

ORDER AGREEMENT NR. 010000/26-73
Elektroenerģijas uzkrāšanas sistēmu (BESS) piegāde TEC-2/
Supply of Battery Energy Storage Systems (BESS) TTP-2
ID. No. AS "Latvenergo" 2025/3_1

Riga,

*See the Agreement date in the electronic signature area
(30.01.2026.)*

<p>Latvenergo AS (hereinafter referred to as the Customer)</p> <p>Registration number: 40003032949 VAT payer number: LV40003032949 Address: Pulkveza Brieza Street 12, Riga, LV-1230</p> <p>Credit institution: SEB Banka AS SWIFT code: [...] Account number: [...] represented by [...]</p>	<p>and</p> <p>HYPERSTRONG INTERNATIONAL (GERMANY) GMBH (hereinafter referred to as the Contractor)</p> <p>Registration number: HRB 289488 VAT payer number: LV90013484912 Address: Max-Holder-Straße 19, 60437 Frankfurt am Main, Germany</p> <p>Credit institution: [...] SWIFT code: [...] Account number: [...] represented by [...]</p>
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hereinafter severally referred to as the "Party" and jointly as the "Parties" agree on the following provisions of the agreement (hereinafter referred to as the Agreement):

SPECIAL PROVISIONS

1. Subject of the Agreement

- 1.1. In accordance with the terms of the Agreement and its annexes the Contractor:
 - 1.1.1. sells and delivers Battery Energy Storage Systems (BESS) (hereinafter referred to as the Goods) to the Customer, including all necessary tests stipulated in Technical specification (hereinafter referred to as the Order).
 - 1.1.2. provides BESS Maintenance and Service.
- 1.2. The Order and BESS Maintenance and Service specifications are provided in the annexes to the Agreement.
- 1.3. Delivery point of the Goods is Riga TEC-2 Granīta Street 31, Riga, Latvia (hereinafter referred to as Delivery Place).

2. Contract price and Contract Amount, Payments

- 2.1. The amount for the performance of the Order stipulated in Clause 1.1.1. of Special provisions is EUR 21 658 032,00 (twenty-one million six hundred fifty-eight thousand thirty-two euros and 00 cents), excluding VAT (hereinafter referred to as the Contract Price). The amount of the fee for the BESS Maintenance and Service stipulated in Clause 1.1.2. of the Special Provisions is EUR 352 333,00 (three hundred and fifty-two thousand three hundred and thirty-three euros and 00 cents), excluding VAT.
- 2.2. Payments under the Agreement shall be made as follows:
 - 2.2.1. the Customer makes an advance payment 30% (thirty percent) within 15 (fifteen) days after the mutual signing of the Agreement, receipt of the Agreement Performance Security and Advance Payment Security;
 - 2.2.2. 10% (ten percent) of the Contract Price – after FAT (factory acceptance test). The payment shall be made within 15 (fifteen) days after the Customer has received the FAT report signed by the manufacturer, which includes the results of the tests performed and the calibration certificates for the testing equipment.
 - 2.2.3. 40% (forty percent) of the Contract Price - after the delivery and unloading of the goods at the Delivery Place and signing of the Delivery and Acceptance Certificate of the Goods by the Customer;
 - 2.2.4. 20% (twenty percent) of the Contract Price - after the completion of the Order and mutual signing of the Delivery and Acceptance Certificate of the Order (after successful completion of the tests referred to in paragraph 6.1 of the Technical specification and BESS commissioning);
 - 2.2.5. the BESS Maintenance and Service fee is paid quarterly at the end of the relevant quarter. Payments are made based on the Contractor's submitted summary of Maintenance and Service works performed for the relevant period, performed in accordance with the Agreement's specified work periodicity, and approved by the Customer by signing an interim report. Maintenance and Service works stipulated in the Agreement shall be considered fully completed after the Delivery and Acceptance Certificate of the works is mutually signed.

3. Term of the Agreement

- 3.1. This Agreement enters in force when signed by both Parties and is valid until complete fulfilment of obligations provided herein.
- 3.2. The Contractor shall fulfil the Order in accordance with the procedure set out in the Agreement and deliver the complete set of ordered equipment (Goods) to the Place of Delivery 6 (six) months after the mutual signing of the Agreement.
- 3.3. The Contractor shall provide 36 (thirty six) months for BESS Maintenance and Service, counting from the date of mutual signing of the delivery and acceptance certificate, mentioned in Clause 2.2.3 of Special Provisions of the Agreement.

4. Warranty defects notification period

- 4.1. The warranty defect notification period for BESS set Non-Battery components is 84 (eighty four) months from the date when Delivery and Acceptance Certificate has been signed by the Customer (Clause 2.2.3 of Special provisions).
- 4.2. The warranty defect notification period for Batteries and Battery modules lifetime to 70% capacity at 1.5 cycle/day annualized is 10 (ten) years from the date when the Delivery and Acceptance certificate has been signed by the Customer (Clause 2.2.3 of Special provisions).
- 4.3. State of health (SoH) at the end of the warranty period (10 years), considering degradation with 1.5 cycles and minimum guaranteed DoD = minimum 73,01%.
- 4.4. Depth of discharge at 1.5 cycles per day over the warranty period of 10 years = 97.0%.

5. Agreement performance securities

- 5.1. Within 20 (twenty) days of signing the Agreement, the Contractor shall submit to the Customer:
 - 5.1.1. a Performance Security for the performance of the Order, stipulated in the Clause 1.1.1 of Special Provisions in the amount of 5% (five percent) of the Contract Price stipulated in the Clause 2.1 of Special Provisions. Performance Security of the Order shall be valid until Order completion date, stipulated in Clause 3.2 of Special Provisions and 30 (thirty) days after.
 - 5.1.2. an Advance Payment Guarantee in the amount of the advance payment stipulated in the Clause 2.2.1. of Special provisions. The Advance Payment Security shall be valid until completion date of the delivery of Goods specified in Clause 3.2 of Special Provisions and mutual signing of the Delivery and Acceptance Certificate of the Goods and for 30 (thirty) days thereafter.
- 5.2. Before the delivery of the Goods is completed and the Delivery and Acceptance Certificate of the Goods (Clause 2.2.3 of Special provisions) is signed by the Customer, the Contractor must submit to the Customer a Warranty Period Security in the amount of 2% (two percent) of the Contract Price. The Warranty Period Security shall be valid until end for the warranty defects notification period specified in Clause 4.1 and 4.2 of Special Provisions and 30 (thirty) days after all defects notified during the warranty defects notification period have been rectified, and the Customer has signed the Agreement performance certificate. During this 30 (thirty) day period, the Customer is entitled to withhold the full amount of the Warranty Period Security if, after the end of the warranty defect notification period, at least one of the parameters specified in Clauses 4.3 and 4.4 of the Special terms of the Agreement is not met.
- 5.3. Within 20 (twenty) days after full completion of Order (Clause 1.1.1. of Special Provisions) and mutual signing of the Delivery and Acceptance Certificate (Clause 2.2.4 of Special provisions) the Contractor shall submit to the Customer a Performance Security for the Maintenance and Service works, stipulated in the Clause 1.1.2 of the Special Provisions, in the amount of 10% (ten percent) of BESS Maintenance and Service fee amount, stipulated in Clause 2.1 of Special Provisions. Performance Security shall be valid until Maintenance and Service completion date, stipulated in Clause 3.3 of Special provisions and 30 (thirty) days after.

6. Procedure of attraction of subcontractors

- 6.1. Section Subsection (B) (Procedure in accordance with the requirements of the Law On the Procurement of Public Service Providers) of the General Provisions of the Agreement is applied to the attraction of subcontractors.
- 6.2. At the time of entering into the Agreement, subcontractors are not involved in the performance of the Agreement.

7. Additional penalties

- 7.1. Special Provisions of the Agreement do not provide for additional penalties.

8. Additional provisions

- 8.1. The Parties agree on the following additional provisions:
 - 8.1.1. If the Contractor is not an European Union or European Economic Area economic operator within the meaning of the Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, it is obliged to submit, upon the request of the Customer,

documentation proving the origin and recycling processes of the batteries, CE markings and other requirements in accordance with the Regulation (EU) 2023/1542. The Customer shall have the right to unilaterally terminate the Agreement if the Contractor is unable to prove compliance with the requirements of Regulation (EU) 2023/1542.

- 8.1.2. The customs clearance shall be carried out by the Customer, and the Customer shall be indicated as the importer in the customs declaration. If necessary, the Customer shall issue a power of attorney to the Contractor to perform the customs clearance on behalf of the Customer.
- 8.1.3. The Parties agree that deeds, certificates and other the Agreement 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;
- 8.1.4. The Contractor shall indicate in the invoice for delivery of the goods: a) the combined nomenclature (CN) code (8 digits), the gross weight and net weight (in kg) of the goods (if the good contains accumulator, it's weight has to be indicated separately); b) the type of each packaging material (paper/cardboard, wood, plastic, polystyrene, aluminium, black metal) and weight (in kg). Information mentioned in subsections a) and b) shall be indicated for each item of the invoice.

9. Annexes to the Agreement

- 9.1. Annex 1 - Order Specification (incl. Customer technical requirements (1.1), Technical requirements filled in from Contractor (1.2), Table of Prices (1.3), Time schedule (1.4), Maintenance and Service Work Plan (1.5), Technical proposal (1.6)).
- 9.2. Annex 2 – Authorised Persons and Contact Persons.
- 9.3. Annex 3 – Information for Contractors Performing Works at Latvenergo AS Sites.
- 9.4. Annex 4 – The tender submitted by the Contractor in the procurement procedure "Supply of Battery Energy Storage Systems (BESS) TEC-2", ID No. AS "Latvenergo" 2025/3_1 (not actually attached to the Contract).

10. Signatures of the Parties

- 10.1. By signing these special provisions of the Agreement, the Parties agree to the general provisions of the Agreement and Annexes to the Agreement as appended.
- 10.2. This Agreement shall be executed using DocuSign with a standard electronic signature (SES). By signing this Agreement through DocuSign, each Party confirms its intention to be legally bound and acknowledges that this Agreement shall have the same legal force and effect as if signed in wet-ink form.
- 10.3. Each Party shall ensure that the individual signing on its behalf is duly authorised. The DocuSign completion certificate generated upon execution shall constitute sufficient evidence of signature, execution, and the date and time of signing.
- 10.4. For the avoidance of doubt, unless mandatory law requires the use of a qualified electronic signature, the Parties expressly agree that the use of a standard electronic signature via DocuSign is valid and enforceable for the execution of this Agreement and any amendments thereto. Nothing in this Article prevents the Parties from using a qualified electronic signature (QES) in the future, provided that both Parties have the mutual need and technical capability to do so, and any document executed using QES shall have the legal effect prescribed under Regulation (EU) No 910/2014 (eIDAS). The date of execution of this Agreement shall be the date on which the last Party signs the Agreement, as evidenced by the DocuSign completion certificate, and this date shall be deemed the signing date of the Agreement unless expressly stated otherwise in the Agreement.
- 10.5. The Parties agree that documents related to the performance of this Agreement, including but not limited to Delivery and Acceptance Certificates, performance certificates and other confirmations or notices, may be signed using DocuSign with a standard electronic signature (SES). Any such document signed via DocuSign shall have the same legal force and effect as if signed in wet-ink form, provided that the individual signing is duly authorised and the DocuSign completion certificate is retained as evidence of execution.

CUSTOMER
Latvenergo AS

CONTRACTOR
HyperStrong International (Germany) GmbH

[...]

[...]

[...]

GENERAL PROVISIONS

1. Structure of the Agreement

- 1.1. This Agreement consists of:
 - 1.1.1. Special Provisions;
 - 1.1.2. General Provisions;
 - 1.1.3. Annexes.
- 1.2. If any contradictions between Special Provisions of the Agreement, General Provisions of the Agreement and/or annexes to the Agreement arise when interpreting the content of the Agreement, Special Provisions of the Agreement shall prevail primarily, General Provisions of the Agreement shall prevail secondarily, while annexes to the Agreement shall prevail in the order, in which they are specified in Special Provisions of the Agreement.
- 1.3. The concepts defined in the Special Provisions of the Agreement are used in the General Provisions of the Agreement and annexes to the Agreement.
- 1.4. The procedure for performance of the Agreement applicable from General Provisions of the Agreement shall be determined in the Special Provisions of the Agreement, and it depends on whether goods are sold and delivered, or a services/works are provided.

2. Procedure for performance of the Agreement

An Order of Goods

- 2.1. An Order shall be deemed to be coordinated and transferred to the Contractor for performance on the day of entry of the Agreement into force, regardless of whether it is the purchase and delivery of goods or provisions of a service. The Contractor shall provide the Maintenance and Service for 36 (thirty-six) months counting from the date of mutual signing of the Delivery and Acceptance Certificate of the Order.
- 2.2. The Contractor shall deliver an Order of Goods in accordance with the range, amount, delivery place, deadlines and other provisions specified in the Agreement and its annex (Order Specification).
- 2.3. No later than 2 (two) business days before the expected delivery, the Contractor shall notify the Customer's contact person specified in the annex to the Agreement (Authorised Persons and Contact Persons) in writing by e-mail that the Order will be delivered to the specified place, specifying the contact information of the supplier of the Order (vehicle make and state registration number, supplier's name, surname) to apply for an entry-pass, and the Customer will be able to receive it. The Customer shall ensure acceptance of the Order during its working hours.
- 2.4. The Contractor shall transfer the Order of Goods to the Customer together with Goods delivery documents prepared in accordance with applicable laws and regulations.
- 2.5. Together with the Goods the Contractor shall transfer to the Customer technical documentation, certificates of origin and warranty certificates of these Goods, as well as other documents which are necessary for full use, operation, functionality and maintenance of these Goods, including the manufacturer's documentation specifying the conditions for servicing and maintenance of the equipment. The Customer has the right to request additional documentation certifying the origin of the delivered Goods.
- 2.6. When initially accepting an Order at the Delivery place, the Customer shall be entitled to randomly check the compliance and quality of the goods. If any of the goods do not conform to the requirements defined in this Agreement, including if the goods are damaged or not delivered in the specified quantity, the authorised representative of the Customer shall draw up a delivery discrepancy report that shall be signed by the authorised representatives of the Parties. Upon agreement between the Parties, the term for elimination of discrepancies shall be specified in the report. The term for elimination of discrepancies shall not be longer than the Order performance term defined in the Agreement. No later than within the term specified in the delivery discrepancy report, the Contractor shall eliminate the discrepancies specified in this report at their own expense and pay a penalty to the Customer for delayed fulfilment of the Order in accordance with the Clause 4.3 of the general provisions of the Agreement in case of delay. The term for elimination of the discrepancies indicated in the delivery discrepancy report shall not be deemed as extension of the term for the performance of the Order. If the Contractor refuses to sign the delivery discrepancy report, it shall be signed unilaterally by the Customer and it shall be binding upon the Contractor.
- 2.7. The Goods to be delivered within the scope of an Order shall be deemed fully delivered and transferred to the Customer, when authorised representatives of the Parties have signed the Delivery and Acceptance certificate of the Goods, and the Contractor has transferred to the Customer the documents specified in Clause 2.5 of the general provisions of the Agreement.
- 2.8. Within 14 (fourteen) days after the Goods are delivered to the Delivery place, the Customer shall have the right to inspect the Goods before signing the Delivery and Acceptance Certificate of the Goods. If any of the Goods do not conform to the requirements defined in this Agreement, including, but not limited, if the Goods or its

components are damaged, defected, not functioning properly, not delivered in the specified quantity or the component set is not full, the Customer shall have the right to pursue the claim and unilaterally prepare the damage and non-conformity report and send it to the Contractor. The damage and non-conformity report shall be binding on the Contractor. The term for elimination of defects shall be specified in the report. If the Customer has pursued claims within the period specified in this Clause, the Contractor shall be obliged to eliminate the non-conformity no later than within the term specified in the report, as well as shall pay a penalty to the Customer in accordance with the Clause 4.5 of the General Provisions of the Agreement. The Customer has the right to not accept and not pay for a non-conforming Good until the non-conformity is eliminated, including until the Good or its component is replaced. Signing the Delivery and Acceptance Certificate shall not affect the Customer's rights to claim for hidden defects discovered during the warranty period that were not identified during the Goods inspection.

Maintenance and Service

- 2.9. The Contractor shall provide Maintenance and Service in accordance with the amount, deadlines and other provisions specified in the annex to the Agreement (Order Specification, incl. Maintenance and Service Work Plan).
- 2.10. The Contractor shall be obligated to perform Maintenance and Service in accordance with the requirements set forth in the Agreement and its annexes, including but not limited to the Maintenance and Service Plan, Technical Specification, and the Manufacturer's Documentation.
- 2.11. The Customer has the right not to accept the Maintenance and Service works performed in a manner that does not comply with the requirements of the Agreement and its annexes, including the Maintenance and Service Work Plan, and that does not meet quality control standards. The Customer shall have the right to pursue the claim and unilaterally prepare the non-conformity report and send it to the Contractor. The non-conformity report shall be binding on the Contractor. The term for elimination of discrepancies shall be specified in the report. The Contractor shall be obliged to eliminate the non-conformity no later than within the term specified in the report, as well as shall pay a penalty for delay to the Customer in accordance with the Clause 4.4 of the General Provisions of the Agreement. The Customer has the right to not accept and not pay for a non-conforming Maintenance and Service works until the non-conformity is eliminated.
- 2.12. In the event that the Contractor fails to perform the Maintenance and Service works in accordance with the requirements set forth in the Agreement and its annexes, including failing to comply with the Maintenance and Service Plan or performing the works in an inadequate quality that does not meet the requirements of the Agreement and its annexes, or does not eliminate non-conformities in accordance with the procedure specified in Clause 2.11, the Customer shall have the right to engage other specialists in order to carry out the maintenance and service works or to eliminate non-conformities. In such case, the Contractor shall compensate the Customer for any losses incurred as a result of the Contractor's failure to perform the Maintenance and Service works, as well as pay penalty for non-fulfilment of the provisions of the Agreement, as specified in Clauses 4.5 of the Agreement. The Customer shall have the right to withhold the calculated losses and/or penalties from the performance security for the Maintenance and Service works.
- 2.13. For the Maintenance and Service works performed in the relevant period (year or quarter), the Parties sign an interim act, which serves as the basis for payment. After the full performance of all Maintenance and Service work specified in the Agreement, the parties sign a Delivery and Acceptance Certificate.

Settlement

- 2.14. The total Contract Amount is defined in Special Provisions of the Agreement, taking into account the prices defined in the annex to the Agreement (Order Specification) and include Contract Price and Maintenance and Service fee. The total Contract Amount include any related costs, including, but not limited to costs of delivery, installation, packaging, materials, articles, equipment, works, transport, and other, as well as any applicable taxes and duties, except value added tax. Value-added tax shall be calculated, indicated in invoices and paid pursuant to the respective valid laws and regulations. Payment milestones are specified in Special Provisions of the Agreement.
- 2.15. The Parties shall issue and send invoices to each other to the e-mail or postal address, if any, of the contact person of the Party specified in the annex to the Agreement (Authorised Persons and Contact Persons). Invoices may be issued and delivered at the Order acceptance place during conveyance and acceptance of the Order. The Contractor shall ensure its compliance with the requirements of credit and payment institutions for the performance of settlements with the Customer provided for in the Agreement (the Customer's credit institution is indicated in the details of the Agreement).
- 2.16. Unless Special Provisions of the Agreement provide otherwise, the payment for the Order and Maintenance and Service works shall be a postpayment. Post-payment shall be made by transfer to the Contractor's account in a credit institution specified in the supporting document (invoice, goods delivery document containing details of the supporting document) issued by the Contractor, which corresponds to the Contractor's account in a credit

institution specified in the Agreement. The Customer shall make the payment within 30 (thirty) days of fulfilment of the Order and provided Maintenance and Service, signing of the respective document on delivery and acceptance (goods delivery document, interim report, Delivery and Acceptance Certificate) by both parties (if it's applicable to fulfilment of the Order), and receiving the relevant supporting document from the Customer. The date of the payment order of the Customer shall be deemed the date of the payment order.

- 2.17. If the Parties agree on a Contract Amount payment procedure with partial or full prepayment in the Special Provisions of the Agreement, the Customer shall make prepayments in the amounts and within the deadlines specified in the Special Provisions of the Agreement having received a respective supporting document (invoice) from the Contractor. After complete fulfilment of the Order and signing of the document of delivery and acceptance of the respective Order (goods delivery document, interim deed, Delivery and Acceptance Certificate) by both parties (if it's applicable to fulfilment of the Order), the Contractor shall submit to the Customer a supporting document (invoice), which states the total Contract Amount, the received prepayment amount and the remaining outstanding part of the Contract Amount, if any.
- 2.18. If the Contractor receives a prepayment and has not fulfilled the Order in accordance with provisions of the Agreement and therefore the fulfilled Order or part thereof is not or cannot be accepted, the Contractor shall pay the value of this Order or its unaccepted part to the Customer. In this event, the Contractor shall issue a credit invoice to the Customer and shall return the received payment for the unfulfilled and/or unaccepted part of the Order within 10 (ten) days of the set date of fulfilment of the Order.

Obligations and rights of the Customer

- 2.19. The Customer's contact person and/or authorised person introduces the Contractor to the valid rules and procedures governing the works in the Customer's company (also available on the Customer's website <https://latvenergo.lv/lv/par-mums/saistosie-dokumenti-darbuznemejiem>) and their amendments.
- 2.20. The Customer shall provide access to the site for Contractor's personnel, equipment and vehicles in accordance with the procedure K233 "The procedure of performance of work carried out by the contractors at the generation facilities" at the times specified in the time schedule or other times agreed between the Parties.
- 2.21. The Customer shall provide the Contractor access to the documents, plans and other materials available to the Customer, that are necessary for the performance of the Order and Maintenance and Service works.
- 2.22. The Customer takes over the Order and Maintenance and Service works duly performed by the Contractor in accordance with the provisions of the Agreement.
- 2.23. If the Contractor violates the rules of Occupational Health and Safety, Fire Safety, Sanitary and Environmental protection, as a result conditions hazardous to the health and life of personnel may arise or material damage may be inflicted on the Customer, the Customer is entitled to suspend the performance of the contractual works by drawing up a protocol signed by the Contractor's authorised person and notifying the Contractor thereof. In the event of such suspension of the contractual works, the Contractor shall ensure that its employees/subcontractors involved in the performance of the works undergo repeated safety inductions, if provided for in the protocol.

Obligations and rights of the Contractor

- 2.24. The Contractor is obliged to perform the Order and Maintenance and Service works in a good quality and in accordance with the provisions of this Contract, valid regulatory enactments and standards in the Republic of Latvia, valid rules and procedures governing the works in the Employer's company (also available on the Employer's website <https://latvenergo.lv/lv/par-mums/saistosie-dokumenti-darbuznemejiem>).
- 2.25. The Contractor is obliged to obtain at its own expense all necessary permits (including work permits), approvals, certificates or licenses from state administration and local government institutions or public utility companies, if the said documents are necessary for the performance of the Order and Maintenance and Service works, their handing over or proper fulfilment of this Agreement.
- 2.26. Not less than 5 (five) days prior to commencement of the Order or Maintenance and Service works at Customer's site, the Contractor shall submit to the Customer a list of employees who will perform the works under this Agreement. The list of employees shall be submitted in compliance with the procedures set out in the Regulations of Latvenergo AS Pass System.
- 2.27. During execution of the Order and Maintenance and Service works, the Contractor shall comply with all valid regulatory enactments, including acts issued by local governments, and national standards related to the Order and Maintenance and Service works. The Contractor shall indemnify the Customer for the losses incurred by the Customer as a result of non-performance of the contractual works, including claims by third parties, fines imposed, etc.
- 2.28. During the performance of Maintenance and Service works, the Contractor shall maintain the site in order, and if necessary, ensure the installation of warning signs, installation of special lighting, security of the site and installation of identification signs, in accordance with procedure K233 "The procedure of performance of work

carried out by the contractors at the generation facilities". After completion of the works until the works are taken over by the Customer, the Contractor shall clean up and put in order the site, remove the equipment dismantled, materials and waste collected during the performance of the works, as well as return documents, incl. entry passes, to the Customer.

3. Liability of the Parties

- 3.1. Until the Order is completely fulfilled and delivered and Maintenance and Service works are completely performed, the Contractor shall:
 - 3.1.1. bear all the risk for complete or partial destruction of the Order;
 - 3.1.2. bear all risks for accidents with persons, damage or destruction of materials, equipment or other property (both the Customer's and third persons'), including also accidental case;
 - 3.1.3. be liable for compliance with the requirements of labour safety, fire safety, environmental protection as well as other laws and regulations regulating the fulfilment of such an Order and/or Maintenance and Service works.
- 3.2. The Parties shall be liable for direct losses caused to the other Party as a result of their acts/omissions. Neither Party shall be liable to the other Party for any indirect or consequential damages, in particular loss of profits, loss of earnings, business, agreements or contracts, anticipated savings, damage to goodwill. The total liability of the Party under or in connection with this Agreement shall not exceed 100% (one hundred percent) of the Contract Price. This clause shall not limit liability in any case of fraud, deliberate default or reckless misconduct by the defaulting Party.
- 3.3. The Customer shall be entitled to withhold on a no contestation basis any applicable penalties and/or inflicted direct losses from the Performance Security of the Agreement, if any, and/or withhold the amount of penalty and/or direct losses by the way of set off by reducing the amount of payment to be made to the Contractor, and/or issue a penalty invoice to the Contractor.
- 3.4. The Contractor guarantees and ensures good quality, functional operation, safe use, compliance of the Order result with the manufacturer's technical documentation, the provisions of this Agreement and the Order Specification, a quality certificate and/or certificate of conformity and regulatory enactments of the Republic of Latvia.
- 3.5. If the fulfilment of the Agreement by the Contractor results in an intellectual property infringement and a claim is brought against the Customer, the Contractor undertakes to cover all the costs and direct losses results from the Customer's efforts to refute these claims. The Contractor shall also cover all expenses and indemnify against any losses awarded to the third parties. Upon agreement with the Customer, the Contractor at its own cost may provide the Customer with the right to continue to use the result of the fulfilled Agreement, to replace or alter it in the manner not creating the intellectual property infringements.
- 3.6. In the Customer's approved politics it is determined that the Customer's employees and cooperation partners, including the Contractor and its subcontractors, shall observe high ethics standards in their operations. According to the politics, in case if the Customer has fundamental suspicions about corruptive or fraudulent actions in relation to the Agreement's fulfilment, the Customer is entitled during the Order fulfilment and within 365 days after the termination of the Agreement to require information and/or to carry out an audit/check in relation to the Agreement's fulfilment. The Customer selects the auditor and pays for its services. The information gained in the result of the audit/check shall be deemed confidential and shall not be revealed to third persons. The Customer ensures that the auditor observes Agreement's terms regarding confidentiality. The Contractor's duty is to incorporate the requirements stipulated herein in the contracts that the Contractor concludes with the subcontractors to ensure the fulfilment of this Agreement. If the Customer finds that the Contractor or its subcontractors do not cooperate with the Customer in the fulfilment of this Clause, the Customer shall be entitled to terminate the agreement by a unilateral written notice one month in advance.
- 3.7. By signing the Agreement, the Parties declare that international sanctions or national sanctions, or sanctions affecting the interests of a major financial and capital participant or market of a Member State of the European Union or a Member State of the North Atlantic Treaty Organization (hereinafter - Sanctions) and will take all necessary actions to ensure that the Parties' cooperation with their subcontractors does not create any additional Sanction risks for the other Party, including but not limited to ensuring cooperation of the Parties with such subcontractors, whose member or shareholder structure is clear and verifiable.
- 3.8. The Party shall immediately notify the other Party in due course if it has established a breach of such Sanctions in relation to the performance of the Agreement in its own or its subcontractors' activities or any relation of the Board or Council members, direct or indirect members, shareholders, beneficial owners with the Sanctions, or the prosecution or punishment of the Party itself or the above-mentioned persons related to it in the European Union due to money laundering, terrorism or its financing, violations of the movement of goods of strategic importance.

3.9. At the request of the Customer, in order to ensure that the Customer can verify the compliance with the Sanctions, no later than within 5 (five) working days, unless the Parties have agreed on another term, the Contractor is obliged to provide the Customer with:

- 3.9.1. information based on verifiable facts (for natural persons - name, surname, year of birth, country of citizenship; for legal persons - name, country of registration, registration number) about members of the Contractor's board or council, direct or indirect members, shareholders, beneficial owners or persons who otherwise effectively control the Contractor;
- 3.9.2. information or documents regarding the country of origin of the goods and/or materials required for the performance of the Agreement, their manufacturer, delivery route, if such goods and/or materials are subject to import, export or transit restrictions according to the legislation of the European Union during the term of the Agreement or were subject to such restrictions 12 (twelve) months prior to the conclusion of the Agreement.

3.10. The Contractor acknowledges and agrees that in accordance with the requirements of the national security legislation of the Republic of Latvia, the Contractor and its employee(s) may be denied or revoked the already issued permit/access to the generation and administrative facilities of Latvenergo AS. In the event that this permission/access to a particular employee is denied or revoked, the Contractor undertakes to replace the respective employee with another suitably qualified employee as soon as possible, but not later than within 1 (one) month, and does not make any claims against the Customer, nor does it demand reimbursement of the losses incurred in relation to such a change of employee. If the replacement of an employee cannot be done within this term, the Parties have the right to agree on an extension of the Agreement term for a period during which the Contractor, objectively proving the circumstances, undertakes to replace the employee or the Parties agree to terminate the Agreement.

3.11. The Contractor ensures that goods and/or materials originating in the Russian Federation or the Republic of Belarus will not be used in the performance of the Agreement.

3.12. The Contractor shall ensure supply chain traceability of goods and/or materials, and their components, which are required to be used for the fulfilment of the Agreement. No later than within 5 (five) working days after request of the Customer the Contractor shall provide to the Customer information or documents on the country of origin of goods and/or materials, or their components, required to be used for the fulfilment of the Agreement, their manufacturer and delivery routes. If the Contractor cannot submit the requested information or documents within the specified time period, the Customer has the right to terminate the Agreement in accordance with Clause 12.3 of the General Provisions of the Agreement.

Rights and obligations of the Parties in the field of cybersecurity

3.13. If, within the framework of the Agreement, the Contractor delivers goods or provides services that include the delivery of significant information technology-related services, software or equipment, the Contractor shall ensure during the term of the Agreement that (except for the case where the opinion of the competent state security authority has been received for the conclusion of the Agreement):

- 3.13.1. it is registered in a member state of NATO, the European Union or the European Economic Area;
- 3.13.2. the true beneficiary of the Contractor is a citizen of a member state of NATO, the European Union or the European Economic Area, or a non-citizen of the Republic of Latvia;
- 3.13.3. the manufacturer of the software or equipment used to provide the Services is a legal entity registered in a member state of NATO, the European Union or the European Economic Area, or a natural person who is a citizen of the Republic of Latvia, a citizen of a country of NATO, the European Union or the European Economic Area.

3.14. The Contractor shall immediately notify the Customer's contact person specified in the Agreement if the Beneficiary of the Contractor has changed.

3.15. The Agreement is immediately terminated if any of the restrictions mentioned in Clause 3.13 above apply to the Contractor and the competent national security authority has not approved the continuation of the Agreement.

3.16. In the event that, during the term of the Agreement, changes are made to legal acts that affect the security of information and communication technologies or determine stricter cyber security requirements, the Contractor undertakes to ensure compliance with the aforementioned requirements, with the Parties making the necessary amendments to the Agreement (if applicable).

4. Penalties

4.1. The payment of the penalty shall not release the Parties from fulfilment of their obligations stipulated hereof and the award of direct losses.

4.2. Penalty invoices, if any, shall be paid within the deadline specified in the invoice, which is not shorter than 10 (ten) business days of the date of issuing the invoice.

Contractor's penalties

- 4.3. For failure to respect any deadline under the Agreement referring to the Order performance the Contractor shall pay a penalty of 0.25% (zero point twenty-five per cent) of the Contract Price for each day of delay, but no more than 7.5% (seven point five percent) of the Contract Price.
- 4.4. For failure to respect any deadline under the Agreement referring to the Maintenance and Service performance the Contractor shall pay a penalty of 0.25% (zero point twenty-five per cent) of the Maintenance and Service fee for each day of delay, but no more than 10% (ten per cent) of the Maintenance and Service fee.
- 4.5. If fulfilment of the Order (or part thereof) or Maintenance and Service is not compliant (quality, functionality, specification) with provisions of the Agreement, the Contractor shall pay a penalty of 10% (ten percent) of the amount of the improperly fulfilled obligation without VAT.
- 4.6. If the Contractor does not ensure replacement of low quality/non-compliant goods in accordance with the procedure laid down in the Agreement, the Contractor shall pay the Customer the amount of the low quality/non-compliant goods and pay a penalty of 10% (ten percent) of the amount of the Goods or its components that have not been replaced without VAT.
- 4.7. If the Customer has terminated the Agreement based on Clause 12.2 and/or 12.3 of the General Provisions of the Agreement, the Contractor shall pay a penalty for default of liabilities in the amount of 10% (ten percent) of the Contract Price.

Customer's penalties

- 4.8. For failure to respect payment deadline the Customer shall pay a penalty of 0.25% (zero point twenty-five percent) of the amount of the outstanding payment without VAT for each day of delay, but no more than 10% (ten percent) of the amount of the outstanding payment without VAT.
- 4.9. If the Contractor has terminated the Agreement based on Clause 12.4 of the General Provisions of the Agreement, the Customer shall pay a penalty for default of liabilities in the amount of 10% (ten percent) of the Contract Price.
- 4.10. The contractual penalty stated in Clause 4.8 and 4.9 of the General Provisions shall not be calculated in cases, when the Contractor and/or the persons stated in Clause 12.3.1 of the General Provisions are subject to Sanctions and, therefore, settlement of payment is impossible.

5. Agreement performance securities***The Advance payment Security***

- 5.1. Contractor shall submit to the Customer the Advance Payment Security in accordance with the requirements set out in Clause 5.1.2 of Special Provisions.
- 5.2. Advance payment Security is a credit institution guarantee acceptable to the Customer, providing that issuer has a duty unconditionally and upon Customer's first request, to pay the Customer the amount requested within the limits of this security. The content of the Contract performance security shall be approved by the Customer.
- 5.3. The Advance payment Security should state that the ICC Uniform Rules for Demand Guarantees are applied, ("The ICC Uniform Rules for Demand Guarantees", ICC Publication, No.758) and all disputes related to this security shall be settled by the court of the Republic of Latvia.
- 5.4. The Advance payment Security is issued by the credit institution (bank) registered in the European Union and that (or its parent company) holds at least one credit rating assigned by Standard and Poor's, Moody's Investors Services or Fitch credit rating agencies and which is not lower than: "BBB-" if the rating is assigned by Standard and Poor's; "Baa3" if the rating is assigned by Moody's Investors Services; and "BBB-" if the rating is assigned by Fitch; or equivalent. For the avoidance of doubt, credit ratings assigned by all credit rating agencies mentioned above shall be at the scale indicated in this Clause, if the bank holds credit ratings assigned by more than one credit rating agency mentioned above. If, at any time while the guarantee is valid, the credit institution (bank) that has issued the guarantee no longer complies with the requirements of this Clause, the Contractor shall immediately submit to the Customer the respective guarantee issued by the credit institution (bank) corresponding to the requirements of this Clause. The credit institution (bank) guaranty or any amendment or extension of mentioned guarantees to be submitted by the Contractor to the Customer shall be sent via SWIFT MT 760 and the Employer informed through its bank.
- 5.5. The Advance Payment Security shall be valid until the completion date of the delivery of Goods specified in Clause 3.2 of Special Provisions and mutual signing of the Delivery and Acceptance Certificate for the Goods and for 30 (thirty) days thereafter. In case, if the delivery of Goods is not completed until the completion date specified in the Clause 3.2 of Special Provisions, the Contractor shall not later than by the 10th (tenth) working day prior to expiry date of the Advance Payment Security extend the Advance Payment Security by a period equal to the extension of the delivery completion date.

5.6. The Customer withholds the Advance payment security to compensate the scope of Contractor's unfulfilled obligations for which an advance payment has been received, including calculated contractual penalties and damages. In the event if the Advance Payment Security has to be extended, but the Contractor fails to do so by the date set in Clause 5.5 of General Provisions, the Customer shall withhold the Advance Payment Security in the amount of the Contractor's unfulfilled obligations for which an advance payment has been received.

5.7. Within 10 (ten) days after full completion of the delivery of Goods and mutual signings of the delivery and acceptance certificate by the Customer, the Customer shall release the Advance Payment Guarantee and send or return it to the Contractor, having received the Contractor's request. The Customer shall send to the credit institution a written notice relieving it from the warranty liabilities.

Performance Security of the Agreement. Performance Security for the performance of the Order and Performance Security for the performance of Maintenance and Service.

5.8. Contractor shall submit to the Customer the Performance Security for the performance of the Order in accordance with the requirements set out in Clause 5.1.1 of Special Provisions and Performance Security for the performance of Maintenance and Service in accordance with the requirements set out in Clause 5.3 of Special Provisions (hereinafter – also Performance Securities of the Agreement).

5.9. A Performance Security of the Agreement can be submitted as:

- 5.9.1. a guarantee of a credit institution
- 5.9.2. an insurance policy;
- 5.9.3. if provided for by documents of the procurement procedure of the Agreement and/or Special Provisions of the Agreement – as crediting of money to the Customer's account in a credit institution.

5.10. The Performance Security of the Agreement, regardless of the submitted type of the Performance Security of the Agreement, shall provide for the unconditional duty of the submitter of the security to pay security for the requested amount to the Customer at the Customer's first demand. The content of Performance Security of the Agreement shall be approved by the Customer.

5.11. If the Performance security of the Agreement is submitted as an insurance policy, it should state that the insurance policy is irrevocable and should be fulfilled unconditionally at the first written request of the Customer, and the required amount of the security should be paid no later than within 30 (thirty) days of submission of request, without asking the Customer to justify its claim, and that the included insurance conditions cannot cumbersome or change in any way this procedure of payment of security amount. The insurance premium should be paid in full, and the Contractor shall submit the document, certifying payment of the premium, to the Customer along with the insurance policy.

5.12. The Performance security of the Agreement (either credit institution guarantee or insurance policy) should state that it is governed by the ICC Uniform Rules for Demand Guarantees, ICC Publication No. 758, and all disputes related to this security shall be settled by the court of the Republic of Latvia.

5.13. The relevant Performance Securities shall be valid during the period stipulated in Clause 5.1.1 and 5.3 of Special provisions. If the Order and/or Maintenance and Service works are not fulfilled within the deadline set in the Agreement or the Parties agree on an extension of the term of the Agreement, the Contractor shall be liable to extend the relevant Performance Security of the Agreement for the period equal to the extension of the Agreement fulfilment period.

5.14. In case a guarantee of a credit institution or an insurance policy is submitted, the Contractor should submit the original document to the Customer.

5.15. If the Contract Performance Security is issued as a credit institution guarantee, the credit institution must meet the requirements referred to in the Clause 5.4 of General Provisions.

5.16. The Customer shall withhold Performance Security of the Agreement:

- 5.16.1. to compensate any direct losses inflicted upon the Customer and/or withhold the penalties applied to the Contractor – in the amount of these payments;
- 5.16.2. if the Performance Security of the Agreement should be extended in accordance with Clause 5.13 of the General Provisions of the Agreement, but the Contractor does not do this – in full amount;
- 5.16.3. if the Contractor fails to submit Performance Security for the performance of Maintenance and Service in the order, specified in the Clause 5.3 of Special Provisions – in full amount.

5.17. The Customer shall discharge the Performance Security for Order performance and send or return it to the Contractor, having received the Contractor's request, within 10 (ten) days after completion of the Order and mutual signing of the delivery and acceptance certificate and receiving of the Warranty Period Security. If payment of a sum into the Customer's account has served as the Performance Security for Order performance, the Customer shall transfer the full amount or the part that was not withheld into the Contractor's account in a credit institution specified in the Agreement within 10 (ten) working days after completion of the Order and taking over by the Customer and receiving of the Warranty Period Security.

- 5.18. The Customer shall discharge the Performance Security for the Maintenance and Service and send or return it to the Contractor, having received the Contractor's request, within 10 (ten) days after full completion Maintenance and Service works under the Agreement and mutual signing of delivery and acceptance certificate. If payment of a sum into the Customer's account has served as the Performance Security for Maintenance and Service, the Customer shall transfer the full amount or the part that was not withheld into the Contractor's account in a credit institution specified in the Agreement within 10 (ten) working days after full completion Maintenance and Service works under the Agreement and mutual signing of the delivery and acceptance certificate.
- 5.19. In order to discharge a Performance Security issued by a credit institution, the Customer shall send to the credit institution a written notice relieving it from the warranty liabilities.

The Warranty Period Security

- 5.20. Contractor shall submit to the Customer the Warranty Period Security in accordance with the requirements set out in Clause 5.2. of Special Provisions.
- 5.21. The Warranty Period Security of the Agreement can be submitted as:
 - 5.21.1. a guarantee of a credit institution;
 - 5.21.2. an insurance policy;
 - 5.21.3. if provided for by documents of the procurement procedure of the Agreement and/or Special Provisions of the Agreement – as crediting of money to the Customer's account in a credit institution.
- 5.22. If the Warranty Period Security is a credit institution guarantee or insurance policy, that shall comply with the requirements for securities stipulated by the Clauses 5.10-5.12 of the General Provisions.
- 5.23. For credit institution that issues security as bank guarantee the provisions of the Clause 5.4 of General Provisions shall be applied.
- 5.24. The Warranty Period Security can also be the payment of a sum of money to the Customer's account in the amount of the security specified in Clause 5.2 of Special Provisions.
- 5.25. The Warranty Period Security shall be valid during the period stipulated in Clause 5.2 of Special Provisions. The Contractor is entitled to submit the Warranty Period Security with a validity period of 2 (two) years and to extend the submitted security for the subsequent period, which shall not be less than 2 (two) years. The Contractor shall extend the Warranty Period Security at least 30 (thirty) days before the expiration of the current Warranty Period Security. The Contractor ensures that the total duration of the Warranty Period Security is not less than the period specified in Clause 5.2. of Special Provisions. In the event that the Contractor does not extend the duration of the Warranty Period Security in the term, specified in this Clause, the Customer has the right to withhold the Warranty Period Security in full.
- 5.26. The Customer shall withhold the Warranty Period Security in the amount of the penalty and/or the amount of loss and/or the amount of defect rectification to compensate the losses and/or the penalty calculated in accordance with the Agreement and/or to rectify the defects notified during the warranty defects notification period, but not rectified by the Contractor. If the Warranty Period Security must be extended, and the Contractor has not extended it by the 10th (tenth) day before the expiry of the Warranty Period Security, the Customer shall withhold the Warranty Period Security in full.
- 5.27. Not later than 10 (ten) days after the issuance of Agreement Performance Certificate referred to in Clause 5.2 of Special Provisions, the Customer shall release the Warranty Period Security and send or return it to the Contractor, having received the Contractor's request. About release of the Warranty Period Security issued by a credit institution, the Customer shall send to the credit institution a written notice relieving it from the warranty liabilities.
- 5.28. If the Agreement is terminated before its expiration due to a violation of the Agreement by the Contractor, the Warranty Period Security shall remain at the disposal of the Customer to ensure the warranty of the actually performed works.

6. Warranty

- 6.1. Provisions of this section shall apply only, if Special Provisions of the Agreement provide for a warranty period.
- 6.2. The Contractor undertakes responsibility for failures (including damages, defects or nonconformity to the requirement of the Agreement or the laws and regulations) concerning the Order incurred during the warranty period.
- 6.3. The Contractor's warranty does not cover proven defects, damage or failures that occur due to:
 - 6.3.1. use by the Customer contrary to the usage guidelines (manufacturer's instructions);
 - 6.3.2. evident users' negligence, improper usage or intentional damage of the Order;
 - 6.3.3. unauthorized alteration, repair or inspection, use of non-approved components or assembly or connection of the constituent parts (components) of the Order in a way contradicting the manufacturer's instructions;
 - 6.3.4. force majeure.

- 6.4. The Contractor within the warranty period after receipt of written notice from the Customer at his own cost undertakes to eliminate damages, failures or non-conformity to the requirement of the Agreement or the laws and regulations.
- 6.5. The contact person of the Customer shall notify the Contractor's contact person specified in the annex to the Agreement (Authorised persons and Contact persons) by e-mail of any failures found in the fulfilment of the Order. The notice of the Customer will be deemed received on the day when it was sent. Within 2 (two) working days of receiving the notice of the Customer the Contractor shall confirm that the notice has been received indicating the term and the procedure for elimination of the identified failures (including, if necessary, agreeing on the place and time, when the Contractor's authorised person will arrive to receive the damaged/non-compliant Order/its part). The term and the procedure for elimination of failures are considered to be coordinated, when the Customer has accepted the offer of the Contractor by e-mail.
- 6.6. If the Contractor does not coordinate the term and procedure of elimination of identified failures with the Customer in accordance with the procedure laid down in Clause 6.5 of General Provisions of the Agreement, the Customer shall be entitled to prepare a statement of defects unilaterally, and it is binding for the Contractor.
- 6.7. If the Parties fail to agree on defects identified, applicability of the warranty or terms necessary for the elimination of the defects, or quality of the works performed within the framework of the warranty, the Parties may agree on the involvement of an expert commission (up to three experts) in resolution of the dispute and its opinion shall be decisive. The Parties shall cover expenses of the expert commission in equal parts.
- 6.8. If the Contractor fails to eliminate the defects to which the warranty is applicable within the stipulated term or the Parties cannot agree on the expert commission, the Customer shall be entitled to eliminate the failures by himself or by involvement of the third parties. In such event, the Contractor compensates the Customer all expenses related to the elimination of the defects.

7. Authorisation

- 7.1. Any authorisations issued and contact persons designated for the purposes of fulfilment of the Agreement are specified in the annex to the Agreement (Authorised Persons and Contact Persons).

8. Title and risk

- 8.1. Each item of Goods shall become the property of the Customer (free from any third-party rights, liens and other encumbrances) at whichever is the earlier:
 - 8.1.1. in cases of deliveries of Goods from countries out of the European Union - upon arrival of the Goods in any European port and the Contractor issuing the title transfer document, namely, a commercial invoice issued to the Customer before the importation of the Goods in the European Union (with customs declaration indicating the Customer as the importer);
 - 8.1.2. in cases of deliveries of Goods from European Union member states - upon delivery of Goods at the Delivery place agreed between the Parties.

For avoidance of doubt, provisions of Clause 8.2 of General Provisions apply also to the Goods to which the Customer has acquired title, and transfer of title provisions under this Clause do not affect the payment provisions of the Agreement if such provide for payment upon delivery at the Delivery place only.

- 8.2. The Contractor shall be responsible for care of and protection of the Goods and bear risk of accidental loss or destruction of the Goods from the date of signing the Agreement until the date of signing of delivery and acceptance certificate by the Customer. The Contractor is not entitled to demand payment for the Goods delivered that have been destroyed or damaged prior to the signing of delivery and acceptance certificate by the Customer. The Contractor shall compensate damages caused to the Customer as a result of damage or loss of any Goods to which the Customer has acquired title.
- 8.3. The risk of accidental loss of or damage to the Goods shall transfer to the Customer as of signing the delivery and acceptance certificate, mentioned in Clause 2.2.3 of Special Provisions.

9. Subcontractors and Contractor's qualified personnel

- 9.1. In case if the Agreement has been concluded as a result of a procurement procedure where the qualification of personnel was evaluated, the list of such personnel and the justification for their qualifications shall be indicated in Annex (List of qualified personnel of the Contractor, the justification of their qualifications). The Contractor ensures compliance of the qualification of the personnel included in Annex throughout the duration of the Agreement, changes to the list of qualified personnel (relevant Annex) are possible only with the prior written permission of the Customer. The Customer shall not agree to the change of the personnel in cases when the offered personnel does not meet the requirements brought forward for the personnel in the procurement procedure documents or it does not have at least the same qualification and experience as for the personnel specified in Annex.

- 9.2. The list of subcontractors and works delegated to the subcontractors is determined in the annex to the Agreement (List of Subcontractors and Works Delegated to Them). The Contractor shall have the right to replace subcontractors or involve additional subcontractors only upon a prior written agreement with the Customer.
- 9.3. The Contractor assumes full responsibility for work performed by the subcontractors, for compliance with the deadlines of work performed by the subcontractors, loss incurred, as well as remuneration of the subcontractors.
- 9.4. Customer shall not be held liable for Contractor's obligations assumed towards subcontractors or third parties in order to ensure performance of the Agreement or in relation to the Agreement.
- 9.5. The procedure of attraction of subcontractors applied by the Parties shall be specified in the Special Provisions of the Agreement.

(A) Simplified procedure

- 9.6. When using the simplified procedure of attraction of subcontractors, the Contractor shall submit to the Customer a written application on replacement of subcontractors or involvement of additional subcontractors, or changes to the list of the works entrusted to subcontractors. The involvement of subcontractors cannot be in conflict with provisions of the Agreement, as well as the requirements of the procurement procedure, if the Agreement has been concluded as a result of a procurement procedure. After examination of the application and approval for the changes proposed by the Contractor by the Customer, the Parties shall add or amend the annex to the Agreement (List of Subcontractors and Works Delegated to Them) in accordance with Clause 13.3 of the General Provisions of the Agreement.

(B) Procedure in accordance with the requirements of the Law On the Procurement of Public Service Providers

- 9.7. When involving a subcontractor in accordance with the requirements of the Law On the Procurement of Public Service Providers (hereinafter – the LPPSP), the Contractor shall submit to the Customer a written application on replacement of subcontractors or on engagement of additional subcontractors, or amendments to the List of Works entrusted to the subcontractors accompanied by a memorandum of agreement with the said subcontractor, as well as documents attesting to subcontractor's qualification in the amount requested in the LPPSP and the procurement procedure documents.
- 9.8. Customer shall not approve replacement or engagement of subcontractors in the event of any of the following:
 - 9.8.1. the subcontractor offered does not conform with the requirements for subcontractors laid down in the LPPSP and procurement procedure documents;
 - 9.8.2. the subcontractor whose abilities the Contractor relied upon to certify its compliance with the requirements set in the procurement procedure documents is replaced, and the offered subcontractor does not have at least the same qualification, to which the Contractor referred when certifying its compliance with the requirements of the procurement procedure, or it meets the tenderer exclusion conditions listed in the LPPSP and documents of the procurement procedure;
 - 9.8.3. replacement of subcontractor would require amending the procurement tender in a way that would have affected the choice of proposal in accordance with the proposal assessment criteria stated in the procurement procedure documents, had they been included initially.
- 9.9. Customer approves replacement of subcontractor, provided that conditions referred to in Clause 9.8 of the General Provisions of the Agreement do not apply to the new subcontractor, in the following cases:
 - 9.9.1. the subcontractor specified in the annex to the Agreement (List of Subcontractors and Works Delegated to Them) has submitted a written notice on withdrawal from performance of the Agreement;
 - 9.9.2. the subcontractor specified in the annex to the Agreement (List of Subcontractors and Works Delegated to Them) meets the tenderer exclusion conditions stated in the LPPSP and the procurement documents.
- 9.10. The Customer shall not agree to the attraction of a new subcontractor in case when such changes, if they would have been made in the initial tender, would have influenced the selection of the tender according to the tender evaluation criteria specified in the procurement procedure documents.
- 9.11. If the Customer agrees with the changes proposed by the Contractor, the Parties shall amend/supplement the annex to the Agreement (List of Subcontractors and Works Delegated to Them) in accordance with Clause 13.3 of the General Provisions of the Agreement.

10. Protection of personal data

- 10.1. For the purpose of ensuring the fulfilment of the provisions of the Agreement, including the circulation of information, as well as to fulfil the legal obligations applicable to the Parties and to respect the legitimate interests of the Parties, the Parties shall have the right to process personal data obtained from the other Party, complying with the legal requirements for the processing and protection of such data, including, but not limited to the General Data Protection Regulation ((EU) 2016/679).
- 10.2. The Customer in accordance with the principles of customer personal data processing developed by the Customer and uploaded on its website (available at www.latvenergo.lv/dati) processes the personal data of the Contractor's

representatives and/or contact persons, employees or employers of subcontractors for the following purposes, but not only: Ensuring of the pass system, provision of access to the area specified for the works in the Contract, maintenance of occupational safety registration and accounting logs, publication and preservation of the documentation necessary for the performance of the Contract, verification of personnel qualifications, provision of security at the sites of Latvenergo AS.

10.2. A Party disclosing the personal data to the other Party for processing shall be responsible for ensuring the legal basis for the processing of personal data of the respective data subjects, as well as for informing data subjects and complying with other requirements arising from the General Data Protection Regulation regarding the disclosure of personal data to the other Party. The Party obtaining persons data within the scope of fulfilment of the Agreement shall be deemed the controller of the obtained personal data and shall be responsible for further compliance of the processing of these personal data with the requirements of regulatory enactments.

11. Force majeure

11.1. Neither Party shall have any liability for full or partial failure to fulfil any obligations under this Agreement if such failure to fulfil the obligations occurred caused due to force-majeure circumstances occurred after signing of the Agreement and the entry of which the Parties could not foresee and prevent.

11.2. Such circumstances include fires, acts of war, terrorist attacks, epidemic and pandemic, natural disaster as well as other circumstances beyond the possible limits of control or impact of the Parties.

11.3. Non-fulfilment or undue performance of obligations by the Contractor, suppliers and other involved persons shall not be deemed as force majeure circumstance.

11.4. A Party referring to force-majeure circumstance shall within 3 (three) days notify about that the other Party specifying the possible term for fulfilment of the obligations.

11.5. If due to force-majeure circumstance the fulfilment of the Agreement delays for more than 30 (thirty) days each Party has the right to terminate the Agreement unilaterally. If the Agreement is terminated in such way neither Party may claim compensation of damages to the other Party.

12. Termination of the Agreement

12.1. The Agreement may be terminated by mutual written agreement by the Parties or according to the provisions of the Agreement.

12.2. The Customer shall have the right to terminate the Agreement or its part unilaterally by sending a written notice to the Contractor if at least one of the following events has occurred:

- 12.2.1. the Contractor fails to fulfil the Order (or part thereof) or Maintenance and Service works within 30 (thirty) business days counting from the next day after expiry of the terms specified in the Agreement;
- 12.2.2. the Contractor fails to perform any other obligations or duties provided by the Agreement and the Contractor has not eliminated such failure within 30 (thirty) business days after receipt of the relevant written notice of the Customer;
- 12.2.3. after signing the delivery discrepancy report and/or non-conformity report the Contractor repeatedly delivers an Order or performs Maintenance and Service works not meeting provisions of the Agreement and/or 2 (two) delivery discrepancy reports and/or non-conformity reports have already been prepared, and/or the Contractor has not eliminated faults in accordance with Clauses 2.6, 2.8 and/or 2.11 of the General Provisions of the Agreement.
- 12.2.4. the Contractor fails to submit any of the performance securities specified in the Agreement within time period specified in the Agreement or if the provided performance security has become invalid;
- 12.2.5. the Contractor fails to prove its compliance to the requirements of the Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries as specified in Clause 8.1.1 of Special Provisions.
- 12.2.6. if the Contractor has been declared insolvent, the Contractor's economic activity has been suspended or the Contractor is being liquidated;
- 12.2.7. it has been established that during the procurement procedure the Contractor has provided false information for the assessment of its qualifications;
- 12.2.8. the Contractor or any other person among the Contractor's staff, representatives or subcontractors has given or offered (directly or indirectly) to any person a bribe, gift, gratitude money, commission money or any other valuable item as an incentive or reward for performance or non-performance of any activity, or for showing or not showing favour or disfavour towards any person in connection to this Contract;
- 12.2.9. the Contractor or any person among the Contractor's staff, representatives or subcontractors pursuant to the procedure prescribed by law has been found guilty of illegal action in connection to performance of this Contract;

- 12.2.10. it is detected that the Contractor or any of the Contractor's personnel, representatives or subcontractors is involved in business relationships that create a conflict of interest situation regarding the implementation of the Agreement;
- 12.2.11. the Contractor has committed a severe violation of professional activity, which calls into question its honesty, or has failed to perform a procurement contract, framework agreement or concession agreement with the Customer, and it is admitted by a decision of competent institution or court judgment, which has come into force and has become indisputable and non-appealable.
- 12.3. By sending a written notice to the Contractor, the Customer is entitled to unilaterally terminate the Agreement or a part thereof, and as a result of such actions the Customer shall not incur legal liability, including civil liability, if at least one of the following cases has occurred:
 - 12.3.1. sanctions have been imposed on the Contractor, a member of its board or council, a beneficial owner, an authorised representative or a procurator, a person authorized to represent the Contractor in activities associated with its branch or a member of partnership, a member of its board or council, a beneficial owner, an authorised representative or a procurator, if the Contractor is a partnership, on its subcontractor and, as a result, performance of the Agreement is difficult or impossible;
 - 12.3.2. based on verifiable facts, the Customer has reasonable suspicions that the Contractor's shares are indirectly owned or effectively controlled by a natural or legal person, entity or body on which the Sanctions have been imposed, including when the credit institution servicing the Customer refuses to make payments for the fulfilment of the obligations arising from the Agreement, including in cases when additional information or documents are provided to such a credit institution servicing the Customer for the execution of the respective payment;
 - 12.3.3. at the request of the Customer, the Contractor has not provided, within the time specified in the Agreement, verifiable information on the members of the Contractor's board or council, direct or indirect members, shareholders, beneficial owners or information on the country of origin of goods and/or materials required for performance of the Agreement, their manufacturer and delivery routes, if such goods and/or materials have been or were subject to import, export or transit restrictions according to the legislation of the European Union during the term of the Agreement or 12 (twelve) months prior to the conclusion of the Agreement, or such goods and/or materials have been used in performance of the Agreement;
 - 12.3.4. the Customer, according to the procedure mentioned in Section 48 of the LPPSP, has established that the Contractor or any person specified in that Section meets at least one of the reasons for exclusion referred to in there, and the Contractor has not been able to ensure the restoration of reliability in accordance with the procedures specified in the LPPSP.
- 12.4. The Contractor has the right to terminate the Agreement unilaterally by sending a written notice to the Customer if the Customer has failed to settle the payments under the Agreement for the Order and Maintenance and Service fulfilled and accepted as specified in the Agreement and the delay of the Customer lasts at least 60 (sixty) days. The condition set out in this Clause shall not apply where the Contractor and/or the persons stated in Clause 12.3.1 of General Provisions have been subject to Sanctions and, therefore, the payment cannot be taken.
- 12.5. If the Agreement is terminated in cases specified in Clauses 12.1 – 12.4 of the General Provisions of the Agreement, the Parties shall prepare and mutually sign a separate statement for the scope of the Agreement actually fulfilled and its value. When preparing the statement the Parties shall take into account the quality of fulfilment of the Order and/or Maintenance and Service works. The Customer shall pay to the Contractor for the Order (or its stages) or Maintenance and Service works fulfilled according to the terms of the Agreement, in compliance with the prepared statement and the price schedule provided in the annexes to the Agreement.. The Customer shall have the right to deduct the calculated penalty and/or direct loss award from the amount of payment when performing the payment according to the Agreement. The Parties shall perform the mutual settlement in the case provided herein within 30 (thirty) days after the statement mentioned herein is signed, unless the Customer, pursuant to laws and regulations of the Republic of Latvia is prohibited to make settlements with the Contractor.

13. Final provisions

- 13.1. The Parties represent and warrant that they are duly authorised to enter into this Agreement and to provide the undertakings set forth herein as well as they have capability to fulfil the obligations under this Agreement.
- 13.2. The Parties agree that the Agreement with its annexes as well as the information obtained during the performance of the Agreement is confidential, except the subject, term, the Amount of the Agreement and the Parties; and this information shall not be divulged to third parties. Restrictions mentioned in this Clause shall not apply to cases when any of the Parties must divulge the information pursuant to laws and regulation of the Republic of Latvia.

- 13.3. Any amendments or supplements to the Agreement shall be drawn up in writing and signed by both Parties. Upon signing such amendments and supplements shall become an integral part of the Agreement. Amendments to the Agreement shall not be drawn in writing in the case specified in Clause 13.9 of the General Provisions of the Agreement, when changes are notified by sending a notification.
- 13.4. Matters that are not stipulated by this Agreement shall be resolved pursuant to the laws and regulations of the Republic of Latvia.
- 13.5. The Parties shall solve any disputes and/or disagreements related to the fulfilment of this Agreement through negotiations. If the Parties are unable to achieve a solution through negotiations within 2 (two) months of occurrence of the dispute, the Parties shall solve such disputed in International Chamber of Commerce Arbitration Court in Sweden (Stockholm) in accordance with the laws and regulations of the Republic of Latvia.
- 13.6. All negotiations, agreements, correspondence of the Parties and other acts, taking place prior to the conclusion of the Agreement, shall become invalid upon signing the Agreement. This provision shall not be applicable to the regulations of the procurement procedure related to the Agreement and the bid submitted by the Contractor (Candidate).
- 13.7. If any provision of this Agreement becomes invalid due to amendments of legal acts, the other provisions of the Agreement shall remain valid and in such case the Parties shall apply the Agreement pursuant to requirements of the governing legal acts.
- 13.8. The text of the Agreement in English prevails over the Latvian language.
- 13.9. In case of changes in the legal status of any Party, rights of representation of employees of the Parties or any other details of the Parties specified in the Agreement, including current accounts in a credit institution, phone numbers, e-mails, registered addresses, etc., this should be notified to the other Party in writing immediately. In case if the bank account details of the Contractor (resident of the Republic of Latvia) are being changed and the credit institution is situated outside the Republic of Latvia, the Contractor is obliged to supplement the notification to the Customer with a certified printout/statement from the State Revenue Service's Electronic declaration system (VID EDS) attesting that the particular bank details are declared to the State Revenue Service. If the Party fails to comply with the provisions of this paragraph, the other Party shall be deemed to have fully performed its obligations by using the information on the other Party, contained in the Agreement. The provisions of this paragraph shall also apply to the representatives of the Parties and their details mentioned in the Agreement and its annexes.