Annex No. 4 to the Contract

Rate Review Procedure (hereinafter – the Procedure)

1.1. The first recalculation of rates, excluding VAT, may be performed after the Contract enters into force, upon the written request of either Party to the Contract, but no earlier than 6 (six) months after the date the Contract was concluded. Frequency of rate recalculation – no more frequently than every 6 (six) months after the last recalculation of the Contract rates (the date on which the most recent agreement on the review of Contract rates (hereinafter – the **agreement**) entered into force will be considered the date of the last recalculation of the Contract rates).

1.2. Rates are reviewed only for that portion of the Contract that has not been settled, i.e., for Services that have not been accepted under the delivery and acceptance certificate and paid for. A subsequent recalculation of rates cannot cover a period for which a recalculation has already been made.

1.3. If the provision of Services is delayed due to the Service Provider's fault, the rates for the delayed Services are not adjusted due to a rise in the price level (they cannot be increased), but they are adjusted downward in the event of a decrease in price levels (may be reduced) in accordance with the procedures and conditions set forth below.

1.4. After the Parties enter into an agreement, the revised rates, excluding VAT, apply to the Services that were not actually accepted pursuant to a certificate and paid for prior to the date on which one Party received the other Party's request to review the rates.

1.5. When performing the recalculation, the Parties will rely on Indicator Database data available publicly on the Official Statistics Portal of the State Data Agency (Statistics Lithuania) in accordance with the following criteria, without requiring the other Party to provide an official document or confirmation issued by the State Data Agency or another institution.

1.6. The Contract rates, excluding VAT, are adjusted at the intervals specified in the procedure, based on the indicators published on the Official Statistics Portal of the State Data Agency, by calculating the overall change coefficient (hereinafter referred to as **K**), which reflects changes in wages and other costs related to the provision of services, if one of the following conditions is met:

1.6.1. if the change coefficient (K) is in the range from 0.95 to 1.05 inclusive ($0.95 \leq K \leq 1.05$), the Contract rates are not be recalculated and the Contract rates then in force will continue to apply;

or

1.6.2. if the change coefficient (K) is greater than 1.05 ($K > 1.05$) or less than 0.95 ($K < 0.95$), the Contract rates is recalculated by multiplying the Contract rates then in force by the change coefficient K.

1.7. The change coefficient (K) is calculated using the following formula:

$K = (0.50 \times PW) + (0.50 \times VKI)$

Where:

PW – change in wages, calculated using the monthly gross earnings indicator published on the Official Statistics Portal of the State Data Agency for the economic activity "Transport and storage", covering the whole economy including individual enterprises, and men and women. "Wage Index", link: https://osp.stat.gov.lt/statistiniu-rodikliu-analize#/;

VKI – the consumer price index change coefficient, calculated using the monthly "Consumer Price Index" indicator published on the Official Statistics Portal of the State Data Agency; https://osp.stat.gov.lt/lt/statistiniu-rodikliu-analize?hash=6da2e4d9-259a-4120-a35e-d1f645f792eb&contentOnly#/table" width="500" height="500".

The Parties hereby agree that, in the overall recalculation formula, a 50 percent weight is assigned to the change in labour costs, while the change in other costs related to the provision of Services, as measured by the consumer price index change coefficient, accounts for 50 percent.

PW and VKI in the formula are the change coefficients for the respective indicators. Each of them is calculated by dividing the value of the corresponding indicator at the end of the period by the value of the same indicator at the beginning of the period. The start of the period is considered to be the month in which the deadline for submitting tenders/final tenders expires, and, in the case of subsequent recalculations, the month in which the most recent agreement on the revision of the Contract rates took effect. For monthly indicators (PW and VKI), the values for the corresponding month are used.

PW is calculated using the following formula: $PW = PW_{end} / PW_{start}$, where PW_{start} is the beginning-of-period month's value of the monthly gross earnings indicator for the economic activity "Transport and storage", covering the whole economy including individual enterprises, and men and women, and PW_{end} is the end-of-period month's value of the monthly gross earnings indicator for the economic activity "Transport and storage", covering the whole economy including individual enterprises, and men and women, or the latest value of that indicator published before the end of the period.

VKI is calculated using the following formula: $VKI = VKI_{end} / VKI_{start}$, where VKI_{start} is the value of the consumer price index for the month at the beginning of the period, and VKI_{end} is the value of the consumer price index for the month at the end of the period or the latest value of this indicator published before the end of the period.

If the value of the indicator for the month at the end of the period has not yet been published on the date the request to review the Contract's rates is received, the most recent value of the relevant indicator published prior to that date will apply.

When calculating the PW, VKI, and K values, if the resulting value has more than two decimal places, it is rounded to two decimal places according to standard mathematical rounding rules.

1.8. The Parties will enter into a written agreement regarding the revised rates under the Contract, excluding VAT. The agreement must specify: the indicators used in the formula and their values at the beginning and end of the period, the dates on which these values were determined, the wage change coefficient (PW), the consumer price index change coefficient (VKI), the overall change coefficient (K), the adjusted fixed rates, the adjusted Contract price excluding VAT (the initial contract value, if it is being modified), and other information relevant to the adjustment.

1.9. The Party seeking a revision of the rates must apply to the other Party in writing and provide all relevant information in the request: The Contract title, number, and date; a list of undelivered and unpaid services with quantities; the values of the indicators used in the formula, with references to public sources on the State Data Agency's Official Statistics Portal (https://osp.stat.gov.lt/statistiniu-rodikliu-analize#/), the calculation of PW, VKI, and K, other relevant information, and any information or documentation requested by the Client. In the request, the Party may not specify other indicators or request a recalculation using a formula other than the one specified in this procedure.

1.10. The Parties may not, by agreement, change the arrangements set out in the procedure or other provisions of the Contract, unless the change is made in accordance with the provisions of the Law on Public Procurement of the Republic of Lithuania / the Law on Procurement by Contracting Authorities Operating in the Water, Energy, Transport or Postal Services Sectors of the Republic of Lithuania.

1.11. For legal clarity, the Parties confirm that the review of Contract rates in accordance with the arrangements set out in the procedure constitutes performance of the Contract in accordance with its terms rather than an amendment to the Contract, except where the agreement changes the arrangements set out in the procedure.

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