

**PUBLIC COMPANY ORLEN LIETUVA  
GENERAL TERMS & CONDITIONS FOR GOODS PURCHASE-SALES CONTRACT**

**Article 1. TERMS & DEFINITIONS**

1. **Buyer** – Public Company ORLEN Lietuva, registered office address at Mažeikių St. 75, Juodeikiai Vill., LT-89467 Mažeikiai District, Lithuania, registered with the Register of Legal Entities of the Republic of Lithuania, company code 166451720, VAT number LT664517219.

2. **Seller** – a person with whom the Buyer has concluded a contract.

3. **Party / Parties to the Contract** – the Buyer and / or the Seller.

4. **Contract** – a purchase-sales contract concluded between the Buyer and the Seller – a document, which when signed the Parties confirms the conclusion of transaction for the purchase-sales of goods. The Contract includes the General Terms & Conditions for Goods Purchase-Sales Contract, the Special Terms & Conditions for Goods Purchase-Sales Contract, appendixes thereto (if any), and agreements on amendments to the General and/or Special Terms & Conditions for Goods Purchase-Sales Contract (if any made). In case of any discrepancies between the General Terms & Conditions for Purchase-Sales Contract and the respective Special Terms & Conditions for Purchase-Sales Contract, the provisions of Special Terms & Conditions shall prevail.

5. **General Terms & Conditions for Goods Purchase-Sales Contract (GTC)** – the present terms & conditions for purchase-sales of goods.

6. **Special Terms & Conditions for Goods Purchase-Sales Contract (STC)** – the terms & conditions of the Contract that are separately agreed by the Parties: term of validity, Contract value, description of goods, quantities, prices, discounts, specifications, drawings, warranties, delivery, installation, payment, insurance and other terms & conditions.

7. **Goods** – items and/or any other assets the purchase and sale of which is the subject matter of the Contract, including services related to the transportation, assembly, installation or other preparation of the Goods for operation as specified in the Contract.

8. **Road Transport Code** – the Road Transport Code of the Republic of Lithuania and its subsequent secondary legislation.

9. **Rules for Submission of Data on Consignment Notes to STI** – the Rules for Submission of Data on Consignment Notes and Other Goods Transport Documents to the State Tax Inspectorate approved by the Order No. VA-36 of 1 April 2016 by the Head of State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania 'Regarding Approval of the Rules for Submission of Data on Consignment Notes and Other Goods Transport Documents to the State Tax Inspectorate'.

**Article 2. INTERPRETATION**

1. The headings contained in this Contract are for convenience only and must not be interpreted to limit or otherwise affect the provisions of this Contract.

2. GTC terms used herein are capitalized and have the meaning defined in Article 1 'Terms & Definitions' of GTC, unless the context requires otherwise.

3. Words 'appropriate', 'required', 'immediately' or similar words used to define persons, time limits, costs, conditions, etc. must be interpreted in each specific case in consideration of Contract terms & conditions as well as specific circumstances.

4. Words used in singular may, where required by the context, include the plural meaning and vice versa.

5. In case of difference between the meaning expressed in words and that in number, the meaning expressed in words takes priority.

**Article 3. SUBJECT OF CONTRACT**

1. Following the terms and conditions as well as confidentiality provisions of this Contract, the Seller undertakes to sell at its own risk and expense to the Buyer the ordered Goods indicated in STC and appendixes thereto (if any attached) and the Buyer undertakes to accept high quality Goods delivered in time and pay the Seller for them.

2. The Contract may also provide for the procurement of the Seller's services related to the purchase and/or assembly/installation of the Goods. If not otherwise provided in the Contract, it is deemed that:

2.1. The cost of services has been included in the price of the Goods specified in the Contract;

2.2. All additional costs associated with the services delivered by the Seller under this Contract, including, but not limited to, travel, accommodation expenses of the Seller's employee, insurance and similar expenses, are paid by the Seller and will not be reimbursed;

2.3. Provision of services at the time other than the delivery of Goods is confirmed by a service handover-acceptance statement signed by the Parties;

2.4. The Seller is required to provide duly qualified staff to ensure timely and proper supply of services;

2.5. For services that require cooperation between the employees of the Seller and the Buyer, the Seller must make sure its employees give accurate and precise instructions to the Buyer's employees. Key instructions must be given by the Seller's employees only in writing;

2.6. The Seller is fully responsible for damages and losses resulting from the activities of its employees providing services as well as inappropriate instructions given to the Buyer's employees;

2.7. The Seller must ensure that services are provided in a due manner and in strict compliance with the Contract terms and conditions;

2.8. The Seller is required to take out insurance for its employees for the period of delivery of services at the Buyer's site. The Seller assumes all risks, possible consequences and responsibility related to the following:

2.8.1. Accidents involving the Seller's employees during the delivery of services;

2.8.2. Damages and losses incurred by the Buyer and/or third parties through the fault of the Seller's employees;

2.8.3. Damage to or destruction of tools and other equipment owned or used by the Seller or its employees;

2.9. The Seller is responsible for carrying out all formalities, submitting information to administrative authorities, obtaining permits and paying all taxes and social security contributions associated with the Seller's employees hired for the delivery of services at the Buyer's site;

2.10. The Seller's employees must comply with all occupational and fire safety procedures and other regulations applicable at the Buyer's site as well as take introductory safety training (where required) before entering the Buyer's site. Public Company ORLEN Lietuva occupational health and safety procedures and other documents governing the safety and health of employees are available at:

<http://www.orkenlietuva.lt/EN/ForBusiness/DocumentsForContractors/Pages/Occupational-Safety-and-Health-Documents.aspx>

#### **Article 4. CONTRACT PERFORMANCE**

1. The Seller must inform the Buyer about any and all circumstances that prevent the delivery of services to the Buyer in accordance with the terms and conditions of the Contract as well as deadlines set therein. Such notice does not release the Seller from its obligations and liabilities laid down in the Contract.

2. The Buyer may at its own expense inspect and oversee the Seller's performance under the Contract. The Seller must enable the Buyer to make such inspections if the Seller is given at least 7 calendar days' prior notice and provide all information related to the purchase of Goods requested by the Buyer within a reasonable period of time indicated by the Buyer.

3. If the Seller is responsible for the delivery of Goods to the Buyer, the Seller is required to give at least 5 (five) business days' prior notice to the Buyer about the planned delivery. If the Buyer collects the Goods from the Seller, the Seller must give prior written notice to the Buyer about the Goods prepared for transportation (unless otherwise agreed in the Contract) no less than before:

3.1. 24 (twenty four) for deliveries within the Republic of Lithuania (hereinafter RL);

3.2. 3 (three) business days for deliveries from the European Union (hereinafter EU) states;

3.3. 5 (five) business days for deliveries from other states.

The notice must specify the following: Contract number, type and expected date of shipment, batch specification, including the number, weight (net & gross), dimensions and contents of containers/packages as well as instructions for proper transportation, customs clearance, unloading and acceptance and other relevant information.

4. The following documents must be supplied together with the Goods:

4.1. A copy of invoice;

4.2. Cargo transportation documents;

4.3. Batch specification, including the number and weight (net & gross) of container/package, its dimensions and contents, code of the Goods under the Integrated Tariff of the European Communities (hereinafter the TARIC code) (if applicable), etc;

4.4. All technical documentation required for proper assembly/installation of the Goods at the place of use, commissioning and proper operation of the Goods. The documentation includes *inter alia* design and assembly drawings, also necessary information about installations, control and metering devices, electrical equipment etc. The documents must be prepared in or translated to Lithuanian or English. Technical documentation can be prepared in other language only upon prior written approval of the Buyer;

4.5. Certificates of quality/origin, test reports, authorizations, safety data sheets and other documents specified in STC and required under laws of LR and EU;

4.6. Instructions for the proper storage of Goods;

4.7. Other significant information.

In case of failure to supply documentation specified in this Section together with the Goods, the Seller undertakes to pay the Buyer a fine defined in Article 12.3 of GTC.

5. Unless otherwise provided in STC, the Seller undertakes to deliver the Goods at its own cost to the address given in STC either by itself or have it done by another carrier under a carriage contract in accordance with the applicable provisions of the Road Transport Code.

The Seller (or a hired carrier) must complete consignment notes for the delivered Goods as prescribed by the Road Transport Code and submit the consignment data to the State Tax Inspectorate under the Rules for Submission of Data on Consignment Notes to the State Tax Inspectorate.

If the Seller (Seller's carrier) executes electronic consignment notes under Article 29(5) of the Road Transport Code and Chapter V of the Rules for Submission of Data on Consignment Notes to STI, the Seller (Seller's carrier) undertakes to transfer the information about the delivery/receipt of the Goods to/in the Owner's territory as required by Item 34 of the Rules. The obligations of the Seller (Seller's carrier) associated with the executed electronic consignment notes also apply to the Buyer's (carrier's) containers/packages and other auxiliary materials shipped from/to the Buyer's territory that have been used in transporting the Goods to the Buyer.

6. The provisions in Article 5 above do not apply to the Buyer when the actual place of loading/dispatch of the Goods and/or place of departure for the Seller is outside the territory of the Republic of Lithuania.

7. If the Seller is a foreign company (i.e. not registered in the Republic of Lithuania), the Goods are delivered DAP (INCOTERMS 2010) to the address specified in STC with all delivery costs included in the price of the Goods, unless otherwise agreed in STC.

8. Unless otherwise stated in the Contract, for EU deliveries the Seller is required to comply with all EU requirements and especially those related to INTRASTAT, VAT & excise duties. Except as otherwise provided in the Contract, the Seller is not required to submit the certificate of origin for the Goods that have been manufactured in EU or imported to EU with completed applicable customs clearance procedures but the Seller must specify the country of origin of the Goods and the TARIC code. TARIC code is not mandatory for the Goods manufactured in Lithuania, unless otherwise stipulated in the Contract.

9. The delivery date is the day when the Goods and all accompanying documents are delivered at the place specified in STC and transferred to the Buyer by signing a document confirming the actual delivery of the Goods and submitting the documents referred to in Article 4.4 to the Buyer. Failure to deliver the documents referred to in Article 4.4 hereof amounts to inappropriate delivery of the Goods and therefore the Seller will be liable for late delivery as it is prescribed by this Contract.

10. The delivery date specified in the Contract may be changed in exceptional cases and only upon written agreement between the Parties.

11. If not otherwise established in STC, the Seller may, upon prior approval of the Buyer, ship the Goods in batches. In such case:

11.1. Where the delivered batch of the Goods cannot be used separately from other expected batches of the Goods, the delivery date of the Goods shipped in batches is the delivery date of the last batch (date of its transfer to the Buyer);

11.2. Where the delivered batch can be used separately from the remaining undelivered batches of the Goods, the delivery date of the Goods shipped in batches is the delivery date of each batch.

12. The Seller must keep all information related to the delivery of the Goods and the transaction for 10 (ten) years following the expiry of the Contract and, whenever requested by the Buyer in writing, to present the Contract execution documents.

13. The Seller may not assign any rights and obligations under this Contract to any third person without written consent of the Buyer.

14. Penalties set out in the Contract as well as damages resulting from any Party's failure must be paid within 15 (fifteen) calendar days from the receipt of respective demand.

## **Article 5. PRICE AND SETTLEMENT**

1. Unless otherwise provided in STC:

1.1. The price of the Goods agreed by the Parties is the maximum amount to be received by the Seller for the sold Goods and cannot be increased throughout the duration of the Contract;

1.2. Payments must be made in the currency required by the Contract within 90 (ninety) calendar days from the date of duly issued invoice and/or the date of receipt of proper Goods (if they are received later) by bank transfer to the Seller's settlement account specified in the Contract. In case of any changes with regards to the Seller's bank account, the Seller must inform the Buyer thereof in writing in the manner prescribed by Article 14.5 of GTC;

1.3. When making payments hereunder, the Parties pay the fees of their own banks;

1.4. If payment falls on a non-working day (Saturdays and Sundays) or public holiday, payment can be made on the next working day;

1.5. Payment is deemed made after the paid amount is debited from the Buyer's bank account;

1.6. In case the Goods or the documents indicated in Article 4.4 of GTC or in STC are delivered not in line with the Contract or are incomplete, have defects and/or other deficiencies, the Buyer is entitled to suspend payments until the Seller properly fulfills all its outstanding obligations. Suspension of payments does not release the Seller from liability and is without prejudice to the Buyer's rights to seek damages and/or remedies indicated in Article 12 of GTC.

2. If under laws of the Republic of Lithuania the Goods are subject to any taxes, duties or levies, the Buyer is entitled to deduct such taxes, duties or levies from the amounts payable to the Seller. Where international laws provide for other taxation options, the Seller, for the purpose of tax relief in the Republic of Lithuania, must submit a certificate of residence (domicile) approved by appropriate authority together with the first invoice but always at least 5 (five) working days prior to the first payment deadline. If the Buyer must pay a fee imposed by laws of the Republic of Lithuania or any other fines, default interest, sanctions, etc. because the data provided in such certificate is incomplete, false or inaccurate, the Seller undertakes to reimburse the Buyer for such fines, default interest and sanctions, etc. imposed upon the Buyer by tax authorities.

3. In case of any mutual debts between the Buyer and the Seller, the Parties are entitled make set-offs. In such case, a mutual set-off statement will be signed by the Parties after payment obligation of any of the Parties becomes due.

4. The Buyer has the right to unilaterally reduce the amounts payable to the Seller under the Contract (including the Contract price) by the amounts payable by the Seller to the Buyer under Articles 5.2, 6.2 and 12 of GTC (default interest and fines) and such reduction will not constitute the breach of obligations by the Buyer and the basis for the Seller to discontinue its obligations under the Contract.

#### **Article 6. VALUE ADDED TAX AND INVOICE**

1. Where the Seller is a tax payer registered in the Republic of Lithuania, the Seller must issue a proper invoice in accordance with the laws of the Republic of Lithuania. Where the Seller is a tax payer registered in a foreign state, the Seller must follow the invoicing requirements of that state. In addition to all mandatory details, invoice must contain the following information:

1.1. Quantity of the Goods, price for each item of the Goods, exclusive of taxes, and the tax amount or rate, if any. Each item of the Goods specified in invoice must be same same as in the Contract. The invoice must also state the total weight of each type of the supplied Goods;

1.2. Description of the Goods and related services (if applicable);

1.3. Contract number;

1.4. Payment terms and date(s) established in the Contract;

1.5. VAT number (if the Seller is a VAT payer in the respective EU member state) for Goods delivered from EU states;

1.6. When purchasing Goods exempt from VAT or subject to 0 % VAT rate or when Buyer has the duty to calculate (deduct) and pay VAT, the invoice must included a reference to the respective provisions of the Law on VAT or Directive 2006/112/EC, or to any other grounds for exemption from VAT or 0 % rate VAT.

2. Following the procedures established by the laws of the Republic of Lithuania, the Seller must retain the second copy of invoices issued to the Buyer confirming that the respective transaction has been made between the Seller and the Buyer, and that VAT on purchase has been reasonably included into VAT deduction by the Buyer. In case of failure to observe this requirement or if the copies of invoices retained by the Seller contain data different from the data provided to the Buyer, or if tax authorities decide that invoice issued by the Seller is not an adequate basis for the Buyer to include VAT on sales calculated by the Seller into VAT deduction, the Seller undertakes to indemnify the Buyer for all damages resulting from increased tax obligations, including sanctions and penalties imposed on the Buyer by tax authorities. These provisions also apply if the Seller issues an invoice to the Buyer without having the right to do this.

3. The Buyer confirms that it is a VAT payer and that its VAT number is LT664517219.

4. If the Seller is a VAT payer, it must specify its VAT number in the Contract documents, and if the Seller is exempt from VAT or is not a VAT payer, it must inform the Buyer thereof in writing. In case of any changes in the VAT status of the Seller with the transaction still in progress, the Seller undertakes to notify the Buyer thereof in writing. In case of transactions performed inside the EU, the Seller must each time specify its VAT number (if any) in the Contract.

5. The Parties hereby agree and do not object that all invoices for the delivered Goods and related services (if applicable) are issued electronically and sent to the e-mail addresses, and that such invoices are deemed original. Hard-copy invoices will not be sent, unless requested separately in writing by any of the Parties. In case of any changes in the invoice delivery address, the Party whose address has changed must inform the other Party thereof within 5 (five) calendar days. The Parties undertake to handle the invoices in a due manner as prescribed by relevant laws, and to ensure the authenticity, integrity and legibility of the content of electronic invoice.

#### **Article 7. RECEIPT OF GOODS, TITLE, RISK OF ACCIDENTAL LOSS AND DAMAGE**

1. Unless otherwise agreed by the Parties, the title to and the risk of accidental loss or damage of the Goods pass over to the Buyer at the moment the Buyer accepts the Goods and signs a respective document (transfer-acceptance statement, consignment note, accompanying document or any other document). Signing of the respective document is solely to confirm the fact of delivery & receipt and the moment of transfer of title & risk of loss or damage and does not constitute the inspection of the quality of the Goods and/or acknowledgment that the Goods conform to the requirements of this Contract, laws and of the Buyer. The Seller may at its own expense participate in the acceptance of Goods by giving participation notice to the Buyer on the day of dispatch of the Goods at the latest.

2. The Seller must ensure the conformity of the delivered Goods to the enclosed documentation (cargo specification, invoice and/or other documents). If any Goods or documents are missing, the Seller must at its own expense deliver them to the place indicated in STC or specified by the Buyer, pay the fine fixed in Article 12.3 of GTC and reimburse other damages (if any) of the Buyer.

3. Where reasonably possible and if the Parties do not agree otherwise, the Buyer must inspect the Goods within 10 (ten) calendar days from the date of receipt and submit claims, if any, regarding the contents and/or quality of the Goods. This provision is without prejudice to the Buyer's right to submit claims latter for the defects of the Goods determined during the warranty period.

## **Article 8. REPRESENTATIONS AND GUARANTEES**

1. The Parties make the following representations and guarantees to each other:

1.1. The Party has been duly established and operates legally as prescribed by the legislation of the country of its registered office;

1.2. The Party has taken all legal steps necessary for proper conclusion and validity of the present Contract;

1.3. By entering into this Contract, the Party has not exceeded its competency and has not contravened any binding law, rule, regulation, statute, court order, article, covenant or arrangement;

1.4. Representatives that signed the Contract are duly authorized by the Parties for this purpose and their personal data required for proper conclusion of the Contract are not considered confidential;

1.5. The Party is not aware of any future legal changes that could affect its performance of the Contract;

1.6. Where in connection with the Contract the Parties exchange information (documents) necessary to evaluate their activities, economic and financial standing such information is accurate and correct;

1.7. The Contract constitutes the Party's valid, legal and binding obligation, enforceable against such Party in accordance with its terms and conditions;

1.8. The terms and conditions of the Contract are clear and enforceable;

1.9. Neither entry into this Contract, nor performance of contractual obligations by the Buyer and the Seller conflict or violate: (i) any decision, order, decree or instruction by court, arbitration, state or local authority binding upon the Party; (ii) any other agreement or transaction entered by the respective Party; (iii) any law or regulation applicable to any of the Parties;

1.10. Electronic communication means (i.e. email addresses and fax numbers) used by the Parties belong to the Parties, are protected against any unauthorized access by third persons, the protection of text is properly ensured and the signatory of the Party is identifiable.

2. The Seller confirms that:

2.1. It has all statutory authorizations, licenses, employees, organizational and technical resources required for the performance of the Contract;

2.2. The Seller confirms that its right of disposal of the Goods has not been suspended or restricted and that the Goods have not been mortgaged, assigned, or seized and are not the subject matter of legal, arbitration or any other dispute, and that third parties have no rights to or claims with regards to the Goods;

2.3. It has included in the price of the Goods all costs necessary for the performance of its contractual obligations and assumes the risk of potential increase of its costs related to performance hereunder through no fault of the Seller and/or possible changes in the complexity of performance hereunder with the exclusion of what is specified in STC;

2.4. The Seller, its employees and/or subcontracted third parties are familiar or will, prior to start of performance hereunder, familiarize themselves with all internal legal documents of the Buyer important for proper execution of obligations under the Contract and will duly observe them;

2.5. It has not paid or offered and will not do so either during the effective term of this Contract or after its expiry any amounts of money and any financial benefits to the Buyer's representatives and (or) employees in connection with the conclusion of this Contract or make any other actions which could give rise to the conflict of interests and undertakes to refrain from any actions or transactions which are contrary to the laws and regulations on prevention of corruption and money laundering of the Republic of Lithuania and of the European Union.

3. The Buyer confirms that will accept the Goods of proper quality and delivered in time and pay for them in accordance with the procedure set out in the Contract.

4. If confirmations of any of the Parties referred to herein are found to be false and/or misleading, the Party will be under obligation to compensate all resulting damages of the other Party and apply all other remedies defined in the Contract.

5. The Seller guarantees that the Goods conform to the specifications, drawings and all other requirements laid down in the Contract, are brand new, high quality, suitable and ready for their intended use, duly designed and manufactured using appropriate materials as well as free from any defects (including hidden defects).

6. The Seller guarantees that the Goods have been manufactured and installed/assembled (where so required by the Contract) following the applicable occupational health and safety requirements, fire safety regulations and standards of the Republic of Lithuania, EU legislation governing pressure equipment and vessels as well as applicable EU standards or other requirements provided for in STC. Omission of reference to any requirement or legal act does not mean that certain legal requirements, whether Lithuanian and EU, do not apply to the Seller's Goods.

7. To the extent not contrary to STC, the Goods are subject to a 24 month warranty calculated from the moment of delivery (date of signature of transfer-acceptance statement or other proof of delivery of the Goods to the Buyer's warehouse and/or their acceptance) or installation or commissioning of the Goods, whichever occurs later.

8. The Buyer has the right to submit claims to the Seller for the defects of the Goods throughout the warranty period. Within 5 (five) business days from the receipt of defect notice, the Seller must notify the Buyer about the measures that it has taken or will take to fix the defects and the shortest possible time needed (if the deadline specified by the Buyer is unreasonably short and this can be substantiated by the Seller) as well as other measures needed to avoid, reduce or not to increase losses and damages of the Buyer and/or third parties.

9. The Seller must within shortest possible time repair or replace the defective Goods or defective parts thereof (if they can be separated without causing any damage to the Goods) without interfering with the routine

operations of the Buyer. The Seller undertakes to perform the above at its own expense, including *inter alia* the costs of dismantling, installation, transportation, travel, accommodation of its specialists and other expenses. If third party (laboratory, expert, etc) is required to determine the quality of the Goods, the Seller will compensate any related expenses of the Buyer. The Goods that have to be replaced by the Seller will be transferred to the Seller at the place indicated by the Buyer on EXW (INCOTERMS 2010) basis. The replaced Goods must be delivered DAP (INCOTERMS 2010) to any place nominated by the Buyer.

10. If the Seller disagrees with the Buyer's claim regarding the defects of the Goods, the Parties will appoint a mutually accepted independent inspector for quality analysis of the Goods. The results of such analysis are final and binding upon the Parties. The Seller undertakes to pay for the services of the independent inspector and all related costs if the Buyer's claim is found to be valid. If the Seller refuses to cooperate with the Buyer and therefore an independent inspector is not appointed for 30 (thirty) days following the submission of the claim to the Seller, it is deemed that the Seller accepts the claim and undertakes to fix or replace the defective Goods or parts thereof (if they can be separated without causing damage to the Goods) as well as reimburse the damages and losses of the Buyer arising from the unjustified omission by the Seller and the analysis of the Goods.

11. If after receiving the defect notice the Seller fails to provide information described in Article 8.8 hereof and/or take measures to fix the defects within the time limits specified by the Buyer, the Buyer will be entitled to take all required measures to remedy the defect at the Seller's expense and risk. This, however, does not release the Seller from its obligations hereunder.

12. The Buyer may also repair or replace the parts of the Goods itself or have it done by anyone else provided that repairs are minor or meant to prevent further damage, or must be done immediately for other important reasons. The Seller undertakes to compensate such repair or replacement costs incurred by the Buyer. The above provision is subject to prior notice to be given to the Seller.

13. The Seller's warranty for the Goods or their parts that have been repaired or replaced pursuant to this Article will be extended for the duration set out in Article 8.7 hereof calculated from the end of repair or date of replacement.

#### **Article 9. FORCE MAJEURE**

1. Neither of the Parties will be liable for failures under this Contract where a material and negative effect resulting in such failure comes from *Force Majeure* events, as defined in Articles 9.2–9.3 hereof.

2. *Force Majeure* referred to in Article 9.1 means any event or occurrence (or combination thereof) that substantially restricts or prevents the performance of this Contract by the Party and which could not have been foreseen and controlled by the Party. The causes of *Force Majeure* events include, without limitation:

2.1. War (either declared or not), civil war, riots and revolts, acts of piracy and sabotage;

2.2. Natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods, destruction by lightning;

2.3. Boycotts, strikes and lock-outs of all kinds, go-slows resulting from strikes, occupation of factories, premises, machines or any kind of installations of such factories and/or associated infrastructure or logistic facilities, as well as boycotts, strikes and lock-outs of all kinds, go-slows resulting from strikes, occupation of railway infrastructure, and work stoppages which occur in the enterprise of the Party seeking relief, provided that if the settlement of a labor strike or lockout or any other kind of labor dispute is not within the reasonable control of the Party affected by it, such Party will not be obliged to settle a strike, lockout, or other labor dispute on terms contrary to its wishes;

2.4 Any actions or omissions by Lithuanian and foreign authorities such as state, public administration authorities or other national or international bodies, in particular that of EU and UNO, in the form of bans or any other economic measures which did not exist at the time of conclusion of the Contract or their inability to act properly, unlawful seizure of the Party's property or any other unlawful restrictions of its rights to manage, use or dispose of its property initiated by national or local authorities or third persons.

3. Lack of goods, human resources, etc. in the market required for the execution of the Contract or lack of required financial resources by the Party is not deemed *Force Majeure*.

4. The Party which is unable to proceed with its obligations due to *Force Majeure* event must:

4.1. Notify the other Party of the event as soon as possible but in any case no later than 7 (seven) working days from the inception of the *Force Majeure* event;

4.2. Provide appropriate evidence of the occurrence of *Force Majeure* (e.g. certificate issued by the Chamber of Commerce and Industry of the respective country, etc.). After *Force Majeure* is over, the other Party must be immediately notified thereof.

5. If the affected Party fails to follow the provisions given in Article 9.4 above, such Party will not be entitled to refer to *Force Majeure*.

6. The Parties will use their reasonable efforts to mitigate in good faith the effects of *Force Majeure* event and cooperate in developing and implementing a plan of remedial actions and reasonable alternative measures to remove the *Force Majeure* effects.

7. Fulfillment of the obligations under the Contract will be suspended for the duration of *Force Majeure*. If *Force Majeure* persists for more than 1 (one) month, either Party will be entitled to terminate the Contract by giving written notice to the other Party.

## **Article 10. INTELLECTUAL PROPERTY**

1. If not agreed by the Parties to the contrary, the Seller transfers to the Buyer the Goods together with all associated intellectual property rights, except for non-property rights. For the purpose of this Article, the Services provided by the Seller and their results are deemed to be the Goods.

2. The Seller represents and guarantees that there are no valid and binding patents or other industrial property rights as well as copyrights or any other related rights, or know-how rights of third parties (hereinafter the industrial property rights) that can be breached as a result of use or disposal of the Goods by the Buyer.

3. The Seller furthermore confirms that if any of the above rights related to the Goods arise or become known, the Seller will at its own expense undertake all required measures (including acquisition of required approvals, permits, etc.) to enable the Buyer, from the moment of transfer of the Goods, to dispose of and use the Goods subject to intellectual property rights for its business or any related purposes without any restrictions, time limitations and free of charge.

4. The Seller undertakes to hold the Buyer harmless from and against any demands or claims (including those of third persons) concerning violation of rights referred to above in this Article and indemnify it against any costs (including penalties, charges, attorney's fees) and payments provided that the Seller is notified of such demands or claims by the Buyer. The Seller undertakes to examine the circumstances surrounding such demands and requests and defend the interests of the Buyer accordingly. Should the Buyer be involved in any legal disputes, the Seller will indemnify the Buyer for any losses and /or damage (including litigation costs) in relation to any demands arising from the violation of intellectual property rights or alleged violation thereof (including defense in case of alleged violation), except for the cases where such violation (alleged violation) arises from the Buyer's fault.

## **Article 11. CONFIDENTIALITY**

1. The Seller will disclose to the Buyer the information (verbal, written or expressed in any other form that makes it possible to review the information visually or by use of technical means) which is necessary for the fulfillment of the Parties' obligations hereunder (hereinafter the Information). The Information includes any verbal and/or written information directly or indirectly related to the Buyer, other ORLEN Group companies and their counter-parties, which is either directly or indirectly made available by the Buyer to the Seller or otherwise obtained by the Seller while performing under the Contractor. The Information is intended for and can be used in the interests of the Buyer only. The Seller acknowledges that the Information it obtains hereunder is confidential, unless expressly provided otherwise herein.

2. The Seller is not bound to keep any Information in secret if:

(i) Such Information is in the public domain or has entered the public domain by ways other than unauthorized disclosure or breach of this Contract;

(ii) Such Information has been disclosed by a third party without any breach of nondisclosure commitments;

(iii) The Buyer has informed the Seller in writing that the particular Information is not deemed confidential.

When doubts arise as to whether particular information is confidential or not, the Seller must consider and treat such information as confidential by the time the Buyer notifies it to the contrary.

3. To the extent concerning any Information disclosed hereunder, the Seller, including all its employees, is required to:

(i) Keep (store and use) Information using safety measures established in this Contract and legislation that will be reasonably appropriate and sufficient to ensure confidentiality thereof and to prevent any unauthorized use, transfer, disclosure of or unlawful access to such Information. The Seller may not copy or record and store the Information in its systems unless it is reasonably required for due performance of the Contract. The Seller must immediately notify the Buyer of any violation of information security requirements or unauthorized disclosure or use of Information;

(ii) Disclose Information or part thereof only to the Seller's employees and other persons including, in particular, auditors, consultants and subcontractors, directly related to the purpose for which Information has been disclosed to them and obligate the above mentioned persons to comply with the same confidentiality requirements and not to disclose the Information to any other persons throughout the term of this Contract and for the protection period after the expiry or termination of the Contract. The Seller assumes full responsibility, including financial liability, for acts or omissions of persons that have been granted access to the Information.

4. The Buyer may at any time ban the Seller's access to the Information. The Information is considered the Buyer's property and once requested by the Buyer the Seller must return all Information contained on any material media, including electronic files, to the Buyer, or destroy such if so required by the Buyer.

5. In case of loss or disclosure of Information by the Seller in the manner other than established herein, the Seller must immediately notify the Buyer thereof and make all reasonable efforts to regain the lost or unlawfully or unreasonably disclosed Information.

6. After the expiry of this Contract, the Seller is required, to the maximum practicable extent, to destroy or return to the Buyer all Information in its possession irrespectively of whether such Information is provided in documents, articles, drawings, descriptions, diagrams or is expressed and stored in any other form, as well as copies of the above, unless otherwise stated in the present Contract.

7. The Seller undertakes to maintain the confidentiality of Information throughout the term of the Contract and for 10 (ten) years after its termination, expiry or cancellation or impairment of its legal effects or delivery of the Goods, unless the Parties hereto agree otherwise in writing.

8. Should it be necessary, in connection with this Contract, to provide the Seller with access to or transfer to the Seller any personal data within the meaning of Law on Legal Protection of Personal Data of the Republic of Lithuania, before processing such data the Seller is obliged to conclude a separate agreement with the Buyer defining the principles and conditions for the protection and processing of such data.

9. Where for the purpose of due performance of the Contract it is necessary to disclose a commercial (production) secret or any other highly confidential information of the Buyer or confidential information of any other ORLEN Group company, a separate nondisclosure agreement may be concluded between the Parties.

10. The Parties agree that information, material and/or documentation related to the Goods or their delivery submitted by the Seller will not be considered confidential by the Buyer from the moment of its disclosure or transfer to the Buyer. The Seller also provides the Buyer with free, unlimited, unconditional and irrevocable right to use at its discretion this information, material and/or documentation for the purpose of its business activities, including the right to disclose this information to any other third persons without prior consent of the Seller. The Parties agree that the right granted to the Buyer under this Article cannot be restricted by any unilateral request of any form by the Seller to treat the transferred information, material and/or documentation (or part thereof) as confidential.

## **Article 12. RESPONSIBILITY**

1. The Parties undertake to fulfill their obligations hereunder in a due manner and refrain from any actions which may cause damage to the other Party or impede the performance of its obligations.

2. Delivery of the Goods within the terms established in the Contract is a material provision of the Contract. In case of delayed delivery of the Goods the Seller undertakes to pay the Buyer a 0.05 % default interest of the value of the Goods for each day of delay. Where late delivery of the Goods or any part(s) thereof by the Seller makes it impossible for the Buyer to carry out the activities for which the Goods are intended, the default interest will be charged on the total value of the Goods. The Seller hereby acknowledges the importance of delivery of the Goods within the established time limits and, therefore, agrees that the default interest set herein constitutes the minimum and reasonable remedy for the Buyer's losses.

3. In case of failure to transfer all or part of documentation referred to in Article 4.4 of GTC together with the Goods the Seller undertakes to pay at the Buyer's request a fine of 200 (two hundred) EUR.

4. In case of failure to perform and/or improper performance of obligations provided in GTC Article 15 'Confidentiality' by the Seller, the Buyer shall be entitled for unilateral termination of the Contract against written notice to the Seller as prescribed by the Contract and/or upon Buyer's request the Seller shall pay a penalty at the rate of 10 % of the amount of Contract per each case of violation however to the maximum of 3000 EUR (three thousand euros) and minimum of 300 EUR (three hundred euros) and compensate reasonable losses incurred by the Buyer to the extent such are not covered by the penalty paid.

5. If the Seller breaches Section 16 of GTC, the Seller undertakes to pay at the Buyer's demand a fine of 10,000 (ten thousand) EUR. Payment of this fine is without prejudice to the Buyer's rights to demand payment of damages under applicable laws if the fine is not sufficient to cover all the Buyer's losses.

6. Upon the Buyer's demand, the Seller undertakes to pay the Buyer for each violation of Public Company ORLEN Lietuva rules indicated in Article 3.2.10 of GTC:

6.1. Once demanded by the Buyer, the Seller will be under obligation to pay the Buyer a penalty of 300 (three hundred) EUR for each case of violation committed by the Seller's employees in the Buyer's territory related to the occupational safety, environmental, waste management and hygiene requirements as well as gambling;

6.2. If, while in the Buyer's territory, the Seller's employees are found under the influence of alcohol or smoking in non-designated areas, or committing theft of the Buyer's or other persons' property located in the Buyer's territory, the offenders will be removed from and banned from entering the Buyer's territory by taking their identification badges. The Seller undertakes pay at the Buyer's request a penalty of 1,500 EUR (one thousand five hundred euros) for each case of such violation. Furthermore, the Seller must indemnify the Buyer for its all damages resulting from the above actions;

6.3. If the Seller's employee enters the Buyer's protected territory or facilities using another person's ID badge, the Seller undertakes to pay at the Buyer's demand a penalty of 300 EUR (three hundred euros) for each case of violation;

6.4. The Seller undertakes to pay at the Buyer's demand a penalty of 600 EUR (six hundred euros) for each violation of the Buyer's internal regulations, including *inter alia* its Pass System Regulations;

6.5. For each lost or damaged ID badge the Seller undertakes to pay at the Buyer's demand a penalty of 14 EUR (fourteen euros), irrespective of the duration of use of the badge.

7. In case the Goods sold by the Seller to the Buyer do not conform to the requirements set out in the Contract and such nonconformities (deficiencies) cannot be fixed, the Seller undertakes at the Buyer's demand to take back the improper Goods and pay back the Buyer all sums received from the Buyer under this Contract.

8. The Seller must indemnify the Buyer for its losses associated with the damage caused to any other person or the environment by the defective Goods or use thereof or delivery of related services.

9. If the Buyer sustains damages as a result of breach of and/or inappropriate performance of the Contract and the damages exceed the the amount of contractual penalties, the Buyer will be entitled to claim damages and, respectively, the Seller will be under obligation to compensate for the justified losses, damages and additional expenses of the Buyer (including payables to third parties, lost revenue, penalties imposed by state authorities, quality inspection costs, and etc.).



10. Should the Buyer fail to pay for the accepted proper Goods within the time limits agreed by the Parties, the Buyer undertakes to pay a 0.05 % default interest of the outstanding amount for each day of delay however not more than 10 % of the overdue amount.

11. The Buyer may deduct all and any amounts of penalties (default interest, fines) payable by the Seller from the sums payable to the Seller by giving notice to the Seller of any deductions made. Payment of penalties hereunder does not release the Party at fault from the fulfillment of respective obligations under the Contract.

### **Article 13. CONTRACT CONCLUSION, VALIDITY AND TERMINATION**

1. The Contract is deemed concluded between the Buyer and the Seller after the Parties sign the respective documents confirming the conclusion of the Contract. After signing the Contract, all previous agreements and communications between the Parties with regard to the Contract become null and void.

2. Contract amendments and modifications are effective only when made in writing and signed by both Parties and are binding upon the Parties until full discharge of their obligations hereunder.

3. Once signed and exchanged by the Parties by electronic communication means, the Contract, its amendments and modifications as well as Contract execution documents are deemed valid and can be used as evidence in any legal proceedings, if not otherwise stipulated in STC. When signed documents are transmitted by electronic communication means, the sending Party is responsible for the appropriateness and security of the text and signature. In case of dispute, it is deemed that any document associated with this Contract sent by electronic communication means during working hours (8:00 a.m. – 5 p.m.) is received on the same day its sending.

4. The obligations of the Parties which due to their nature survive the Contract expiry, such as provisions governing liabilities, financial settlement, etc. will continue in full force and effect until complete discharge thereof.

5. If, for whatever reason, any part of the Contract is declared invalid, the remaining provisions of the Contract will remain valid and binding upon the Parties. In such case, the Parties undertake to continue under the Contract in good faith and serving its purpose.

6. The Parties may terminate the Contract prior to its expiry by mutual written agreement. A Contract termination agreement must specify the reasons for termination, date of termination as well as other conditions of termination, liability and settlement between the Parties.

7. The Buyer may unilaterally terminate the Contract without indicating the reason by giving a 30 (thirty) calendar days' written notice to the Seller, unless a different notice period is fixed in STC. If the performance of the Contract by the Seller is in progress, the Buyer will pay the Seller part of the price in proportion to the actually supplied Goods.

8. The Buyer may unilaterally terminate the Contract by giving a 10 (ten) days' prior written notice to the Seller, unless a different period is set in the Contract, if breach/violation is not fixed within the period of notice as well as in the following cases:

8.1. Bankruptcy, restructuring or liquidation proceedings have been initiated against the Seller; the Seller has suspended its business activities, etc.;

8.2. Changes have been made to the Seller's legal status, organizational or management structure and this may have an adverse effect on the performance of the Contract;

8.3. Significant deterioration of the financial standing of the Seller;

8.4. The Seller fails to meet the deadlines fixed in the Contract or fulfill its other contractual obligations and this constitutes a material breach of the Contract (*inter alia* multiple deliveries of improper Goods, deliveries without supporting documents, etc.);

8.5. The Seller fails to perform and/or improperly performs the confidentiality obligations laid down in Section 11 hereof;

8.6. Information, acknowledgments and warranties provided by the Seller to the Buyer before and after the conclusion of the Contract are found to be materially inaccurate and/or misleading;

8.7. Existence of any other circumstances that may have a materially adverse impact on the Seller's ability to properly fulfill its contractual obligations.

9. Termination of the Contract is without prejudice to the Buyer's rights to claim compensation for losses, damages and penalties arising from failure to perform or improper performance of the Contract as well as to deduct such amounts from the sums payable to the Seller.

10. The Contract may be terminated at the Seller's initiative and by agreement with the Buyer for important reasons only. Such agreement must specify the reasons for termination, the date of termination as well as other conditions of termination, liability and financial settlement between the Parties.

11. If the Contract is terminated thought the Seller's fault or on the Seller's initiative through no fault of the Buyer:

11.1. The Seller must pay the Buyer a penalty of 3 % of the Contract price specified in STC and indemnify the Buyer for its damages arising from such termination;

11.2. The Seller is under obligation to compensate the price difference (increase in the price) arising from the conclusion of contract with a third person by the Buyer for purchasing identical or similar goods (including related services) that the Seller undertook to supply.

12. Upon termination or expiry of the Contract, its liability, financial settlement and other provisions (if any) will continue in full force and effect until they are fully discharged by the Parties.

#### **Article 14. NOTICES**

1. All notices between the Parties in relation to this Contract must be executed in writing and considered duly delivered if sent by registered post, fax or e-mail (with acknowledgment of receipt) or delivered to the address of the Parties specified in the Contract or to any other addresses communicated between the Parties in writing, or by any other means of delivery that allow tracking the sent and received notices.

2. Any written notice sent by post is deemed received in 5 (five) calendar days from the moment of its sending.

3. If written notice is handed over to the other Party against signature, such notice is deemed received on the day of handing.

4. Written notices sent by fax or email by 5:00 p.m. are deemed received on the day they were sent. Written notices sent after 5:00 p.m. or on no-working days are deemed received on the next working day.

5. The Parties to the Contract undertake to inform each other within 5 (five) days about any changes in their legal addresses, contacts, bank details or other significant data provided in the Contract that may affect the performance of the Contract.

6. In case of restructuring or liquidation of any of the Parties, the Party undertakes to give written notice to the other Party within 5 (five) days following the occurrence or disclosure of such circumstance, and to agree on further performance of their obligations under the Contract.

7. The Parties undertake to immediately inform each other about any actions in rem that may affect their performance under the Contract.

#### **Article 15. GOVERNING LAW AND DISPUTE SETTLEMENT**

1. Any rights and obligations of the Parties not mentioned herein as well as any other mutual relations arising out of this Contract will be governed by laws of the Republic of Lithuania. If not otherwise set out in STC, the Parties agree not to apply to this Contract the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980).

2. All disagreements and disputes arising out of or related to this Contract will be settled by mutual negotiation and in case of failure to reach an agreement within a reasonable time the disputes and disagreements will be referred to:

2.1. Court with jurisdiction over the Buyer's registered office and resolved as prescribed by laws of the Republic of Lithuania if (i) the Seller is entity registered in the Republic of Lithuania or (ii) the Seller is entity not registered in the Republic of Lithuania and the amount of dispute does not exceed 150,000 EUR (one hundred fifty thousand euros);

2.2. Vilnius Court of Commercial Arbitration and resolved as prescribed by its rules when the Seller is entity not registered in the Republic of Lithuania and the amount of dispute exceeds 150,000 EUR (one hundred fifty thousand euros). The number of arbitrators – 3 (three). The venue of arbitration proceedings – Vilnius, the Republic of Lithuania. The language of arbitration proceedings is Lithuanian with provided translation into English if necessary.

#### **Article 16. EXTERNAL COMMUNICATION**

1. The Seller may not use the name, trademarks, logo of Public Company Lietuva in its website, lists of business partners, brochures, advertisements or in any other marketing or advertising materials without prior written consent of the Buyer. If the Seller wants to use the Buyer's information referred to herein, the Seller must present draft material where such information would be used together with a permission request.

2. Without separate written consent of the Buyer, the Seller is also not entitled to communicate and disclose any information related to the execution of this Contract to mass media (press, radio, television, and Internet media). If the Seller wants to communicate and disclose information referred to herein, the Seller must present draft public release where such information would be used together with a permission request.

#### **Article 17. MISCELLANEOUS**

1. The Contract has been executed in the Lithuanian language (may have translation to a foreign language), or in a foreign language (with translation to Lithuanian), or in the Lithuanian and a foreign language. Where the Contract has been concluded in two (the Lithuanian and a foreign) languages, the Lithuanian version will prevail in cases of any discrepancies between the Contract wording in the Lithuanian and in the foreign language, unless the STC provide otherwise.

2. The Contract has been drawn up in 2 (two) original copies of equal legal force, one copy for each Party.

3. The Parties have read the Contract, understood its content and implications, and confirm that the Contract reflects their intentions.