

# GENERAL TERMS AND CONDITIONS OF THE SERVICES PURCHASE AND SALE CONTRACT

## 1. BASIC CONCEPTS AND INTERPRETATION OF THE CONTRACT

### 1.1. Concepts

1.1.1. The capitalised concepts used in this Contract shall have the following meanings:

1.1.1.1. **General terms and conditions** shall mean part of the Contract entitled "General Terms and Conditions of the Services Purchase and Sale Contract";

1.1.1.2. **Buyer** shall mean the person identified in the Special Terms and Conditions as the Buyer who purchases the Services specified in the Special Terms and Conditions and the Annexes to the Contract;

1.1.1.3. **Value of the initial Contract** shall mean the value exclusive of value added tax (VAT), specified in the Special Terms and Conditions;

1.1.1.4. **Services** shall mean the services specified in the Special Terms and Conditions and in the Annexes to the Contract. As used in the Contract, the term "Services" shall include all activities related to the provision of the Services, including but not limited to the provision of the Services, the transfer of the results thereof, the rectification of defects, the supply of goods, and the provision of documents related to the Services (instructions, certificates, etc.), if provided for in the Contract or if necessary for the creation and transfer of the result of the Services to the Buyer;

1.1.1.5. **Deed of Transfer and Acceptance of the Services** shall mean a document by which the Supplier transfers and the Buyer accepts the Services and/or the result of the Services, and by which the Parties confirm that the Services provided comply with the specified requirements. Where the Contract provides for the provision of the Services in stages or periods, a Deed of Transfer and Acceptance of the Services may be executed in respect of each stage or period separately;

1.1.1.6. **Defects in the Services** - any inconsistencies in the quality of the provision of the Services or in the result of the failure to comply with the requirements of the Contract and/or the laws and regulations, hidden defects, malfunctions, etc., identified by the Buyer and/or third parties at the time of the handover of the Services or the warranty period for the Services specified in the Contract (if applicable), which render the result of the Services unusable for the purpose for which the Buyer intended to use them (the Services) or which impair the utility of the Services to such an extent that the Buyer would not have purchased the Services or would not have paid the price for the Services if it had been aware of such defects;

1.1.1.7. **Invoice** shall mean an invoice, VAT invoice or other payment document issued by the Supplier and submitted to the Buyer for payment for the Services duly provided by the Supplier and accepted by the Buyer. Where the Contract provides for the provision of the Services in stages or periods, the Invoice may be submitted in respect of each stage or period separately;

1.1.1.8. **Special Terms and Conditions** shall mean the part of the Contract entitled "Special Terms and Conditions of the Services Purchase and Sale Contract", which sets out the terms and conditions governing the acquisition of the subject-matter of the Contract (such as the Value of the Initial Contract, the time limits for the provision of the Services, etc.), and other specific data (such as the Parties, the Services, etc.), the Annexes listed, and the amendments and additions to the General Terms and Conditions, if any, specified;

1.1.1.9. **Agreement** shall mean a document which the Parties enter into by amending the terms and conditions of the Contract to the extent permitted by the Law on Public Procurement (LPP);

1.1.1.10. **Price of the Contract** – the amount payable to the Supplier under the Contract, including all mandatory taxes and costs;

1.1.1.11. **Terms and Conditions of the Contract** shall mean the General Terms and Conditions and the Special Terms and Conditions together;

1.1.1.12. **Contract** shall mean the contract for the sale of services consisting of the Terms and Conditions of the Contract, the Annexes listed in the Special Terms and Conditions, and Agreements;

1.1.1.13. **Parties** shall mean the Buyer or the Supplier, each separately, depending on the context;

1.1.1.14. **Parties** shall mean the Buyer or the Supplier together;

1.1.1.15. **Supplier** shall mean the person identified in the Special Terms and Conditions as the Supplier providing the Services specified in the Special Terms and Conditions;

1.1.1.16. **Order** shall mean an order for the provision of Services placed by the Buyer with the Supplier in writing (by text message, e-mail, through an information system specified by the Buyer or otherwise). The order shall be sent by the methods and using the contacts specified in the Special Terms and Conditions, and it shall be deemed to have been duly sent and received in accordance with the Special Terms and Conditions;

1.1.1.17. **LPP** shall mean the Republic of Lithuania Law on Public Procurement.

1.1.1.18. The meanings of other capitalised concepts used in the Contract are specified in the text of the Contract.

1.1.2. The concepts not defined in the Contract shall be understood and interpreted as defined in the Law on Public Procurement and other laws and legal acts in force at the time of entry into and performance of the Contract.

1.1.3. Other concepts and terms used in the Contract shall have the generic meaning or the specific meaning closest to the nature of the Contract, unless a different meaning thereof is defined and explained in the Contract.

1.1.4 **Nature of the Contract** acknowledged as a contract of services. The Supplier's obligations consist in performing professional, expert, and analytical activities for the benefit of the Buyer Parties, as defined in the Contract and its Annexes. The Contract does not qualify as a contract for work, and no warranty period applies unless otherwise explicitly stated in the Special Terms and Conditions. The Supplier remains liable for the quality of services in accordance with applicable professional standards and general rules of civil liability for defective services.

## 1.2. Interpretation of the Contract

1.2.1. The Contract is made and shall be construed in accordance with the laws of the Republic of Lithuania.

1.2.2. In the event that the General Terms and Conditions and/or the Special Terms and Conditions are in conflict with the requirements of the Law on Public Procurement and other legal acts, the provisions of the Law on Public Procurement and other legal acts shall apply.

1.2.3. Day in the Contract shall mean a calendar day.

1.2.4. "Working Day" in the Contract shall mean any day other than Saturday, Sunday and public holidays in Lithuania as specified in the Labour Code of the Republic of Lithuania.

1.2.5. Time limits under the Contract shall be calculated in years, months, weeks, working days, calendar days, hours and minutes.

1.2.6. Qualification, reliance on the capacities of other entities, scope of the Services, review shall be understood as set out in the Law on Public Procurement and its implementing legislation.

1.2.7. If the Deed of Transfer and Acceptance of the Services is not required as a separate document, the Parties agree, and this shall be expressly stated in the Special Terms and Conditions, that the Deed of Transfer and Acceptance of the Services shall be deemed to be the Invoice. In cases where an Invoice is issued and the Deed of Transfer and Acceptance of the Services is not signed, the provisions of the Contract

concerning the issue of the Deed of Transfer and Acceptance of the Services shall also apply to the issue of an Invoice.

1.2.8. "Inform, notify, warn or reply" shall mean to provide information, notice, warning or reply in accordance with the procedures set out in the General Terms and Conditions and/or in the Special Terms and Conditions.

1.2.9. Approve shall mean to provide written confirmation or to sign a document without reservations or with reservations, unless the person signing the document indicates that he/she refuses to approve it.

1.2.10. Unless otherwise specified in the Contract, words used in the singular form shall also include the plural and vice versa, words of the same gender shall include the corresponding words of the other gender, and the word "person" shall include both natural and legal persons.

1.2.11. Where the meaning of the numerical and verbal terms in the Contract is different, the meaning of the verbal terms shall prevail.

1.2.12. Where reference is made to legislation, the current version of the legislation shall apply unless otherwise stated.

### **1.3. Supremacy of documents**

1.3.1 The documents constituting the Contract shall be understood as complementary to each other. In the event of any inconsistency or ambiguity in the terms of the Procurement documents, such inconsistency or ambiguity shall be resolved by interpreting the documents in the following order:

1.3.1.1 Technical Specification;

1.3.1.2. Special Terms and Conditions;

1.3.1.3. General Terms and Conditions;

1.3.1.4. Procurement documents (excluding the Technical Specification);

1.3.1.5. Tender;

1.3.1.6. Other annexes listed in the Special Terms and Conditions.

1.3.2. In the event that the terms and conditions of the Contract are amended by agreement of the Parties, the newly agreed terms and conditions of the Contract shall prevail over the amended terms and conditions.

1.3.3. Where the Parties agree to add a new term to the Terms and Conditions of the Contract or to an Annex, in the event of any inconsistency or ambiguity such term shall prevail over the other terms of the Contract or the other terms of the Annex, as applicable.

1.3.4. If the Parties agree on a new Annex, the Parties shall agree on the place of inclusion of the new Annex in the list of Annexes and its significance for the interpretation of the Contract. If a new Annex is added to the list of Annexes, it shall be given a sequential number with a superscript, taking into account the sequencing and importance of the Annexes (for example, Annex 4<sup>1</sup>).

## **2. SUBJECT MATTER OF THE CONTRACT**

2.1. The Supplier shall undertake to provide the Services to the Buyer in accordance with the terms and conditions set out in the Contract and the Buyer shall undertake to accept the Services in accordance with the terms and conditions of the Contract and duly provided and to pay the Supplier the price specified in the Contract in accordance with the terms and conditions set out in the Contract.

2.2. In performing the Contract, the Parties shall undertake to comply with all applicable laws and regulations. A Party shall have the right to require the other Party to comply with all laws and regulations applicable to the performance of the Contract. Nothing in the Contract shall imply or be construed as a waiver by the Buyer of the Buyer's other rights and warranties under laws and regulations not covered by the

Contract in relation to the inadequate provision or quality of the Services, or as a waiver by the Supplier of the Buyer's other rights and warranties under laws and regulations not covered by the Contract in respect of the Supplier's obtaining remuneration for the provision of the Services.

2.3. The Supplier shall ensure that the Services comply with the requirements of the Technical Specification and the terms and conditions of the Supplier's tender, are of high quality, are provided in a proper and timely manner, in accordance with the terms and conditions of the Contract in a manner that is in the best interest of the Buyer, in accordance with the best generally accepted professional and technical standards and practices, using all required skills and knowledge.

### **3. SUPPLIER AND OTHER PERSONS USED FOR THE PERFORMANCE OF THE CONTRACT**

#### **3.1. Qualification and other obligations assumed by the Supplier's tender**

3.1.1. The Supplier shall be responsible for ensuring that, throughout the period of performance of the Contract, the Supplier is competent, reliable and capable (including the capacities of the entities on whose capacities the Supplier relies) of fulfilling the requirements of the Contract:

3.1.1.1. have the right to carry out the activities necessary for the performance of the Contract. The Supplier shall, at the request of the Buyer, provide documentation proving that only persons who are so entitled are performing the Contract;

3.1.1.2. meet the requirements for the qualification of Suppliers set out in the Procurement documents and not be subject to the grounds for exclusion set out in the Procurement documents;

3.1.1.3. comply with the obligations set out in the Supplier's tender, including but not limited to, meeting the values and parameters of the criteria set out in the Supplier's tender which led to its tender being selected as the most economically advantageous (hereinafter - the **Qualitative criteria**) set out in the procurement documents. The procedure for verifying compliance with the commitments referred to in this sub-clause shall be set out in the Special Terms and Conditions;

3.1.1.4. ensure the application of the established standards of the quality management system and/or the environmental management system, where required by the Procurement documents, and have documentation to prove it;

3.1.1.5. meet the interests of national security and not be registered (resident or national) in countries or territories considered to be unreliable, where such requirements have been laid down in the Procurement documents.

3.1.2. In the event that the Supplier is a group of suppliers acting in a joint venture agreement, the members of the group shall be jointly and severally liable to the Buyer for the performance of the Contract. Where the Supplier relies on the capacity of entities to meet the financial and economic capacity requirements, the Supplier shall be jointly and severally liable for the performance of the Contract with such entities (if required so in the Procurement documents).

3.1.3. The Supplier shall also be responsible for ensuring that the Supplier, the subcontractors and specialists directly performing the Contract meet the professional qualification and other requirements laid down in the laws and other legal acts and/or the Procurement documents, and have the right to engage in the activities for which they are used.

### **3.2. Use of subcontractors and specialists, and their replacement**

3.2.1. The Supplier shall undertake to ensure that the Contract will be performed by subcontractors and/or specialists who have been proposed for the Contract and who meet the qualifications and other requirements set out in the Procurement documents. The actions of such persons in the performance of the Contract shall have the same consequences and liability for the Supplier as his own actions. The Supplier shall be liable for the acts or omissions of his subcontractors and specialists.

3.2.2. The subcontractors and/or specialists (if any) to be used for the performance of the Contract shall be specified in the Special Terms and Conditions.

3.2.3. The Supplier may replace and/or use the subcontractors and/or specialists in the cases and in the manner specified in this subsection of the Contract.

3.2.4. A new subcontractor or specialist may not commence the performance of the Supplier's obligations under the Contract until the Agreement is signed.

3.2.5. If the Supplier uses a new subcontractor or replaces an existing subcontractor and/or specialist without obtaining the Buyer's written consent, or if the contractual obligations under the Contract are performed by subcontractors and/or specialists who do not comply with the requirements of the qualification requirements set out in the Procurement documents, the requirements of the quality management system and/or the standards of the environmental management system, the absence of grounds for exclusion, compliance with the requirements relating to national security interests and the requirements not to be registered (resident or citizen) in countries or territories considered unreliable (if applicable) and the conditions set out in the Supplier's tender in support of the Qualitative criteria set out in the Procurement documents (if applicable), the Supplier shall be liable to a fine of the amount set out in the Special Terms and Conditions.

3.2.6. The Supplier shall have the right to use for the performance of the Contract new subcontractors not specified in the Special Terms and Conditions, whose capacities the Supplier has not relied on in order to justify the qualification requirements set out in the Procurement documents.

3.2.7. Upon entry into the Contract, but no later than the commencement of performance of the Contract, the Supplier shall undertake to notify the Buyer of the names, legal entity number, contact details and representatives of the subcontractors known at the time whose capacities the Supplier has not relied on to justify the qualification requirements set out in the Procurement documents.

3.2.8. The Supplier may, at his discretion, at any time during the performance of the Contract, replace the subcontractors whose capacities the Supplier has not relied on in support of the qualification requirements set out in the Procurement documents.

3.2.9. The Supplier must inform the Buyer at any time during the performance of the Contract at least 5 (five) working days before the envisaged use and/or replacement of a new subcontractor, whose capacities the Supplier has not relied on to justify the qualification requirements set out in the Procurement documents. The Buyer (if applicable in the Procurement documents) must verify the absence of grounds for the exclusion of the subcontractor and the subcontractor's compliance with the national security interests and the requirements not to be registered (resident or citizen) in countries or territories considered unreliable. If the subcontractor's situation does not meet at least one of these requirements, the Buyer shall require that the subcontractor be replaced by an eligible subcontractor. The Buyer shall inform the Supplier in writing within five (5) working days of his agreement to use and/or replace a new subcontractor whose capacities the Supplier has not relied on in support of the qualification requirements set out in the Procurement documents. If the Buyer agrees, the Parties shall sign the Agreement, which shall form an integral part of the Contract.

3.2.10. Subcontractors whose capacities have been relied upon by the Supplier to meet the qualification

requirements set out in the Procurement documents may be replaced only in the following cases:

3.2.10.1. where the subcontractor has been declared bankrupt, has been the subject of an out-of-court insolvency procedure, has become insolvent or is likely to become insolvent, has suspended his business activities, or is in a similar situation as determined by the laws and regulations;

3.2.10.2. when the subcontractor is no longer able to perform all or part of its obligations under the Contract for objective reasons (e.g. refusal to participate in the performance of the Contract by the subcontractor, termination of legal relations with the Supplier, etc.);

3.2.10.3. the Supplier or the subcontractor must replace the subcontractor if it appears that the subcontractor does not comply with the requirements laid down in the Procurement documents.

3.2.11. The Supplier's (or subcontractors') specialists in the performance of the Contract may be replaced in the following cases:

3.2.11.1. at the Supplier's initiative for objective reasons (e.g. leave, illness, termination of employment, etc.), upon submission of data on the intended new appointment of the specialist and documents confirming his/her qualifications and compliance with the other requirements set out in the procurement documents;

3.2.11.2. at the Buyer's initiative, if the Buyer has reasonable grounds to suspect that the specialist appointed by the Supplier for the performance of the Contract is incompetent to perform the duties specified;

3.2.11.3. the Supplier or a subcontractor must replace the specialist if it appears that the specialist does not meet the requirements laid down in the Procurement documents.

3.2.12. The new specialist and/or sub-subcontractor shall, at the time of the Supplier's request for replacement of the specialist and/or sub-subcontractor, meet the requirements for the specialist and/or sub-subcontractor set out in the Procurement documents and with the values of the Quality Criteria set out in the Supplier's tender.

3.2.13. The Supplier shall submit the following documents to the Buyer no later than 5 (five) working days before the intended replacement of the subcontractor whose capacities the Supplier has relied on to meet the qualification requirements set out in the Procurement documents and/or of the specialist:

3.2.13.1. a reasoned written request for replacement of subcontractor and/or specialist, explaining the circumstances of the replacement. The Buyer shall reserve the right to request evidence to substantiate the replacement;

3.2.13.2. documents demonstrating the qualifications of the new subcontractor and/or specialist, compliance Qualitative criteria (if applicable), with the required standards of the quality management system and/or environmental management system (if applicable), absence of grounds for exclusion and compliance with the national security interests and the requirements not to be registered (resident or citizen) in countries or territories considered unreliable (if applicable) in accordance with the requirements of the Contract.

3.2.14. The Buyer shall, upon receipt of the Supplier's request together with other documents referred to in the Contract, assess the possibility of replacement within 5 (five) working days and inform the Supplier in writing of its agreement to replace the subcontractor whose capacities the Supplier relied on to meet the qualification requirements set out in the Procurement documents, and/or the specialist. Upon the agreement of the Buyer, the Parties shall sign an Agreement, which shall form an integral part of the Contract.

### **3.3. Replacing joint venture partners**

3.3.1. The Supplier performing the Contract as a group of Suppliers acting on the basis of a joint venture agreement shall have the right to waive the joint venture partner (hereinafter - the Partner) if, due to objective and reasonable circumstances, the Partner is no longer able to perform the Contract, including, but not limited

to, cases where the Partner does not comply with the provisions of the Law on Public Procurement or other legal acts, or poses a threat to national security, the Partner is subject to international sanctions as defined in the Republic of Lithuania Law on International Sanctions (hereinafter - the Law on Sanctions), the Partner is in a serious financial situation leading to non-performance and/or refusal to perform the Contract, or other unforeseen objective reasons have arisen leading to the Partner's withdrawal from the joint venture agreement.

3.3.2. A Supplier performing the Contract as a group of Suppliers acting on the basis of a joint venture agreement shall have the right to replace the Partner if, as a result of reorganisation, restructuring or bankruptcy proceedings, the rights and obligations of the original Partner are taken over, in whole or in part, by another Partner. Such replacement of the Partner shall not lead to other substantial amendment to the Contract and shall not be intended to avoid the application of the Law on Public Procurement and other legislation.

3.3.3. The Supplier shall provide the Buyer with the following documents at least 10 (ten) working days before the intended replacement or waiver of the Partner:

3.3.3.1. a reasoned written request for the replacement in the composition of the Supplier and evidence supporting at least one circumstance of the Partner's waiver or replacement as specified in the Contract;

3.3.3.2. a draft amendment to the new joint venture agreement or to the existing joint venture agreement, which, in the event of the withdrawal of a Partner, shall specify that the obligations of the withdrawing Partner shall be assumed in full by the remaining Partner and/or the newly used Partner;

3.3.3.3. documents certifying the qualifications of the withdrawing Partner or the newly used Partner and, if applicable, documents demonstrating the requirements of the quality management and/or environmental management system standards. In all cases, the qualifications of the retaining Partner or the newly used Partner shall be at least as good as those of the withdrawing Partner (in line with the qualification requirements set out in the Procurement documents which the withdrawing Partner has met and in line with the qualifications of the professionals specified in the withdrawing Partner's proposal and other conditions to justify the Quality criteria set out in the Procurement documents (if applicable). If a new Partner is used, documentation shall also be provided, in accordance with the requirements set out in the Procurement documents, to justify the absence of grounds for exclusion of the used Partner and his compliance with national security interests and the requirements not to be registered (resident or citizen) in countries or territories considered unreliable (if applicable).

3.3.4. The Buyer shall, upon receipt of the Supplier's request together with the other documents referred to in the Contract, assess the possibility of replacement within ten (10) working days and shall inform the Supplier in writing of its agreement or disagreement to refuse to replace or to replace the Partner. If the Buyer agrees, the Parties shall sign the Agreement, which shall be considered an integral part of the Contract. Prior to the signing of the Agreement, a copy or transcript of the new joint venture agreement or amendment to the existing joint venture agreement shall be provided to the Buyer.

### **3.4. Direct payment agreements with subcontractors**

3.4.1. At the request of the Subcontractors, the Buyer shall pay them directly. The Buyer shall provide for the possibility of direct payment to the subcontractors referred to in the Contract under the following conditions and procedures:

3.4.1.1.1. upon entry into the Contract, the Supplier shall undertake to provide the Buyer in writing, no later than the commencement of performance of the Contract, with the names, representatives and contact details

of the subcontractors then known to him. The Buyer shall also require the Supplier to keep the Buyer informed of any changes to the above information throughout the performance of the Contract;

3.4.1.2. the Buyer shall inform the subcontractors in writing of the possibility of direct payment no later than three (3) working days from the date of receipt of the information referred to in clause 3.4.1.1 of the General Terms and Conditions;

3.4.1.3. the subcontractor shall submit a written request to the Buyer in order to make use of this possibility. Where a subcontractor expresses his wish to make use of the option of direct settlement, a tripartite agreement shall be concluded between the Buyer, the Supplier and the subcontractor, describing the procedure for direct settlement with the subcontractor, taking into account the requirements laid down in the Contract and the subcontracting agreement;

3.4.1.4. the possibility of direct settlement with subcontractors shall not alter the Supplier's liability for performance of the Contract.

## **4. COOPERATION BETWEEN THE PARTIES**

### **4.1. Duty of Cooperation of the Parties**

4.1.1. In the performance of the Contract, the Parties shall cooperate to the fullest extent possible in the prompt exchange of information and shall notify each other in writing promptly of the occurrence or existence of any event, condition or circumstance which may affect the performance of the Contract or lead to a breach of it.

4.1.2. The Parties shall undertake to ensure that they provide each other with documents and/or other information necessary for the proper performance of the Parties' obligations under the Contract.

4.1.3. If a Party encounters an impediment to the performance of the Contract, it shall immediately, but no later than within 5 (five) working days, notify the other Party of such impediments and take all reasonable measures within its power to remove such impediments.

### **4.2. Contact persons**

4.2.1. Each of the Parties shall, at the time of entry into the Contract, designate a contact person responsible for the performance of the Contract (for example, acceptance of the result of the Services, placement and receipt of Orders, etc.), and shall set out the contact details of each of these persons in the Special Terms and Conditions.

4.2.2. In the event that a Party wishes to withdraw the nominated contact person and appoint another person or wishes to appoint another person to temporarily perform the functions of the contact person during the period of the contact person's temporary inability to perform his/her functions, the Party must inform the other Party in advance and provide the other Party with the contact details of the contact person, such as forename, surname, e-mail address and telephone number.

4.2.3. In the event that it becomes apparent that the contact person of the Party is temporarily unable to carry out his/her duties (due to illness, injury or other unforeseen reasons), the Party must immediately, but no later than the next working day, appoint another contact person to temporarily carry out the functions of the contact person, and notify the other Party thereof. In the event of a change of contact persons, no Agreement shall be concluded in accordance with Clause 20.5 of the General Terms and Conditions.

## **5. DOCUMENTS TO BE SUBMITTED DURING THE PERFORMANCE OF THE CONTRACT**

5.1. If the Supplier is required to prepare and/or provide the Buyer with instructions for the use of the result of the Services, the instructions shall be clear and detailed to enable the Buyer to make proper use of the result of the Services in accordance with the instructions.

5.2. In the event that training and/or testing is to be carried out under the Contract, the Supplier shall provide the Buyer with the instructions for use prior to such training and/or testing, and shall revise and supplement the instructions for use after the training and/or testing, taking into account the progress and results of such training and/or testing.

5.3. If the documents necessary for the use of the result of the Services require translation, the costs thereof shall be borne by the Supplier. If the Supplier translates the documents necessary for the use of the result of the Services himself, then he shall be responsible for the accuracy of the translation of such documents.

## **6. END OF THE SERVICE PROVISION AND ACCEPTANCE OF THE RESULT OF THE SERVICES**

### **6.1. End of the Service provision**

6.1.1 The provision of the Services shall be deemed to be completed when all of the following conditions have been met:

6.1.1.1. the Supplier has provided all Services in accordance with the requirements of the Contract and the laws and legal acts;

6.1.1.2. the Supplier has delivered to the Buyer all necessary documentation, including instructions for use, certificates and warranties (where required);

6.1.1.3. the Supplier has trained the Buyer's personnel in the use of the Services (if required);

6.1.1.4. a Deed of Transfer and Acceptance of the Services or Deeds of Transfer and Acceptance of the Services has/have been signed, if the Services are to be provided in stages or in periods, or any other document as provided for in the Contract, upon which the Services shall be deemed to be received;

6.1.1.5. the Supplier has complied with the other conditions provided for in the laws and legal acts, the Contract and the Tender which must be fulfilled in order for the provision of the Services to be deemed to have been completed, and has provided the Buyer with documents evidencing this.

### **6.2. Transfer and acceptance of the Services which are of a one-off nature, are provided periodically or on the basis of a Buyer's Order**

6.2.1. The Supplier shall provide the Services and transfer the result of the Services (if applicable) to the Buyer and the Buyer shall accept the Services provided in good quality and in accordance with the Contract and the requirements of laws and legal acts. The Services shall be provided in the manner and within the time specified in the Special Terms and Conditions.

6.2.2. The result of the Services shall be transferred to the Parties by signing a Deed of Transfer and Acceptance of Services, which shall be signed in two (2) copies of equal legal force (unless a Deed of Transfer and Acceptance of Services is signed by a secure electronic signature), one copy for each Party. If a Deed of Transfer and Acceptance of the Services is not required as a separate document, the Parties agree, and shall expressly state in the Special Terms and Conditions, that a Deed of Transfer and Acceptance of the Services shall be the Invoice.

6.2.3. After the Supplier has provided the Services, the Buyer shall inspect the Services and shall:

6.2.3.1. accept the result of the Services by signing a Deed of Transfer and Acceptance of Services no later than 5 (five) working days after the actual provision of the Services and the submission of a Deed of Transfer and Acceptance of Services; or

6.2.3.2. accept the result of the Services subject to reservations by signing a Deed of Transfer and Acceptance of Services and a Deed of Defects drawn up during the inspection of the Services, in which the Buyer must indicate any defects in the Services or in the Supplier's documents observed during the acceptance of the Services and the procedure for rectifying such defects (hereinafter – a Deed of Defects)

or

6.2.3.3. refuse to accept the result of the Services and to deliver (or send) a Deed of Defects to the Supplier on the grounds that the Services or any part of them are defective.

6.2.4. A Deed of Transfer and Acceptance of the Services shall state the date on which the Supplier has provided the Services and has provided all the required documentation.

6.2.5. If defects in the Services are found which do not constitute non-conformity with the requirements set out in the Contract and their rectification does not prevent the Buyer from using the result of the Services for their intended purpose, the Buyer may accept the Services subject to reservations, draw up a Deed of Defects, and set reasonable time limits for the Supplier to rectify the defects in the Services. The Supplier shall rectify the defects in the Services within the reasonable time specified by the Buyer in accordance with Section 7.3 "Rectifying Defects in the Services" of the General Terms and Conditions. If the Supplier misses the deadlines for rectifying the defects in the Services, the provisions of Section 7.4 of the General Terms and Conditions "Buyer's Rights in the Event of Failure of the Supplier to Rectify the Defects in the Services" shall apply.

6.2.6. If the Buyer does not submit (send) a Deed of Defects to the Supplier within 5 (five) working days from the receipt of a Deed of Transfer and Acceptance of the Services, the Buyer shall be deemed to have accepted the Services and shall have no claim against the Buyer.

6.2.7. The risk of loss of or damage to or accidental destruction of the goods relating to the Services shall pass from the Supplier to the Buyer from the time of actual acceptance of such Services.

6.2.8. The Buyer shall be entitled to use the result of the Services (if applicable) only after the signing of a Deed of Transfer and Acceptance of the Services.

6.2.9. If the Supplier has provided the Services earlier than the time limit for the provision of the Services set out in the Special Terms and Conditions, but the Services are defective and the Supplier fails to rectify such defects by the expiry of the time limit for the provision of the Services as set out in the Special Terms and Conditions, the Supplier shall be liable to liquidated damages in the amount set out in the Special Terms and Conditions up to the date on which the Services have been provided in conformity.

### **6.3. Transfer and acceptance of the Services provided in stages**

6.3.1. The Supplier shall provide the Services and transfer the result of the Services to the Buyer in stages, and the Buyer shall be obliged to accept the Services provided in a particular stage in a qualitative manner and in compliance with the Contract and with the requirements of laws and other legal acts. The Services shall be provided in stages, in accordance with the sequence and timing of the stages specified in the Special Terms and Conditions.

6.3.2. The result of the Services provided in a particular stage shall be transferred to the Parties by signing a Deed of Transfer and Acceptance of Services, which shall be signed in two (2) copies (except in cases when a Deed of Transfer and Acceptance of Services is signed by a secure electronic signature), one for each Party,

having equal legal force and effect. If a Deed of Transfer and Acceptance of the Services is not required as a separate document, the Parties agree, and shall expressly state in the Special Terms and Conditions, that a Deed of Transfer and Acceptance of the Services shall be the Invoice.

6.3.3. The Buyer shall sign each Deed of Transfer and Acceptance of Services on the condition that all previous stages have been accepted, unless otherwise specified in the Special Terms and Conditions.

6.3.4. When the Services have been provided in all stages, i.e. when the Services have been completed, a final Deed of Transfer and Acceptance of the Services provided shall be signed.

6.3.5. After the Supplier has provided the Services in a particular stage, the Buyer shall inspect the result of the Services and shall:

6.3.5.1. accept the result of the Services stage by signing a Deed of Transfer and Acceptance of Services no later than 5 (five) working days after the actual provision of the Services stage and the submission of a Deed of Transfer and Acceptance of Services; or

6.3.5.2. accept the result of the Service stage subject to reservations by signing a Deed of Transfer and Acceptance of Services and a Deed of Defects drawn up during the Service stage inspection, in which the Buyer must specify any defects in the Service stage or in the Supplier's documentation observed during the Service stage acceptance and the procedure for rectifying those defects (hereinafter – **a Deed of Defects**)  
or

6.3.5.3. refuse to accept the result of the Services stage and to deliver (or send) a Deed of Defects to the Supplier because of the inadequate performance of the Services for that stage.

6.3.6. A Deed of Transfer and Acceptance of the Services shall state the date on which the Supplier has provided the Services for the particular stage and has provided all the required documentation (if applicable).

6.3.7. If defects in the Services are found which do not constitute non-conformity with the requirements set out in the Contract, the Buyer may accept the result of the Services stage subject to reservations, draw up a Deed of Defects, and set reasonable time limits for the Supplier to rectify the defects in the Services. The Supplier shall rectify the defects in the Services within the reasonable time specified by the Buyer in accordance with Section 7.3 "Rectifying Defects in the Services" of the General Terms and Conditions. If the Supplier misses the deadlines for rectifying the defects in the Services, the provisions of Section 7.4 of the General Terms and Conditions "Buyer's Rights in the Event of Failure of the Supplier to Rectify the Defects in the Services" shall apply.

6.3.8. If the Buyer does not submit (send) a Deed of Defects to the Supplier within 5 (five) working days after receipt of a Deed of Transfer and Acceptance of the Services, the Buyer shall be deemed to have accepted the Services at the particular stage and shall have no claim against them.

6.3.9. The Buyer shall have the right to use the result of the Services provided in stages only after the final signing of the final Deed of Transfer and Acceptance of the Services, unless otherwise provided for in the Special Terms and Conditions.

6.3.10. The time limit for the performance of any subsequent stage of the Services in relation to the provision of the previous stage of the Services shall not be automatically extended by the Buyer's failure to sign a Deed of Transfer and Acceptance for the previous stage of the Services due to the Supplier's fault.

6.3.11. If the Supplier has provided the Services earlier than the deadline for the Services stage set out in the Special Terms and Conditions, but the Services are defective and the Supplier fails to rectify the defects by the deadline for the Services stage set out in the Special Terms and Conditions, the Supplier shall be liable to liquidated damages in the amount set out in the Special Terms and Conditions up to the date on which it has delivered the Services in conformity.

## **7. SUPPLIER'S WARRANTY OBLIGATIONS**

### **7.1. Warranty terms (if applicable)**

7.1.1. The result of the Services shall be subject to the statutory and/or Supplier' warranty period as specified in the Supplier's Tender, the Technical Specification or the Special Terms and Conditions. The warranty period shall commence from the date of signing of a Deed of Transfer and Acceptance of the Services.

7.1.2. The warranty periods shall be suspended for as long as the Buyer is unable to make proper use of the result of the Services due to defects identified and for which the Supplier is responsible. If the Buyer is unable to use only a specified part of the result of the Services due to a defect in the Services, the warranty periods shall be suspended only in respect of that part.

7.1.3. The Supplier shall not be liable for defects in the Services which are caused by improper use or maintenance of the Services or by the Buyer, his personnel or third parties, provided that there is no fault of the Supplier in connection with any such defects in the Services, improper use or maintenance of the Services.

### **7.2. Claims regarding defects in the Services**

7.2.1. the Buyer, if he discovers defects in the Services during the Warranty Periods (if applicable) specified in the Contract, shall immediately, but in any event not later than thirty (30) days and not later than the end of the Warranty Period, make a written complaint to the Supplier and shall set reasonable time limits, if not set out in the Special Terms and Conditions, for rectifying the defects in the Services.

7.2.2. The Supplier shall rectify, free of charge, all defects in the Services for which the Supplier is responsible within reasonable time limits, unless specific time limits are set out in the Special Terms and Conditions, as set out in the Buyer's complaint, which shall be calculated as from the date of receipt of the claim.

7.2.3. If the Supplier does not accept that the Services are defective, either Party may request an independent expert examination. If the Supplier fails to respond for more than ten (10) days after the Buyer's request or fails to use an independent expert agreed with the Buyer (the Buyer shall not unreasonably withhold his consent to the Supplier's use of the proposed expert) to resolve the dispute, and/or if the dispute has lasted for more than thirty (30) days after the Buyer's first request, then the Buyer shall have the right to request the expert examination independently. In such case, the costs of the expert examination shall be borne by:

7.2.3.1. the Buyer, if the result of the Services complies with the requirements set out in the Contract and the laws and legal acts;

7.2.3.2. by the Supplier, if the result of the Services does not comply with the requirements set out in the Contract and the laws and legal acts.

7.2.4. The conclusions of the Expertise shall be binding on the Parties.

7.2.5. The Buyer shall not lose the right to claim for defects in the Services, and the Supplier shall be obliged to rectify any defects in the Services free of charge, irrespective of whether such defects could have been identified at the time of signing a Deed of Transfer and Acceptance of the Services.

### **7.3. Rectifying defects in the Services**

7.3.1. The Supplier shall rectify any defects in the result of the Services free of charge. If defects are found in the goods relating to the Services, the Supplier must rectify the defects by repairing the goods or part of the goods or by replacing the goods with new goods or part thereof.

7.3.2. The Buyer must give the Supplier access to carry out the rectification of the defects in the Services to enable the Supplier to do so within the set time limits. If defects in the Goods relating to the provision of the Services are rectified at the point of use, the Buyer and the Supplier must agree on a time for the rectification of the defects.

7.3.3. In the event of a recurrence of defects in the repaired part of the goods relating to the provision of the Services, the Supplier must replace the goods with new goods of good quality, unless the Buyer agrees in writing to the further repair.

7.3.4. After the defects in the Services have been rectified, the warranty period for the Services (or the repaired or new goods or part of the goods relating to the Services) shall restart from the date on which the Services (or the goods relating to the Services) have been duly provided and transferred to the Buyer.

7.3.5. If the rectification of a defect in the result of a part of the Services may affect other parts of the Services, the Buyer may require the Supplier to carry once again the tests carried out under the Contract (if any). The Buyer must give the Supplier written notice of such a request within 30 (thirty) days after the defects have been rectified. Such tests shall be carried out in accordance with the conditions of the tests previously carried out, except that they shall in all cases be carried out at the Supplier's risk and expense.

7.3.6. The Supplier must inform the Buyer when he has rectified any defects in the Services.

7.3.7. The Buyer shall, within 5 (five) working days of receipt of the Supplier's notice of the rectification of the defects in the Services, inspect the defects referred to in a Deed of Defects or in the Buyer's claim and confirm in writing which defects in the Services have been properly rectified.

#### **7.4. Buyer's rights in the event of Supplier's failure to remedy defects in the Services**

7.4.1. If the Supplier refuses or fails to remedy any defects in the Services within a reasonable time specified by the Buyer, the Buyer shall be entitled to:

7.4.1.1.1. to remedy the defects in the Services himself or by hiring third parties, by giving prior notice to the Supplier, and to require the Supplier to pay the costs of the expert examination of the Services and the rectifying of the defects in the Services and to pay for the damages incurred; or

7.4.1.2. require a reduction in the amount payable to the Supplier and repay any overpayment resulting from such reduction within 30 (thirty) days of the expiry of the period allowed to the Supplier to rectify the defects in the Services, provided that this is not contrary to the principles laid down in the Law on Public Procurement; or

7.4.1.3. refuse the Services and not pay for such Services or demand reimbursement of the amount paid for the Services and terminate the Contract.

7.4.2. The amount payable to the Supplier under the Contract shall be reduced to the extent that the value of the Services to the Buyer is reduced as a result of the inadequate performance of any part of the Services or the defective nature of the goods in connection with the provision of the Services, provided that the value of such performance of any part of the Services and/or the value of the goods may be deducted from the total value of the Services. The reduction in the value of the Services shall include, but not be limited to, the Buyer's costs of assessing and rectifying any defects in the part of the Services and/or the Goods (if the price of such part of the Services and/or goods was quoted at the time of purchase).

7.4.3. The Supplier shall be obliged to satisfy the Buyer's monetary claim under sub-clause 7.4.4 of the General Terms and Conditions within thirty (30) days or such longer reasonable period as the Buyer may specify in its claim.

7.4.4. The Buyer shall be obliged to claim liquidated damages from the Supplier for the delay in rectifying

the defects in the Services in the amount set out in the Special Terms and Conditions.

## **8. TIME LIMITS FOR PROVIDING SERVICES**

### **8.1. Service deadlines and provision schedule**

8.1.1. The Supplier shall provide the Services in accordance with the time limits set out in the Special Terms and Conditions.

8.1.2. If applicable, the Buyer shall prepare and submit to the Supplier for approval a schedule for the provision of the Services (hereinafter - **the Schedule**) not later than 14 (fourteen) working days after the entry into force of the Contract or within such other period as may be specified in the Procurement documents.

8.1.3. Where relevant, the Schedule shall indicate which Services may be provided in parallel and which may be provided only in the prescribed sequence.

### **8.2. Liquidated damages for delay in providing the Services**

8.2.1. If the Supplier misses the deadlines for the provision of the Services set out in the Special Terms and Conditions, the Supplier shall be liable to liquidated damages up to the date of the provision of the Services at the rate specified in the Special Terms and Conditions.

8.2.2. If the Supplier misses a deadline for the provision of the Services or a stage thereof, liquidated damages shall be calculated from the expiry of the deadline for the provision of the Services or a stage thereof (not inclusive) to the date of the provision of the Services or a stage thereof (inclusive), as determined in accordance with a Deed of Transfer and Acceptance of the Services.

8.2.3. If liquidated damages have been assessed against the Supplier under this Contract, the amount payable by the Buyer for the Services shall be reduced by the amount of the liquidated damages. The Buyer shall also be entitled to unilaterally deduct the liquidated damages from any payments made to the Supplier in accordance with the procedure laid down by law by notifying the Supplier in writing of the deduction of such liquidated damages.

## **9. METHODS OF SECURING PERFORMANCE OF OBLIGATIONS UNDER THE CONTRACT**

The performance of the obligations of the Parties under the Contract shall be secured by the methods of securing the performance of the obligations under the Contract set out in Section 8 of the General Terms and Conditions, by the procedure for securing the performance of contractual obligations set out in Section 10 of the General Terms and Conditions, by the advance security referred to in Clause 12.1.3 of the General Terms and Conditions (where the amount of the advance is specified in the General Terms and Conditions and advance security is required), and by the liquidated damages referred to in Section 9 of the General Terms and Conditions.

## **10. CONTRACT PERFORMANCE SECURITY (IF APPLICABLE)**

10.1. The provisions of this Section shall apply where the Special Terms and Conditions require the Supplier to provide a first-demand bank guarantee or a surety bond from an insurance company, or any other security for the performance of his contractual obligations as specified in the Special Terms and Conditions, to ensure proper performance of the Contract.

**Note.** Where the Special Terms and Conditions specify that the Buyer requires the provision of a Contract performance security issued by a credit union, the provisions of this Section shall apply as appropriate and the Buyer may impose additional requirements in the Special Terms and Conditions for the provision of such contract performance security consistent with the provisions of laws and other legal acts.

10.2. The Supplier must provide the Buyer with a Contract performance security of the type and amount specified in the Special Terms and Conditions, either a first-demand bank guarantee or a surety bond from an insurance company (the insurance company's surety bond must be accompanied by a signed insurance certificate (policy) and a document proving that the premium for the surety bond has been paid), which complies with the conditions set out in Section 10 of the General Terms and Conditions, within the time limit specified in the Special Terms and Conditions (hereinafter - the **Performance Security**).

10.3. If the Supplier fails to provide the Buyer with a Contract performance security of the value set out in the Contract within the time limit set out in the Contract, it shall be deemed that the Supplier has refused to enter into the Contract, and the Buyer shall have the right to offer to enter into the Contract to another Supplier in accordance with the procedure set out in the Law on Public Procurement.

10.4. Prior to the provision of the performance security, the Supplier may request the Buyer to confirm that the Buyer agrees to accept the performance security proposed by the Supplier. In such a case, the Buyer shall respond to the Supplier no later than 3 (three) working days after receipt of the Supplier's request.

10.5. The bank (insurance company) must irrevocably and unconditionally undertake in the performance security to pay the amount specified in the performance security to the Buyer by transferring the money to the Buyer's account no later than within 15 (fifteen) days from the date of receipt of the Buyer's written notice of the Supplier's breach of, or partial or total failure to perform, or improper performance of, the obligations set out in the Contract.

10.6. The performance security cannot state that the bank/insurance company is liable only for direct damages. The bank/insurance company shall not be entitled to require the Buyer to substantiate its claim. The Buyer shall state in a notice to the bank/insurance company that the amount of the performance security is due to him as a result of the Supplier's partial or total non-performance of the Contract and/or termination of the Contract due to the Supplier's fault. The Buyer shall not be obliged to prove any actual loss and the Supplier, by signing the Contract and providing the performance security, confirms that the amount of the performance security shall be deemed to be the Buyer's minimum unprovable loss.

10.7. The performance security shall take effect no later than the date on which it is provided to the Buyer.

10.8. The amount of the performance security shall be denominated and payable in euro.

10.9. The performance security shall be drawn up in Lithuanian or in another language (if requested by the Buyer; a translation into Lithuanian must be provided).

10.10. The period of validity of the performance security shall be at least as long as the period of validity specified in the Special Terms and Conditions.

10.11. If the duration of the Contract is longer than one (1) year, the Supplier shall have the right to provide the performance security valid for one (1) year, but must extend the term of the performance security or provide a new performance security at least ten (10) working days prior to the expiry of the term of the performance security.

10.12. If, under the terms of the Contract, the time limit for the provision of the Services is extended or postponed due to suspension of the Contract, or if there is a delay in the provision of the Services or in rectifying defects in the Services, the Supplier shall maintain the validity of the performance security for the duration of the Contract, and shall provide the Buyer with a new or an extension of the performance security at the latest by the expiry date of the validity period of the performance security.

10.13. If the Supplier fails to extend the term of validity of the performance security or to provide a new performance security in due time, the Buyer shall be entitled to claim liquidated damages in the amount specified in the Special Terms and Conditions for each day of delay.

10.14. The Buyer shall not accept the performance security and/or shall consider it invalid and/or shall request the Supplier to submit a new performance security to the Buyer, and the Supplier shall be obliged to submit the performance security within the shortest possible time if the performance security does not comply with the requirements set out in the Contract or if the Buyer has any information relating to the suspension of the activities of the bank/insurance company that has issued the performance security or to the potential suspension of its activities (including insolvency, liquidation or procedures for applying legal protection).

10.15. If the Supplier is in breach of his obligations under the Contract, or fails to perform his obligations in whole or in part (or not in accordance with the terms of the Contract), the Buyer may use the performance security. In order to continue to perform his obligations under the Contract, the Supplier shall, within ten (10) working days of the date of receipt of the notice of the payment of the performance security to the Buyer, provide the Buyer with a new performance security in the amount specified in the Special Terms and Conditions.

10.16. The Buyer may use the performance security in any of the following circumstances:

10.16.1. the Supplier has failed to perform, is failing to perform or is not performing properly his obligations under the Contract;

10.16.2. the Supplier fails to comply with the Buyer's instruction to rectify the defects in the Services within a reasonable period of time;

10.16.3. if the Buyer has suffered any loss (including, without limitation, additional costs, loss of revenue or other direct or indirect loss, interest and/or penalties (if interest and/or penalties are provided for in the Special Terms and Conditions) as a result of any act (or omission) of the Supplier;

10.16.4. the Supplier shall unilaterally terminate the Contract without justifiable cause (other than in the cases specified in the Contract).

## **11. CONTRACT PRICE AND ITS RECALCULATION**

11.1. The Contract Price that the Buyer has to pay to the Supplier for the Services actually provided in accordance with the terms of the Contract, including any Agreements, shall be calculated by applying the method or methods of calculating the price set out in the Special Terms and Conditions.

11.2. The value of the Initial Contract shall be as specified in the Special Terms and Conditions.

11.3. The Contract Price shall be deemed to include all costs incurred by the Supplier in connection with the provision of all Services, as well as the proper performance of the Supplier's other obligations under this Contract, including prohibitions, duties and other costs incurred by the Supplier in the performance of his obligations under the Contract.

11.4. A review of the Contract Price shall be carried out in accordance with the procedure set out in the Special Terms and Conditions.

## 12. PAYMENT PROCEDURE

### 12.1. Advance payment (advance) (if applicable)

12.1.1. The terms and conditions of sub-section 12.1 of the General Terms and Conditions shall apply in the event that the Special Terms and Conditions specify that an advance payment (hereinafter – **the Advance**) shall be made to the Supplier.

12.1.2. The Buyer shall pay to the Supplier an Advance not exceeding the amount specified in the Special Terms and Conditions.

12.1.3. If required by the Special Terms and Conditions, the Supplier, in order to receive the Advance, shall, when applying for the payment of the Advance, not later than within 10 (ten) working days from the date of the entry into force of the Contract, together with the Advance Invoice, submit to the Buyer a security for the Advance in the form of a bank guarantee or a surety bond of an insurance company or other security for the fulfilment of the contractual obligations in an amount of at least the amount of the Advance required by the Special Terms and Conditions (hereinafter - the **Security for the Advance**).

**Note.** Where the Special Terms and Conditions specify that the Buyer requires the provision of a security for the Advance issued by a credit union, the provisions of this sub-section shall apply as appropriate and the Buyer may impose additional requirements in the Special Terms and Conditions for the provision of such security for the Advance, consistent with the provisions of laws and legal acts.

12.1.4. Prior to the submission of an Advance security, the Supplier may request the Buyer to confirm that the Buyer agrees to accept the Advance security offered by the Supplier. In such a case, the Buyer shall respond to the Supplier no later than 3 (three) working days after receipt of the Supplier's request.

12.1.5. The bank (insurance company) shall irrevocably and unconditionally undertake to pay to the Buyer, within 15 (fifteen) days of the Buyer's written notice of default or termination of the Contract due to the Supplier's fault, an amount not exceeding the amount of the Advance paid and the amount of the security, by transferring the money to the Buyer's account, by means of an Advance security.

12.1.6. The Bank (insurance company) shall not be entitled to require the Buyer to substantiate his claim. The Buyer shall state in a notice to the bank/insurance company that he is entitled to the amount of the Advance security due to the Supplier's failure to perform the terms of the Contract in whole or in part and/or the termination of the Contract due to the Supplier's fault, and the Supplier's failure to repay the Advance.

12.1.7. The amount of the Advance security shall be denominated and paid in euro.

12.1.8. The Advance security shall be in Lithuanian or another language (if requested by the Buyer, a translation into Lithuanian must be provided).

12.1.9. Any Advance security which does not comply with the requirements set out in this sub-section of the Contract will not be accepted.

12.1.10. If, during the performance of the Contract, the bank/insurance company that issued the Advance security is unable to meet its obligations, the Buyer may request the Supplier in writing to provide a new Advance security within ten (10) working days, under the same terms and conditions as the previous one.

12.1.11. The Buyer shall pay the Advance to the Supplier within the time limit set out in the Special Terms and Conditions from the date of receipt of the invoice and the Advance security (if applicable). The amount of the Advance paid shall be deducted from the amount payable.

12.1.12. In the event of termination of the Contract, the Supplier shall reimburse the Buyer for the Advance received within 5 (five) working days (if part of the Services has been provided, accepted by the Buyer and the result of the Services is available for the intended use, the part of the Advance that exceeds the price of

the Services accepted by the Buyer shall be repaid). If the Supplier fails to repay the Advance received, the Buyer shall use the Advance security (if applicable). In cases where Clause 12.1.3 of the General Terms and Conditions has not been applied, the Supplier shall be liable to pay liquidated damages at the rate specified in the Special Terms and Conditions, calculated on the amount of the Advance to be repaid, for the period from the time the Advance is paid out to the time of its repayment.

## **12.2. Procedure of payments**

12.2.1. The Supplier shall issue the Invoice only after the Parties have signed a Deed of Transfer and Acceptance of the Services, unless otherwise provided for in the Special Terms and Conditions:

12.2.1.1. an electronic invoice compliant with the European Standard for Electronic Invoicing, the reference of which was published on 16 October 2017. The Supplier may submit the invoice by means of his choice;

12.2.1.2. an electronic invoice that does not comply with the European Standard for Electronic Invoicing may only be submitted by the Supplier using the tools of the Single Account Management Information System (hereinafter – the SAMIS).

12.2.2. The Buyer shall accept and process electronic invoices using the SAMIS tools, except in the event of mobilisation, war or emergency, where there is a breach of the SAMIS which prevents the Buyer and the Supplier from communicating and exchanging information using SAMIS.

12.2.3. The Supplier shall submit the prepayment invoices (if the Special Terms and Conditions provide for the payment of an Advance) in accordance with the procedures set out in this sub-section of the Contract.

12.2.4. The Buyer shall make payments for the Services in accordance with the terms set out in the Special Terms and Conditions.

12.2.5. The Buyer shall be subject to liquidated damages for late payment under the Contract in accordance with the procedure set out in the Special Terms and Conditions.

12.2.6. Where the Services are provided in stages or periods, the payment procedure set out above shall apply for each stage or period of the provision of the Services, unless otherwise provided for in the Special Terms and Conditions.

12.2.7. If the Parties enter into a tripartite agreement with a subcontractor for direct payment, the Buyer shall transfer the amount payable to the subcontractor to the subcontractor's bank account as specified in the tripartite agreement, and shall transfer the balance to the Supplier's bank account after a Deed of Transfer and Acceptance of the Services provided has been executed in accordance with the requirements of the Contract and of the tripartite agreement, and the Supplier has submitted an invoice to the Buyer for the Services.

## **12.3. Other settlement issues**

12.3.1. The Buyer shall transfer payments to the Supplier to the Supplier's bank account specified in the Special Terms and Conditions.

12.3.2. The Buyer shall be entitled to deduct amounts due from the Supplier from payments to the Supplier under the Contract (unilateral set-off). For this reason, the Supplier shall not be entitled to assign, pledge or otherwise dispose of any claim to amounts receivable under the Contract to third parties without the consent of the Buyer.

12.3.3. All payments under the Contract shall be made in euro.

12.3.4. For late payments under the Contract, the paying Party shall be liable to pay to the other Party liquidated damages in the amount specified in the Special Terms and Conditions.

### **13. CONFIDENTIAL INFORMATION**

13.1. The Parties shall undertake to maintain confidentiality and not to disclose that Party's information identified as confidential to any of the Party's employees, affiliates or other third parties who do not have a need to use the information for their work purposes without the other Party's written consent, except as provided below.

13.2. A Party shall have the right to disclose the other Party's Confidential Information in the following cases:

13.2.1. the disclosure of the confidential information is necessary for the proper exercise of the Party's rights or obligations under the Contract. But in such case, the information may only be disclosed to the extent necessary for the exercise of the Party's contractual rights or obligations, and only to such third parties as are necessary, provided that third parties receiving the confidential information assume the same obligations of confidentiality as set out in this Contract. If third parties disclose Confidential Information, the Party shall be liable for their actions as for its own;

13.2.2. confidential information is necessary to disclose in accordance with the requirements of laws and legal acts, including where required by public administration entities as defined in the Republic of Lithuania Law on Public Administration.

13.3. Before disclosing Confidential Information, a Party shall inform the other Party (to the extent not prohibited by law or legal act) of the necessity for, or the receipt of a request by a public administration entity to disclose Confidential Information and shall take reasonable steps to ensure the confidentiality of the disclosed information.

13.4. A Party shall be liable:

13.4.1. for any unauthorised disclosure or transmission, including inadvertent disclosure or transmission, of the other Party's Confidential Information or any part thereof, or for any unauthorised use of Confidential Information;

13.4.2. for failing to take all reasonable steps to preserve and protect the other Party's Confidential Information or any part of it, and to prevent further unauthorised disclosure, transmission or use.

13.5. A Party that unreasonably discloses the other Party's Confidential Information shall be liable to pay to the other Party a penalty in the amount specified in the Special Terms and Conditions.

### **14. PERSONAL DATA PROTECTION**

14.1. The Parties shall undertake to ensure the security of personal data and to carry out the processing of personal data in a lawful manner, in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of 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 (GDPR) and other legal acts regulating personal data processing.

14.2. The Parties hereby confirm that if personal data will be processed in order to ensure the proper performance of the Contract, the Parties shall undertake to enter into a separate data processing agreement which sets out the subject matter and duration of the processing, the nature and purpose of the processing, the types of personal data and categories of data subjects and the obligations and rights of the controller.

## **15. INTELLECTUAL PROPERTY**

15.1. All results and related rights acquired in the performance of the Contract, including intellectual property rights, other than personal non-property rights in the results of intellectual activities, shall be the property of the Buyer and shall pass to the Buyer as from the signature of a Deed of Transfer and Acceptance of the Services, without any limitation, and may be used, published, assigned or transferred by the Buyer without the separate consent of the Supplier to third parties, unless otherwise provided for in the Special Terms and Conditions, or the ownership of intellectual property cannot be transferred due to the nature of the Services and/or exclusive rights, patents, etc.

15.2. The Supplier shall undertake to indemnify the Buyer against any claims arising out of intellectual property rights, including but not limited to patent, trademark, industrial design right of ownership/user (whether registered or not), right arising out of applications for registration of any of the said rights, copyright, rights of database producers (*sui generis*), rights of owners of firms, companies, organisations, business names or business names and other similar rights or obligations, whether registered in the Republic of Lithuania or in other countries or not, unless such infringement is due to the fault of the Buyer.

15.3. The Supplier shall not have the right to use the Buyer's symbols, name and mark in advertising, marketing, or to use the Buyer's intellectual works without the Buyer's prior written consent. In the event of a breach, the Supplier shall be subject to the fine as specified in the Special Terms and Conditions.

## **16. REPRESENTATIONS AND WARRANTIES**

16.1. Each Party represents and warrants to the other Party that:

16.1.1. all necessary decisions, authorisations and consents have been validly made and are in force, and all other legal acts necessary for the entry into, validity and performance of the Contract have been validly performed and are in force;

16.1.2. in entering into the Contract, the Party does not exceed its competence and is not in breach of any laws and legal acts applicable to it, court or arbitral judgments, administrative acts, contracts or other obligations under applicable private law, public law, European Union law or international law;

16.1.3. the Party's representative has all necessary powers to enter into and perform the Contract. In entering into and signing the Contract, the representative of the Party shall not violate the articles of association, regulations and other internal documents of the Party, the rights and legitimate interests of the Party's governing and other bodies and/or creditors, and shall act in good faith and reasonably towards the Party and the members of the Party's bodies and creditors;

16.1.4. the Party has taken into account all circumstances material to the entry into and performance of the Contract. None of the conditions and circumstances referred to in the Contract shall adversely affect the will of the Party to enter into the Contract on the terms and conditions set out in the Contract and to perform its obligations under the Contract;

16.1.5. the Contract shall be entered into in accordance with the principles of good faith, reasonableness, fairness and equality of arms between the Parties, and shall not be subject to fraud or pressure. The Parties have disclosed to each other all information of which they are aware that is material to the formation and performance of the Contract;

16.1.6. all representations and warranties of the Parties are complete and do not omit any matter which would render such representations or warranties untrue.

16.2. The Supplier further represents and warrants to the Buyer that the Supplier, its subcontractors, joint venture partners and specialists have all valid and lawful permits, licenses, certificates, and legal documents

required for the performance of the Contract, as provided for in laws and other legal acts.

16.3. The Supplier hereby declares that the rights of disposal, possession and use of the result of the Services provided are not restricted and that no third party has any claim on the result of the Services transferred under the Contract.

16.4. The Supplier shall undertake to comply in the performance of the Contract with the environmental, social and labour law obligations laid down in European Union and national law, collective agreements and international conventions referred to in Annex 5 to the Law on Public Procurement.

## **17. GENERAL ISSUES OF LIABILITY**

17.1. The payment of liquidated damages for delay or breach of obligations under the Contract shall not exempt a Party from the performance of its obligations under the Contract.

17.2. The payment of liquidated damages and/or the receipt of a Contract performance security shall not exclude the right of a Party to claim compensation from the other Party for any loss suffered by it. The liquidated damages provided for in this Contract shall be deemed to be the minimum unprovable loss of the Parties. Each Party shall be entitled to recover from the other Party damages resulting from the other Party's improper performance or non-performance of its obligations under the Contract, up to the value of the Initial Contract, unless a higher amount is required by law. The limitation of liability provided for in this Clause shall not apply if the damage is caused by a breach of obligations of confidentiality, of legislation on the protection of personal data or of intellectual property rights.

17.3. In the event that any of the representations or warranties contained in this Contract are found to be materially untrue, false or misleading, the offending Party shall be liable to indemnify the injured Party against any loss suffered by the injured Party as a result of the untrue, false or misleading representation or warranty.

17.4. The remedies provided for in this Contract are without prejudice to the right of the Parties to pursue other lawful remedies.

17.5. The limitations of liability hereunder shall not apply to wilful or grossly negligent damage, non-pecuniary damage, injury to health or loss of life, or damage/loss to third parties, including where the damage caused by one Party to third parties is indemnified by the other Party.

17.6. The Parties shall not be exempted from liability for breach of the Contract upon expiry of the Contract. Upon expiry of the Contract, the Parties shall not lose the right to claim damages for losses and liquidated damages for breach of the Contract.

17.7. If the Contract is terminated due to a material breach of the Contract in accordance with sub-clause 22.2.1 of the General Conditions and/or the Supplier performs an essential condition of the Contract, as specified in Section 10 of the Special Conditions, with serious or persistent deficiencies, the Supplier shall be included in the list of unreliable suppliers in accordance with the procedure set out in Article 91 of the Public Procurement Law. The cases in which the performance of an essential term of the Contract shall be deemed to be seriously or persistently defective are set out in Section 10 of the Special Conditions. The performance of an essential term of the Contract with serious or persistent deficiencies may also be recognised in other cases not specified in the Special Conditions, after assessment of the specific circumstances of the non-performance of the essential term of the Contract.

## **18. FORCE MAJEURE**

18.1. Liability under the Contract shall not apply and the Parties can be exempted from civil liability in whole or in part on the following grounds:

18.1.1. due to force majeure - the provisions of Article 6.212 of the Civil Code of the Republic of Lithuania and the Rules approved by the Government of the Republic of Lithuania by Resolution No 840 of 15 July 1996 "On Approval of the Rules for Exemption from Liability in the Event of Force Majeure" shall apply;

18.1.2. due to the actions of the States of the European Union - when it is impossible to fulfil the obligation under the Contract due to mandatory and unforeseeable actions (acts) of the State authorities of the European Union, which the Parties had no right to contest and which could not have been foreseen in advance.

18.2. The Party requesting to be exempted of its liability must notify the other Party of the force majeure circumstances immediately, but no later than 5 (five) days after the occurrence or discovery of such circumstances, providing evidence that it has taken all reasonable precautions and made every effort to minimise the costs or adverse consequences, and of the possible time limit for the fulfilment of its obligations. A Party shall also give the other Party appropriate notice when the grounds for default cease to exist.

18.3. The grounds for exempting a Party from liability shall arise from the moment of the occurrence of the force majeure event or, in the case of failure to give timely notice, from the moment of the giving of notice. If a Party fails to give timely notice or to inform, it shall be liable to compensate the other Party for any damage suffered by the other Party as a result of the failure to give timely notice or the absence of any notice.

18.4. If the force majeure event continues for more than one (1) month from the date of notice, either Party may terminate the Contract by giving five (5) working days' notice to the other Party. Force majeure shall not be deemed to mean that a Party does not have the necessary financial resources, or that the debtor's counterparties are in breach of their obligations, or that the debtor is in breach of its obligations to its counterparties. The fact that a Party does not have the necessary financial resources, or the debtor's counterparties are in breach of their obligations, or the debtor is in breach of its obligations to its counterparties, shall not be deemed to constitute force majeure.

## **19. INVALIDITY OF THE CONTRACT PROVISIONS**

19.1. If any provision of the Contract is or becomes partially or wholly invalid, the Parties shall enter into the Agreement as soon as practicable to replace the invalid provision with another provision which, so far as practicable, would have the same economic and legal effect as that sought in agreeing on the invalid provision of the Contract. Such an invalid provision shall not invalidate other provisions of the Contract, provided that it is not contrary to law or legal act, and it may be presumed that the Contract would have been entered into lawfully without the invalid provision.

19.2. If an amendment to a provision of the General Terms and Conditions provided for in the Special Terms and Conditions is or becomes invalid, in whole or in part, the version of that provision of the General Terms and Conditions, which existed before the amendment, shall not apply. In such a case, the Parties shall act in accordance with Clause 19.1 of the General Terms and Conditions.

## **20. AMENDMENTS TO THE CONTRACT**

20.1. The terms and conditions of the Contract may not be amended during the term of the Contract, except for such terms and conditions of the Contract the amendment of which is provided for in the Contract and/or is possible in accordance with the provisions of the Law on Public Procurement.

20.2. Amendments to the Contract shall be executed by means of an Agreement entered by and between the Parties.

20.3. The Party initiating the Agreement shall be obliged to provide the other Party with a notice of amendment of the Contract and a justification of the factual and legal basis for the entry into the Agreement. The other Party shall, within 5 (five) working days (or such other period as may be agreed in writing by the Parties), analyse and evaluate the information received and submit its comments and proposals based on the provisions of the Contract and the mandatory provisions of laws and legal acts.

20.4. The Agreement shall enter into force upon its conclusion, unless otherwise specified in the Agreement. The Agreement shall be made public by the Buyer in accordance with the procedure laid down in Articles 33 and 86 of the Law on Public Procurement.

20.5. A change in the contact details and particulars referred to in the Special Terms and Conditions shall not be deemed to be an amendment to the Contract (except for the replacement of the Supplier, joint venture partner, subcontractor or specialist by another person) and the Party shall be obliged to change those details unilaterally by informing the other Party thereof. In any event, an amendment to the Contract shall not constitute a material change to the Contract.

## **21. SUSPENSION OF THE CONTRACT**

21.1. In the absence of fault on the part of the Supplier and in the event of circumstances which could not have been foreseen by the Contracting Party at the time of the entry into the Contract, which make it impossible for the Contracting Party to fulfil its contractual obligations and/or in the event of any other unforeseeable circumstances, the Contracting Parties shall have the right to initiate a suspension of the provision of the Services (or any part of the Services) until such time as the circumstances in question have ceased to exist.

21.2. The provision of the Services (part thereof) may be suspended in any of the following circumstances:

21.2.1. in the event of force majeure as provided for in Section 18 of the General Terms and Conditions, the time limits for the performance of the Contractual Obligations shall be suspended as from the moment of the occurrence of the impediment, or, in the absence of timely notification, as from the moment of the notice, and shall be resumed as soon as the said circumstances no longer impede the performance of the Contract;

21.2.2. the Supplier is unable to provide the Services in accordance with the procedures set out in the Contract (e.g. the Buyer is unable for objective reasons to make the Services technically possible) and the Supplier is therefore unable to perform the Contract;

21.2.3. the acquisition of unforeseen goods, services and/or works related to the object to be procured, the need for which has only become apparent during the performance of the Contract;

21.2.4. the performance of another Buyer's purchase contract directly affecting this Contract is delayed through no fault of the Buyer;

21.2.5. in the event of demonstrable obstacles or hindrances caused to the Supplier by third parties other than the Supplier's untimely or inadequate performance of its contractual obligations in accordance with the terms and conditions of the Contract;

21.2.6. in the event of a change in applicable law or the entry into force of a new law which affects the performance of this Contract;

21.2.7. the necessity to suspend the contractual obligations is due to the suspension, reallocation, non-receipt or similar lack of funding for the procurement of the Services by the Buyer;

21.2.8. as a result of legal (arbitration) disputes with the Buyer or third parties, the subject matter of which is directly related to the performance of the Contract.

21.3 If the suspension of the provision of the Services (part thereof) is due to the circumstances referred to in sub-clause 21.2 of the General Terms and Conditions and lasts not more than 3 (three) months, such suspension shall be deemed to be an amendment of the Contract in accordance with the terms and conditions set out therein and shall be formalised in accordance with the procedure set out in sub-clause 21.6 of the Contract.

21.4. If the suspension of the provision of the Services (part thereof) is due to circumstances other than those referred to in sub-clause 21.2 of the General Terms and Conditions and/or the circumstances referred to in sub-clause 21.2 of the General Terms and Conditions continue for a period exceeding 3 (three) months and/or not in accordance with the procedures set out in this Section, it shall be deemed to be a Contract amendment to be carried out in accordance with the provisions of the Law on Public Procurement and shall be executed in the manner provided for in sub-clause 21.6 of the Contract.

21.5. The performance of the contractual obligations may be suspended only during the term of the Contract in accordance with the following procedure:

21.5.1. in the event of the occurrence of circumstances which prevent the Supplier from fulfilling its contractual obligations, the Supplier shall immediately inform the Buyer thereof. The Supplier's written request shall specify the circumstance of suspension (sub-clause 21.2 of the General Terms and Conditions) and the arguments, objective facts and evidence supporting the occurrence of the circumstance and the possible time limit. The Buyer shall, after assessing the request, inform the Supplier in writing of its decision to suspend the performance of the contractual obligations within three (3) working days at the latest. If the Supplier fails to provide specific arguments, facts and evidence, the Buyer shall have the right to refuse in writing to confirm the suspension;

21.5.2. if the Buyer informs the Supplier in writing and provides the Supplier with a reasoned explanation of the circumstances and the period for which suspension of the contractual obligations is necessary, the Supplier shall, within a maximum of three (3) working days, inform the Buyer in writing of the reasons for the suspension and confirm that it accepts the suspension. The Supplier shall have the right to object to the suspension of the performance of the contractual obligations only if the Supplier is able to remedy, at its own expense and by its own efforts, the circumstances giving rise to the need to suspend the performance of the contractual obligations;

21.5.3. the Supplier shall, upon receipt of the Buyer's written notice of suspension, suspend the performance of the contractual obligations or any part thereof immediately, but at the latest within three (3) working days of the date of the confirmation sent to the Buyer. If the performance of the contractual obligations or any part thereof is suspended, the Parties shall not be entitled to perform any of their obligations under the Contract or any part thereof.

21.6. The suspension of the performance of the contractual obligations shall be formalised by written agreement between the Parties, specifying the reasons for the suspension and the period of the suspension, and shall be accompanied by the documents evidencing the grounds for the suspension and shall be authenticated by the signatures of the authorised representatives of the Parties. Such agreements shall form an integral part of the Contract.

21.7. The performance of the contractual obligations shall be suspended for a period not exceeding the existence of a specific, reasonable circumstance.

21.8. The Parties agree that the period of suspension of performance of the contractual obligations shall not be counted as part of the term of the Contract, during which time the contractual obligations shall not be performed and for which period the Buyer shall not pay any payments, penalties or demurrage to the Supplier.

21.9. If the time limits for the performance of the obligations under the Contract have been suspended on the grounds set out in the Contract, they shall be resumed at the expiry of the circumstances giving rise to the suspension or the period specified in the agreement between the Parties, whichever is the earlier. In the event that the time limits for the performance of the contractual obligations are resumed before the expiry of the period of suspension specified in the agreement between the Parties, the Parties shall formalise the date of resumption of the time limits for the performance of the contractual obligations in writing.

21.10. Upon resumption of performance of the Contract, the time limits for the performance of the outstanding obligations (part thereof) and the validity of the Contract shall be postponed for the period of time remaining for their performance (the validity of the Contract) at the time of their suspension.

21.11. If the performance of the contractual obligations has been suspended for a period of more than three (3) months, after the expiration of this period one Party may, by written notice to the other Party, request the resumption of performance of the Contract. If a Party fails to resume without good reason the performance of the Contract within ten (10) days of the relevant request, the other Party may terminate the Contract by giving ten (10) days' notice to the other Party.

## **22. TERMINATION OF THE CONTRACT**

The Contract may be terminated in the cases provided for in Article 90 of the Law on Public Procurement and in the Contract, including the possibility to terminate the Contract by agreement of the Parties.

### **22.1. Claims for breach of the Contract**

22.1.1. If a Party breaches the Contract or the laws and legal acts, the other Party shall have the right to make a written complaint to the other Party, specifying the provision of the Contract or the laws and legal acts breached and the manner in which it was breached, and to set a reasonable time limit for the other Party to rectify the breach.

22.1.2. The Party receiving the claim shall promptly, but not later than within five (5) working days, respond to the claim and indicate what measures it will take to rectify the breach within the time limit specified in the claim or reasonably propose another reasonable time limit. The Supplier's right to propose another time limit shall not be deemed to be an obligation on the part of the Buyer to accept that time limit. The time limit proposed by the Party receiving the claim shall replace the time limit specified in the claim only if the other Party confirms it.

### **22.2. Termination of the Contract at the Buyer's initiative**

22.2.1. The Buyer shall unilaterally terminate the Contract by giving the Supplier a written notice of at least 5 (five) days if the Supplier commits a material breach of the Contract, as specified in the Special Terms and Conditions, or a breach of the Contract that meets the characteristics of a material breach of the Contract as

specified in the Civil Code of the Republic of Lithuania, and, having received the Buyer's complaint, does not rectify the breach within the time limit specified in the complaint.

22.2.2. The Buyer shall have the right to unilaterally terminate the Contract or any part thereof by giving the Supplier not less than ten (10) days' notice in writing if:

22.2.2.1. the Supplier is declared bankrupt, is subject to an out-of-court insolvency procedure, becomes insolvent or has a likelihood of insolvency, suspends its business activities or is in a situation analogous to that provided for by laws and legal acts;

22.2.2.2. the Supplier's situation has changed and the Supplier fulfils the grounds for exclusion set out in the Procurement documents;

22.2.2.3. there is a change in legislation relating to the subject matter of the Contract, to the performance of the Contract, or to the activities of the Buyer for which the Contract has been entered into, and the Buyer decides to terminate the Contract as a result of such changes;

22.2.2.4. the Buyer decides to cease to carry out the activities for which the Services are purchased under the Contract and the need for the Contract ceases to exist;

22.2.2.5. a decision is taken by the governing body of the Buyer which results in the need for the Contract ceasing to exist;

22.2.2.6. the Buyer's financial situation changes/deteriorates or the Buyer does not receive or loses funding and decides to terminate the Contract for that reason;

22.2.2.7. there is a change in the Buyer's organisational structure, such as legal status, nature or management structure, which may have an impact on the proper performance of the Contract or the need for the Contract;

22.2.2.8. there is no longer a need for the Services to be purchased;

22.2.2.9. the Buyer receives a direction or recommendation from the procurement supervisory authorities to terminate the Contract;

22.2.2.10. the Supplier delays or refuses to provide an extension of the performance security for more than ten (10) working days after the expiry of the last validity period of the performance security;

22.2.2.11. the Supplier refuses or fails to rectify defects in the Services within a reasonable time specified by the Buyer;

22.2.2.12. the Supplier is in breach of the Contract or of laws and legal acts, and fails to rectify the breach within the period specified in the Buyer's written complaint;

22.2.2.13. The Government of the Republic of Lithuania, in accordance with the procedure established by the Law on the Protection of Objects of Importance to Ensuring National Security, adopts a decision confirming that the Contract is not in the interests of national security (applicable if the Buyer operates in areas considered to be part of sectors of economic activity strategically important for national security or is considered to be an essential subject);

22.2.2.14. the circumstances referred to in Article 37(8) and/or Article 47(8) of the Law on Public Procurement become apparent.

22.2.3. The Contract shall be deemed null and void if it is established that the performance of the Contract is in conflict with binding international sanctions implemented in the Republic of Lithuania, as defined in the Law on Sanctions and other international, European Union and Republic of Lithuania legislation (at least one of the applicable sanctions). The moment of invalidity of the Contract shall be determined in accordance with the said Law.

22.2.4. the Buyer shall unilaterally terminate the Contract or suspend its performance immediately, but not later than within 5 (five) days, for the period of implementation of the mandatory international sanctions as defined in the Law on Sanctions and other international, European Union and Republic of Lithuania legislation

by giving written notice to the Supplier if the Contract has entered into force prior to the imposition of such international sanctions in the Republic of Lithuania. The Supplier shall not be permitted to enter into new obligations under the Contract, the performance of which would be inconsistent with the implementation of international sanctions in the Republic of Lithuania.

22.2.5. If the Contract is terminated by the Supplier for material breach of the Contract or by the Supplier's unjustified termination of the Contract outside the procedure set out in the Contract, and if the Special Terms and Conditions do not provide for the proper performance of the Contract to be secured by a performance bond, the Supplier shall be liable to pay to the Buyer a penalty of the amount specified in the Special Terms and Conditions and to compensate for the damages related to the termination. If the Special Terms and Conditions provide that the proper performance of the Contract is secured by a performance security, the Supplier shall undertake to pay to the Buyer the remainder of the amount of the penalty specified in the Special Terms and Conditions and to indemnify the Buyer against damages in connection with termination of the Contract to the extent that they are not covered by the performance security. In the event that the Buyer claims damages, the amount of the penalty shall be set off against the damages.

22.2.6. The Buyer shall have the right to unilaterally terminate the Contract in other cases provided for in the Special Terms and Conditions (if applicable) and in laws and legal acts.

22.2.7. The Contract shall be deemed to be terminated on the day following the expiry of the notice period.

22.2.8. In cases where the Supplier rectifies the breach or the circumstances giving rise to the termination of the Contract cease to exist, the Contract cannot be terminated and the notice of termination of the Contract shall lapse, if the Supplier provides information on the rectification of the infringement or on the circumstances, having led to the initiation of the Contract termination procedure, that have disappeared.

### **22.3. Termination of the Contract at the Supplier's initiative**

22.3.1. The Supplier shall have the right to unilaterally terminate the Contract by giving the Buyer not less than 30 (thirty) days' written notice if the Buyer is in breach of the terms of payment with the Supplier (except where the Buyer has exercised his right to withhold payments) and the Buyer's debt to the Supplier exceeds 20 (twenty) per cent of the Buyer's total value of the Contract. The Buyer shall pay the amounts due to the Supplier within 30 (thirty) days after receipt of the Supplier's claim.

22.3.2. The Supplier shall be entitled to unilaterally terminate the Contract by giving the Buyer at least ten (10) days' written notice if:

22.3.2.1. the Buyer is subject to bankruptcy proceedings, out-of-court insolvency proceedings, insolvency or the likelihood of insolvency, suspension of the Buyer's activities, or a similar situation arising in accordance with the procedure provided for by laws and other legal acts;

22.3.2.2. the Buyer is in breach of the Contract or of laws and legal acts, and fails to rectify the breach within the time limit specified in the Supplier's written complaint, except in the case set out in Clause 22.3.1 of the General Terms and Conditions.

22.3.3. If the circumstances referred to in Clause 22.3.1 of the General Terms and Conditions relate only to a separate part or a separate Agreement, the Supplier shall have the right to terminate the Contract only in respect of that part, or to terminate only such Agreement.

22.3.4. The Supplier shall have the right to unilaterally terminate the Contract in other cases provided for in laws and legal acts.

22.3.5. If the Contract is terminated as a result of a material breach of the Contract by Buyer or by the Buyer's unreasonable termination of the Contract outside the procedure set out in the Contract, the Buyer shall be

liable to pay to the Supplier a penalty in the amount specified in the Special Terms and Conditions and to indemnify the Supplier against damages relating to the termination.

22.3.6. The Contract shall be deemed to have been terminated on the day following the expiry of the notice period.

22.3.7. Where the Buyer rectifies the breach within the period of notice of termination or the circumstances giving rise to the termination cease to exist, the Contract shall not be terminated and the notice of termination shall cease to exist if the Buyer informs the Supplier of the rectification or the cessation of the circumstances giving rise to the termination.

#### **22.4. Rights and obligations of the Parties in the event of termination of the Contract**

22.4.1. Termination of the Contract shall not affect the validity of the terms and conditions of the Contract setting out the dispute resolution procedure and any other terms and conditions of the Contract which, by their nature, survive the termination of the Contract.

22.4.2. Upon termination of the Contract, the Parties shall:

22.4.2.1. make sure that the Services and other acts performed prior to the date of termination of the Contract comply with the requirements of the Contract and that the Parties shall have no further claims against each other in respect thereof;

22.4.2.2. pay for the Services provided prior to the termination of the Contract in accordance with the Contract;

22.4.2.3. within ten (10) days of the date of receipt of the notice of termination of the Contract or of the date of the Agreement on termination of the Contract, to hand over to each other all documents which were required to be handed over in accordance with the provisions of the Contract.

#### **23. CHANGING THE PRODUCT MODEL OR MANUFACTURER**

23.1. In cases where goods are purchased together with the Services, the Supplier shall have the right to change the model and/or manufacturer of the goods provided that all the following conditions are met:

23.1.1. if the goods specified in the Supplier's tender are no longer manufactured or their supply has been substantially disrupted and the manufacturer's approval has been obtained, and/or the goods, their manufacturer pose a threat to national security, and/or the supply of the goods is contrary to binding international sanctions implemented in the Republic of Lithuania as defined in the Law on Sanctions, and/or the goods, their components and/or the manufacturer do not comply with the provisions of Article 45(2<sup>1</sup>) of the Law on Public Procurement;

23.1.2. if the goods to be replaced are in full compliance with the requirements of the Procurement documents and are of equivalent or better quality than the goods specified in the Supplier's tender, and the Supplier shall provide documents confirming this. If the Supplier has provided samples during the procurement procedures, the goods to be delivered shall be of a quality not inferior to the samples provided;

23.1.3. provided that the Supplier has submitted a written request to the Buyer, together with supporting documentation, at least ten (10) days prior to the intended replacement of the Goods, and has received the Buyer's written consent. The Buyer shall have the right to object to the replacement of the Goods and shall have the right to terminate the Contract if the Supplier has failed to provide evidence, or the provision of such evidence does not substantiate that the Goods to be replaced are in conformity with the Procurement documents and are of equivalent or better quality than the Goods specified in the Contract;

23.1.4. the Parties have entered into a written Agreement to the Contract for the replacement of the Goods.  
23.2. In the case referred to in this section of the General Terms and Conditions, the Goods shall be delivered at a price not higher than the price stated in the tender.

#### **24. COMMUNICATION PROCEDURE AND LANGUAGE**

24.1. The Contract is drawn up in Lithuanian language. If the Contract or any of its constituent documents is drawn up in another language or translated into another language, only the text of the Contract in Lithuanian language shall be considered authentic in all cases (in the event of any inconsistencies, the text in Lithuanian language shall prevail).

24.2. If a Party notifies the other Party of its new contact details, it shall, upon receipt of such notice by the other Party, send all notices and information under the Contract in accordance with the new contact details. If a Party does not notify a change in contact details or until the other Party receives such notice, the sending of the notice shall be deemed to be appropriate in accordance with the last contact details known to the Party.

24.3. If the notice is served personally or sent by post or courier, it shall be served by signature and shall be deemed to have been received on the date specified in the acknowledgement of receipt.

24.4. If the notice is sent by e-mail, it shall be deemed to have been received by the Party on the next working day.

24.5. If a notice is sent by several different methods, the recipient shall be deemed to have received it when he or she received the preceding notice.

#### **25. CLAIMS AND DISPUTE RESOLUTION**

25.1. Any disputes, disagreements or claims arising from or related to the Contract, its breach, termination or validity must first be resolved through negotiations between the heads of the Parties or persons authorised by them.

25.2. If the Parties fail to resolve a dispute by negotiation, then any such dispute, disagreement or claim arising out of or relating to this Contract or the breach, termination or invalidity thereof shall be finally settled by the courts of the Republic of Lithuania in accordance with the procedure provided for by the law of the Republic of Lithuania.

25.3. Disputes arising shall not constitute grounds for the Parties to refuse to perform their obligations under the Contract.

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