

## CONTRACT FOR THE SALE AND PURCHASE OF DREDGING WORKS NO

\_\_\_\_\_2026  
Klaipėda

**Joint Stock Company Klaipėda State Seaport Authority**, legal entity code 240329870, whose registered office is located at J. Janonio g. 24-1, 92251 Klaipėda, the data on the company being collected and stored in the Register of Legal Entities of the Republic of Lithuania, represented by the Director General Algis Latakas, acting in accordance with the company's Articles of Association, hereinafter referred to as the "**Customer**",

and

\_\_\_\_\_, legal entity code....., whose registered office is located at ....., represented by ....., acting in accordance with ....., hereinafter referred to as the "**Contractor**",

hereinafter collectively referred to in this Works Contract as the Parties, and individually as each Party, have entered into this Works Contract, hereinafter referred to as the "Contract", and have agreed to the following terms and conditions.

### I. SUBJECT-MATTER OF THE CONTRACT

1.1. Operational port dredging works (hereinafter referred to as the "Works") **in the port area of Klaipėda State Seaport from PK-22 to PK110a** in accordance with the technical assignments submitted by the Customer. The preliminary volume of the Works according to the Contract is approximately 500 000 m<sup>3</sup>. The quantities indicated are indicative and the Customer shall not be obliged to purchase the entire indicative quantity of the Works indicated.

### II. TERMS OF VALIDITY AND PERFORMANCE OF THE CONTRACT

2.1. The Contract shall enter into force upon its signature by both Parties and upon the provision by the Contractor of a Contract performance guarantee document in accordance with the terms and conditions of the Contract. Works under the Contract are scheduled to begin in July–September 2026. They shall be carried out until the amount referred to in clause 3.1 of the Contract has been exhausted, but for a maximum period of one year from the entry into force of the Contract. The Contract shall cease to have effect if it has been duly performed, if the Parties have agreed to terminate it, in the event of a court decision to that effect, and in any other case provided for by law and the Contract.

2.2. The Contractor shall have the right, during the performance of the technical task, before the expiry of the time limit for the performance of the Works in accordance with the specific technical task, to apply to the Customer for an extension of the time limit for the performance of the specific technical task, by submitting a request and the documents confirming the circumstances which led to the request for the extension of the time limit, if:

2.2.1. The Customer fails to perform and/or improperly performs its obligations under the Contract and, as a result, the Contractor is unable to perform part or all of the Works;

2.2.2. The instructions given by the Customer to the Contractor shall affect the Contractor's time for the completion of the Works;

2.2.3. In the event of exceptionally unfavourable meteorological conditions affecting the operation of the technological process, i.e. air temperature below -10 °C, wind speed greater than 15 m/s, swell greater than 1.5 m, there is floating ice on the bodies of water, visibility due to fog

or snow not greater than 800 m, and as a result of which the Contractor fails to carry out the Works or carries out the Works with less than the minimum performance specified in clause 7.3.8 of the Contract;

2.2.4. Actions of state and municipal authorities or any delay, obstruction or hindrance caused by or attributable to the Customer and/or third parties employed by the Customer, or the actions/activities of third parties independent of the Customer, hinder the Contractor from completing the Works on time;

2.2.5. The Customer fails to provide the Contractor with the technical tasks on time for technical reasons and this affects the Contractor's time for completion of the Works;

2.2.6. Adverse meteorological conditions cause the Harbour Master to suspend navigation in the Klaipėda State Seaport, affecting the Contractor's deadline for performance of the Works;

2.2.7. The user of the port is carrying out cargo handling operations from/to vessels or contractual works for the installation of port superstructure at the berths to be cleaned, which hinders the Contractor from performing the Works on time;

2.2.8. Explosives are detected or petroleum products appear on the surface of the water and prevent the Contractor from completing the Works on time.

2.3. The Contractor must, upon application for the circumstances referred to in clause 2.2, provide the Customer with a letter and supporting documents regarding the circumstances or conditions referred to in clauses 2.2.1 to 2.2.8 of the Contract.

### III. CONTRACT PRICE, CHANGE OF CONTRACT PRICE

3.1. The Contract Price (the Contract is subject to a fixed-rate pricing method) is:

Contract price excluding VAT	<i>EUR 5 895 000 00 ct (five million eight hundred and ninety-five thousand euros 00 ct)</i>
VAT (21%)	<i>EUR 1 237 950 00 ct (one million two hundred and thirty-seven thousand nine hundred and fifty euros 00 ct)</i>
<b>Contract price (Contract price and VAT amount)</b>	<b><i>EUR 7 132 950 00 ct (seven million one hundred and thirty-two thousand nine hundred and fifty euros 00 ct)</i></b>

Payment for Works properly performed and accepted by the Customer shall be made in accordance with the quantity of works actually performed, at the rates set out in the Contract, and shall not exceed the Contract Price. The Contract Price is the maximum price and the Customer is not obliged to purchase the Works for the full Contract Price.

3.2. The initial value of the Contract shall be equal to the Contract price without VAT as indicated at the time of conclusion of the Contract, i.e. EUR 5 895 000.00. The initial value of the Contract shall remain unchanged throughout its term, except when the rates for the Works are revised in accordance with the procedures set out in the Contract due to a change in price levels.

3.3. Works rates:

3.3.1. Price for excavation of 1m<sup>3</sup> of soil in the port area from PK-22 to PK110a within 15 m of the berth line, at the LNG terminal berth - excavation of soil within 5 m, including transportation to the nearest landfill – EUR without VAT, VAT amount , price with VAT – EUR . The price for excavation of 1 m<sup>3</sup> of soil shall include: excavation of the soil, transportation to the nearest landfill (according to the attached scheme), removal and disposal of technogenic debris (ropes, cables, chains, nets, anchors, scrap metal, debris, tyres, wooden piles and other

sunken objects), downtime, supervision of the Works (bathymetric measurements by the Contractor) and the operating costs of the Contractor's equipment;

3.3.2. The cost of excavation of 1 m<sup>3</sup> of soil for the works in the port water area from PK-22 to PK110a within 15 m of the berth line, at the LNG terminal berth – excavation of soil within 5 m, including beach replenishment – EUR without VAT , VAT amount , price including VAT – EUR . The price for excavating 1 m<sup>3</sup> of soil includes: excavation of soil, beach replenishment (along the Melnragė–Giruliai coastline between 2.6 km and 3.0 km north of the axis of the Port of Klaipėda entrance, between 55°45'036" and 55°45'324", between the 4 m and 7 m isobaths) (the location for soil disposal is specified in the permits issued by the Environmental Protection Agency for soil excavation and removal works), the removal and disposal of technogenic debris (ropes, cables, chains, nets, anchors, scrap metal, debris, tyres, wooden piles and other sunken objects), demurrage, supervision of the Works (bathymetric measurements by the Contractor) and the operating costs of the Contractor's equipment;

3.3.3. The cost of excavation of 1 m<sup>3</sup> of soil for the works in the port water area from PK-22 to PK110a within 15 m of the berth line, at the LNG terminal berth – excavation of soil within 5 m, including beach replenishment – EUR without VAT , VAT amount , price including VAT – EUR . The price for excavating 1 m<sup>3</sup> of soil includes: excavation of soil, beach replenishment (the disposal of soil in the foreshore area near I Melnragė at a depth of 2.0–3.5 m, in a section approximately 50–700 m north of the northern breakwater of the Port of Klaipėda) (the location for soil disposal is specified in the permits issued by the Environmental Protection Agency for soil excavation and removal works), the removal and disposal of technogenic debris (ropes, cables, chains, nets, anchors, scrap metal, debris, tyres, wooden piles and other sunken objects), demurrage, supervision of the Works (bathymetric measurements by the Contractor) and the operating costs of the Contractor's equipment;

3.3.4. The cost of excavation of 1 m<sup>3</sup> of soil for the works in the port area from PK-22 to PK110a within 15 m of the berth line, at the LNG terminal berth - excavation of the soil within 5 m, including transportation to a remote landfill – EUR without VAT , VAT amount , price including VAT – EUR . The price for excavation of 1 m<sup>3</sup> of soil shall include: excavation of the soil, transportation to the furthest landfill (according to the attached scheme), removal and disposal of technogenic debris (ropes, cables, chains, nets, anchors, scrap metal, debris, tyres, wooden piles and other sunken objects), downtime, supervision of the Works (bathymetric measurements by the Contractor) and the operating costs of the Contractor's equipment;

3.3.5. The cost of excavation of 1 m<sup>3</sup> of soil for the Works in the port water area from PK-22 to PK110a within 15 m of the berth line, at the LNG terminal berth - excavation of soil within 5 m, including transport to the alternative deep-water landfill – EUR without VAT , VAT amount , price including VAT – EUR . The price for excavation of 1 m<sup>3</sup> of soil shall include: excavation of the soil, transportation to the alternative deep-water landfill (according to the attached scheme), removal and disposal of technogenic debris (ropes, cables, chains, nets, anchors, scrap metal, debris, tyres, wooden piles and other sunken objects), downtime, supervision of the Works (bathymetric measurements by the Contractor) and the operating costs of the Contractor's equipment;

3.3.6. The actual costs of mobilisation and demobilisation of the excavation equipment to carry out the Works (where the excavation equipment is to be mobilised from another port to the Port of Klaipėda) – EUR excluding VAT , VAT amount , price including VAT – EUR. The Contractor must mobilize the necessary excavation equipment for the Works between July and September 2026. No payment will be made for the cost of mobilising and demobilising additional excavation equipment or replacing excavation equipment with another piece of equipment.

3.4. The Contractor shall, at their own expense, fulfil all tax obligations and (or levies) which arise or may arise during the performance of the Contract and shall bear all risks associated with the payment of such tax obligations and/or levies, if any. The Customer shall not reimburse the Contractor for any costs incurred by the latter in connection with the proper performance of the obligations referred to in this clause, except in the other cases, if any, set out in the Contract.

3.5. The rates for the Works shall remain unchanged throughout the term of the Contract, except in the case of revision of the rates for the Works as provided for in the Contract:

**3.5.1. Due to changes in taxes** - If the VAT applicable to the Works changes during the term of the Contract, the Contract will be subject to the revised VAT rate. The Works rates are reviewed after the date of entry into force of the Law of the Republic of Lithuania on Value Added Tax, which changes the tax rate. The rates for works excluding VAT will not be altered as a result of the change in VAT, unless otherwise provided for in legislation adopted. The revised rates for the Works resulting from a change in VAT shall be equal to the amount obtained by adding VAT calculated at the newly adopted tax rate to the Contract rate exclusive of VAT, unless otherwise provided for by enacted legislation. The rates shall be recalculated for works carried out and paid for under the Contract after the entry into force of the relevant legislation;

**3.5.2. Due to change in price level** - the rates for the Works may be revised at the initiative of the Party concerned and on the basis of the documents submitted by it, due to a change in the price index for construction cost elements for civil engineering works published by the Data Management Agency (hereinafter referred to as the "Index") if the Index changes by more than five (5) percent. The calculation of the rates for the Works shall be subject to the procedure laid down:

3.5.2.1. The moment of review shall be the date of receipt of the Party's request to the other Party to review the Agreement price.

3.5.2.2. A review of the rates for the Works may be carried out once during the performance of the Contract, but not earlier than six (6) months after the entry into force of the Contract.

3.5.2.3. The revised rates for the Works shall apply only to the outstanding volumes of the Works, which shall be calculated on the basis of the Customer's bathymetric measurements taken within 5 working days (under favourable hydro-meteorological conditions, i.e. when the air temperature is not lower than -10 °C, wind speed is not higher than 15 m/s, swell is not higher than 0.5 m, there is no ice in the water area to be measured, visibility due to fog or snow is not lower than 0.8 kilometre and no loading from/to vessel(s) or contractual works for the installation of port superstructure are taking place in the bar that affect the performance of the Customer's bathymetric measurements), from the date of the agreement to recalculate the rates for the Works referred to in clause 3.5.2.8 of the Contract. Amounts payable for other works (if any) cannot be recalculated.

3.5.2.4. In cases where the performance of additional Works results in a change in the total Contract price by agreement of the Parties, the rates (price) for the additional Works and that part of the Contract Price for the Works not handed over to the Customer which was agreed less than six (6) months before the time of the review shall not be recalculated, if and to the extent that the price for the additional Works was calculated at rates for the additional Works which are different to the rates for the Works set out in the Contract;

3.5.2.5. The rates for the Works shall be recalculated by multiplying the rates for the Works not handed over to the Customer under the Contract, exclusive of VAT, by the Index change coefficient calculated in accordance with the formula:

$$C = I_{end} / I_{begin}$$

Where:

*C* - coefficient of change of the Index;

*I end - the value of the Index at the end of the review period (in the month of the day when the request for review of the Works rates is provided to the other Party)*

*I begin - the value of the Index at the beginning of the review period; in the case of the first recalculation, the beginning of the period (month) is the month of the date of entry into force of the Contract. For the second and subsequent recalculations, the start of the period (month) shall be the month of the published value of the Index used at the time of the last recalculation.*

3.5.2.6. For the calculation of the coefficient of the Index, the Index values shall be taken at the accuracy of 4 (four) decimal places and the resulting value of the coefficient of the Index shall be rounded off to 2 (two) decimal places, with the last digit increased by one if the first digit after it is between 5 and 9.

3.5.2.7. If the resulting Index coefficient (C) is greater than 1,05 (one and five hundredths), the revised rates for the Works shall be increased by multiplying them by the resulting coefficient, and if the resulting coefficient is less than 0,95 (ninety-five one-hundredths), the revised rates for the Works shall be decreased by multiplying them by the resulting coefficient.

3.5.2.8. The decision of the Party receiving the request for recalculation of the rates for the Works (agreement to recalculate the rates for the Works or refusal to recalculate the rates for the Works) shall be taken and the other Party shall be notified in writing of the agreement to recalculate the rates or refusal to recalculate the rates within 10 working days from the date on which the other Party has submitted to the other Party a request for recalculation of the rates for the Works and all documents in support of the request in compliance with the terms and conditions of the Agreement. If the Party receiving a request for a recalculation of the rates for the Works notifies the other Party in writing of its agreement to the recalculation of the rates for the Works, the Parties shall be obliged to enter into an agreement on the recalculation of the rates for the Works within 15 working days from the date of the completion of the Customer's bathymetric measurements for the calculation of the outstanding volumes of the Works. In such agreement, the Parties must specify the Index values used to calculate the Index coefficient, the Index change coefficient, the rates of the Works to be recalculated, the scope of the Works to which the recalculated rates of the Works apply, the recalculated Contract price, the original Contract Value (where applicable) and the amount of the Contract Performance Guarantee, and other information relevant to the recalculation. A subsequent revision of the Rates for the Works cannot cover a period for which a recalculation has already been made.

3.5.2.9. If, at the time of the revision of the rates for the Works, the performance of the Works is delayed for reasons for which the Contractor is not entitled to an extension of time for the performance of the Works, the rates for the delayed Works may not be revised at the Contractor's initiative due to an increase in the level of prices, but shall be revised if the revision of the rates for the Works is initiated by the Customer due to a fall in the level of prices.

3.6. The rates for the Work, the Contract Price and the initial Contract Value shall be subject to change by bilateral written agreement of the Parties.

3.7. The Customer shall have the right to refuse part of the Works from the submitted technical task by notifying the Contractor in writing in the following cases: when it becomes evident that the Contractor will not perform the Works within the time limits and such refusal of the Works would allow to speed up the completion of the Works; for technical and/or technological reasons, which may lead to a significant deterioration of the Customer's situation (economic, financial); in other cases provided for in the procurement documents (if any).

3.8. After the Works has been completed in accordance with the technical task(s) of Works and after the Customer has taken bathymetric measurements and calculated the quantity of excavated soil in accordance with the technical task(s), and after it has been established that the value of the Works actually performed exceeds the Contract price, the Customer and the Contractor may enter into an agreement for the purchase of the additional quantity of the Works. Payment for

additional quantities of Works performed by the Contractor and accepted by the Customer shall be made in accordance with the quantity of Works actually performed, at the rates set out in clause 3.3 of the Contract, but not exceeding 15 per cent of the initial Contract value.

#### **IV. PAYMENT ARRANGEMENTS**

4.1. The Customer shall pay the Contractor for the Works actually performed in accordance with the technical task(s) (clauses 3.3.1 to 3.3.6 of the Contract), and the costs of mobilising and demobilising the excavation equipment (clause 3.3.7 of the Contract) upon the signing by the Contractor of the Delivery and Acceptance Certificate for Works performed and upon the receipt of the invoices, no later than within 30 (thirty) days. The amount paid in accordance with the provisions of clause 4.9 of the Contract shall be deducted from the amount due.

4.2. The cost of mobilising and demobilising the excavation equipment referred to in clause 3.3.5 of the Contract shall be paid after the Contractor has completed the Works in full in accordance with the issued technical task and the results of the Works have been documented in accordance with clause 8.9 of the Contract.

4.3. The Customer shall pay for the Works actually completed to the design depth and the permissible depth and width overruns specified in the technical task(s):

4.3.1. the permissible width overruns specified in the technical tasks may be up to 3.0 m and the permissible depth overruns may be between 0.2 m and 0.5 m;

4.3.2. No payment shall be made for excavation below the permitted exceedances;

4.4. No Works are carried out on the slopes of the water areas to be cleaned, but payment is made for the amount of soil that has slid down from the slope into the Works area. The soil change on slopes (the amount of soil displaced from the slope into the Works Area) will be calculated in the slope areas specified in the technical task(s).

4.5. In the performance of the Contract, invoices shall be submitted only by electronic means after the Parties have signed the Delivery and Acceptance Certificate for Works performed. Electronic invoices conforming to the European eInvoicing Standard shall be provided by means of the Contractor's choice. Electronic invoices that do not comply with the European eInvoicing Standard can only be submitted through the General Information System for the management of accounts (SABIS)..... If the Contractor fails to submit invoices in the manner set out in this clause, the Customer shall not make payment and the Customer shall not be liable for late payment as set out in the Contract.

4.6. The basis for invoicing and submission for payment shall be the Delivery and Acceptance Certificate for Works performed signed by the Contractor and the Customer.

4.7. The Customer shall pay to the Contractor the sums due under the Contract by payment order to the bank account specified in the Contract. The money shall be deemed to have been paid on the date the Contractor submits a payment instruction to its bank for the payment order.

4.8. No advance payment is foreseen.

4.9. If the technical task(s) is/are carried out for longer than 1 calendar month, the Contractor may submit a request for interim payments upon the expiration of 1 calendar month following the delivery of the technical task(s). The Contractor shall submit, together with the request, the raw data from the bathymetric measurements taken no later than 3 calendar days prior to the submission of the request. Upon receipt of the Contractor's request and the bathymetric measurement data, the Customer shall, within 5 working days, make a decision regarding interim payments for each technical task that has not been fully completed by that date. In this case, payment shall be made only for the volume of excavated soil up to the design depth, which is calculated by comparing the volume of soil specified in the technical task with the volume calculated based on the interim raw (RAW) bathymetric measurement data submitted by the Contractor. Upon payment, 20% of the

amount due shall be withheld as the Customer's guarantee regarding the accuracy of the Contractor's bathymetric measurements. Interim payments shall be made based on invoices submitted by the Contractor. Final payment shall be made when the Works under the technical task(s) is completed in accordance with the provisions of Section VIII of the Contract.

## **V. ON-SITE REPRESENTATION**

5.1. The Customer shall appoint the responsible person(s) as its representative(s) on site \_\_\_\_\_, tel. [\_\_\_\_\_], email [\_\_\_\_\_], who shall be responsible for the performance of the Contract and shall have the right to resolve any technical problems relating to the maintenance and performance of the Contract, but shall not have the right to modify the Contract, either orally or by affirmative action.

5.2. The Contractor shall designate an authorised person as its representative at the site and shall notify the Customer in writing within 5 (five) working days after the entry into force of the Contract (indicating a direct contact telephone number and a direct e-mail address). The Contractor's representative shall have the right and authority to resolve any technical problems relating to the performance of the Contract and to sign documents relating thereto on behalf of the Contractor.

5.3. The Parties shall have the right to unilaterally change the responsible persons specified in the Contract or, in accordance with the provisions of the Contract, responsible persons specified in the Parties' notifications to the other Party, by informing the other Party immediately, but not later than within 5 (five) days, using the contacts specified in clause 13.1. Any claims of the Party arising out of or in connection with improperly served notices will be deemed unfounded.

## **VI. INSURANCE AND CONTRACT PERFORMANCE GUARANTEE**

6.1. Within 10 days from the date of entry into force of the Contract, the Contractor, having agreed with the Customer on the terms of insurance, must provide certified copies of the Contractor's insurance certificate (policy) for civil liability for damage caused to the Customer or a third party as a result of the Works and of the payment orders confirming that all or a first instalment of the insurance premium has been paid for the insurance. If the insurance premium is payable in instalments, the Contractor must, within ten (10) days after the payment of each premium specified in the insurance certificate (policy), submit to the Customer a certified copy of the document evidencing its payment. Where the Initial Value of the Contract has been recalculated in accordance with the procedures set out in the Contract, the Contract performance guarantee document for the recalculated amount of the security shall be lodged no later than 10 days after the date of conclusion of the Contract to recalculate the Contract Price.

6.2. The Contractor's civil liability for damage caused to the Customer or a third party as a result of the Works must be insured for a sum insured of at least EUR 100,000 (one hundred thousand euros) per insured event. The insurance must remain in force for the entire duration of the Contract.

6.3. In the event that the time limit for performance of the Works is extended, or if the Contractor has not completed all obligations under the Contract without such extension, the Contractor must, not later than fourteen (14) days prior to the expiry date of the insurance certificate, provide a renewal of the third party liability insurance valid until the Contract has been fully completed, and must provide to the Customer certified copies of the document evidencing the extension/renewal of the said insurance contract and of the payment order.

6.4. Failure to provide the insurance policies in time shall entitle the Customer to suspend payment for the Works until the insurance policies have been provided or to terminate the Contract.

6.5. The Contractor must, within ten (10) days after the signing of the Contract, provide the Customer with an irrevocable first demand Contract performance guarantee document, i.e. a bank guarantee or a surety letter from an insurance company for an amount of ten (10%) per cent of the initial value of the Contract, and must provide documents confirming that the Contractor has paid all the required payments for the Contract performance guarantee document. Where the initial Value of the Contract has been recalculated in accordance with the procedures set out in the Contract, the Contract Performance Guarantee Document for the recalculated amount of the security shall be lodged no later than 10 days after the date of conclusion of the Contract to recalculate the Contract Price.

6.6. A draft of the Contract performance guarantee document must be submitted to the Customer for approval. The term of validity of the Contract performance security document must be at least 30 (thirty) days longer than the total period of performance of the Works. The Contract performance security document must be valid for all of the Contractor's obligations under the Contract, including penalties, interest and other costs reasonably claimed by the Customer. The Contract performance security document shall provide that the security amount shall be payable to the Customer not later than within 15 days after the first written notice from the Customer to the issuing entity stating the amount claimed and specifying the non-compliance with contractual obligations.

6.7. In the event that the time limit for the performance of the Works is extended, or if the Contractor has not completed the performance of all its obligations under the Contract without such extension, the Contractor must, not later than ten (10) working days prior to the expiry of the period of validity of the Contract performance guarantee document, provide an extended Contract performance guarantee document, for the duration of the extension of the time limit for the performance of the Works and, in the case of the Contractor's failure to complete the performance of its obligations in full after the extension of the time limit for the performance of the Works, for a period of time sufficient to ensure that the Contract performance guarantee document remains valid for a period of at least thirty (30) days after the Contractor's obligations have been fully discharged.

6.8. If the Contractor fails to extend the term of validity of the Contract Performance Guarantee Document, or fails to provide a Contract Performance Guarantee Document for the recalculated initial price of the Contract in the cases set out in the Contract, the Customer shall have the right to suspend payments under the Contract and/or terminate the Contract.

## **VII. OBLIGATIONS AND RIGHTS OF THE PARTIES**

### **7.1. The Customer undertakes:**

7.1.1. To submit to the Contractor, no later than 15 days prior to the commencement of the Works, the first technical task(s) for the Works and the permit issued by the Environmental Protection Agency for excavation and soil submergence, including the coordinates of the submergence site. The technical task shall specify the underwater communications and other known underwater obstructions, the limits of the Works bar the design depth, bathymetric data, the scope of the Works, the time limit for the completion of the Works, and the condition for acceptance of the Works on the basis of the quantity of soil actually excavated when they are carried out at the LNG terminal berth.

7.1.2. Once the Contractor has commenced the Works in accordance with the technical task(s), the Customer undertakes to provide the Contractor with further technical tasks as soon as possible so as not to cause downtime to the Contractor, and to hand over to the Contractor, at the request of the Contractor and whenever possible, any technical tasks that will need to be carried out continuously with the excavation equipment mobilised.

7.1.3. To accept the Works performed by the Contractor under the Contract, to inspect the Works and to notify the Contractor in the event of any deviations from the terms of the Contract or other defects;

7.1.4. To inform the Contractor in writing in accordance with the procedure laid down in the Contract if defects in the performance of the Works are found. The defects found must be remedied within 7 days of the request for remedy. The time limit for rectifying defects shall be calculated from the day following the day after the Customer's written notification of the defects found;

7.1.5. To accept and pay for the Works when it has been carried out to a high standard.

**7.2. The Customer has the right:**

7.2.1. If the Contractor fails to comply within the time limit set for rectifying the defects, to withdraw from the Contract or the Works in accordance with the particular technical task and claim damages or to instruct a third party to rectify the Works at the Contractor's expense, if it becomes clear during the execution of the Works that it will not be carried out properly;

7.2.2. To withdraw from the Contract and/or claim damages if the Contractor fails to commence timely performance of the Contract or fails to perform the Contract properly;

7.2.3. When the Contractor is provided with several technical tasks, to indicate the order in which they are to be performed.

**7.3. The Contractor undertakes:**

7.3.1. At its own risk and expense, to carry out the Works in accordance with the technical task(s) provided by the Customer and hand them over to the Customer;

7.3.2. To commence the Works in July–September 2026 and, no later than 25 days prior to the commencement of the Works, to notify the Customer of the need to provide the Contractor with the first technical work task(s) and other documents in accordance with clause 7.1.1.

7.3.3. To carry out the Works by using or suction dredge, grab-excavator, or other appropriate machinery;

7.3.4. To plan and execute the Works under the Contract in accordance with the requirements of the normative technical documents, the procurement documents and the Contract documents, in such a way as to ensure that they are carried out to a high standard and in good time;

7.3.5. To warn the Customer in good time if compliance with the Customer's instructions jeopardises the Work;

7.3.6. To comply with the requirements of occupational safety, fire safety, hygiene, environmental protection, the Klaipėda State Seaport Rules and the Rules of Navigation, and to be responsible for their implementation and the consequences of any violation of their requirements;

7.3.7. To ensure that the equipment necessary for the execution of the Works (suction dredge or grab-excavator or other soil excavation equipment) and depth measuring equipment are available throughout the duration of the Contract. The Contractor's dredging vessels, submerging soil at sea, shall be equipped with a permanently operational Automatic Identification System (AIS) and Global Positioning System (GPS);

7.3.8. To excavate at least 5 000 m<sup>3</sup> of soil per day in favourable meteorological conditions (clause 2.2.3 of the Contract);

7.3.9. To obtain all necessary documents and approvals to carry out the Works;

7.3.10. To remove and clean up technogenic debris (waste) found during the Works;

7.3.11. To agree with the port user whose berthside is used for the Works the unloading points and the timing of the storage of technogenic debris (waste) on the berth;

- 7.3.12. To leave the berths in a tidy condition after removing the technogenic debris (waste) stored on the berthside and dumped during the Works;
- 7.3.13. To carry out the Works to a high standard, to coordinate the procedure for the performance of the Works with the Customer and the users of the port at whose berths the Works are being carried out, and to comply with the applicable laws and regulations of the Republic of Lithuania and the Contract;
- 7.3.14. To carry out the Works in accordance with the Rules for the Dredging Design, Capital Dredging, Maintenance Dredging and Maintenance of the Klaipėda State Seaport Water Area, approved by the Order of the Minister of Transport and Communications of the Republic of Lithuania No 3-266 of 24-05-2022 , in compliance with the requirements of LAND 46A-2002;
- 7.3.15. To organise the movement of vessels and other equipment for the Works in accordance with the Klaipėda State Seaport Navigation Rules, the instructions of the Vessel Traffic Service and in coordination with the Harbour Master;
- 7.3.16. To carry out the Works uninterruptedly (including rest days, public holidays) around the clock without interfering with navigation;
- 7.3.17. To protect and not disclose to third parties confidential information and trade secrets obtained in the performance of the Contract. to sign a Contract for the safeguarding of classified information if reasonably requested by the Customer;
- 7.3.18. To inform the Customer in writing of the commencement and completion of the Works;
- 7.3.19. To provide the Customer with a daily (regular) report of the Works performed in electronic form;
- 7.3.20. To inform the Customer in writing within 5 days of any significant circumstances (such as seizure of assets or application of interim measures of protection, conclusion of an amicable Contract with creditors, the occurrence of grounds for bankruptcy or restructuring proceedings, the filing of petitions for the opening of bankruptcy or restructuring proceedings against the Contractor, the filing of a bankruptcy or restructuring proceeding, or a tax debt), and any other circumstances that may affect the fulfilment of the Contractual obligations;
- 7.3.21. To maintain, throughout the term of the Contract, at least the same level of qualification and scope of Works as specified in the purchasing documents and the Contract;
- 7.3.22. If, during the performance of the purchase, the qualifications of the Contractor and/or the Sub-contractor have not been verified as to the right to engage in the activity in question, or have not been verified to the full extent, the Contractor undertakes to assure that the Contract will be performed only by persons who are qualified to do so. If the Supplier wishes to replace the professional(s) whose qualifications it has relied on to justify its compliance with the qualification requirements, it must inform the Customer in writing and provide the documents confirming the qualifications of the replacement professional. The Customer shall, upon receipt of a request from the Contractor for a change of specialist, verify within 7 days at the latest whether the qualifications of the new specialist meet the requirements of the procurement documents and shall notify the Contractor in writing of its agreement to the change of the specialist, or shall provide a reasoned refusal.
- 7.3.23. To comply with the environmental, social and labour law obligations laid down in the legislation of the European Union and the Republic of Lithuania, collective agreements and international conventions referred to in Annex 7 to the Law;
- 7.3.24. To ensure that the Contractor's or the Contractor's Sub-contractors' employees and/or third parties carrying out the Works are not under the influence of alcohol, narcotics, drugs, toxins and/or psychotropic substances during the performance of the Works;

7.3.25. To comply with the procedures set out in the Contract for notification of changes in the contact details and representatives of sub-contractors, and the use of replacement, additional and new sub-contractors;

7.3.26. To get acquainted with and to observe the description of the anti-corruption policy of the JSC Klaipėda State Seaport Authority (hereinafter referred to as the “Policy”) and the Code of Conduct for Business Partners of the JSC Klaipėda State Seaport Authority (hereinafter referred to as the “Code”) in the relations between the Customer and third parties. The Policy and the Code, and any amendments thereto, can be consulted at <http://www.portofklaipeda.lt>. The Contractor must ensure that the requirements of this clause and the Policy and the Code are complied with by the Contractor’s employees and other representatives of the Contractor and of any third parties it engages to perform the Contract;

7.3.27. In the event of detection of explosives or petroleum products on the surface of the water, the Contractor shall immediately suspend the Works and inform the Port Control Department’s dispatchers by radio and await further instructions from the Customer;

7.3.28. To duly perform the other duties assigned to the Contractor under the Contract and the applicable legislation.

7.4. The Contractor declares that it has thoroughly analysed the documentation provided by the Customer at the time of the procurement resulting in the Contract, and has foreseen and evaluated all the works to be carried out on the subject of the Contract, as set out in clause 1.1. If, for the proper performance of the Contract, it is necessary to carry out certain works which would have been foreseen by any professional contractor at the time of conclusion of the Contract, but which the Contractor has not specifically foreseen or identified, the Contractor shall undertake to carry out these works at its own expense, as they shall be deemed to be included in the total price of the tender.

7.5. The Contractor undertakes not to use sub-contractors for the execution of the Works and not to rely on the capacities of economic entities during mobilisation, war, state of emergency (or where the Government of the Republic of Lithuania has assessed the risk that factors which have led or may lead to the declaration of mobilisation, the imposition of martial law or a state of emergency threaten national security), as well as not to supply and not to use for Works any goods (including their components, packaging) whose manufacturer’s place of registration or the place of registration of the legal entity controlling any of the above-mentioned entities, or the place of permanent residence of the natural person, or the state of citizenship of the natural person, is included in the List of Hostile Countries and Territories approved by the Government of the Republic of Lithuania (hereinafter referred to as the “List”), as well as not to supply and not to use for the execution of Works any goods (including their components, packaging) whose country or territory of origin is listed in the List, and not to provide services which are provided from the countries or territories listed in the List. Where compliance with the requirements of this clause has been verified during the purchase process leading to the Contract, the Contractor must promptly inform the Customer of any changes to this information or of any new information that emerges during the performance of the Contract.

7.6. At the Customer’s request or on its own initiative, in the event of a change to the circumstances referred to in clause 7.5, where the Contractor’s compliance with them has been assessed in the context of the procurement leading to the Contract, or at the request of the Customer, it is necessary to provide the documents referred to in the Law on Public Procurement confirming the registration of the Contractor, the Sub-contractor, the manufacturer of the goods (including their components, packaging) used in the performance of the Works, or the legal entities controlling these entities, or the domicile and citizenship of the natural persons, as well as the documents confirming the origin of the goods supplied or used in the performance of the Works, whether from the manufacturer or from another third party.

7.7. It shall be ensured that all persons performing the Works in the Works Area have a transparent worker's identification code established in accordance with the procedure set by legislation, and other persons in the Works Area have an identification device established by the Contractor for other persons in the Works Area; establish the procedure for issuing identification devices for other persons in the Works Area; register the time and reason for the beginning and end of the stay of other persons in the Works Area at the Construction Site and perform other duties established by the legislation of the Republic of Lithuania relating to the identification of the persons present in the Works Area (at the Construction Site). Where joint activity partners act on behalf of the Contractor, the duties set out in this clause shall be performed by the responsible joint activity partner.

7.8. The Contractor confirms that at the time of conclusion of the Contract, the Contractor, its Sub-contractors and the entities whose capabilities the Contractor relies on are not subject to any international sanctions and/or international sanctions of other countries (the United Kingdom or the United States of America), and/or other restrictive measures imposed by the laws of the Republic of Lithuania, which are or may be applicable in the Republic of Lithuania and which may have an effect on the execution of the Contract. Should the sanctions or restrictive measures referred to in this clause be imposed on the Contractor or on entities whose capabilities have been relied upon by the Contractor in the performance of the Contract, the Contractor undertakes to notify the Customer in writing without delay and, should sanctions or restrictive measures be imposed on the Contractor's subcontractors, to remove such subcontractors from the performance of the Contract and, if necessary, to replace such subcontractors in the manner provided for in the Contract. The Contractor who is in breach of its obligations under this clause of the Contract, and in the event that the Contractor's representations set out in this clause are found to be untrue, must be liable to indemnify the Customer against any loss arising from such breach and inconsistency, including, but not limited to, loss arising from termination of the Contract.

## **VIII. EXECUTION AND ACCEPTANCE OF WORKS**

8.1. The Works shall be carried out in accordance with the terms of the technical task(s) provided by the Customer. The time limit for completion of the Works in accordance with the submitted technical task shall be determined by dividing the total quantity of soil specified in the technical task by the capacity of the Works as specified in clause 7.3.8 of the Contract, plus 3 working days for the Contractor to take bathymetric measurements. Where several technical tasks are submitted to the Contractor at the same time, or where other technical tasks are submitted to the Contractor in the course of the Contractor's performance of the Works under the technical task(s) submitted, all such technical tasks submitted shall be completed within the aggregate (combined) time specified in such technical tasks. The Contractor shall be deemed to have completed the Works on the date of the Contractor's written notification of completion of the Works in accordance with Clause 8.5 of the Contract, except where bathymetric measurements taken in accordance with the procedures set out in the Contract indicate that the Works have not been satisfactorily completed.

8.2. The Customer shall supervise the Works and give the necessary instructions for the performance of the Works under the Contract.

8.3. The Contractor shall be obliged to reimburse the Customer, at its own expense, for the costs incurred by the Customer in respect of the Works which are considered, at the time of performance, to have been improperly performed or not in conformity with the Contract and to compensate for the losses incurred as a result.

8.4. The Contractor shall be liable to the Customer for any deviations from the requirements specified in the technical task of Works and the applicable normative technical documents. If defects in the Works are noted, the Contractor shall remedy them at its own expense.

8.5. The Contractor shall inform the Customer in writing when it considers that it has completed the Works in the Works Area in accordance with the technical task, as well as provide a digital plan of the bathymetric measurement of the cleared water area and the RAW data, indicating which software was used to collect the bathymetric data. The Contractor's bathymetric control measurements and the results obtained shall be at least as good as those provided for in the technical task, except in the case of works at the berth of the LNG terminal, which may be accepted on the basis of the actual excavated quantity, after having been so noted in the technical task, or in the circumstances provided for in Clause 8.8.1 of the Contract.

8.6. The Customer, upon receipt of the Contractor's written notification of completion of the Works as provided for in Clause 8.5, shall take bathymetric measurements in accordance with Clause 8.7 of the Contract and shall accept the duly completed Works within 14 days after the bathymetric measurements have been taken, and shall inform the Contractor of any defects in the Works within 3 working days of the completion of the Customer's bathymetric measurements.

8.7. The actual volume of work performed shall be determined based on the Customer's bathymetric measurements of average depths, taken no later than within 3 working days (under favourable hydro-meteorological conditions, i.e. when the air temperature is not lower than -10 °C, wind speed is not higher than 15 m/s, swell is not higher than 0.5 m, there is no ice in the water area to be measured, visibility due to fog or snow is not lower than 0.8 kilometre and no loading from/to vessel(s) or contractual works for the installation of port superstructure are taking place in the bar that affect the performance of the Customer's bathymetric measurements), from the date of receipt of the written notice of completion of the Works provided for in clause 8.5 of the Contract.

8.8. The Works shall be deemed to be completed when the Customer's bathymetric measurements of the minimum depths after the Works have confirmed the design depths provided for in the technical task, except in the case of Works at the LNG terminal berth, which may be accepted on the basis of the actual excavated quantity or in the circumstances provided for in clause 8.8.1 of the Contract. At the time of acceptance of the Works, area left unexcavated of up to 10 cm above the design depth shall be allowed, the total amount of which shall not exceed 5% of the amount of soil specified in the technical task up to the design depth.

8.8.1. In the event of unforeseen circumstances (boulders, technogenic debris, construction contracting works taking place in the Work Area and/or dredging works taking place or due to take place in the vicinity of the Work Area, which may interfere with the proper execution of the Works) and with the agreement of all members of the Customer's standing committee on the Works performed, the Customer shall be entitled to accept the Works in accordance with the technical task even if the Customer's bathymetric measurements taken after the Works do not confirm the design depth as set out in the technical task.

8.9. Completion of the Works shall be evidenced by a Delivery and Acceptance Certificate(s), where the certificate(s) shall be signed without comment by the Customer's authorised representatives and the Contractor's authorised representative.

8.10. The Contractor's vessel bringing the excavated soil to the site of the submerging operation shall obtain a radio permit from the Vessel Traffic Authority for the submerging operation.

8.11. When carrying out the Works in the water area adjacent to the berths, the Contractor shall coordinate the timetable for the Works and the discharge points for the removal of the technogenic debris with the berth operator.

8.12. The Contractor shall inform the Customer in writing of the anticipated completion of the Works in the Works Areas in accordance with the individual technical tasks submitted for the Work, if possible at least 3 days before the completion of the Works.

8.13. The Contractor shall inform the Customer in writing of the expected completion of all the Works in accordance with the technical tasks submitted for the Works at least 10 days before the completion of such Works. Within 5 days of receipt of such notification from the Contractor, the Customer may deliver new technical task to the Contractor. No payment will be made for the cost of mobilisation and demobilisation of the Contractor's excavation equipment, if any, in connection with the newly submitted technical task pursuant to this clause.

## **IX. Termination of the Contract**

9.1. The Parties may terminate the Contract by agreement between the Parties or at the initiative of one of the Parties on the grounds set out in the Contract.

9.2. The Customer shall have the right to unilaterally terminate the Contract out of court by giving 15 days written notice to the Contractor in accordance with Articles 6.217(1) and (3) of the Civil Code and the following grounds:

9.2.1. if the Contractor, despite the Customer's urging, fails to start the Works at the agreed time or works so slowly that the deadlines set out in the schedule for the performance of the Works are breached and it would be reasonably impossible to complete the Works within the time limit set out in the Contract;

9.2.2. If the Contractor fails to comply with the terms of the Contract regarding the quality of the Works by using inappropriate materials or other components, performing the Works or part of the Works in a substandard manner, disobeying the Customer's instructions to remedy deficiencies within the specified time limits, or behaving in a manner different from that set out in the Contract, and the Customer, therefore, has reason to believe that the Contractor is incapable of completing the Works without material defects or significant loss to the Customer;

9.2.3. If the Contractor is reorganised (including merger, demerger), separated or bankrupted other than under the terms of Article 97(1)(4)(b) of the Law on Public Procurement, and fails to provide, at the request of the Customer, credible evidence of the feasibility of the future fulfilment of these obligations;

9.2.4. If it becomes known that the Contractor is subject to seizure of assets or provisional measures of protection, the Contractor has concluded a composition Contract with creditors, grounds for opening bankruptcy or restructuring proceedings have arisen, a petition has been filed for the opening of bankruptcy or restructuring proceedings against the Contractor, or bankruptcy or restructuring proceedings have been opened, or tax arrears have been incurred, failure to renew the Contract performance guarantee, failure to renew the civil liability insurance or other relevant circumstances, and the totality of the information gathered suggests that the Contractor will not be able to perform the Contract on time, or that the Works may be performed in a substandard manner, or that the recovery of damages resulting from a breach of the Contract may be impeded;

9.2.5. If, as a result of a reorganisation of the Contractor, including a merger and demerger, separation or bankruptcy proceedings, the successor to the Contractor is unable to continue to perform the Contract on the same terms and conditions in an adequate manner, and does not provide, at the request of the Customer, reliable evidence of the feasibility of the performance of such obligations in the future;

9.2.6. If the Contractor (or any of the Contractor's employees, agents, sub-contractors, representatives, etc.) gives or offers (directly or indirectly) to any employee of the Customer any bribe, gift, gratuity, commission, service or other thing of value as an inducement or reward for doing or refraining from doing any act in connection with the Contract, or for showing, or refraining from showing, any favour or disfavour to any person connected with the Contract. The Contractor must indemnify the Customer against all losses incurred as a result of the termination of the Contract;

9.2.7. If it transpires that, in the pursuit of the Contract, the Contractor has entered into an Contract that impermissibly restricts competition;

9.2.8. If the Contractor's performance of the Works contains material deviations from the terms of the Contract or other material deficiencies in the performance of the Contract;

9.2.9. If, due to Force Majeure, the Works have to be postponed for an indefinite period of time, or if the Force Majeure event lasts longer than 3 (three) months;

9.2.10. If the Contractor, in violation of the requirements of the legislation of the Republic of Lithuania, discloses to third parties classified information which has become known to the Contractor in the course of performance of the Contract;

9.2.11. If the Contractor fails to comply with its obligations under the Contract in relation to the provision and renewal of civil liability insurance and the provision and renewal of the Contract Performance Guarantee documents;

9.2.12. If the Contractor fails to comply with the obligations set out in clauses 7.3.2 or 7.3.8;

9.2.13. The grounds set out in Article 98(1) of the Law and those established in other legal acts.

9.3. If any of the Contractor's confirmations provided for in clause 7.8 of the Contract turn out to have been erroneous or if any of the obligations are not fulfilled, or if during the performance of the Contract it becomes apparent that the performance of the Contract is contrary to the international sanctions enforced in the Republic of Lithuania, the Contract may be terminated unilaterally by the Customer, without any period of notice being required.

9.4. The Contractor shall have the right to terminate the Contract by giving 15 days' written notice to the Customer if the Customer has unreasonably ceased to make mandatory payments and is in arrears or is in default of other material obligations under the Contract and, notwithstanding the Contractor's requests in writing, has failed to take steps to remedy the situation, except where the Contract is suspended in the manner provided for in the Contract.

9.5. In the event of unilateral termination of the Contract on the grounds set out in the Contract, the Customer shall pay the Contractor price to the Contractor only for the part of the Works properly performed at the rates provided for in the Contract.

9.6. If the Contract is terminated by the Customer due to its improper performance by the Contractor, the latter must reimburse the Customer for all costs incurred in completing the Works under the Contract as a result of such termination and must compensate the Customer for any losses incurred as a result of the termination, including losses due to the cost of the Works, and loss of income to the Customer if the Contractor's refusal to perform the Contract prevents the completion of the Object on time.

9.7. Termination of the Contract shall not affect the validity of the terms of the Contract governing liability, the dispute resolution procedure and other terms of the Contract, provided that such terms remain valid by their nature after termination of the Contract.

## **X. PROVIDING GUARANTEES FOR WORKS**

10.1. The Contractor shall ensure that the bathymetric measurements of the dredged water area referred to in clause 8.5 of the Contract are consistent with the dredging results achieved and guarantee the design depth achieved, except for works carried out at the LNG terminal berth, which may be accepted on the basis of the actual dredged volume.

## **XI. LIABILITY OF THE PARTIES**

11.1. The Contractor shall be fully liable for violations of the environmental protection laws of the Republic of Lithuania, damages caused to third parties and their property during the performance of the Works under the Contract.

11.2. If the Customer unreasonably delays payment for the Works in due time, the Contractor shall be entitled to claim a default interest of 0.02% of the overdue amount for each day of delay. The total amount of interest may not exceed 10% of the Contract price (excluding VAT). Unreasonable delay does not include suspension of the performance of the Contract as provided for in the Contract.

11.3. If the Contractor fails to complete the Works within the time limits set, the Contractor shall, at the request of the Customer, pay, for each day of delay, interest at the rate of 0.05% of the total excavation price, exclusive of VAT, indicated in the delayed technical task, on the total excavation price, exclusive of VAT, and shall indemnify the Customer against any loss incurred as a result thereof which is not covered by the interest. The total amount of interest may not exceed 10% of the initial Contract value.

11.4. If the Contractor refuses to carry out the Works after the signature of the Contract, the Contractor shall indemnify the Customer for the losses incurred and shall pay a penalty of 10% of the initial value of the Contract within 30 days of the date of refusal.

11.5. If the Contractor fails to commence the Works within the time limits set out in clause 7.3.2 of the Contract, the Customer shall be entitled to claim a penalty of EUR 3 000 for each day of delay.

11.6. If the Contract is terminated through the fault of one of the parties, the party at fault shall pay to the other party a penalty of 10% of the value of the Contract.

11.7. If the Contractor refuses to remedy defects or other deficiencies in the Works, the Customer shall have the right to engage another Contractor of the Customer's choice to remedy them. The Contractor shall be deemed to have refused to remedy defects or other deficiencies in the Works if it does not commence remedying them within 7 days.

11.8. If the Contractor is more than 15 calendar days past the deadline set by the Customer to remedy deficiencies in the Works, or if it becomes apparent that the Contractor will not perform the Works properly, the Customer shall have the right to entrust the Works to a third party.

11.9. In the cases provided for in Clauses 11.7 and 11.8, the Contractor shall reimburse the Customer for the cost of the Works of the other contractor and a penalty of 50% of the value of such Works (performed by the other Contractor) (excluding VAT) within 30 days of receipt of the invoice.

11.10. The Contractor warrants that its activities under the Contract will not give rise to any legitimate third party claims by the Customer for infringement of patents, copyrights or other proprietary rights.

11.11. If, during the performance of the Works, the Contractor or a person engaged by the Contractor is found to be drunk or under the influence of narcotic drugs, psychotropic or toxic substances, the Contractor shall pay a fine of EUR 1 500 (one thousand five hundred euros) for each case found or for the person's refusal to be tested for sobriety or under the influence of narcotic drugs. The fine specified in this clause shall be applied on the basis of notifications from the competent control authorities of the Republic of Lithuania with confirmed data or from the Port Authority. A person is considered to be under the influence of alcohol if the level of alcohol in the body exceeds 0.00 ppm.

11.12. If the Contractor breaches the obligation to comply with the environmental protection requirements set out in clause 7.3.6 and clause 7.3.23 of the Contract, the Contractor shall pay to the Customer a fine of EUR 1,000.00 (one thousand euro) for each instance of such breach, irrespective of whether the Contractor has been subjected to any economic sanctions, civil,

administrative or criminal liability by the state environmental control authorities and officials for non-compliance with environmental protection requirements. The fine provided for in this clause shall be applied on the basis of reports from the competent control authorities of the Republic of Lithuania with confirmed data or reports from the Customer's representatives, when the infringement is recorded by the technical equipment used by the Customer (or on its behalf by other persons). Other than in cases of notifications by the competent control authorities of the Republic of Lithuania, the Contractor will be deemed in breach of the environmental protection requirements specified in clauses 7.3.6 and 7.3.23 of the Contract if, due to the technical equipment owned by the Customer (or other persons acting on the Customer's behalf), exceedance of the limit values for noise, air, water, and soil pollution set out in the environmental protection norms or other non-compliance with the environmental protection requirements is detected.

11.13. From the moment of delivery of the technical task to the Contractor, the risk of accumulation at the bottom in the Works area and the duty of care for the Works area or part thereof shall remain with the Contractor until the date of signature of the Act of Acceptance and Handover of the Works Carried out

11.14. If the bathymetric measurements taken by the Customer after the receipt of the Contractor's notification of the completion of the Works at the bar indicate that the Works are not completed, the Customer shall be entitled to deduct from the amount payable to the Contractor the cost of the additional measurements performed at the rate of EUR 1 015.49 exclusive of VAT, plus VAT (EUR 1 228.74 including VAT), per hour of additional measurements taken, for each hour of the additional measurements.

11.15. By signing the Contract, the Parties confirm that the liquidated damages (fines and default interest) set out in the Contract are the minimum damages agreed by the Parties for the improper performance of the Contract, which need not be proven by the Parties.

11.16. If it is not clear what has caused the delay in the performance of the Contract, or if there is no clear unlawful act of the Parties in causing the delay in the performance of the Contract, the Parties may by separate Contract agree on the amount of the liability to be imposed under the Contract.

11.17. Invoices submitted for interest, penalties, and damages shall be paid within 30 days, unless the Customer specifies a different deadline in writing. The Customer has the right to deduct any unpaid interest, fines, and other reasonably claimed amounts from the payments due to the Contractor. These deductions will be made in accordance with the unilateral set-off procedure outlined in the Civil Code of the Republic of Lithuania. Alternatively, the Customer may direct these claims to the Contract performance guarantee document, provided that the Contract obligates the Contractor to furnish such a document.

11.18. If the Contractor performs the Works in an unauthorised manner and/or deviates from the normative technical documents, the Contractor shall be liable to the Customer at its own expense:

11.18.1. where the deviation from the normative technical documents may result in additional costs for the Customer to remedy such deviation in the Contractor's Works;

11.18.2. where the Customer suffers damage as specified in the Contract or otherwise as a result of the deviation from the normative construction documents.

11.19. If the Contractor damages the port's hydraulic structures in the course of the Works, the Contractor shall be liable to pay the Customer's costs resulting therefrom.

11.20. The Contractor shall be obliged to compensate, at its own expense, for the Works which, at the time of performance, are deemed to be defective or not in accordance with the Contract, and to make good any loss resulting therefrom. If the Contractor fails to comply with its obligations and to remedy the deficiencies, the Customer may set an appropriate time limit for remedying such deficiencies.

## XII. FORCE MAJEURE

12.1. The Party shall not be held liable for any full or partial non-fulfilment of its obligations under the Contract if the Party can demonstrate that it is due to unusual circumstances beyond the Party's reasonable control and which the Party could not reasonably anticipate, avoid or eliminate by any means, such as: Decisions of the Government of the Republic of Lithuania and other acts affecting business of the Parties, political disturbances, strikes, declared and undeclared wars, other armed conflicts, fires, floods and other natural disasters. Force majeure shall be deemed to be the circumstances referred to in Article 6.212 of the Civil Code of the Republic of Lithuania and in the Rules on Exemption from Liability in the Event of Force Majeure approved by Resolution No 840 of the Government of the Republic of Lithuania of 15 July 1996. When determining the circumstances of force majeure, the Parties shall be guided by the Resolution of the Government of the Republic of Lithuania No 222 of 13 March 1997 "On the approval of the Procedure for Issuing Certificates Certifying Force Majeure Circumstances". In the event of force majeure, the Parties to the Contract shall be exempted from liability for the full or partial non-fulfilment or improper fulfilment of their obligations under the Contract according to the procedure laid down by legal acts of the Republic of Lithuania, and the time limit for the fulfilment of the obligations shall be extended.

12.2. The Party requesting to be relieved of liability must notify the other Party in writing of the force majeure circumstances as soon as possible, but within 3 (three) working days after the occurrence or discovery of such circumstances, providing evidence that it has taken all reasonable precautions and made every effort to minimize the costs or adverse consequences, and of the likely time limit for the fulfilment of its obligations. Notification is also required when the grounds for the non-fulfilment of the obligations cease to exist. If the Party fails to send out the notice or to inform, it must compensate the other Party for any damage suffered by the other Party as a result of the failure to give timely notice or to inform.

## XIII. CORRESPONDENCE

13.1. The parties correspond in Lithuanian. All notices, consents, instructions and other communications which a Party may give under the Contract shall be deemed valid and duly served if given in writing to the other Party or sent by post, email to the addresses set out below, or to such other addresses as may be specified by a Party when giving notice:

	<b>Customer</b>	<b>Contractor</b>
Name	Joint Stock Company Klaipėda State Seaport Authority	
Address	J. Janonio g. 24-1, LT-92251 Klaipėda	
Tel.	+370 46 499 799	
Email:	<a href="mailto:info@port.lt">info@port.lt</a>	

## XIV. AMENDMENTS TO THE AGREEMENT

14.1. The terms and conditions of the Contract may be amended during the term of the Contract in the cases and on the grounds set out in Article 97 of the Law on Procurement.

14.2. The Contract shall be amended by the Parties signing an Contract to amend the Contract, except where the Contract provides that the terms and conditions of the Contract may be amended by unilateral written notice or where the Contract provides for the possibility of amending the terms and conditions of the Contract by an exchange of documents between the Parties:

14.2.1. In the event of a change in the Party's address, bank account number, contact details, other details of the Party provided for in the Contract during the term of the Contract, the Parties shall not enter into a written Contract to amend the Contract. A Party that changes its particulars or other

data must, in accordance with the notification procedures set out in the Contract, inform the other Party in writing of the change;

14.2.2. Where a Party has received a request from the other Party to recalculate the rates for the Works in accordance with the conditions set out in the Contract and has given written notice to the requesting Party of its Contract to recalculate the rates for the Works, the recalculated rates for the Works shall apply to the outstanding volumes of the Works that have been calculated in accordance with the procedures set out in clause 3.5.2.3 of the Contract in accordance with the Customer's bathymetric measurements.

14.3. Where the Agreement is amended for reasons other than changes in quantity (scope), the Customer shall, upon receipt of a reasoned request from the Contractor to amend the terms of the Agreement, decide immediately, but within a maximum of 5 (five) working days, whether or not an amendment of the terms of the Agreement is necessary. If the Customer decides to amend the terms of the Contract, the Parties agree to cooperate and collaborate to ensure that such amendment to the Contract, including the completion of all necessary procedures and the signing of the additional Contract(s), is carried out in a timeframe acceptable to both Parties.

14.4. Amendments to the Contract shall enter into force upon the signature of an additional Contract by both Parties, except in the cases set out in the Contract where additional (unforeseen) Works may commence prior to the signing of the additional Contract.

## **XV. SUB-CONTRACTING AND JOINT ACTIVITIES**

15.1. The Contractor intends to use the following sub-contractors for the performance of the works specified in this clause (including the provision of services and the supply of goods covered by the performance of the works): \_\_\_\_\_

*(This clause is to be filled in if the Contractor has indicated in the tender the part of the works to be sub-contracted and the Sub-contractors to be used).*

15.2. Upon conclusion of the Contract, but no later than the commencement of performance of the Contract, the Contractor undertakes to inform the Customer of the contact details and representatives of the sub-contractors referred to in clause 15.1 of the Contract. The Contractor also undertakes to keep the Customer informed of any changes to this information throughout the performance of the Contract.

15.3. The Contractor may, during the period of performance of the Contract, change the subcontractor used for the Works for which it has subcontracted in its tender or use an additional subcontractor without changing the subcontractors used (hereinafter - the additional subcontractor).

15.4. The Contractor shall be entitled to use a new sub-Contractor during the period of performance of the Contract, even if it did not foresee the use of sub-contractors for the relevant part of the Services at the time of the submission of the tender (hereinafter referred to as the "new Sub-contractor"), if during the period of performance of the Contract there arise material circumstances which make such use necessary and which a prudent Contractor could not have foreseen, including, without limitation, cases where:

15.4.1. The Contractor's machinery required for the performance of the Works breaks down and the Contractor is unable to repair or, due to weather conditions or other reasons, is unable to bring replacement machinery or other necessary equipment to the area where the Works is to be performed within a time period exceeding 30 days, or such other time period as may be specified by the Contractor, which would materially interfere with the performance of the Works in accordance with the specified time limits;

15.4.2. The aim is to avoid the potential collapse of a structure;

15.4.3. Due to the needs of the port user's business activities in the area of the Works, where cargo handling operations are planned to be carried out in advance of the completion of the Works, which are necessary for the desired result of the Works, the Contractor will not be able to complete the Works within the timeframe due to the nature of such port user's business activities;

15.4.4. The purpose is to complete the Works within the specified time limit and it is necessary to increase the efficiency of the Works, or where the Customer reasonably requests earlier completion of the Works;

15.4.5. The Contract is modified on the grounds set out in Article 97 of the Law or additional works are procured;

15.4.6. In the event of any other circumstances in the Contractor's organisational structure or business operations that are material to the performance of the Works.

15.5. If the Contractor wishes to replace the Sub-contractor, to use an additional Sub-contractor or to use a new Sub-contractor, the Contractor must inform the Customer in advance in writing of the intended replacement or the use of an additional or new Sub-contractor, and must inform the Customer in advance in writing and provide evidence of the qualifications of the replacing, additional or new Sub-contractor (where qualification requirements have been imposed on the sub-contractors or the right to carry out the work for which the new Sub-contractor is being used is linked to qualification requirements) and a document confirming the absence of grounds for exclusion (where the Contractor has relied upon the capability of the Sub-contractor being replaced or where the Contract provides for the Customer's right to require sub-contractors to provide a document confirming the absence of grounds for exclusion), and the contact details of the replacing, additional or new Sub-contractor and its representatives. In order to use a new Sub-contractor, the Contractor must additionally state the reasons for using the new Sub-contractor.

15.6. The Customer must, upon receipt of the Contractor's request and all documents, verify, within 5 (five) working days of receipt of all documents, whether (where applicable) the Sub-contractor's qualifications meet the requirements set out in the procurement documents and whether there are grounds for compulsory exclusion of the sub-supplier. Once the Parties have fulfilled all the conditions set out in this clause, an agreement to amend the Agreement shall be concluded.

15.7. If the Contractor replaces a Sub-contractor, uses an additional Sub-contractor or new Sub-contractor in violation of the procedures set out in the Contract, the Contractor shall, at the request of the Customer, immediately refuse the services of such Sub-contractor and shall replace it with a suitable Sub-contractor in accordance with the procedures set out in the Contract.

15.8. If, during the performance of the procurement, the qualifications of the Contractor and/or the Sub-contractor have not been verified for the right to engage in the relevant activities or have been verified to an incomplete extent, the Contractor shall undertake to the Customer that the Contract will be performed by only those persons who are so qualified. At the request of the Customer, the Contractor shall provide the Customer with documents proving the Sub-contractor's right to carry out the relevant activities.

15.9. The Contractor shall be liable for its own and its sub-contractors' work and the quality and safety of the work, for failure to perform or improper performance of its obligations, and for direct damages caused by the fault of its sub-contractors.

15.10. If the Contractor engages Sub-contractor(s) to perform the Contract, a tripartite direct settlement contract may be signed between the Customer, the Contractor and the Sub-contractor, describing the procedure for direct settlement with the Sub-contractor. The Customer shall, no later than 3 (three) working days after the entry into force of the Contract and receipt from the Contractor of the contact details of the subcontractor referred to in paragraph 15.2 of the Contract, and in the case of a change of a subcontractor, use of an additional or new subcontractor in

accordance with the procedure laid down in the Contract - from the date of the Customer's consent to the change of the subcontractor to the Contractor, inform the subcontractor in writing of the possibility of direct settlement, and the subcontractor shall submit a written request to the Customer to enter into a tripartite settlement agreement in order to make use of this possibility. No advance payment may be made to the Sub-contractor, and direct payment to the Sub-contractor may only be made after the Customer has accepted the Sub-contractor's work from the Contractor in accordance with the procedures set out in the Contract. The tripartite contract shall not be in conflict with the provisions of the Contract and the procurement documents, and the tripartite contract shall also provide for the Contractor's right to object to unjustified payments to the Sub-contractor. In the event of a dispute between the Contractor and a subcontractor, they shall resolve the dispute independently, without the participation of the Customer. The amounts payable to the Contractor shall be reduced by the amounts paid to the Sub-contractor.

15.11. Where the Contract is awarded to a Supplier representing entities acting in a joint activity agreement, the Supplier shall be subject to the terms regarding joint activity as set out in the procurement documents: *[to be completed at the time of award of the Contract]*.

## **XVI. SUSPENSION OF A CONTRACT**

16.1. In the event of relevant and objective circumstances, the Customer shall have the right to suspend the execution of the Works or any part thereof:

16.1.1. Upon receipt by the Customer of a written notice from the Contractor stating the relevant circumstances. The Customer shall objectively assess the circumstances received and accept or reject the circumstances in writing as relevant;

16.1.2. At the initiative of the Customer, if the latter finds important objective circumstances for suspending the Works or any part of the Works.

16.2. If the execution of the Works is suspended for more than 60 (sixty) days at a time, and the suspension is not due to the fault of the Contractor, the Contractor may, by written notice to the Customer, request the resumption of the execution of the Works within 30 (thirty) days from the receipt of such notice by the Customer after the expiration of 60 (sixty) days. In the event of non-compliance by the Customer with this contractual provision, the obligation to resume performance of the Works, the Contractor shall be entitled to terminate the Contract by agreement between the Parties.

16.3. The performance of the Contract may be suspended in order to verify whether material errors or irregularities have in fact occurred, as well as in cases where inaccuracies in the technical documentation have been identified and/or the parties to the contracting process have provided reasonable solutions to the technical documentation, and/or there are reasonable prospects for the occurrence of works which it is not appropriate/feasible to incorporate in the performance of the Contract. If the suspicions or other assumptions referred to above are not confirmed, the Contract shall be reinstated. A material error or breach is any breach of the Contract, of an applicable law or of a court decision resulting from an act or omission. In this case, the Customer shall not be subject to any penalties or claims for any damages (e.g. loss of revenue, profit, absenteeism, etc.) provided for in the Contract or by the legislation for the suspension of the Contract, and the Contractor shall not be subject to any penalties or claims for failure to meet the deadlines for performance of the Works, provided that it is established that the said material error or irregularity is not due to the Contractor.

16.4. Where the performance of the Contract is suspended due to important objective circumstances arising during the performance of the Contract, or in order to verify whether material errors or breaches have actually occurred, the performance of the Contract shall be suspended, and the time limits for the performance of the Works shall be suspended. Upon resumption of performance of the Contract, the time for performance of the Works shall be

extended to the extent of the time remaining to the Contractor before the suspension of the Contract. If the material error or irregularity is found not to be the fault of the Contractor, the Contractor shall not be entitled to make any claim against the Customer, including any claim for damages, or to impose any sanction on the Customer.

## **XVII. OTHER TERMS AND CONDITIONS**

17.1. The Contractor shall be exempted from the Klaipėda State Seaport charges: vessel, port water area, berth, tonnage, sanitary and passenger charges as provided for in the Rules for the Application of Klaipėda State Seaport Charges approved by the Order of the Director General of the Joint Stock Company Klaipėda State Seaport Authority of 27 December 2022 No V-236. This provision shall not apply if the Contractor does not perform the Contract properly.

17.1.1. The Contractor shall arrange for the mooring and/or storage of the machinery used for the Works under the Contract.

17.2. Disputes arising between the Parties in connection with the Contract shall be settled by negotiation, or in the event of failure to reach an agreement by negotiation, by judicial dispute resolution in accordance with the laws of the Republic of Lithuania. The Contract is governed by national law.

17.3. The Contract shall be drawn up in the Lithuanian language in two copies, each having equal legal force, one for each Party or, in the case of an electronic document, signed by both Parties with an electronic signature. Where the Contract or any other instrument provided for therein is signed with a qualified electronic signature, it shall be drawn up according to requirements of the Specification of the Electronic Document Signed by Electronic Signatures ADOC-V1.0 approved by Order No V-60 of the Lithuanian Chief Archivist of 7 September 2009.

17.4. If any provision of the Contract is invalid, it shall not invalidate the Contract as a whole, except where the Parties would not have entered into the Contract at all without that provision. If any provision or rule of the Contract becomes invalid in whole or in part, it shall not invalidate the remaining provisions or rules of the Contract. In such a case, the Parties agree to make their best efforts to replace the invalid provision or standard with a legally effective one that, as far as possible, incorporates the functions of the invalid provision or standard and has an equivalent effect.

17.5. Time limits set out in the Contract in days shall be calculated in calendar days, unless otherwise specified in the Contract.

17.6. Correspondence between the Parties regarding the performance of the Contract shall be in Lithuanian.

17.7. Neither Party shall be entitled to assign all or part of its rights and obligations under this Contract to any third party without the prior written consent of the other Party.

17.8. All results and related rights acquired in the performance of the Contract, including copyright and other intellectual or industrial property rights, shall be the property of the Customer.

17.9. The Parties confirm that they have read the Contract, understood its contents and consequences, accepted it as being in accordance with their aims and signed it.

17.10. The Annexes to the Contract shall constitute an inseparable part to the Contract.

17.11. Annex to the Contract - form of the Delivery and Acceptance Certificate for Works performed, 2 pages.

17.12. Details of the parties to the Contract:

17.12.1. **The Customer** - Joint Stock Company Klaipėda State Seaport Authority, J. Janonio g. 24-1, LT-92251 Klaipėda, tel. (8 46) 499 799. Legal entity code 240329870, VAT ID LT 403298716, SA LT14 7300 0100 3488 9443, AB Swedbank, bank code 73000.

17.12.2. **Contractor** –

**Customer:**

Joint Stock Company  
Klaipėda State Seaport Authority  
Director General

**Contractor:**

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Algis Latakas