information systems operated by the Latvian and Estonian Naval Forces, i.e. to define the rules that will control displaying of the mentioned tracks;
- 2.5.3. Automatic SSIS data processing shall be carried out in such a way that geographic and identification information from different sources on the same track is combined and displayed at the operator's workstations as a single track (Data fusion functionality);
- 2.5.4. Automatic data processing shall be carried out in such a way that geographic and identification information (track data) received from other countries is not sent back to their providers (Data loops elimination).
- 2.6. The SSIS upgrade shall provide the means enabling SSIS users to:
- 2.6.1. Exchange the short messages (chat functionality) with users of analogous maritime surveillance information systems managed by the Latvian and Estonian Naval Forces;
- 2.6.2. Exchange user-created objects of tactical maritime picture (lines, areas, routs, etc.).

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