GENERAL AGREEMENT

Riga,

\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_

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| **Sadales tīkls AS**  (hereinafter referred to as the Customer) | and | **SEM TRANSFORMATOR A.S.** **AS**  (hereinafter referred to as the Contractor) |
| Registration number: 40003857687  VAT payer number: LV40003857687 |  | Registration number: 73001  VAT payer number: 7600176740 |
| Address: Šmerļa Street 1, Riga, LV-1160 |  | Address: İNÖNÜ BULVARI NO:8 MALIKÖY SİNCAN- 06909 - ANKARA TÜRKİYE |
| Credit institution: SEB Banka AS |  | Credit institution: DENIZBANK A.S |
| SWIFT code: UNLALV2X |  | SWIFT code: DENITRIS |
| Account number: LV83UNLA0050008821895 |  | Account number: TR280013400000581321000003 |
| represented [..]; |  | represented [..]; |

hereinafter severally referred to as the “Party” and jointly as the “Parties” agree on the following provisions of the general agreement (hereinafter referred to as the Agreement):

# SPECIAL PROVISIONS

## Subject of the Agreement

* 1. The Contractor sells and delivers distribution transformers to the Customer, by preparing each case of fulfilment as a separate order (hereinafter referred to as the Order(s)), but the Customer shall pay to the Contractor for the Orders fulfilled pursuant to the terms of the Agreement. The Order specification is provided in the annex to the Agreement (Order Specification). The Contractor is not guaranteed specific amount of Orders.
  2. The Orders include:
     1. purchase of goods;
     2. delivery of goods to the place specified by the Customer;
     3. installation of the Goods;
     4. provision of a service.
  3. The Order is made:
     1. by using Oracle iSupplier;
     2. by e-mail.

## Price of the Goods/Service

* 1. Execution of the order is performed in accordance with the procedure specified in Annex No. 3 to the Agreement "Execution of Commercial tenders (Price inquiries)". The prices of the Commercial tender must be valid for the entire amount of the Order. The prices of each Order are fixed within the framework of the Commercial tender survey for the specific Order. Price recalculation for the Order is performed in the cases specified in Annex No. 3 to the Agreement "Execution of Commercial tenders (Price inquiries)", in accordance with Annex No. 4 "Goods price recalculation formula". The recalculation of the prices of the Goods performed by the Customer shall become an integral part of this Agreement.
  2. The prices of Order No. 1 are determined in accordance with the Annex to the Agreement "Order Specification", respectively, after concluding the Agreement by recalculating the prices in accordance with Annex No. 4 to the Agreement "Goods price recalculation formula". The recalculation of the prices of the Goods performed by the Customer shall become an integral part of this Agreement.
  3. The Order price is inclusive of all taxes and duties, except VAT, as well as other costs, including, but not limited to the costs of materials, products, equipment, works, delivery, installation and transport related to the fulfilment of Orders. VAT is calculated, specified in invoices and paid in accordance with applicable laws and regulations.
  4. Payment terms: within 30 (thirty) days after execution of the order, which is confirmed by the respectively signed bill of lading-invoice.
  5. Special provisions of the Agreement do not provide for a settlement procedure differing from the payment procedure defined in general provisions of the Agreement. No prepayment is defined in the Agreement.

## Term of the Agreement

* 1. This Agreement enters in force on when signed by both Parties and is valid until complete fulfilment of obligations provided herein.
  2. The Customer shall make Order within2 (two) years of the day of entry of the Agreement into effect. The Contractor shall be obliged to fulfil the Orders if they are placed within the term specified in this paragraph.
  3. The Agreement may be extended by written agreement of the Parties for 1 (one) year on the same terms.

## Warranty period

* 1. The warranty period of each fulfilled Order shall be 60 (sixty) calendar months from the date of transfer and acceptance of the respective Order.

## Amount of performance security of the Agreement

* 1. Within 10 (ten) days of signing the Agreement, the Contractor shall submit to the Customer a performance security of the Agreement of 80 000.00 EUR (eighty thousand) (hereinafter referred to as the Performance Security of the Agreement).

## Procedure of attraction of subcontractors

* 1. No subcontractors are attracted under the Agreement.

## Additional penalties

* 1. Special provisions of the Agreement do not provide for additional penalties, except for the Annex to the Agreement no. 3 "Conducting commercial offers (price surveys)" agreed procedures

## Additional provisions

* 1. The Parties agree on the following additional provisions:
     1. The Parties shall be liable for the damages caused to the other Party as a result of their actions / inaction. The limit of the amount of losses related to the performance of the Agreement is set at EUR 3 000 000.00 (three million euro, 00 cents) excluding VAT;
     2. If during the term of the Agreement the Material Register of AS "Sadales tīkls" is supplemented with a new Manufacturer and / or brand and / or name of the material, the Parties have the right to amend the Agreement in accordance with the procedure specified in Clause 13.3 of the General Terms and Conditions;
     3. During the validity term of the Agreement the Contractor's responsible person must come to the transformer inspection within 3 working days of Customer informing moment unless both Parties have not agreed on another time limit for the transformer inspection*;*
     4. The Contractor agree that during the validity term of the Agreement the Customer according to random selection method is entitled to perform tests of the delivered Goods and compare the results with the Contractor's Tender within procurement procedure "Supply of distribution transformers" (id.Nr. IPR-66520) and the standards. In case of incompliance the Contractor will replace the Goods with compliant ones without extra charge;

## Annexes to the Agreement

* 1. Annex 1 – Order Specification (including Technical offer).
  2. Annex 2 – Authorised Persons and Contact Persons.
  3. Annex 3 – Execution of Commercial tenders (Price inquiries).
  4. Annex 4 – Goods price recalculation formula.

## Signatures of the Parties

* 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.
  2. The Agreement together with Annexes is signed in two copies, each on [..] pages, one copy for each Party. Both copies of the Agreement have equal legal force.

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| --- | --- |
| **CUSTOMER** | **CONTRACTOR** |
| Sadales tīkls AS | SEM TRANSFORMATOR A.S. - |
| [..] | [..] |

[..] indicates information that is not disclosed to third parties