

## CONTRACT

### On installation of PSS function at Kegums HPP-1, maintenance of excitation regulators

Riga,

See the Contract date in the electronic signature area

<p style="text-align: center;"><b>Latvenergo AS</b> (hereinafter referred to as the "Employer")</p> <p>Registration number: 40003032949 VAT payer number: LV40003032949 Address: Pulkveza Brieza Street 12, Riga, LV-1230 [...] represented by its [...];</p>	and	<p style="text-align: center;"><b>UAB "Eksortus"</b> (hereinafter referred to as the "Contractor")</p> <p>Registration number: 300912631 VAT payer number: LT100003302015 Address: Ankstoji street, 5-4, Vilnius, LT-01109, Lithuania [...] represented by its [...];</p>
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hereinafter individually referred to as the "Party" and hereinafter jointly referred to as the "Parties" agree as follows:

### SPECIAL TERMS

#### 1. Subject of the Contract

- 1.1. The Contractor undertakes to perform for the Employer installation of PSS function at Kegums HPP-1, maintenance of excitation regulators (hereinafter referred to as the Works), but the Employer undertakes to pay for the Works performed pursuant to the terms of the Contract.
- 1.2. The Works envisaged within the framework of the Contract include:
  - 1.2.1.  repair works;
  - 1.2.2.  equipment, building maintenance and servicing;
  - 1.2.3.  construction works;
  - 1.2.4.  author supervision;
  - 1.2.5.  survey works;
  - 1.2.6.  development of a Work Performance Program;
  - 1.2.7.  Construction project (construction design) development;
  - 1.2.8.  Technical design development.

#### 2. Contract price and Contract amount

- 2.1. The Contract price for the performance of the Works specified in this Contract, which the Employer pays to the Contractor, is set up to EUR 897 340,00 (eight hundred ninety seven thousand three hundred forty and 00 cents), excluding VAT, and unforeseen works amount to EUR 89 734,00 (eighty nine thousand seven hundred thirty four euro and 00 cents), excluding VAT, which together constitute the amount of the Contract up to 987 074,00 (nine hundred eighty seven thousand seventy four euro and 00 cents), excluding VAT.

#### 3. Components of the Contract

- 3.1. Special Terms of the Contract;
- 3.2. General Terms of the Contract;
- 3.3. Annexes to the Contract:
  - 3.3.1.  Annex No.1 – Table of Prices;
  - 3.3.2.  Annex No.2 – Time Schedule of Works;
  - 3.3.3.  Annex No.3 – Technical Specification;
  - 3.3.4.  Annex No.4 – List of Subcontractors and Works Delegated to Them;
  - 3.3.5.  Annex No. 5 – List of qualified personnel of the Contractor, the justification of their qualifications;
  - 3.3.6.  Annex No.6 – Information for Contractors Performing Works at Latvenergo AS Sites;
  - 3.3.7.  Annex No.7 – Tender submitted by the Contractor for the procurement procedure "Installation of PSS function at Kegums HPP-1, maintenance of excitation regulators", ID No. AS "Latvenergo" 2023/11.

#### **4. Work performance deadline**

4.1. The Contractor undertakes to perform the Works in accordance with the Time Schedule of the Works (Annex No.2), to start the performance of the Works from the date of conclusion of the contract and to complete the Works by 6 September 2024, including:

- 4.1.1. HAN1 from 6 May 2024 to 31 May 2024;
- 4.1.2. HAN2 from 3 June 2024 to 2 July 2024;
- 4.1.3. HAN3 from 3 July 2024 to July 26 2024;
- 4.1.4. HAN4 from July 29 2024 to August 23 2024.

The Contractor is entitled to start the works of each subsequent stage only after the completion of the previous stage and handing over the works to the Employer.

#### **5. Scope of Works and procedure of assignment**

5.1. The scope of the Contractual Works is specified in the Contract and for any changes thereto, including unforeseen works, the Employer shall pay the Contractor only in cases if prior to performance of such works the Parties have mutually signed an agreement on changes in the scopes of the Works pursuant to Clause 12 of the General Terms, or for the performance of unforeseen works within the scope and amount of the Contract (from the unforeseen works item specified in Annex No.1), the Employer shall pay the Contractor only if the Parties have included the changes of the scope of such works in a technical deed signed by Project Managers of both Parties. If the Contractor, disregarded the procedure provided for in this Clause, have started and performed the works that are not included in the scope of Contractual Works and the Table of Prices (Annex No.1), then the Employer is not obliged to pay for these works subsequently when these works or the necessary works arising from them have been completed, and all these costs must be borne by the Contractor itself.

#### **6. Warranty defects notification period**

The warranty defect notification period is 36 (thirty six) months, counting from the date which is indicated in the mutually signed Taking Over Certificate as the start date of the warranty defect notification period for each hydrounit separately.

#### **7. Contract performance securities**

7.1.  does not apply.

7.2. In accordance with the procedure specified in the General Terms the Contractor shall submit to the Employer:

- 7.2.1.  a Contract Performance Security in the amount of 10% of the Contract price – within 21 (twenty-one) days after signing the Contract;
- 7.2.2.  an Advance Payment Guarantee in the amount of the advance payment provided for in the Contract;
- 7.2.3.  a Warranty Period Security in the amount of 5% of the Contract price – before handing over the Works to the Employer;

#### **8. Insurance**

8.1.  does not apply.

8.2. The Contractor shall submit a copy of the insurance contract to the Employer in accordance with the procedures specified in the General Terms for:

- 8.2.1.  mandatory civil liability insurance of the performer of construction works in accordance with regulatory enactments, the liability for loss/damage to the Employer/Employer's personnel shall be included in the insurance cover;
- 8.2.2.  mandatory civil liability insurance of the construction specialists in the amount specified in regulatory enactments;
- 8.2.3.  Contractor's civil liability insurance against the Employer. The insurance indemnity limit of the Contractor's civil liability insurance against the Employer is not less than the Contract price.

#### **9. Authorisation in the construction information system**

9.1.  does not apply.

9.2.  The Employer shall provide the Contractor with the authorisation required for the performance of the Works in the construction information system.

#### **10. Procedure of attraction of subcontractors**

10.1.  in accordance with procedure A of the General Terms.

10.2.  in accordance with procedure B of the General Terms.

## **11. Procedure of acceptance of works and payment**

11.1. The Works are accepted in accordance with the procedure specified in the Technical Specification (Annex No.3), but in any case by signing Taking Over Certificate, as specified in the General Terms. Depending on the specific features of the Works, the Contract also provides for the following documents to be signed documents:

11.1.1.  Monthly report on completed works (Form No. 2);

11.1.2.  taking over certificate of the equipment and/or building after repair and/or maintenance;

11.1.3.  deeds for acceptance for service specified in the regulatory enactments regulating construction;

11.1.4.  Performance certificate under the Contract after the fulfilment of all warranty liabilities;

11.1.5.  TOPS system records of the commissioning of equipment and/or construction after repair and/or maintenance.

11.2. The Parties agree that the Employer shall accept the works actually performed in the current month with a monthly report on completed works (Form No.2) signed by the Parties. In this case, the Contractor, in accordance with the form approved by the Employer (Form No.2), shall prepare and submit to the Employer for approval a monthly report on completed works by date 27 of the current month, taking into account the actually performed Works, the Work performance program and the Table of Prices (Annex No.1). The monthly reports on completed works in the previous month are not to be considered as acceptance documents of the works but shall serve only as a basis for execution of payments in instalments. The Contractor shall be entitled to issue invoices only after the monthly report on completed works (Form No.2) has been signed by the Employer. The Contractor shall issue invoices in accordance with the procedure defined in regulatory enactments.

The Parties agree on Retention money in the amount of 2% (two percent) of the completed Works' value, which the Employer deducts from each payment to the Contractor. The Employer shall make the payment of Retention money to the Contractor in accordance with the settlement procedure specified in the Contract after the fulfilment of all warranty liabilities and the mutual signing of the Performance Certificate under the Contract (Clause 10.6 of the General Terms of the Contract). The Employer is entitled to deduct the Retention money in the amount of the contractual penalty and/or the amount of damages and/or the amount of rectification of defects to compensate the losses and/or the contractual penalty calculated in accordance with the Contract and/or to rectify the defects notified during the warranty defects notification period.

By the agreement of the Parties, Retention money for the warranty defect notification period can be replaced by the Warranty Period Security (a credit institution guarantee or insurance policy) in accordance with the Clause 8 of the Contract General Terms. Upon receipt of the relevant Warranty Period Security document, the Employer shall transfer Retention money to the Contractor.

## **12. Contractual penalty for delay in performance of Works**

12.1.  in accordance with procedure A of the General Terms.

12.2.  in accordance with procedure B of the General Terms.

## **13. Additional terms**

13.1. Additional deviations from the General Terms of the Contract are not foreseen in Special Terms of the Contract.

The Parties agree on the following additional terms:

13.1.1. The Parties agree that deeds and other Contract performance documents shall be signed with a secure electronic signature in Asice format in accordance with Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

## **14. Responsible persons and authorisations specified in the Contract**

14.1. The Employer assigns the following responsible persons for the performance of the Contract:

14.1.1. Employer's Project Manager – [..];

14.1.2. Employer's Technical Supervisor – [..].

14.2. The Employer is entitled to unilaterally replace the responsible persons of the Employer mentioned in Clause 14.1. of the Special Terms by sending a written notice to the Contractor.

14.3. The Contractor assigns the following responsible persons for the performance of the Contract:

14.3.1. Contractor's Project manager responsible for the general Contract coordination and communication with the Employer – [..];

14.3.2. Contractor's Project Manager (technical part) – [..];

14.3.3. Contractor's Work Manager – [..];

14.3.4. Designer – [..].

14.4. The deed on taking over the disassembled equipment and materials during the performance of the Works, which are not re-used in assembly, shall be signed by the Contractor's Work Manager and the Employer's Technical Supervisors.

## 15. Management of the spread of COVID-19

15.1. The Parties shall be responsible for and undertake to comply with all measures established in the Republic of Latvia and the Employer's sites in connection with the restrictions of COVID-19. The Employer's representative introduces the other Party with the restrictions set by the Employer's company in relation to COVID-19.

15.2. Each Party shall bear the costs incurred by it in connection with the restrictive measures imposed by COVID-19 and compliance with them.

15.3. The Parties shall not be liable to each other for any delay or non-fulfilment of liabilities if the Party acted with due professional diligence and is therefore not responsible for any delay or non-fulfilment of liabilities due to spread of COVID-19 or restriction measures that have entered into force after the date of Contractor's tender submission or conclusion of this Contract, including, the Party shall not impose late payment interest, contractual penalties to the other Party and shall not demand compensation for losses or other costs caused by the above reasons.

15.4. The Party affected by COVID-19 is obliged to inform the other Party immediately about the delayed deadlines for the fulfilment of obligations and the planned deadlines for the performance of the Works and/or the circumstances of non-fulfilment of obligations.

15.5. The Party affected by COVID-19 shall, at the request of the other Party, demonstrate the circumstances set out in the notification, including that the cause of the delay or non-fulfilment of liabilities is COVID-19 and that it has acted with due professional care to prevent the delay or non-fulfilment of liabilities.

15.6. In the event if due to the spread of COVID-19 or measures related to its restriction, the Parties are unable to continue to fulfil their obligations, the Parties agree to have the right to terminate the Contract. A party shall also have the right to terminate the Contract unilaterally if due to the spread of COVID-19 or measures related to its restriction for the other Party it is impossible to continue fulfilling the obligations under the Contract for more than 90 (ninety) days.

## 16. Signatures of the Parties

16.1. By signing these Special Terms of the Contract, the Parties also agree to the General Terms of the Contract and the Annexes provided as selected in Clause 3.3. of the Special Terms.

16.2. The Contract, together with its Annexes is signed by secure electronic signature which contains a time stamp. The Contractor shall sign the Contract by secure electronic signature containing a time stamp and the signed Contract shall be sent to the Employer's e-mail: [kanceleja@latvenergo.lv](mailto:kanceleja@latvenergo.lv) within one working day. The Contract signing date is the date of the last added secure electronic signature containing a time stamp.

### EMPLOYER

Latvenergo AS

[..]

### CONTRACTOR

UAB "Eksortus"

[..]

[..]

*The [...] refers to information that is not to be disclosed to third parties.*