



SERVICE PROCUREMENT CONTRACT NO. 731343
SPECIAL TERMS AND CONDITIONS OF CONTRACT
Vilnius

AB „Amber Grid“, represented by acting in accordance to CEO order (Hereinafter referred to as the **Buyer**), and Pipesurvey International C.V., represented by (hereinafter referred to as the **Seller**), based on the terms and conditions of the of procurement (purchase No. 731343) „(VPP-2072) INTERNAL DIAGNOSTIC SERVICES FOR MAJOR GAS PIPELINES (MGP BRANCH TO MARIJAMPOLÉ GDS (48.6 KM))“ performed in the manner of Unpublished negotiation, based on the tender submitted by the Seller and the procurement results, have entered into this service procurement contract (hereinafter referred to as the **Contract**). The Buyer and the Seller hereinafter collectively referred to as the **Parties** and individually as a **Party**,

1. Subject Matter of the Contract	1.1. The Seller undertakes to provide the Buyer with the services specified in the Seller's tender that meet the requirements of the Technical Specification (hereinafter referred to as the Services) at the address specified in the Technical Specification, and the Buyer undertakes to accept the Services and pay for them in accordance with the Contract.	
2. Contract price and payment procedure	2.1. Method of calculating the contract price: fixed rate with review. The revision conditions are provided for in 2.1.4 of the General Terms and Conditions of the Agreement point.	
	2.2. Initial Contract Price, including all extensions, is the price provided in the tender submitted by the Seller during the reopened competition:	EUR 369,140.00 excl. VAT
	2.3. If necessary, the Buyer shall have the right to procure from the Seller the Goods and/or Services related to the Procurement Object (not more than 10 percent of the Initial Contract Price). The Goods and/or Services specified in the List of Goods and/or Services shall be paid for according to the rates indicated in the Seller's tender (submitted in the Procurement/reopened competition); Goods and/or Services not specified in the List of Goods and/or Services but related to the Procurement Object will be paid for at the valid prices of these Goods and/or Services indicated on the Seller's point of sale catalogue or website on the day of the order or, if such prices are not announced, at the prices offered by the Seller that shall be competitive and in line with the market. Once the decision to exercise this right has been taken, the Parties shall conclude a supplementary agreement to the Contract.	
	2.4. The Buyer shall pay the Seller for the Services provided not later than within 30 days of the receipt of the duly submitted invoice.	
3. Fulfilment of contract	3.1. The Seller provides the Services for:	no later than within 12 months of the effective date of the Contract in accordance with a separately agreed Services schedule.
4. Bank guarantee	4.1. Not applicable.	
5. Subsupply	5.1. Possibility of direct payment with subsuppliers is provided, a draft tripartite agreement is attached.	
6. Other provisions	<i>Consent to work in active natural gas transmission system objects/facilities and/or their protection zone</i>	

6.1. Prior to the delivery of the Goods and/or the provision of the Services, the Seller (including subsuppliers) must obtain a written consent from the Buyer to work in active natural gas transmission system objects/facilities and/or their protection zone (hereinafter referred to as the Consent).

6.2. In order to obtain the Consent to deliver the Goods and/or provide the Services in the Buyer's objects/facilities and/or their protection zones, the Seller undertakes to submit all documents required to obtain such Consent (list of documents to be submitted can be found [here](#)).

6.3. If the Seller or subcontractor delivers or provides the Services without the Buyer's Consent (without obtaining it, upon expiration of the Consent, revocation or suspension of the Consent by the Buyer, etc.), or if the employees providing the Services did not wear personal protective equipment, etc., the Seller must pay a fine of EUR 100 for each individual breach. Payment of the penalty does not entitle you to provide the Services without a valid Consent.

6.3. All responsibility for environmental safety, occupational health and safety, fire safety, the security of Seller's, subsuppliers', Buyer's employees and third parties at the place of supply of the Goods and/or provision of the Services, as well as responsibility for compliance with other legal acts of the Republic of Lithuania during the performance of contractual obligations shall rest with the Seller.

Organisation of services, Buyer's and Seller's responsibilities

6.4. The Buyer will organise and perform the cleaning of the Seller's equipment and the proper collection and disposal of waste from the main gas pipeline, including the disposal of contaminated (worn out) parts of the equipment used by the Seller.

6.5. In order to determine the coordinates of the permanent markers/reference points DGPS (LKS94) on the centre line of the main pipeline route, the Buyer shall email the Seller a list of coordinates of markers and reference points in the digital format specified by the Seller.

6.6. If the Seller's equipment enters the pipeline and is blocked for any reason, the Buyer shall be responsible for cutting such equipment out of the pipeline and all related costs. Subject to the limitations of liability set forth in this Contract, the Seller shall be liable for direct costs associated with such cut-out if the cause of the stoppage was negligence on the part of Seller, incorrect technical configuration of the equipment, failure to ensure the Services is available, safe and contains minimum risk of clogging.

6.7. If the Seller's equipment is irreparably damaged, or if the repair costs of such equipment exceed the cost thereof and if the equipment is damaged due to circumstances beyond the Buyer's control, new equipment required to provide the Services shall be delivered at the Buyer's expense, including the Buyer covering the reasonable and valid transportation costs incurred by the Seller. The search and delivery of new equipment shall be organised by the Seller. The seller must make every effort to find and deliver the new equipment as quickly as possible.

6.8. The Seller must email the acknowledgement of the receipt of all information required for the planning of the Services, preparation of technological instructions (programs), preparation of the major gas pipeline, equipment start-up schedule, preparation and evaluation of the accepted service stages and conditions prior the start of the Services, including the acknowledgement that after signing this Contract, the Seller will not file any claims against the Buyer with regard to the above. The Buyer shall be liable for any incorrect data provided to the Seller and any damage and/or losses resulting from the Seller's reliance on the said incorrect data.

6.9. Cleaning of the major gas pipeline by running the cleaning piston through the pipeline shall be performed 2 times. If, after 2 runs of the cleaning devices, the need for additional cleaning services becomes clear (i.e. the required level of pipeline cleaning has not been reached, i.e. more than 50 kg of debris (rust, sand, dust), more than 0.5 kg of metal residues (welding electrodes) are found), a deed shall be drawn up on the unsuitability of the pipeline for diagnostics and after the Buyer emails an order, the Seller

shall perform additional cleaning services within the shortest time possible, but no longer than 50 days, according to the prices specified in the Annex to the Contract (or the Annex to the Framework Contract).

6.10. If the collected geometrical data of the major gas pipeline show that the standard equipment for collecting information on defects will not pass through the pipeline (e.g. insufficient length of segmental elbows, etc.), then the Seller must reconstruct such equipment or recommend the Buyer to remove or repair such pipeline areas.

6.11. After performing the diagnostic services, the Seller must send the Buyer a properly and qualitatively prepared preliminary report in an electronic form (via email, by using cloud services). The preliminary report shall include at least the 30 most dangerous defects identified, as well as recommendations for “unidentified anomalies” and verification of the accuracy of the quantitative defect parameters in accordance with the requirements of the Contract (specified in the Annex “Technical Specification”, Clause 1.3.). Following the preliminary report, the Buyer shall optionally check (verify) the dimensions of the defects indicated in the preliminary report. If the verified defect dimensions are confirmed by the Seller, it must send to the Buyer electronically (via email, by using cloud services) a properly and qualitatively prepared final report (selected licensed programs and Excel format), a detailed analysis of all the defects according to the standard in the appendix “Technical specification”, Clause 3.4.5, major gas pipeline strength calculations, pipeline service life estimates and defect repair recommendations. The following must also be identified and performed:

- spatial position of the major gas pipeline, taking into account the features of the terrain (cartography);
- provision of primary data and technical support software for information analysis and verification of primary data;
- consultations of 1–2 employees of the Customer shall be performed, training the Customer to use diagnostic data and/or licensed software.

All documentation, including qualification certificates and technical documentation, shall be provided by the Contractor in Lithuanian or English.

6.12. Upon receipt of the preliminary/final reports, the Seller shall also submit an interim/final certificate of acceptance and transfer of the Services, the Buyer shall sign it within 10 (ten) working days, or if deficiencies are identified, it shall be returned unsigned to the Seller, indicating the identified deficiencies and setting a reasonable time limit for their removal, which shall not exceed 30 (thirty) working days, unless the Parties agree otherwise. A request to remedy the identified deficiencies of the Services may be made in a separate letter.

6.13. If a field inspection within the first 5 excavations reported in the final report shows that the measurement parameters provided in the final report fail to meet the Seller’s specifications and the parameters given according to API standard 1163 (or equivalent), the Buyer may hire an independent expert organisation with recognised work experience in the field of internal diagnostic services, which shall provide conclusions on non-conformities and send the results of the technical inspection to the Seller. The Seller must review, re-summarise, and evaluate the data, and then submit the corrected final report to the Buyer. If this is not possible, the Seller must perform the Services repeatedly at its own expense.

6.14. In order to assess the quality of the services, as well as the effective use of the results of pipe inspections, the Buyer may hire an independent organisation of experts with recognised work experience in the relevant field. The Seller must ensure appropriate working conditions for the Buyer and the expert organisation, by transferring to the Buyer the signal data processing variants of the software for analysis, as well as the processed data in commonly accepted formats (Excel, etc.). Works at the Seller’s base shall be performed at its own expense. Arrival schedules are coordinated separately, by email.

6.15. The phasing of services must be in line with the concept of quality control. Completion of the main phases of the work (cleaning and assessment of pipeline readiness, running of equipment to detect geometric and corrosion defects, preliminary and final reports) must include assessment procedures, generally agreed standards of quality.

Supplement 4.2.3 to the General Terms and Conditions (Contract Termination)

6.16. The Seller shall be deemed to have committed a material breach of the Contract if:

6.16.1. The Seller provides the Services without observing the intermediate dates set in the Contract according to the agreed Schedule and/or the final date for more than 45 days;

6.16.2. during the performance of the Contract, the Seller fails to ensure the quality of the Services and fails to rectify the defects in the quality of the Services within a reasonable term specified by the Buyer, which may not exceed 20 days;

6.16.3. The Seller has damaged the major gas pipeline and/or caused other losses to the Buyer and has not compensated them within a reasonable term specified by the Buyer;

6.16.4. Execution of the Contract is managed by a person who does not meet the qualification requirements set out in the Procurement Documents (Clause 1.6.2 of the General Terms and Conditions);

6.16.5. Where applicable, it appears that the transaction with the Seller (the Contract) is not in the national security interest and such non-conformity cannot be remedied without prejudice to the requirements of the Contract and applicable law or, if remedied, would take more than 60 days;

6.16.5. The Seller violates the provisions of this Contract governing competition, management of intellectual property or confidential information;

6.16.6. In the cases specified in Articles 6.217 and 6.721 of the Civil Code of the Republic of Lithuania and other articles thereof;

6.16.7. During the term of the Framework Contract, the Seller's equipment in the Buyer's pipelines becomes "stuck" more than twice due to the Seller's fault;

6.16.8. Failure to follow the procedure set forth in Clause 6.17 of this section.

The tender specifies the quality criteria for which the Seller has been selected as the successful tenderer

6.17. If the Seller, when submitting the Tender (including the Renewed Tender), identifies the specialists supervising the Services who meet the requirements of the quality assessment criteria set out in the Procurement Documents, the Seller undertakes to ensure that the Services are organised, coordinated, supervised and controlled throughout the validity of the Contract by the specialists indicated by the Seller with at least the experience specified in the Seller's tender for which the Seller's tender was selected as the successful one. During the validity of the Contract, the Seller, in order to replace or use a new specialist, must inform the Buyer in writing and obtain the Buyer's written consent. The newly appointed specialist must have at least the qualifications and experience specified in the Procurement Documents and the Tender submitted by the Seller. If the Buyer finds a violation of this provision due to improper qualification of a specialist, the Seller undertakes to replace the non-compliant specialist with an eligible specialist within 10 working days of such request of the Buyer. Failure to remedy the identified violation, or finding the same violation of this provision twice shall lead to the termination of the Contract due to the fault of the Seller in committing a material breach of the Contract (a material breach of the Contract).

6.18. The initial price of the Contract and/or its rates is an essential condition of the Contract. If the Seller tries to increase them or refuses to perform the Contract for the price and/or the rates of the Contract, it will be considered a material breach thereof.

6.19. Subject to clause 3.2 of the General provisions of the contract, in all cases, the Seller shall be liable for any loss or damage caused by persons used by him during the delivery of the Goods and/or provision of the Services, regardless of whether such loss or damage would be caused to the Buyer, its employees or any third parties and their property. Such circumstances shall be considered a material breach of the Contract if the

**PURCHASE AND SALE CONTRACT OF GOODS AND SERVICES
GENERAL PROVISIONS OF THE CONTRACT**

1. GENERAL PROVISIONS

1.1. Definitions

1.1.1. Unless it is provided otherwise, the concepts starting with a capital letter and used in this Contract or in communication between the Parties shall have the following meanings:

- a) Deed shall mean a conveyance-acceptance deed of Goods and/or Services or another equivalent document signed by the Parties upon delivery of the Goods by the Seller and/or upon picking of the Goods up by the Purchaser in their conveyance place and/or upon provision of the Services by the Supplier;
- b) Group shall mean a group of enterprises controlled by UAB "EPSO-G" that consists of UAB "EPSO-G" and the daughter enterprises controlled directly and indirectly by UAB "EPSO-G";
- c) Seller shall mean a Contract's party that sells the Goods and/or Services specified herein to the Purchaser;
- d) Services shall mean the services specified in the Contract that the Seller undertakes to provide to the Purchaser;
- e) Purchaser shall mean a Contract's party that buys the Goods and/or Services specified herein from the Seller;
- f) Purchase shall mean buying of the Goods and/or Services, with regard to which the Contract was made;
- g) Goods shall mean equipment, parts, materials, software and any other goods and/or works and services of delivery, installation, implantation and preparation for use of the bought services, if such services or works only supplement delivery of the Goods;
- h) Contract's price shall mean the price indicated in the Contract formed from the price of all the sold Goods and/or Services incl. VAT (if applicable), when the fixed price and fixed price with revision is chosen. When the Goods and/or Services are bought according to the rates, it shall mean a maximum price payable to the Seller for the Goods and/or Services under the Contract, including VAT (if applicable);
- i) Contract shall mean a contract made by the Seller and the Purchaser: General Conditions of the Contract and Special Conditions of the Contract, as amended or supplemented, whereby the Parties undertake to act in compliance with the Contract's conditions;
- j) Parties shall mean the Seller and the Purchaser together, while a Party shall mean one of them;
- k) Law on Public Procurement shall mean the Law on Public Procurement of the Republic of Lithuania;
- l) Law on Procurement shall mean the Law on Procurement carried out by Contracting Entities that operate in Water Management, Energy, Transport and Postal Services Sector of the Republic of Lithuania

1.2. Subject of the Contract

1.2.1. Hereby the Seller undertakes to sell the Goods and/or Services specified herein, while the Purchaser undertakes to sell the Goods and/or Services indicated herein, and the Purchaser undertakes to pay for them under the terms and conditions of this Contract. The price of services, goods or works necessary for proper implementation of the Contract (for example, training, installation, etc.) shall be included into the Contract's price.

1.2.2. While implementing the Contract, the Parties undertake to observe all the conditions provided herein, as well as legal acts of the Republic of Lithuania and the legal acts of the European Union valid in the Republic of Lithuania and other legal acts applicable for the Contract.

1.2.3. Compliance with the quality of the Goods and/or Services (conformity to the Contract's conditions), the terms of their delivery and/or provision and any quality guarantees shall be regarded as

essential conditions of this Contract. Unless the Special Conditions of the Contract provide otherwise, it shall be considered that the Seller has violated the Contract essentially when the Goods and/or Services are provided exceeding the set deadline by more than:

- a) 15 days (if the term for fulfilment of obligations set in the Contract does not exceed 3 months);
- b) 30 days (if the term for fulfilment of obligations set in the Contract is longer than 3 months, but shorter than 6 months);
- c) 45 days (if the term for fulfilment of obligations set in the Contract is longer than 6 months, but shorter than 12 months);
- d) 60 days (if the term for fulfilment of obligations set in the Contract is longer than 12 months).

1.2.4. If the price-forming specified in the Special Conditions of the Contract is fixed rate, fixed rate with revision or variable rate, the Purchaser does not commit to buy the total amount of the Goods and/or Services indicated in the Technical Specification and/or all the Goods and/or Services for the total price of the Contract. The Goods and/or Services shall be bought as needed. It may be provided in the Special Conditions of the Contract that if necessary, the Purchaser may buy from the Seller the Goods and/or Services not listed in the list of the Goods and/or Services but related to the Purchase object (without exceeding 10 percent of the Contract's price). The Goods and/or Services not listed in the list of the Goods and/or Services but related to the Purchase object shall be paid without exceeding the prices specified in the Seller's trade place, catalogue or website on the day of order, or, if such prices are not published, then the competitive prices offered by the Seller in conformity with the market shall be used.

1.2.5. If the price-forming specified in the Special Conditions of the Contract includes reimbursement of the Contract's implementation costs, upon the Purchaser's request, before the invoice is issued, the Seller has to provide the documents of third parties supporting the expenses. The prices not exceeding the market prices shall be paid for the Goods and/or Services not listed in the list of the Goods and/or Services but related to the Purchase object. The Seller's profit may be included into the factually incurred expenses. The Seller shall cover the expenses related to other activities of the Seller or the Seller's activities according to other orders. The Seller's decisions made in the course of the Contract's implementation in relation to factual expenses shall be coordinated with the Purchaser beforehand.

1.3. Responsible Persons

1.3.1. The Parties shall solve the Contract-related issues through the responsible persons indicated in the Contract. The communication between the responsible persons shall be carried out using the provided contacts.

1.3.2. The Parties guarantee hereby that the appointed responsible persons shall have all the necessary powers to implement the Contract. The decisions of the responsible persons made in contradiction to the Contract without separate authorization shall be invalid and shall not create any new rights and duties to the Parties.

1.3.3. Any Party is entitled to replace unilaterally any responsible person specified in the Contract, provided the other Party is notified thereof in writing without delay.

1.4. Execution Schedule

1.4.1. If it is provided in the Contract that it will be executed according to the schedule or the program agreed by the Parties (hereinafter – Schedule) and the Schedule is not enclosed as the Contract's annex, the Seller undertakes to prepare a Schedule and to submit it for adjustment

to the Purchaser within 10 days after the Contract's conclusion but not later than before the delivery of the Goods and/or beginning of provision of the Services, unless the Special Conditions of the Contract provide otherwise.

1.4.2. The coordinated Schedule shall be confirmed by responsible persons of both Parties. The Schedule should reflect the main terms of the Contract's execution, their sequence and interrelation. It has to be indicated also in the Schedule, what actions in what terms the Purchaser has to perform in order to implement the Contract on time and properly. The Purchaser undertakes to approve the submitted Schedule or to give reasoned comments within 5 days after receipt of the Schedule. If the Schedule is returned to the Seller for correction, the Seller undertakes to submit the Schedule for repeated adjustment within 5 days after receipt of the comments. If the Seller does not revise the Schedule according to the Purchaser's comments groundlessly, it shall be considered that the Seller has not submitted the Schedule repeatedly within the term set in this clause and thus, it may incur liability specified in the Contract.

1.4.3. If the Contract's execution is behind the approved Schedule, upon the Purchaser's request, the Seller undertakes to indicate the reasons of delay in writing in 5 days and to submit an updated Schedule to the Purchaser for adjustment.

1.4.4. The Schedule is intended to organize and observe the Contract's execution. The changes in the Schedule shall never mean modification of the Contract's terms and thus the Seller shall not be released from responsibility for non-compliance with such terms.

1.5. Contract's Execution

1.5.1. The Seller undertakes to execute the Contract for its own risk and account as carefully and effectively as possible, for the best interests of the Purchaser, in accordance with the universally recognized professional, technical standards and practice, using all the necessary skills and knowledge.

1.5.2. The Purchaser shall be entitled to inspect and assess, how the Goods are delivered and/or Services are provided. Upon the Purchaser's request, the Seller shall present all the information and documentation that could be needed to show the progress of the Contract's execution, its results and compliance with the Contract's requirements.

1.5.3. The Seller undertakes to remove all the defects identified in the course of the Contract's execution immediately and to notify the Purchaser about all the circumstances that could affect proper execution of the Contract. The term set to remove the defects does not create the ground to extend the Contract and does not withdraw the Purchaser's right to impose responsibility on the Seller for untimely or improperly implemented Contract.

1.5.4. Each Party undertakes to reply to the inquiry of another Party immediately and not later than in 3 business days after receipt of respective inquiry, unless later day is indicated in the inquiry. The Parties may answer within longer period if it is needed objectively. The Parties shall inform each other thereof, stating the reasons.

1.5.5. If the Seller has to deliver the Goods and/or to provide the Services in the Purchaser's objects (plants) and/or their protection areas, the access to which needs the Purchaser's permit, the Seller undertakes to get all the necessary documents for such a permit before delivery of the Goods and/or beginning to provide the Services, and not to deliver the Goods and/or to provide the Services without having such a permit of the Purchaser. The permit issued by the Purchaser shall be valid for the entire period of delivery of the Goods and/or provision of the Services in the specified objects and/or areas. The Seller has to safeguard that all the sub-suppliers delivering its Goods and/or providing its Services would get the Purchaser's permit if sub-suppliers are assigned to deliver the Goods and/or to provide the Services in the specified objects and/or areas.

1.5.6. If the Goods are delivered and/or the Services are provided according to individual orders of the Purchaser, such orders shall be made and confirmed in writing and/or by phone and/or by e-mail.

Unless the Technical Specification provides otherwise, when the orders are made, the Parties shall coordinate the amounts of the ordered Goods and/or scope of the ordered Services, their delivery terms and/or place and other necessary conditions. The orders shall be considered coordinated when confirmed by both Parties.

1.5.7. The order shall be considered fulfilled when the Seller delivers and conveys to the Purchaser all the ordered Goods and/or provides all the ordered Services.

1.5.8. The orders may be modified or cancelled by mutual agreement of the Parties' representatives.

1.6. Qualification

1.6.1. The Seller undertakes to guarantee that the Seller and the persons implementing its contractual obligations would have all the licences, permits, certificates, qualification and occupational safety certificates, as well as the needed qualification and competence to carry out the obligations provided in the Contract.

1.6.2. If the Purchase Conditions provide particular qualification requirements for the persons implementing the Contract of if the Seller based its offer on experience of such persons, only the persons satisfying such requirements are entitled to implement the Contract. When the persons indicated at the time of Purchase by the Seller are changed, the Seller has to get a written consent of the Purchaser. The Seller shall give the consent only after the Seller provides the documents supporting qualification and experience of persons in question.

1.6.3. If the Seller's qualification to engage in certain activities has not been checked or has been checked not in full scope, the Seller commits to the Purchaser that the Contract will be executed only by entitled persons.

1.6.4. The repeated violation of the conditions of this section shall be regarded as an essential violation of the Contract.

1.7. Sub-supply

1.7.1. If the Seller uses sub-suppliers to implement the Contract, before the Contract is made, the Seller undertakes to notify the names, contact data and representatives of the sub-suppliers to the Purchaser, if they have not been provided in the offer (in wide sense). The Seller has to guarantee that the sub-suppliers engaged to execute the Contract would have the needed qualification and experience at the time of the Contract's conclusion and in course of its validity and there would be no grounds for their removal (if applicable). The Seller undertakes to notify the Purchaser about changes in the aforementioned information during the entire validity period of the Contract, as well as about any new sub-suppliers to be engaged later. The Seller shall notify the Purchaser about newly engaged and/or replaced sub-suppliers not later than within 5 business days before their engagement and/or replacement.

1.7.2. The Seller may replace the sub-suppliers, whose capacities were not used by the Seller to substantiate the qualification requirements in the Purchase Conditions, at its own discretion, provided the Purchaser has been notified in writing thereof. The Purchaser shall have a right to check whether there are no grounds for removal of the sub-supplier (if applicable). If the sub-supplier's position satisfies at least one ground for removal indicated in the Purchase Conditions, the Purchaser demands to replace that sub-supplier by a sub-supplier, who satisfies the requirements in full.

1.7.3. The Seller may replace the sub-suppliers, whose capacities were used by the Seller to substantiate the qualification requirements in the Purchase Conditions, only upon receipt of the written consent of the Purchaser, after the Purchaser has checked whether the sub-supplier has the needed qualification and/or experience and whether there are no grounds for removal of the sub-supplier (if applicable). The Purchaser confirms that it will not withhold its consent to replace the sub-supplier groundlessly. The condition specified in this clause is essential and its repeated violation shall be regarded as an essential violation of the Contract.

1.7.4. If it is possible according to the Contract's character, the possibility of direct payment to the sub-suppliers shall be provided in the Special Conditions of the Contract. If the sub-supplier expresses the wish to use the possibility of direct payment, a trilateral agreement between the Purchaser, the Seller and the sub-supplier shall be made. If the Special Conditions of the Contract do not provide such a possibility, it shall be considered that the Contract's character does not provide an opportunity of direct payment to the sub-suppliers.

1.8. Quality Requirements for the Goods

1.8.1. The Goods have to be in full set and suitable for their intended purpose.

1.9. Quality Requirements for the Services

1.9.1. The Services have to satisfy all the requirements provided herein, as well as legal acts of the Republic of Lithuania and the legal acts of the European Union valid in the Republic of Lithuania and other legal acts applicable for the Contract with regard to safe product, hygienic norms, occupational safety, etc.

1.9.2. The Seller guarantees that at the time of conveyance-acceptance of the Services (their result) and at any time afterwards (during the entire quality guarantee term, if applicable), the Services shall satisfy the requirements set in the Contract, applicable legal acts and standards, that they will be provided qualitatively, and without mistakes that would cancel or educe value of the Services or their suitability for ordinary use.

1.10. Suspension

1.10.1. The Purchaser shall have a right to suspend delivery of the Goods and/or provision of the Services if the Seller does not act in compliance with occupational safety, hygienic norms and/or other requirements provided in the legal acts, as well as due to other reasons, as specified in clause 1.10.2 of the General Conditions of the Contract.

1.10.2. The Purchaser may suspend implementation of the Seller's contractual obligations or part of them due to the reasons listed below, provided they have direct impact on the implementation of contractual obligations (their part):

- a) additional surveys (e.g., engineering, archeologic surveys, etc.) that were not foreseen but that are necessary;
- b) delay in conveyance of the object (another supplier, service provider and/or contractor is still working in the object);
- c) influence of the third parties;
- d) stopped or lacking financing;
- e) additional time is needed to carry out another purchase;
- f) the equipment, materials, etc. that have to be provided by the Purchaser have not been delivered;
- g) physical obstacles (e.g., emergency works);
- h) other circumstances that were not known at the time of the Purchase and that would be encountered by any supplier, service provider and/or contractor;
- i) the pending pre-trial or judicial disputes of the Purchaser with the third parties that have direct impact on the Contract's implementation.

1.10.3. The maximum suspension term of the implementation of the Seller's contractual obligations or part of them shall be 6 months.

1.10.4. The implementation of the Seller's contractual obligations or part of them shall be extended for the period remaining for their implementation under the Contract before the suspension.

1.10.5. The Purchaser shall notify the Seller about suspension of the implementation of the Seller's contractual obligations or part of them in writing under the terms and conditions of the Contract.

1.11. Fulfilment of the Contract

1.11.1. The Goods shall be delivered and conveyed to the Purchaser properly and the Services shall be provided properly when the Purchaser confirms their delivery and/or provision. If the Contract provides that delivery of the Goods and/or provision of the Services

have to be confirmed in writing, the Seller shall draft the Deed. One copy of the Deed shall be given to the Purchaser. If certain defects are recorded in the Deed, the signed Deed shall only confirm factual delivery of the Goods and/or provision of the Services but it shall not be regarded as a legal ground to receive payment before all the defects specified in the Deed are removed and confirmed by the Parties. Purchaser shall sign and return the Deed or provide its objections within 10 working days after receipt from the Seller otherwise Services shall be deemed accepted.

1.11.2. When the Goods sold under the Contract have to be installed, fitted and adjusted by the Seller or other works related to the Goods' delivery, the Goods are considered conveyed to the Purchaser after provision of these services and/or performance of the works, unless the Special Conditions of the Contract provide otherwise.

1.11.3. The Purchaser shall indicate evident quality defects of the Goods and/or Services that may be checked at the time of their conveyance-acceptance to the Seller in writing and shall not accept such Goods and/or Services (the part of which has been determined a defective) until the specified defects are removed.

1.11.4. Delivery of the Goods and/or provision of the Services shall not be regarded as unconditional confirmation of the Purchaser that the Goods and/or Services satisfy the Contract's requirements and do not cancel the Purchaser's right to demand to eliminate the defects later, if they could not have been detected reasonably at the time of conveyance-acceptance.

1.11.5. The ownership to the results of the Goods and/or Services and the risk of their accidental loss shall be transferred to the Purchaser when certain results of the Goods and/or Services are conveyed.

1.12. Quality Guarantee

1.12.1. The guarantee term set in the legal acts and/or by the manufacturer shall be applied for the Goods and/or Services, unless different guarantee term is specified in the Special Conditions of the Contract. If the guarantee term is not specified anywhere, the quality guarantee term of 24 months shall be applicable. This term is calculated from the moment when the final inspection report has been provided to the Buyer.

1.12.2. The Seller has to remove the defects of the Goods and/or Services that appear during the guarantee term free of charge within 10 days after the written request of the Purchaser is received, unless the Special Conditions of the Contract provide otherwise, or within the term agreed by the Parties in writing that they consider objectively necessary to remove these defects. The Goods and/or Services shall be accepted for after-sales service by the Seller in the place where they were or had to be conveyed to the Purchaser, unless the Parties agree otherwise.

1.12.3. The quality guarantee shall not be applicable for the defects that have appeared after conveyance of the Goods and/or Services to the Purchaser because the Purchaser was ignoring the use, maintenance and operation instructions, improper or inadequate cleaning of any Pipeline; environmental conditions; incorrect data provided by Buyer; or any other cause not the fault of Seller.

1.12.4. The term of quality guarantee shall be suspended for the period, during which the results of the Goods and/or Services could not have been used because of defects, for which the Seller is responsible.

1.12.5. If the Seller does not start removing the defects, does not remove the defects and/or correct direct damage caused by such defect during the guarantee term within the term indicated in the Contract, the Purchaser may remove the defects itself or with the help of third persons for the account of the Seller. In such a case, the Seller's guarantee obligations shall not be cancelled and the Seller shall have to reimburse the losses incurred by the Purchaser thereof.

2. PRICE AND PAYMENT

2.1. Contract's Price

2.1.1. The Contract's price includes all the direct and indirect expenses related to the Contract's execution, including acquisition of devices, materials, products, tools and other things (save for the cases when they have to be provided by the Purchaser under the Contract), transportation, installation, preparation of documentation, training of the Purchaser's staff to use the Goods and/or Services, the Purchaser's consultation, all the due taxes and charges necessary to provide the Goods and/or Services specified in this Contract, unless it is clearly stated in the Contract that such expenses should be covered separately.

2.1.2. The Contract's price may be amended only in cases specified in the Contract. No additional payments not agreed by the Parties in writing in advance shall be made. The revision of the Contract's price is described in clause 2.1.4 of the General Conditions of the Contract. Other revision conditions of the Contract's price may be provided in the Special Conditions of the Contract.

2.1.3. The Parties agree that in case of the circumstances beyond control of the Parties, the appearance of which could not have been foreseen reasonably by the parties at the time when the offer was made, and the risk of appearance of which was not assumed by any of the Parties (e.g., in case of clearly provable inaccuracies or mistakes in the technical documentation that was used to prepare the requirement consolidated in the Purchase Conditions, that make certain part of the Goods and/or Services not necessary anymore; or when after the beginning of delivery of the Goods and/or provision of the Services, it is determined that part of the Goods and/or Services is not needed already; or when amendment of legal acts result in part of the Goods and/or Services not to be needed anymore, etc.), the Purchaser has a right to refuse part of the Goods and/or Services in the course of the Contract's execution. If some Goods and/or Services are cancelled, the Contract's price shall be reduced by the value of the cancelled Goods and/or Services that is calculated according to the rates of certain Goods and/or Services provided in the offer. If there are not sufficient details in the offer to calculate the value of the cancelled Goods and/or Services, this value shall be calculated on the basis of the estimate submitted by the Seller and coordinated with the Purchaser prepared specifically to calculate the value of the cancelled Goods and/or Services. The Purchaser shall have the right to check the estimate prepared by the Seller and conformity of the specified rates with the market prices, as well as to negotiate them.

2.1.4. The Parties agree that VAT shall be calculated according to the rates valid at the time of the invoice's issuance.

2.2. Payment

2.2.1. An electronic invoice and payment-related documents shall be submitted using the means chosen by the Seller: the Seller may submit an e-invoice that would satisfy the requirements of the EU Directive 2014/55 or an e-invoice of another format provided by the information system "E-Invoice" administered by SE Centre of Registers. In case of periodical monthly payments, an invoice for previous month has to be submitted not later than on the 2nd business day of the current month. Of individual orders for purchase are made or the Goods and/or Services of one-time character are bought, an invoice has to be delivered not later than within 2 business days after the Deed for the Goods and/or Services has been signed. Other payment conditions may be provided in the Special Conditions of the Contract.

2.2.2. The Purchaser shall pay the invoice submitted under the Contract within 30 days, unless the Special Conditions of the Contract provide otherwise. If the Purchaser is late to pay when the invoice has been delivered in accordance with clause 2.2.1 of the General Conditions of the Contract, the Seller is entitled to demand for default interest of 0,04 percent from outstanding amount for each overdue day.

2.2.3. The Purchaser has a right to withhold the amounts payable to the Seller under the Contract (without limitation to this Contract), if some defects of the Goods and/or Services are identified or other contractual obligations are not implemented. The Purchaser has a right

to use the withholding right described in this clause only in the scope necessary to guarantee implementation of the substantiated demands.

2.2.4. The Purchaser is entitled to set off any monetary demands by any amounts payable to the Seller at any time, provided the Seller is notified thereof in writing. If currency of the liabilities differs, the Purchaser may convert an amount of any liability according to the exchange rate valid in the market and used in ordinary activities to set off the counterdemands.

3. RESPONSIBILITY

3.1. Losses and Forfeit

3.1.1. The forfeit provided in the Contract (fines and default interest) shall be recognized as minimal losses foreseen by the Parties in advance regarding violation of certain provision of the Contract that the aggrieved Party does not need to prove. Payment of the forfeit to the aggrieved Party does not withdraw the right to demand for losses not covered by forfeit and does not exempt the Party that has paid the forfeit from implementation of the contractual obligations.

3.1.2. If the Seller is late to implement its contractual obligations or if it is implementing them improperly, the Purchaser is entitled to impose default interest of 0,04 percent from the value of late or improperly implemented contractual obligations, and if there is no possibility to determine their value – to impose default interest of 0,04 percent from the Contract's price for each overdue day, unless the General Conditions of the Contract or the Special Conditions of the Contract provide otherwise.

3.1.3. If the Seller is implementing its contractual obligations improperly, having warned the Seller in writing at first, the Purchaser shall be entitled to use the securities of the obligations provided in the Contract without asking for separate consent of the Seller. If the Purchaser decides to use the securities of the obligations, they shall be used in the following order, i.e., the Purchaser:

- a) shall reduce any amounts payable by the Purchaser to the Seller for the delivered Goods and/or provided Services by the amount of forfeit;
- b) shall use the bank guarantee if the calculated amount of forfeit exceeds 10 percent of the Contract's price;
- c) shall terminate the Contract if the amount of calculated forfeit exceeds 20 percent of the Contract's price.

3.2. Restriction of Responsibility

3.2.1. According to the Contract, the Parties shall be responsible only for direct losses incurred by the other Party and shall not be responsible for indirect losses, including not gained profit, lost savings or business opportunities.

3.2.2. All the direct losses shall be limited by the Contract's price. This amount cannot be smaller than 3 000 euros, if the Contract's price does not exceed 3 000 euros.

3.2.3. Total amount of forfeit imposed under the Contract shall be limited by 20 percent of the Contract's price; if the Contract's price does not exceed 3 000 euros – by the amount not exceeding 1 500 euros.

3.2.4. The provisions on the restriction of responsibility provided in the Contract shall not be applicable to the damage caused deliberately, by gross negligence, as well as to damage caused to third persons.

3.3. Release from Responsibility

3.3.1. The Party shall not be held liable for non-implementation of any contractual obligations if it can prove that this was caused by the circumstances beyond its control, that could not be foreseen reasonably at the time of the Contract's conclusion and that could not be prevented (including the consequences), and the risk of which was not assumed by neither Party (hereinafter – *force majeure* circumstances).

3.3.2. The Party shall be released from responsibility if non-implementation of its obligations was affected by decisions, actions

and omission to act by itself, its sub-suppliers, the subjects that are managing that Party directly or indirectly or that are managed by that Party, also its employees (including strikes), management bodies or their members.

3.3.3. The Party has to notify the other Party about the *force majeure* circumstances, their influence on the Contract's implementation and terms immediately, and in any case, not later than within 5 business days after their appearance or learning about them. The evidence of existence of the aforementioned circumstances has to be submitted. If timely notification is not made, it shall be considered that such circumstances had had no impact on the Contract's implementation until the notice was sent.

3.3.4. When *force majeure* circumstances appear, the Party has to take all the reasonable efforts to reduce the damage and their effect on the execution terms as much as possible.

3.3.5. The ground to release from responsibility appears only within the period of the aforementioned circumstances, and when they are eliminated, the Party has to resume its obligations immediately.

3.4. Insurance

3.4.1. The conditions indicated further in this section shall be applicable only in cases when the Seller's duty to insure or to be insured by the specified insurance is provided in the Contract.

3.4.2. The Seller has to conclude for its own account, to extend (renew) the insurance contracts if they terminate earlier than the Contract, and to submit the supporting documents to the Purchaser.

3.4.3. The Seller has no right to make any amendments in the conditions of the insurance contract without advance written consent of the Purchaser. If the insurer initiates amendments of the insurance contracts, gets bankrupt or insolvent, the Seller has to notify the Purchaser thereof without delay.

3.4.4. If the Seller does not make an insurance contract on time, does not extend it or submit the evidence about its conclusion, extension or validity, the Purchaser shall be entitled to enter into the insurance contract under the Contract's conditions or to suspend the amounts payable to the Seller until the Seller implements its obligations provided in this section. If the Purchaser is paying insurance premiums, it shall be entitled to deduct them unilaterally from the amounts payable to the Seller.

3.5. Security

3.5.1. If it is provided in the Contract that its execution shall be secured by the bank guarantee, this security has to be submitted to the Purchaser before signing the Contract. It shall be regarded as one of pre-conditions for the Contract's entering into force. If it is provided in the Contract that its execution shall be secured by the bank guarantee submitted by the Seller, this guarantee has to be issued by the bank acceptable to the Purchaser and shall satisfy all the requirements provided in the Contract, be valid until the final conveyance of the Goods, provision of the Services and until the deadline for payment for them. If the Contract is not executed 30 days before the expiry date of the bank guarantee, the Seller undertakes to extend the guarantee not later than 10 days before the expiry date of the bank guarantee or to submit a new bank guarantee that would be valid for the period that would not be shorter than until the deadline for conveyance of the Goods, provision of the Services and payment for them.

3.5.2. The bank guarantee has to be a demand, unconditional and irrevocable guarantee. The amounts secured by the bank guarantee have to be indicated in the currency, in which the payments under the Contract are made.

3.5.3. It has to be stated in the bank guarantee that:

- a) the bank undertakes to pay the amount demanded by the Purchaser not exceeding the amount indicated in the bank guarantee within 10 days after receipt of the first written demand of the Purchaser;

- b) the Purchaser does not need to substantiate its demands in the written demand. It simply has to state that the Seller has not implemented or has implemented improperly its contractual obligations;
- c) the Uniform Rules for Demand Guarantees of the International Chamber of Commerce (ICC Publication No. 758) shall be applicable to the bank guarantee, including the exceptions specified in the bank guarantee and in the imperative legal acts of the Republic of Lithuania;
- d) the disputes between the Parties shall be referred to the courts of the Republic of Lithuania/ Vilnius Court of Commercial Arbitration (one of these locations shall be indicated in the bank guarantee; if Vilnius Court of Commercial Arbitration is chosen, the bank issuing the bank guarantee shall determine the conditions of the dispute resolution (number of arbitrators, language of arbitration, etc.));
- e) validity term of the bank guarantee and the amount secured thereby.

3.5.4. Before the Seller submits a bank guarantee, it may ask the Purchaser to confirm that the Purchaser agrees to accept the bank guarantee offered by the Purchaser. In such a case, the Purchaser has to answer to the Seller not later than within 3 business days after receipt of the application.

3.5.5. The Purchaser has the right not to accept the bank guarantee and/or consider it to be invalid, and/or refer to the Seller for a new bank guarantee, and the Seller has to deliver that bank guarantee as soon as possible, if the bank guarantee does not satisfy the Contract's requirements or if the Purchaser has information about suspension or possible suspension of the activities of the bank that has issued the guarantee (including insolvency, liquidation or procedures of application of legal protection).

3.5.6. If the Seller does not extend the bank guarantee or does not submit a new guarantee on time, the Purchaser shall have the right to demand for default interest of 0,1 percent for each overdue day or to suspend the payments to the Seller for the amount of the bank guarantee. In such a case, the withheld amounts shall be paid to the Seller not earlier than the bank guarantee is extended or anew bank guarantee is delivered, or an obligation to extend or submit the bank guarantee disappears. The lawful deductions should be made before payment.

3.5.7. When the Seller executes the Contract properly, upon the Seller's request, the Purchaser shall return the bank guarantee to the Seller.

4. CONTRACT

4.1. Validity of the Contract

4.1.1. The Contract enters into force when it is signed by the last signatory (unless the Special Conditions of the Contract provide otherwise) and shall be valid until all the contractual obligations of the Parties are implemented or until the Contract is terminated. The conditions on quality guarantee, responsibility, confidentiality, data protection, intellectual property, sending and receiving of notices, language, dispute solution and other conditions that survive the contract's termination or implementation according to their essence shall survive the Contract's termination and implementation.

4.1.2. If any provision of the Contract is or becomes invalid completely or partially because it contradicts to applicable legal acts or because of any other reason, the remaining provisions of the Contract shall remain valid in full scope. In such a case, the Parties shall negotiate in good will and endeavour at replacing the invalid provision by a lawful and valid provision that would allow achieving the same legal and economic result (as much as it is possible) as the replaced provision of the Contract.

4.1.3. If the Special Conditions of the Contract provide a possibility to extend the Contract and all the extension-related conditions are fulfilled, the Contract shall be extended automatically for minimal

term, unless one of the Parties expresses wish to terminate the Contract at least 30 days before the expiry term.

4.2. Termination and Modification of the Contract

4.2.1. The Contract may be amended by written agreement of the Parties if this does not contradict to the procedure described in the Law on Public Procurement /Law on Procurement.

4.2.2. Both Parties shall be entitled to terminate the Contract unilaterally in extrajudicial procedure, provided the other Party has been notified in writing at least 10 days beforehand, in the following cases:

- a) the bankruptcy, restructuring or liquidation is initiated against the other Party, it becomes insolvent or suspends the economic activities, or analogous situation is formed, as described in the legal acts;
- b) the Contract's execution is suspended because of *force majeure* circumstances for more than 120 days.

4.2.3. The Purchaser shall be entitled to terminate the Contract unilaterally, provided the Seller has been notified thereof at least 10 days in advance, in the following cases:

- a) if the Seller commits essential violation of the Contract;
- b) if the Seller assigns the rights and duties arising from the Contract to third persons, without having a written consent of the Purchaser;
- c) if the Seller does not satisfy the qualification requirements and removal grounds described in the Purchase Conditions and/or if the Seller loses the right to engage in the activities specified in the Contract;
- d) if the Seller cannot and/or refuses to fulfil the contractual obligations or part of them because of own fault, regardless of the value of those obligations;
- e) if the Seller violates repeatedly the provisions of clause 1.6 of the General Conditions of the Contract;
- f) if the Seller acknowledges in writing to the Purchaser and/or other persons or announces publicly that it is incapable to cover the existing debts or to make future payments;
- g) if the amount of default interest payable by the Seller exceeds 20 percent of the Contract's price;
- h) if, after the Contract has been extended, the Seller does not extend the bank guarantee or does not submit a new bank guarantee;
- i) if the circumstances are learnt that allow the Purchaser to believe reasonably that the Seller will not fulfil properly the obligations provided in the Contract (e.g., the Seller is not fulfilling its financial obligations to credit institutions and/or competent authorities impose appropriate impact measures on the Seller resulting in withdrawal or essential restriction of the Seller's rights related to delivery of the Goods and/or provision of the Services);
- j) if, on the Purchaser's request, the Seller does not submit evidence that would disprove the circumstances leading to termination of his Contract;
- k) if real or potential conflict of interests with the Purchaser appears in the course of the Contract's execution, and thus an objective and appropriate execution of the Contract becomes impossible;
- l) due to other important circumstances not specified in the Contract and legal acts. In such a case, the Purchaser shall reimburse reasonable expenses of the Seller incurred before receipt of the Purchaser's notice in attempt to execute the Contract, if such expenses were approved by the Purchaser in advance.

4.2.4. The Seller shall be entitled to terminate the Contract unilaterally, provided the Purchaser has been notified thereof at least 10 days in advance, if the Purchaser is late to make a payment for more than 30 days.

4.2.5. If the Contract is terminated at the Seller's fault, the Purchaser shall have the right to demand to pay the fine equal to 5 percent from the Contract's price (however, the amount cannot be smaller than 3 000 euros).

4.2.6. The Contract may be terminated by mutual agreement of the Parties, and in the cases provided in the Law on Public Procurement /Law on Procurement.

4.2.7. The term for delivery of the Goods and/or provision of the Services may be extended in case of the following circumstances:

- a) unfavourable weather conditions that prevent delivery of the Goods and/or provision of the Services – intensive showers, floods, dense fog, squalls, abundant snow, blizzard, etc. This possibility shall be applicable only for the part of the Goods and/or Services, the quality, delivery and/or provision of which depend on the nature;
- b) the Purchaser's actions or omission to act prevent the Seller to implement the contractual obligations properly and on time, including the Purchaser's delay to assign the specialists, who would be responsible for implementation of the obligations provided in the Contract, as well as non-implementation or improper implementation of other obligations of the Purchaser assumed by the Contract;
- c) non-implementation of any functions assigned by legal acts to the State or municipal institution, authority or organization or another operator within the set (or reasonable) term;
- d) protracted procurement procedures resulting in impossibility or excessive difficulty to start and/or finish delivery of the Goods and/or provision of the Services within the set term;
- e) delay, obstacles or hindrances appear without any input of the Seller, the appearance of which is attributed to third persons (e.g., improper implementation of another contract of the Purchaser, the implementation whereof would affect directly the Contract executed by the Seller);
- f) instructions given by the Purchaser to the Seller that are not included into the Contract's object and that affect execution terms of the Seller's contractual obligations;
- g) other cases provided in the Special Conditions of the Contract, in the Law on Public Procurement /Law on Procurement.

4.2.8. If Special Conditions of the Contract do not provide otherwise, the term for implementation of contractual obligations may be extended due to circumstances provided in clause 4.2.7 of the General Conditions of the Contract for the period not exceeding 6 months. The Seller has to refer to the Purchaser not later than within 10 days after appearance of the aforementioned circumstances.

4.2.9. If the Seller asks to extend the term for delivery of the Goods and/or provision of the Services, it has to substantiate existence of certain circumstances and their impact on the terms of delivery of the Goods and/or provision of the Services. The term for delivery of the Goods and/or provision of the Services may be extended only for the duration of the aforementioned circumstances. The Parties shall agree in writing about extension of the term for delivery of the Goods and/or provision of the Services, and that agreement becomes an integral part of the Contract.

4.3. Interpretation of the Contract

4.3.1. The Contract shall be governed and interpreted accordance to the laws of the Republic of Lithuania.

4.3.2. When required so by the context, the words in singular form may also mean plural, and vice versa, in the Contract.

4.3.3. The headings of the Contract's sections are provided to make the reading easier, and cannot be used directly to interpret the Contract.

4.3.4. For the purpose of the Contract's interpretation and application, the following sequence of priority of the Contract's documents shall be established:

- a) Technical Specification;

- b) Special Conditions of the Contract;
- c) General Conditions of the Contract;
- d) Interpretations and revisions of the purchase documents, if applicable;
- e) Purchase Conditions;
- f) Seller's offer.

4.3.5. The terms indicated in the Contract shall be calculated in calendar days, months and years, unless the Contract provides otherwise.

4.3.6. Business days indicated in the Contract shall mean any day from Monday to Friday, save for national holidays specified in the Labour Code of the Republic of Lithuania. If the term indicated in the Contract ends on the rest day, the term shall be postponed for the next business day. The work hours (work time) shall mean the opening hours available on the Purchaser's website.

5. FINAL PROVISIONS

5.1. Statements and Warranties

5.1.1. By signing this Contract, both Parties state and warrant that:

- a) they have entered into the Contract with the aim to implement its provisions and being capable to implement the contractual obligations in the scope and terms specified in the Contract;
- b) they are solvent and financially capable to implement the Contract, their activities are not restricted, no judicial proceedings regarding restructuring or liquidation are pending or threatening, they have not suspended or restricted their activities, and no bankruptcy proceedings have been initiated against them;
- c) they have all the permits, decisions, consents and approvals necessary to enter into this Contract, to implement properly and completely all the undertaken obligations, and they are capable to present them within the reasonable term set by the Purchaser.

5.1.2. By signing this Contract, the Seller also states and guarantees that:

- a) it has familiarized in full with all the information and documentation related to the Contract's subject and object that is needed to implement the undertaken obligations, and that documentation and information that it contains is completely sufficient for the Seller to safeguard proper and full implementation of the obligations undertaken under the Contract and their quality. The Seller confirms that it has examined the documents indicated in the Contract and submitted in advance, understood and verified them, and it also made sure that according to the best knowledge of the Seller, there are no mistakes or other defects in these documents that could prevent proper and timely implementation of the Seller's obligations;
- b) it has all the technical, intellectual, physical, organizational, financial and any other capacities and characteristics necessary and permitting to implement the Contract's conditions properly.

5.2. Intellectual Property

5.2.1. The Seller undertakes to safeguard that the Purchaser would have the right to use all the delivered Goods and/or results of the Services for their intended purpose at its own discretion, without any restrictions (with regard to territory or time) and without paying any additional fee. The industrial and intellectual property rights to the objects that are conveyed together with the Goods and/or results of the Services shall be used by the Purchaser according to the licensing conditions of these objects as much as they do not contradict to the Contract's conditions.

5.2.2. The Parties agree that any results of provision of the Services prepared or created by the Seller, employees, sub-suppliers or any

other third persons assigned by the Seller while implementing the Contract using and/or on the basis of the material, documentation, information, etc. submitted by the Purchaser (hereinafter – Works) shall become an exclusive property of the Purchaser from the moment of their creation. In addition to the Works, all the industrial and intellectual property rights to the Works shall be conveyed to the Purchaser and they shall become its exclusive property. The following rights shall be included (without limitation): [1] to reproduce the Work in any form and mode; [2] to publish the Work; [3] to translate the Work; [4] to adapt, arrange, stage or remake the Work otherwise; [5] to distribute the original Work or its copies through sale, rent, lease for use or other transfer into ownership or possession, as well as through import and export; [6] to exhibit publicly the original Work or its copies; [7] to perform the Work publicly using any means and methods; and [8] to broadcast, re-broadcast or make the Work public otherwise (including making it available on publicly accessible computer networks (Internet) and to change, adapt and modify the Work otherwise without having a consent of the Seller, its employees or third persons engaged to execute the Contract. The rights listed in this clause shall be conveyed to the Purchaser without any additional fee for the entire validity period of these rights, without any limitations regarding the territory, in the maximum scope permitted by the legal acts.

5.2.3. In order to safeguard proper implementation of the provisions of this section, the Seller undertakes to enter into the necessary agreements with the assigned employees, sub-suppliers and any third persons. The Seller also undertakes to indemnify the Purchaser against any claims of third parties regarding use of the objects of intellectual property, when the Purchaser is using these objects without prejudice to the Contract's conditions.

5.3. Confidentiality and Personal Data Protection

5.3.1. The Seller undertakes not to disclose, not to transmit or transfer otherwise to third persons (except for its affiliates) any information received from the Purchaser for the Contract's implementation, as well as information created while executing the Contract, and the Contract's content, regardless to the form, in which the information is provided (hereinafter – "Confidential Information"). The Seller has to comply with this duty for 10 years calculated from the day when the Contract is fulfilled in full.

5.3.2. The information is not regarded as Confidential Information if:

- a) is or was publicly available at the time of presentation;
- b) was received from third party, to which the Purchaser is not applying any restrictions on disclosure;
- c) cannot be considered confidential according to the valid legal acts;
- d) is specified as non-confidential by the other Party in writing.

5.3.3. If the Seller doubts whether the information is Confidential Information, the Seller shall treat it as Confidential Information.

5.3.4. The Seller undertakes to store the Confidential Information properly and reasonably, in compliance with all the applicable professional standards, to use, multiply and disclose it to the employees, members of management bodies, third persons (sub-suppliers, legal, financial, business and technical consultants), who would be bounded by certain confidentiality obligations, only in the scope necessary to fulfil their contractual obligations.

5.3.5. The Seller undertakes to notify the Purchaser immediately about the occurred or threatening unlawful disclosure or use of the Confidential Information.

5.3.6. The Seller's duty not to disclose the Confidential Information provided herein shall not be applied when it is provided in the legal acts that the Confidential Information has to be disclosed to the competent State, municipal or other authority, institution, organization or its representative, and court. If according to the applicable normative legal acts the Seller has to disclose any part of the Confidential Information, before such disclosure, it has to notify the Purchaser thereof in writing.

5.3.6. If the Seller discloses the Confidential Information unlawfully, it shall pay the fine of 3 000 euros to the Purchaser and reimburse any direct losses incurred by the Purchaser because of this, if they are not covered by the fine.

5.3.7. When the Confidential Information is in electronic form, the Seller undertakes:

- a) to make sure that a legal and functioning version of antivirus software would be installed in all the computer work place, where the electronic Confidential Information will be used while executing the Contract;
- b) to make sure that the electronic Confidential Information would not be transmitted and/or processed online, in spaces of certain services (e.g., Dropbox, Google Drive, One Drive), except when such services are provided to the Seller according to corporate (not personal use) contracts entered into with providers (suppliers) of such services;
- c) to make sure that portable electronic storage media (e.g., USB memory sticks) containing the Confidential Information would be enciphered or stored in locked in the information storage plants (e.g., cabinets, safe boxes, separate locked premises) or protected otherwise from theft or loss.

5.3.8. Each Party acknowledges and confirms that personal data specified in the Contract shall be processed solely for the purpose of the Contract's implementation, in compliance with strict confidentiality obligations and requirements of personal data protection. The requirements of personal data protection, rights of data subjects and duties of data processors are governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

5.4. Conflict of Interests

5.4.1. The Seller undertakes to perform its duties impartially, honestly and properly, to avoid any conflict of interests, and to behave in such a way as not to raise any doubts about such a conflict, to withdraw from making the decisions that may cause conflict of interests. The conflict of interests may be caused by economic, political, family-related, emotional and any other reasons.

5.4.2. If the circumstances are learnt that may cause a conflict of interests to the Seller, it has to refrain immediately from the any actions that could make the conflict of interests real, and it shall submit immediately a written statement in free form (or make an oral statement, by making certain notes in the minutes of meeting) about opting out and/or refraining from certain actions that could make the conflict of interests real. Such a statement should be submitted to the Purchaser's representative indicated in the Contract.

5.4.3. The Seller undertakes not to use and not to allow other persons to use the work position and office for personal gain, to use the information related to the Purchaser's activities for personal benefit and benefit of other persons, and not to use any property, assets and rights of the Purchaser in some other way than for the interests of the Purchaser and the Group, and in accordance with the defined procedures.

5.5. Language

5.5.1. Any communication between the Parties in relation to the Contract's implementation shall be in Lithuanian, unless the Parties agree otherwise. If the Seller's registered address (or place of residence) is not in the Republic of Lithuania, the communication may be carried out in English or in other language agreed by both Parties.

5.5.2. All the documentation presented by the Seller has to be in Lithuanian, unless the Contract provides otherwise or the Parties agree otherwise in writing.

5.6. Notices

5.6.1. All the notices that have to be delivered according to this Contract or other applicable legal acts shall be delivered to the Contract's Party under signature or sent by registered mail or e-mail to the addresses provided in the Contract. The notices shall be considered delivered within 5 business days after the registered mail has been sent to the other Party using the address provided in the Contract. It is considered that e-mail notices are received on the next business day after having been sent.

5.6.2. The Party has to notify the other Party in advance and in writing about its changed particulars. All the notices (documents) sent by one Party to another before receipt of the notice about changed address shall be considered to be delivered properly.

5.6.3. The Contract's number and date have to be indicated in the notices, applications, demands, invoices, deeds and other communication sent by the Parties.

5.7. Settlement of Disputes

5.7.1. Any disputes, disagreements or demands arising from the Contract or related to it, its violation, termination or validity shall be solved by means of negotiations between the Parties.

5.7.2. If the Parties do not succeed in solving the dispute, disagreement or demand by means of negotiations in 30 days, they shall be referred to the court of the Republic of Lithuania according to the Purchaser's registered address.

5.8. Transfer of Rights

5.8.1. The Purchaser is entitled to transfer its rights and/or duties arising from the Contract to third persons without separate consent of the Seller. The Seller shall be notified thereof by written notice.

5.8.2. The Seller has no right to transfer its rights and/or duties arising from the Contract to third persons without written consent of the Purchaser. If the Seller violates this requirement, the Seller and the third person, who has taken over its rights and duties, shall have solidary liability to the Purchaser. The violation of this condition shall be considered an essential violation of the Contract.

5.9. Waiver of Rights

5.9.1. If the Parties do not use any rights provided in the Contract, this shall not mean a waiver of these rights, save for the cases when the waiver is executed in writing.

5.10. Disclosure of Information

5.10.1. Upon the Purchaser's request, the Seller has to provide all the necessary information about the Goods' country of origin, manufacturer, and its shareholders.

5.11. Documents of the Contract

5.11.1. The Contract may be made in several copies of equal legal power that would form one and the same Contract.

TECHNICAL SPECIFICATION

Procurement object: Cleaning and diagnostic services for the internal cavity of major gas pipelines (hereinafter referred to as the MGPs) owned by AB Amber Grid

Description of the procurement object: AB Amber Grid intends to acquire the services of cleaning and diagnostics of major gas pipelines, which are described in this technical specification.

Procurement object: *11 pcs of pipelines. Total number of pipelines is 1031 km*

Table 1. List of major gas pipelines

No.	Operating company	Name of the pipeline	Section boundaries	Diameter, mm/inc	Min. turning radius	Section length, km	Gas flow rate, m/s	Working pressure, bar	Start/end of services
1	AB Amber Grid	MGP Pabradė-Visaginas	Launching trap: Pabradė/ receiving trap: Visaginas	DN 300/ 12"	5D	90.0	0.1/0.3	41	2022 Q2-Q3
2	AB Amber Grid	MGP Panevėžys-Šiauliai II thread, Šiauliai-Kuršėnai II thread	Launching trap: Panevėžys/ reception camera: Kuršėnai	DN 500/ 20"	5D	79.0	1.0/2.0	42	2022 July-August
3	AB Amber Grid	MGP Panevėžys-Šiauliai	Launching trap: Panevėžys/ receiving trap: Radviliškis	DN 350/ 14"	3D	50.0	1.0/1.5	42	2023 Q2-Q3
4	AB Amber Grid	MGP branch to Vandžiogala, Kėdainiai GDS	Launching trap: Kaunas/ receiving trap: Kėdainiai	DN 400/ 16"	3D	37.0	0.2/0.5	30	2023 Q3-Q4
5	AB Amber Grid	MGP Klaipėda-Kuršėnai	Launching trap: Klaipėda/ receiving trap: Kuršėnai	DN 800/ 32"	5D	110.0	2.0/5.0	45	2023 Q2
6	AB Amber Grid	MGP Vilnius-Vievis	Launching trap: Jauniūnai/ receiving trap: Vievis	DN 1000/ 40"	5D	26.0	2.0/3.0	45	2023 Q1

7	AB Amber Grid	MGP to Poland (GIPL)	Launching trap: Jauniūnai /receiving trap: Šeštakai	DN 700/28"	5D	148.0	2.0/5.0	45	2023 Q2
8	AB Amber Grid	MGP branch to Biržai	Launching trap: Pasvalys /receiving trap: Biržai	DN 250/10"	3D	38.0	0.1/0.2	30	2024 Q1
9	AB Amber Grid	MGP Riga-Panevėžys-Vilnius	Launching trap: Jauniūnai /receiving trap: Kiemėnai	DN 700/28"	5D	167.0	1.0/3.0	41	2024 Q2-Q3
10	AB Amber Grid	MGP Panevėžys-Šiauliai-Klaipėda	Launching trap: Radviliškis /receiving trap: Klaipėda	DN 300/350 /400 12"-16"	5D	169.0	1.0/3.0	41	2025 Q1-Q2
11	AB Amber Grid	MGP branch to Marijampolė GDS	Launching trap: Šakiai /receiving trap: Marijampolė	DN 400 16"	5D	48.6	~0.1/0.3	~25	2025 Q2-Q4
12	AB Amber Grid	MGP branch to Alytus GDS	Launching trap: Antakalnis /receiving trap: Alytus	DN 400 16"	5D	51.0	0.5/0.8	40	2025 Q2-Q4
Total:						1031			

Table 2. Preliminary Work Schedule by diameter

MGP internal diagnostic plan 2022–2025 by diameter							
No.	Gas pipeline	DN	km	2022 km	2023 km	2024 km	2025 km
1	MGP branch to Biržai GDS	250	19			38.0	
2	MGP Pabradė-Visaginas	300	90	90.0			
3	MGP Panevėžys-Šiauliai	350	50		50.0		
4	MGP Panevėžys-Šiauliai-Klaipėda	300/350/400	169				169.0
5	MGP branch to Vandžiogala, Kėdainiai GDS	400	37		37.0		
6	MGP to Marijampole GDS	400	48.6				48.6
7	MGP to Alytus GDS	400	51				51.0

8	MGP Panevėžys-Šiauliai II thread, Šiauliai-Kuršėnai II thread	500	79	79.0			
9	MGP Riga-Panevėžys-Vilnius	700	167			167.0	
10	MGP to Poland (GIPL)	700	148		148.0		
11	Klaipėda-Kuršėnai	800	110		110.0		
12	MGP Vilnius-Vievis	1000	26		26.0		
Total:			1031	169.0	388.0	205.0	269.0

Table 2.1. Preliminary Work Schedule by date

16" MGP to Marijampole GDS (48.6 km)				
No.	Tasks	Duration (day)	Start	Finish
	16" MGP to Marijampole GDS (48.6 km)			
1	16" mobilization (16" cleaning tools 2+2 kit)	154	2025-06-01	2025-11-02
2	16" mobilization (Geo+XYZ+MFL+TFI)	154	2025-06-01	2025-11-02
3	Cleaning Profile CLP	1	2025-11-03	2025-11-04
4	Cleaning CLP	1	2025-11-05	2025-11-06
5	Cleaning CLP	1	2025-11-07	2025-11-08
6	Geo	1	2025-11-10	2025-11-11
7	MFL+XYZ	2	2025-11-12	2025-11-14
8	TFI	2	2025-11-15	2025-11-17
9	Preliminary report	20	2025-11-18	2025-12-08
10	Final report	30	2023-12-09	2026-01-08

AB Amber Grid intends to enter into a framework contract, based on which it will enter into the main service contracts.

The purpose of the procurement is to select suppliers that will perform internal diagnostic services for the gas pipelines owned by AB Amber Grid. A framework contract (for 48 months) for the procurement of services will be concluded with a maximum of 3 (three) selected suppliers. The services will be procured according based on the demand of AB Amber Grid by renewing the competition among the selected suppliers in accordance with the procedure defined in the procurement terms and conditions and in the framework contract and by providing the suppliers with a description of the services required to be procured and the pipeline questionnaire.

Procurement object code according to the General Public Procurement Glossary – 76600000 Pipeline inspection services.

When submitting the tender, the Supplier will have to indicate the price of the services, which may not be higher than the positions specified in the Framework Contract. The preliminary list of services (Annex 1) is for information purposes only and will be used for tender evaluation, therefore AB Amber Grid will be able to procure the services not included in this list, for which the supplier will have to apply the same prices (Annex 1 to the Technical Specification) for the entire contract period (48 months).

A preliminary list of services (Table 1) is provided in Annex 1 to the technical specification.

The total reference price of the tender will be used only for the selection of the successful tenderers, and the prices indicated in the tender will be used for the entire term of the contract (48 months) for all services procured by AB Amber Grid.

Requirements to the Supplier for the performance of MGP internal diagnostic services

1. General requirements.
2. Requirements for cleaning and readiness assessment of pipelines in order to perform their diagnostic (inspection) services.
3. Technical requirements for inspection of geometrical properties of pipelines.
4. Technical requirements for inspection of thin-walled pipelines.
5. Technical requirements for the inspection of longitudinal crack defects.
6. Pipeline questionnaire consulted.

1. General part

- 1.1. The Supplier, together with the specialists of AB Amber Grid, will perform the launching of the internal diagnostic equipment of the pipeline by inserting it into the launching trap, control its movement through the pipeline and remove it from the receiving chamber.
AB Amber Grid launches and accompanies pistons (belong to the Supplier) along the pipeline route in the presence of the Supplier. AB Amber Grid constantly monitors the pipeline mode and the piston stroke. Cleaning of the major gas pipeline by running the cleaning piston through the pipeline shall be performed 2 times. If, after 2 runs of the cleaning devices, the need for additional cleaning services becomes clear (i.e. the required level of pipeline cleaning has not been reached, i.e. more than 50 kg of debris (rust, sand, dust), more than 0.5 kg of metal residues (welding electrodes) are found), a deed shall be drawn up on the unsuitability of the pipeline for diagnostics and after AB Amber Grid emails an order, the Contractor shall perform additional cleaning services within the shortest time possible, but no longer than 50 days, according to the prices specified in the Annex to the Contract. If the piston becomes stuck in the pipeline, the Supplier helps AB Amber Grid to find it. The Supplier shall ensure that the materials of support and tightness of the devices (cuffs, plates, etc.) are selected in such a way that their degree of wear does not exceed 2% of pipeline diameter D avg. and allow the devices to operate the full intended distance. The Supplier must take care of at least 2 units of necessary tracking tools and equipment during the launching of the device. The Supplier shall also ensure that in the event of a device jam, the Supplier shall provide all the necessary means to search for the jammed device within 24 hours.
- 1.2. If the Supplier imports into Lithuania the main and additional diagnostic equipment required for the launching of the main equipment (hereinafter referred to as additional diagnostic equipment), after performing the pipeline diagnostics, the Supplier must export it from Lithuania to its country at its own expense. Also, the clearance of customs procedures for the import and export of main and additional diagnostic equipment shall be performed by the Supplier at its own expense. The equipment must be delivered to AB Amber Grid sites located at: Gudelių g. 49, Vilnius, Republic of Lithuania or Verslo g. 11, Maksvytiškių k., Panevėžio r., Republic of Lithuania. Transportation of the equipment in the territory of the Republic of Lithuania to the launching trap and from the receiving trap shall be performed by AB Amber Grid at its own expense.
- 1.3. The Supplier must carry out all the necessary preparatory, field and analytical works related to the launching of the cleaning and inspection equipment and submit reports in accordance with the relevant documentation adopted by the European Association of Pipeline Transport Operators (POF last version - POF (version 2016)) "Specifications and requirements for in-line inspection of pipelines").
- 1.4. The Supplier shall prepare and coordinate with AB Amber Grid the pipeline inspection instruction (program), including the technological cleaning of the pipelines and the assessment of the pipeline readiness for the inspection. Inspection by using various equipment can be performed at any time if additional work is required to eliminate the identified defects.
- 1.5. The inspection program must take into account the following features: the initial nature of the inspection; piping with increased surface roughness and increased defect detection requirements.

- 1.6. The Supplier must be prepared to carry out all preparatory and inspection works. The Supplier shall be responsible for the quality of performance according to the set deadlines.
- 1.7. AB Amber Grid will provide the necessary support for the performance of the Supplier's preparatory and inspection works, but will not be responsible for the identification of defects in the pipeline, the quality of the works and the deadlines.
- 1.8. All information required for work planning, preparation of technological instructions (programs), pipeline, equipment launching schedule, preparation and evaluation of acceptance procedures and conditions of the work phases performed must be received and analysed by the Supplier prior to the start of the works. After signing the contract and starting the works, AB Amber Grid does not accept any claims.
- 1.9. The Supplier shall be fully responsible for the preparation of the equipment, the identification of defects in the pipeline, the operation of the equipment, including transportation, on-site installation, lifting, packaging, acceptance and launching of the equipment.
- 1.10. The phasing of services must be in line with the concept of quality control. Completion of the main phases of the work (cleaning and assessment of pipeline readiness, running of equipment to detect geometric and corrosion defects, preliminary and final reports) must include assessment procedures, generally agreed standards of quality.
- 1.11. After performing diagnostic services, the Supplier must submit a properly and qualitatively prepared preliminary report to AB Amber Grid. The preliminary report shall include at least the 30 most dangerous defects identified, as well as recommendations for "unidentified anomalies" and verification of the accuracy of the quantitative defect parameters in accordance with the requirements of the Contract.
- 1.12. The Supplier shall submit the final reports of the Services provided in electronic form (selected licensed programs and Excel format), which shall include a detailed analysis of all defects according to ANSI ASME B31G, modified B31G, DNV RP F-101 standards, main pipeline strength calculations, pipeline service life and defect repair recommendations. The following must also be identified and performed:
 - spatial position of the major gas pipeline, taking into account the features of the terrain (cartography);
 - if the diagnostics are performed for the second (or subsequent) time, the pipe (seam) numbers shall be matched with the pipe (seam) numbers of the previous diagnostics;
 - provision of primary data and technical support software for information analysis and verification of primary data;
 - consultations (training) of 1–2 employees of AB Amber Grid shall be performed, training AB Amber Grid to use diagnostic data and licensed software.

All documentation, including qualification certificates and technical documentation, shall be provided by the Supplier in Lithuanian or English.
- 1.13. The supplier must record and measure the coordinates of the 3-dimensional pipelines using an inertial navigation unit. XYZ must be installed in the inspection tool to avoid additional testing. Reference points (markers, valves, etc.) DGPS coordinates will be provided by AB Amber Grid. The final inspection report must include the coordinates of all devices, seams and functions in the LKS94 (Lithuanian coordinate system) format.

2. Requirements for cleaning and readiness assessment of pipelines in order to perform their diagnostic (inspection) works.

- 2.1. Pipelines must be cleaned in such a way that performance is not affected by the clarification and determination of defect parameters using inspection equipment.
- 2.2. The supplier shall independently determine the type and quantity of cleaning brushes, templates, etc. to be used. Any running of cleaning piston equipment must be justified. Following the running procedure, an deed in the appropriate form shall be issued.
- 2.3. The assessment of pipeline readiness shall be based on the results of the running of the cleaning equipment-templates, which must identify all narrowing or passage restriction sites that affect the

inspection equipment passing procedure. The supplier shall be responsible for determining the defined sections.

- 2.4. Based on the results obtained by the equipment-templates, deeds shall be executed, which indicate the violations of the templates and the conclusions regarding the running of the inspection equipment.

3. Technical requirements for diagnostics/inspection of geometrical properties of pipelines.

- 3.1. The inspection of geometrical properties shall be performed in order to identify anomalies in the installation of the pipeline, to identify pipes with increased ovality, defects, indentations and wrinkles.
- 3.2. Anomalous mounting welds with an internal surface protrusion of more than 2 mm and 15° (0.5h) over the entire length must be recorded and measured. In the report, the anomalous welds must be graduated to a depth of 1 mm, the position of the protrusions in the direction of movement of the piston and/or against the direction of movement, the position of the perimeter in hours.
- 3.3. Pipes with an ovality of more than 2% must be recorded and measured. For these pipes, D_{max} and D_{min} must be specified with an accuracy of at least 0,5% D_n . The pipe section of a pipe with maximum ovality must be measured with the parameters of adjacent sections at a distance $\sqrt{D_n \cdot t} \pm 10$ mm from it.
- 3.4. Imprints with a depth greater than 0.5% of the D_n at 50 mm axis length and a circle of 0.5 (15°) must be recorded and measured. Dimensional measurement accuracy at a depth of 0.5% D_n along an axis ± 5 mm, in a circle of 15°.
- 3.5. The position of the imprints in the pipe relative to the nearest seam must be indicated to within ± 10 mm.

4. Technical requirements for inspection of thin-walled pipelines.

- 4.1. *Pipes with a nominal wall thickness less than the size specified in the documentation (do not meet the established criteria) as well as pipes with local thinning, the depth of which exceeds the limit tolerances set by the factory, shall be recorded.*
- 4.2. All local thinnings must be clarified and recorded according to the POF standard (Fig. 1), i. e. belong to one of 7 types: pitting, concave corrosion, general corrosion, longitudinal and transverse groove, longitudinal or transverse crack defect. Up to 3÷5 thinning types can be simplified, but the maximum detail classification option is preferred.
- 4.3. For each type of thinning detected and measured, the following parameters must be reported, assigning significant area references (Table 1):
 - depth determination threshold according to the determined probability ((50%, 80%, 90–95%);
 - the probability of setting a threshold equivalent to the maximum factory overlap value;
 - depth, length, width measurement threshold with 80%, 90–95% (POD) probability;
 - thinning type determination probability (POI);
 - threshold of anomalies that are included in the report.
- 4.4 For each type of thinning, the accuracy of the depth, length and width measurements must be stated.
- 4.5 The threshold values for detection, measurement consistent with their reliability, as well as accuracy, must be based on evidence, which may include bench results and field studies. It must be stated how the following tests were performed: on one's own, with the participation of AB Amber Grid, based on an independent laboratory.

5. Technical requirements for the inspection of longitudinal crack defects.

- 5.1 Defects similar to cracks in pipes, branches, longitudinal welds, including depressed sections, shall be identified and recorded.
- 5.2 The threshold setting values, including depth and length, shall be given from the sections specified in Item 5.1.
- 5.3. Proposed detection probabilities must be indicated for thresholds, as well as for increments, such as: 1.5–2 times.

6. Pipeline questionnaire consulted.

6.1. Questionnaires shall be compiled on the basis of the information available to AB Amber Grid and, during the performance of the contract, they shall provide for the revision of the pipeline data.

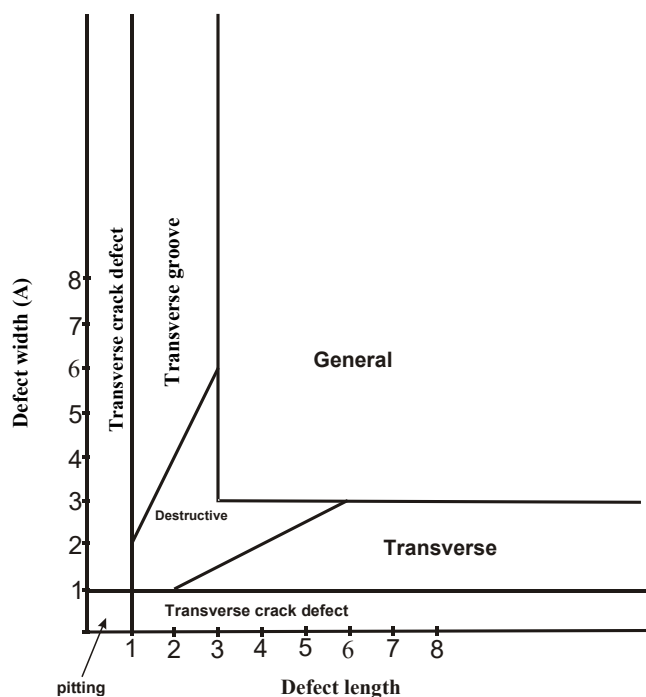


Fig. 1

Graphical metal corrosion results rendering depending on the type of properties

Table 2.

Property type Metal loss	Determination	Reference point
General corrosion	$\{[W \geq 3A] \text{ и } [L \geq 3A]\}$	4Ax4A
Destructive corrosion	$\{([1A \leq W < 6A] \text{ and } [1A \leq L < 6A] \text{ and } 0.5 < L/W < 2]) \text{ and not } ([W \geq 3A] \text{ and } [L \geq 3A])\}$	2Ax2A
Longitudinal groove	$\{([1A \leq W < 3A] \text{ and } [L/W \geq 2])\}$	4Ax2A
Transverse groove	$\{([L/W \leq 0.5] \text{ and } [1A \leq L < 3A])\}$	2Ax4A
Pitting	$\{[0 < W < 1A] \text{ and } [0 < L < 1A]\}$	1/2Ax1/2A
Longitudinal defect of possible crack.	$\{[0 < W < 1A] \text{ and } [0 \leq L \geq 1A]\}$	2Ax1/2A
Transverse defect of possible crack.	$\{([W \geq 1A] \text{ and } [0 < L < 1A])\}$	1/2Ax2A

PIPELINE INSPECTION SURVEY

PRELIMINARY QUESTIONNAIRE

Project: MGP branch to Marijampole GDS (DN400 16")

Section Name: MGP branch to Marijampole GDS (DN400 16"; 0.0÷48.6 km)

1. GENERAL INFORMATION

Pipeline Owner: AB „Amber Grid“

Pipeline Operator: AB „Amber Grid“

Address: Laisvės ave. 10, LT-04215 Vilnius, Lithuania

Telephone No.:

Contact Name:

Pipeline Name or Ref. No.: MGP branch to Marijampole GDS (DN400 16"; 0.0÷48.6 km)

Pipeline Size (nominal Outside Diameter): 406.4; 426.00 mm

Length of Line: 48.6 km

	Launcher	Receiver
Location	Isdagų village	Kuktiskiu village
Region	Sakiu district	Marijampoles district
Country	Lithuania	Lithuania

2. DETAILS OF PIPELINE AT TIME OF INSPECTION

Date of Pipeline Construction: 1995.

Pipeline MAOP: 54 bar.

Pipeline Design Pressure: 54 bar.

SMYS (Specified min. yield strength): 330 N/mm².

SMUTS (Specified ultimate tensile Strength): 518 N/mm².

2.1 Operation Conditions

	Gas			Unit
	Min.	Normal	Max.	
Operation Temperature	~5-10 °C			° C
Operation Pressure	~25			Bar
Flow rate during Survey	Preliminary flow rate 0.1- 0.3 m/s			m/s
Speed at Launcher	No data			m/s
Speed at Receiver	No data			m/s

2.2 Pipeline Wall Thickness, Construction & Grade

Nominal Wall Thickness	Length Seam Welded, m	Length Seamless, m	Length spiral seam welded, m	Standard	Material
MGP branch to Marijampolė GDS (DN400 16"; 0.0÷48.6 km)					
426x8 mm	-	-	-	TU 14-3-377-87	Cr20
426x10 mm	-	-	-	TU 14-3-377-87	Cr20
406.4x6.3 mm	-	-	-	DIN 1628	St. 52.4
406.4x8.8 mm	-	-	-	DIN 1628	St. 52.4
Total Section Length, m	48600	-	-	-	-

Backing rings at joints: No
 Smallest known ID reduction: 388.8 mm (406.4x8.8 mm)
 Largest known ID: 410 mm (426.0x8.0 mm)

3. DETAILS OF PIPELINE FITTINGS

3.1 Bends (only smallest radii are required for each kind of type)

Type	Quantity	Min. bend radius: 1,5D, 3D, 5D ir t.t.	Angle	min. nominal bore
MGP branch to Marijampolė GDS (DN400 16"; 0.0÷48.6 km)				
hot induction bend	-	-	-	-
hot bend	-	-	-	-
mitred bend	-	-	-	-
field bend	-	-	-	-
curves	-	Min ≥5D	3° - 27°	426x10 mm

3.2. Tees, Branches, Offtakes etc.

Type e.g. welded stopple etc.	Quantity	O'clock position	Angle to Pipeline	Ø Offtake	Minimum ID of Tee	Are pig bars fitted
MGP branch to Marijampolė GDS (DN400 16"; 0.0÷48.6 km)						
Branch 200x6 mm (Vilkaviskio DSS)	1	9:00 h	90°	200	200	No

Can Side Flows be Controlled: No.

Min. Distance between Adjacent Tees & other Fittings, Valves, etc.: 5000 m.

Are Sacrificial Anodes Present: Yes.

Type of internal Coating: No.

External Coating: PE.

Thickness: ~4,0 mm.

3.3 Block Valves (supply drawings with questionnaire wherever possible)

Type (Gate, Ball, etc.)	Model Number	Minim. Nominal Bore
MGP branch to Marijampolė GDS (DN400 16"; 0.0÷48.6 km)		
Ball valve DN 400	-	D w = 387 mm
Ball valve DN 400	-	D w = 387 mm
Ball valve DN 400	-	D w = 387 mm

Any know problems with valves in the past: No.

3.4 Structure elements

Are there any structure elements p. 3.1, 3.2, 3.3, 3.4 (tees, bends, offtakes, valves etc.), which do not correspond to SNiP III-42-80, SNIP2.05.06-85, VSN 012-88, VSN 01-74, VSN 00659, VSN 1-84 etc: No information.

3.5 Details of pipeline records and history

Is Pipeline Currently Operational? Yes	Are Weld Record Books available? Yes
Date of Last Inspection: 2018 (Baker Hughes)	Are Cleaning Pigs Run on a Regular Basis? Yes

4 LOCATION Details

Can as-built drawings be made available	Yes
For markering purposes: Will locations be accessible even during adverse weather conditions:	Yes
Will these locations be close to heavily traveled roads?	Yes
Are these marker locations properly marked?	No

Can the following fittings be identified as reference for location of reported features during repair program?

Line valves	Yes
Marker	Yes
Anodes	Yes
Bends	Yes
Flanges	Yes
Sleeves/casings	No
Wt changes connections	Yes
Offtakes	Yes
Others:	-
Girth Welds	Yes
Market plate	Yes

DETAILS OF LAUNCHING & RECEIVING TRAPS

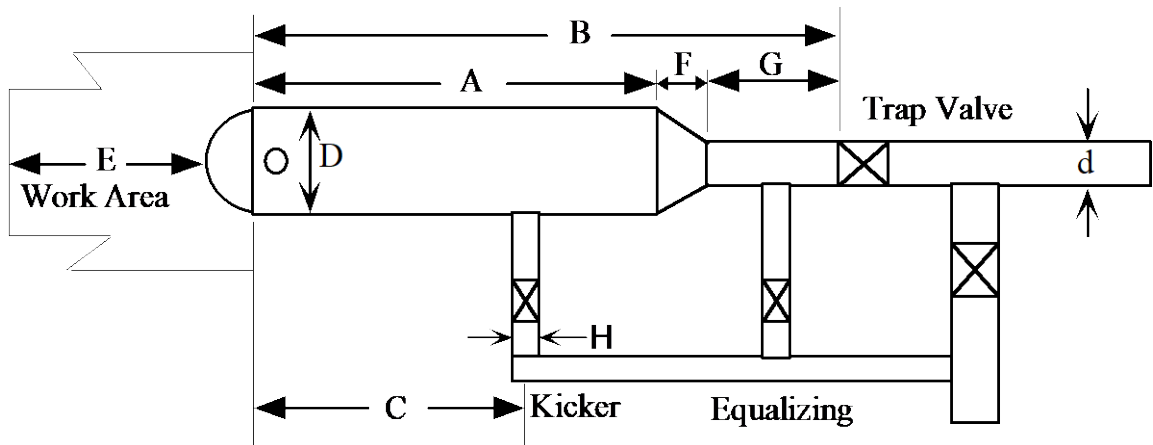


Figure 1. Schematic drawing of pig trap

Trap details		Launcher Dimensions, mm	Receiver Dimensions, mm
A	Closure to reducer	3000	3000
B	Closure to trap valve	18510	18510
C	Closure to bridle CL	829	829
d	Pipeline diameter	406.4	406.4
D	Overbore	500	500
E	Axial clearance	6000	6000
F	Reducer length	510	510
G	Reducer to valve	15000	15000
H	Bridle	-	-

Trap conditions	Launcher	Receiver
Orientation	Above ground	Above ground
Trap construction	FORTAN-SYSTEMS GmbH 400/500	FORTAN-SYSTEMS GmbH 400/500
Height trap centreline above Access Area, m	1000	1000

Trap information	Launcher	Receiver
Is hoist available?	Yes	Yes
Is trap equipped with Pig Signaller?	Yes	Yes
Trap pressure rating	54 bar	54 bar
Intrinsic safe area, level?	EX zone	EX zone
Site drawings available?	Yes	Yes

Form of the final report of the diagnostic results of the inner part of the pipeline

The final report must include the following:

1. Introduction
2. Findings:
 - 2.1. preparatory works;
 - 2.2. internal geometry study (EGP);
 - 2.3. metal loss study (COP);
 - 2.4. conclusion of the results of the study;
 - 2.5. List of 30 most serious defects;
 - 2.6. depth map of metal loss defects (overview);
 - 2.7. indicative timetable (overview);
 - 2.8. conclusions;
 - 2.9. repair program of all defects, which shall include: classification of defects according to ASME B31.8S-2004 "Managing system integrity of gas pipelines" p.7.2. Responses to pipeline in-line inspections", excavation recommendations, defect removal method recommendations.
3. Pipeline data:
 - 3.1. general data;
 - 3.2. pipeline data (questionnaire).
4. Object works:
 - 4.1. work schedule;
 - 4.2. preparatory works;
 - 4.3. the act of assessing the readiness of the pipeline for EGP and COP studies;
 - 4.4. internal geometry study (EGP);
 - 4.5. metal loss study (COP).
5. Work programs and methodology
 - On-line data evaluation system
 - 5.1. General comment on:
 - 5.1.1. EGP;
 - 5.1.2. COP;
 - 5.2. Signal loss and relative upper piston position;
 - 5.3. Speed;
 - 5.1.3. EGP;
 - 2.3.5. COP;
 - 5.4. Temperature:
 - 5.4.1. EGP;
 - 5.4.2. COP;
 - 5.5. Magnetisation;
 - Off-line data evaluation system
 - 5.6. Threshold sizes:
 - 5.6.1. Entry threshold;
 - 5.6.2. Defect record threshold;
 - 5.6.3. Data threshold for reporting;
6. Diagnostic specification:
 - 6.1. Specification of metal loss test execution;

6.2. Defect detection.

7. Annexes:

7.1. object report;

7.2. initial report;

8. Study results:

8.1. List of defects (anomalies) - form (a);

8.2. List of installations - form (b);

8.3. List of markers - form (c);

8.4. Special schedules:

8.4.1. defect distribution schedule according to EKP (Calculated Repair Coefficient);

8.4.2. pressure schedule;

8.4.3. schedule of metal loss defects;

8.4.4. a schedule of the distance from the defect to the nearest annular seam;

8.5. A description of the individually selected, "most severe" defects (minimum 30) in each section, indicating the linear size of the two pipes at and after the defect and the arrangement of the longitudinal seams.

8.6. Repair program of all defects, which shall include: classification of defects according to ASME B31.8S-2004 "Managing system integrity of gas pipelines" p.7.2. Responses to pipeline in-line inspections", excavation recommendations, defect removal method recommendations.

8.7. Pipe layout log - form (d).

8.8. Pipeline position map with respect to terrain.

Notes. By agreement of the parties, the final format of the report may be changed to a higher quality one.

Form

Pipe tally according to POF 2016

1	log distance (m)
2	Feature/component type
3	Feature/component identification
4	Feature class
5	Girth Weld number
6	Join length (m)
7	Abs. Dist. to upstream (m)
8	Nominal wall thickness (mm)
9	Clock position seam weld/anomaly
10	Length (mm)
11	Width (mm)
12	Max Depth (%)
13	Average Depth (%)
14	ID depth / height (%.D)
15	Dent with Defect
16	Dent with Weld
17	Metal loss with Defected Weld
18	ERF
19	Surface location
20	Comment
21	X (latitude)
22	Y(longitude)

Example

PIPE

AB Amber Grid Pipeline name / DN..... / ...km - ...km

Vendor knontract Nr.: 5555555

Date: 31-sep-21

New

log distance (m)	Feature/component type	Feature/component identification	Feature class	Girth Weld number	Join length (m)	Abs. Dist. to upstream (m)	Nominal wall thickness (mm)	Clock position seam weld (degrees)	Length (mm)	Width (mm)	Max Depth (%)	Average Depth (%)	ID depth / height (%)	Dent with Defect	Dent with Weld	Metal loss with Defected Weld	ERF	Surface location	COMMENT	X (latitude)	Y (longitude)	Z (elevation)
81152,760	Weld			170	10,995		12,0	00,00												612519,6738	6070679,4252	220,9
81152,760	Weld	Change in wall thickness		180	10,370		11,4	02,00												612519,6738	6070679,4252	220,9
81152,760	Offtake			180	10,370	2,083	11,4												DN 200 mm, 12 hrs. (with reinforcing plate)	612519,6738	6070679,4252	220,9
81152,760	ID anomaly	Dent	GENE	190	10,370	6,042	11,4	03,06	156	156			0,9	yes				N/A	Dent depth: 11 mm (0.9%). Ruler: 16 cm at 695	612519,6738	6070679,4252	220,9
81152,760	Artificial defect		CIGR	180	10,370	6,058	11,4	03,00	20	87	10							EXT	Scratch.	612519,6738	6070679,4252	220,9
81152,760	Weld	Change in wall thickness		182	3,255		12,0	09,06												612519,6738	6070679,4252	220,9
81152,760	Weld			460	10,995		11,4	09,12												612519,6738	6070679,4252	220,9
81152,760	ID anomaly	Dent	GENE	460	10,995	4,864	11,4	03,00	95	110			0,9		yes			N/A	Dent depth: 11 mm (0.9%). Ruler: 10 cm at 4482	612519,6738	6070679,4252	220,9
81152,760	Artificial defect		CIGR	460	10,995	4,868	11,4	03,06	27	82	10							EXT	Scratch. Anomaly is located within the pipeline	612519,6738	6070679,4252	220,9
81152,760	Weld	Change in wall thickness		470	11,445		12,0	09,24												612519,6738	6070679,4252	220,9
81152,760	Weld	Elasto-plastic bend end		480	11,275		12,0	06,12												612519,6738	6070679,4252	220,9
81152,760	ID anomaly	Ovality		480	11,275	9,663	12,0	08,18	1642									N/A	Ovality: 0.03 Value of maximum diameter is 12	612519,6738	6070679,4252	220,9
81152,760	Weld			490	11,455		12,0	00,00												612519,6738	6070679,4252	220,9
81152,760	Weld	Elasto-plastic bend begin		500	11,240		12,0	01,30												612519,6738	6070679,4252	220,9
81152,760	Weld	Elasto-plastic bend begin		920	11,515		12,0	11,48												612519,6738	6070679,4252	220,9
81152,760	Metal loss	Corrosion	CIGR	920	11,515	8,431	12,0	03,30	19	95	12				yes			EXT	Anomaly is located within the pipeline elasto-plas	612519,6738	6070679,4252	220,9
81152,760	Weld			930	10,850		12,0	11,54												612519,6738	6070679,4252	220,9
81152,760	Girth weld anomaly			930	10,850	0,000	12,0	06,30	0	361								EXT	Anomaly is located within the pipeline elasto-plas	612519,6738	6070679,4252	220,9
81152,760	Weld			940	11,495		12,0	00,36												612519,6738	6070679,4252	220,9

Dent with

Dent with Metal loss

Dent with

Dent on/or =<25 mm from weld

loss with Weld

Metal loss on/or <25 mm from Defected Weld



BUYER:

AB Amber Grid

Annex No. 2 to the Framework
Contract

[Supplier Form]

(Name of the supplier)

(Legal form of the legal entity, registered office, contact information, name of the register in which the data on the supplier is collected and stored, code of the legal entity, code of the value added tax payer, provided the legal entity is a value added tax payer)

AB Amber Grid,

TENDER

**REGARDING PROCUREMENT OF „INTERNAL DIAGNOSTIC SERVICES FOR MAJOR GAS PIPELINES“ (MGP
BRANCH TO MARIJAMPOLÉ GDS (48.6 KM))**

UNDER CALL No. ____ of 20____

(Date)

(Place of conclusion)

Name of the supplier /If a group of economic operators is involved, all names of the tenderers shall be listed/	Pipesurvey International
Address of the supplier /If a group of economic operators is involved, all addresses of the tenderers shall be listed/	Houtkopersstraat 22, 3334KD, Zwijndrecht, The Netherlands
Name of the person responsible for the tender	
Phone number	
Email address	

1. With this tender, we note that we agree with the terms and conditions set out in the Call.

2. The tender is valid until the deadline specified in the Call. Subject to the terms and conditions set out in the Call, we provide our tender and details of our readiness to perform the intended procurement contract. We offer:

No.	Description of Services	Section length, km	Meas. Unit	Preliminary Qty	Unit Price, EUR excl. VAT	Total Amount, EUR excl. VAT (4X5)
1	2	3	4	5	6	7
1	Assembly and delivery of standard cleaning tool for pipeline cleaning and spare materials to the Contracting Entity's site					
1.5	DN 400 (16")	48.6	set	1	€ 2.500,00	€ 2.500,00
2	Delivery of diagnostic equipment (MFL-A (magnetic flux leakage axial magnetization); MFL-C (magnetic flux leakage circumferential magnetization); EGP (electronic gauge pig); XYZ mapping tool) to the Contracting Entity's site					
2.5	DN 400 (16")	48.6	set	1	€ 20.000,00	€ 20.000,00
3	Running of the test cleaning tool with the calibration plate through the pipeline once					
3.5	DN 400 (16")	48.6	set	1	€ 2.500,00	€ 2.500,00
4	Running the cleaning control tool through the pipeline once					
4.5	DN 400 (16")	48.6	set	2	€ 2.500,00	€ 5.000,00
5	Checking the pipeline geometry with the EGP. Collection of data on pipeline geometry (ovality, depressions, corrugated elements, etc.)					
5.5	DN 400 (16")	48.6	set	1	€ 4.900,00	€ 4.900,00
6	Inspection for corrosion, anomalies and other damage to the pipeline with MFL-A (magnetic flux leakage axial magnetization) and XYZ mapping tool. Collection of data on relevant pipeline defects					
6.5	DN 400 (16")	48.6	set	1	€ 60.360,00	€ 60.360,00
7	Inspection for corrosion, anomalies and other damage to the pipeline with MFL-C (magnetic flux leakage circumferential magnetization) and XYZ mapping tool. Collection of data on relevant pipeline defects					
7.5	DN 400 (16")	48.6	set	1	€ 97.880,00	€ 97.880,00
8	Preparation of a preliminary report, which allows to evaluate the collected information on the technical condition of the pipeline with control tools, with the preparation of data on the most dangerous defects of the pipeline within 20 days of running the diagnostic equipment through the pipeline					
8.5	DN 400 (16")	48.6	set	1	€ 1.000,00	€ 1.000,00
9	Preparation of the final report on pipeline diagnostic services in paper and electronic form (detailed analysis of major defects, pipeline spatial positioning, pipeline strength calculations, pipeline service life determination and defect repair recommendations (within 30 days of the submission of the preliminary report)					
9.5	DN 400 (16")	48.6	set	1	€ 2.500,00	€ 2.500,00
10	Additional cleaning of the pipeline with a cleaning control tool, running the tool once (when cleaning	-	pcs	1	€ 2.500,00	€ 2.500,00

	is performed more than twice) (the fee may not exceed the amount specified in Item 4)					
11	Additional verification of the geometry of the pipeline with the EGP by starting the control tool once (the fee may not exceed the amount specified in Item 5)	-	set	1	€ 10.000,00	€ 10.000,00
12	Additional inspection of corrosion, anomalies and other damage to the pipeline by starting the MFL-A control tool once (the price may not exceed the amount specified in Item 6)	-	set	1	€ 65.000,00	€ 65.000,00
13	Additional inspection of corrosion, anomalies and other damage to the pipeline by starting the MFL-C control tool once (the price may not exceed the amount specified in Item 7)	-	set	1	€ 95.000,00	€ 95.000,00
Total price of services in EUR excl. VAT						€ 369.140,00
VAT amount						€ 0,00
Total price of the tender incl. VAT¹						€ 369.140,00

Total tender price incl. VAT (in words) Three hundred and sixty nine thousand one hundred and forty.

Including VAT amounting to Three hundred and sixty nine thousand one hundred and forty.

If the sum in numbers does not correspond to the sum in words, the sum in words is considered correct.

[if the Renewed Tenders are evaluated on the basis of price-quality ratio, the following table shall be in addition]

Below is a description of the evaluation criteria of the most economically advantageous tender of the Procurement object of Part I:

No.	Technical indicators	Value of indicator
1.	Criterion I: [] (T1)	
2.	Criterion II: [] (T2)	

3. We also confirm that all information provided in our tender is correct and that we have not withheld any information requested in the procurement documents.

4. I will use the following subproviders for the performance of the Contract²:

No.	Name of subprovider	Services (name and percentage) for which subproviders are to be used

5. This tender also contains the following confidential information³:

No.	Title of document submitted	Justification of confidentiality

6. Documents in this proposal are:

No.	Name of documents submitted	Document presented in the Tender sheet(s)

¹ To be completed if subcontractors will be used for the performance of the Contract.

² To be completed if confidential information is to be provided. The Seller is not allowed indicate that the rates of the tender or that the entire tender is confidential information.