

This text is the translation from the Lithuanian language. In case of differences between the text in Lithuanian language and its translation, the Lithuanian version has the priority.

**The Conditions of Activity in the Territory of the
Western Shipyard (lith. AB Vakarų laivų gamykla)
(hereinafter the Condition)**

Application of the Conditions

1. The conditions shall apply to all the legal entities (hereinafter the **Enterprises**) and natural persons that carry out activities in the territories (hereinafter the **Territory**) of the Western Shipyard (hereinafter referred to as **WSY**) at the address: Minių g. 180, Klaipėda and Baltija Shipbuilding (lith. AB Baltijos laivų statykla) (Pilies g. 8, Klaipėda).
2. The Conditions shall apply to all contracts concluded by the Western Shipyard and BLRT Grupp AS group of companies.
3. A company of the Group of companies (hereinafter the **Group Company**) shall refer to a company where 30 percent or more of shares belong to the Western Shipyard or BLRT Grupp AS.
4. The conditions shall apply along with the terms and conditions regarding occupational safety and environmental protection of Western Shipyard (hereinafter the OSEP Terms and Conditions)
5. Conditions and OSEP Terms and Conditions are publicly available at www.wsy.lt
6. Conditions shall set the main requirements to the companies (hereinafter the Company) performing activities in the territory of Western Shipyard (hereinafter the WSY) at the address Minių Str. 180, Klaipėda, (these conditions shall also apply to the companies performing activities in the territory of Baltija Shipbuilding (Pilies Str. 8, Klaipėda) in accordance with the agreements concluded with the companies of the WSY group) (hereinafter the Territory) in order to secure the general order and ensure compliance with environmental protection, fire safety, occupational safety, port security, customs and other applicable legislative requirements in the national port's land plots in use, as well as to determine the liability for any violations of the present Conditions. The permits to enter the Territory shall be issued only to the Enterprise who has signed the Conditions.

General Obligations of the Enterprise:

7. To operate in the territory of the WSY upon conclusion of the agreements with the companies of the WSY group (hereinafter the Companies) and acquisition of the electronic or single-time paid permits to enter the Territory. The conclusion of the agreement with the Companies is not required in cases where the Enterprise provides vessel maintenance and supply services. The persons who provide vessel maintenance and supply services shall have the right to provide the maintenance services to the vessel and its crew or to provide stocks, once they have obtained the permit to enter the Territory in accordance with the established procedure and the applications of the Masters of the vessels staying at the port quays and piers, or their authorised persons. A delivery note or invoice for transport of goods, or a document supporting the fact of the call to the vessel for the purposes of agreement concerning the supplies shall be equivalent to the application of the Masters or their authorised persons. The agreement with the Companies is also not required in cases where the Company and its customer has agreed, that the customer itself or third parties hired by the customer will carry out certain vessel repair works.
8. To refrain from enticing the employees of the Companies away and suggesting that they terminate the employment relationship with the Companies; to refrain from offering them material goods or other benefits to win their favour; to refrain from conducting negotiations and / or concluding agreements with them for these purposes.
9. The subcontractors of the Companies and / or suppliers of goods or providers of services to the Companies shall undertake to refrain from enticing

away the customers of the Companies present in the Territory at the time of the execution (validity period) of the contracts with the Companies.

10. To ensure that the employees of the Enterprise follow the Internal Work Order Rules of the WSY, the fire safety requirements, the customs procedures, and requirements of other regulatory acts, as well as the permit regime established by the WSY and other requirements of the local legislation.

11. To provide the employees of the Enterprise with the work certificates that complies with the requirements of the legal acts, as well as to instruct the employees to carry such certificates when in the Territory.

Obligations of the Enterprise in Order to Obtain the Permits to Enter the Territory:

12. To pay the fees according to the tariffs established by the WSY for the permits to enter the Territory granted to the Enterprise (not applicable to the companies of the WSY group), as well as for the services of the medical aid station, within 5 calendar days from the issue of the invoice by the WSY (the advance payment is required in case of permits). In the event of late payment of the invoice, to pay delay charges of 0.2% of the amount overdue for each day of delay.

13. To submit the signed applications on the letterhead of the Enterprise to obtain permits to enter the Territory, which has been coordinated with the customer of the works – a representative of the respective company of the WSY group no later than a week prior to the required effective date of the permits. Such applications shall indicate the person responsible and their contact details, the beginning and end dates of works. The employee photos and the list of the employees indicating their personal ID numbers and positions, as well as the copies of the work certificates already issued to such employees following the established procedure (the latter condition shall only apply in cases where the Enterprise operates in the Territory on the basis of contractual relationships with the Companies) shall be attached to the above applications. Electronic permits shall only be issued where the photos of all the listed persons are included.

14. To submit all the documents required to support the legality of the activities carried out by the Enterprise (the incorporation documents, certificates from the State Tax Administrator and Social Insurance Fund Board confirming the absence of debts, copies of the employment contracts and work permits for foreigners, visa copies of foreign workers and other documents), if the Companies request so (this condition shall only apply in cases where the Enterprise operates in the Territory on the basis of contractual relationships with the Companies). When entering (either on foot or in a vehicle) to the Territory, as well as when leaving the Territory, to mark the permit at the electronic card reader device (including all the electronic card reader devices installed at the entrances/ exits).

15. To keep / carry the permits so that they are visible.

16. To immediately notify the Permit Office of the WSY in case an employee of the Enterprise stops working in the Territory, or loses the permit, or is dismissed from work.

17. To refrain from transferring the issued permits for the use of other persons than those named in personal permits.

18. To return the permit to the Control Department employee, in case s/he demands this due to the Work Order Rules violations or other violations.

19. In terms of duration and route, the presence in the Territory of the persons providing vessel maintenance and supply services shall be permitted to the extent that is reasonably required for the execution of the order / call.

20. The WSY shall refuse the issuance of the permit to the Enterprise or its employee (s), if the Port control authorities have provided information that the

issuance of the permits to such persons is not permissible under Paragraph 28 of the Rules of Port Complex Users' Access to the Territory.

21. The Enterprise shall ensure that its employees who are foreign nationals or stateless persons are employed in accordance with the procedure applicable for the work / employment of such persons that is established by legal acts (work permits, notification of the relevant institutions and so on), and shall provide the Companies with the copies of the passports of such persons prior to the issuance of the permits to enter the Territory, and prior to the actual entry of such employees into the Territory. All and any related actions shall be carried out solely by the Enterprise (obtaining work permits, submission of notices to the relevant authorities and so on). Any losses incurred by third parties (natural or legal persons) in connection with non-compliance with the above requirement shall be compensated by the Enterprise. The WSY shall have the right to refuse the access to the Territory for the persons who do not have the required work permits, or to remove such persons from work, and it shall be regarded as a material breach of an agreement and the basis for the Companies to immediately terminate the agreement (the above condition shall only apply in cases where the Enterprise operates in the Territory on the basis of contractual relationship with the Companies).

Obligations of the Enterprise Regarding Performance of Customs Procedures:

22. To carry out any customs procedures in the Territory solely via the Western Stevedoring (lith. UAB Vakarų krova) customs clearance agent. To immediately submit the copies of the accompanying documents of all non EU goods to the declarant of Western Stevedoring. In case such documents are not submitted to the declarant, the WSY shall entitle to suspend the release of cargoes from the Territory without any obligation to pay interest for the transport downtime. To cover all the costs incurred by the Companies in case of violation of the above requirement.

Obligations of the Enterprise in Organising and Carrying Out Works:

23. To appoint in writing a person responsible for the general organisation of works, fire safety, occupational safety, environmental protection, and management in every site by coordinating the work of the shifts and the work involving the machinery that poses a potential risk.

24. To carry into the Territory own occupational protective equipment and tangibles depending on the nature of the Enterprise's business; to declare the carried in materials according to the transport documents and to present them for inspection at the control post of the Control Department (CD) of the WSY, and, when carrying them out, to submit the delivery notes. The Permit Office of the WSY does not provide transport documents (copies of invoices, delivery notes), except for the cases where it is required under applicable legal acts.

25. When carrying out works / manufacturing items in the Territory with own materials, to provide the information on the materials used to complete the works (name, quantity and price of the material) (applicable to subcontractors) in the Deed of Completed Works.

26. To operate and handle the tools and equipment of the Companies strictly complying with the requirements of the user manuals. Upon completion of works, ensure that the returned tools and equipment of the Companies are orderly. To reimburse the damage incurred due to faulty/ lost tools.

27. On the day the works are completed, however, no later than up to the last business day of the month, to submit the timesheets, as well as the sheets concerning the works performed under the orders, to the Director of the respective Company that has concluded the agreement regarding the performance of the specific works (applicable to the Enterprises that are paid according to the table or technological hours).

Offsetting of Mutual Debts:

28. Where the Enterprise is indebted to the Companies, the Enterprise agrees that any company of the WSY group is entitled to transfer the debt directly to any company of the WSY group instead of the Enterprise. Once the transfer has been carried out, the WSY must provide the Enterprise with a copy of the payment order with an indication that the payment is carried out on behalf of

the Enterprise. The following are the companies of the WSY group: Western Shipyard (lith. AB Vakarų laivų gamykla); Baltija Shipbuilding (lith. UAB Baltijos laivų statykla); Elme transportas, UAB; Elmelit, UAB; Western Constructions (lith. UAB Vakarų Konstrukcijos); Vakarų apskaitos grupė, UAB; Vakarų centrinė laboratorija, UAB; Vakarų vamzdinių sistemos, UAB; Aktsiaselts BLRT ERA Klaipėda Branch; Vakarų refonda, UAB; Vakarų laivų agentai, UAB; Vakarų metalgama, UAB; estern Stevedoring (lith. UAB Vakarų krova); Elme metalas, UAB; Western Baltija Shipbuilding (lith. UAB Vakarų Baltijos laivų statykla); Western Baltija Engineering, UAB; Vakarų techninė tarnyba, UAB; Vakarų buitinis, UAB; Western Shiprepair (lith. UAB Vakarų laivų remontas); Baltic Premator Klaipėda, UAB; Marine Technology, UAB; Marine Technology AS (Norway); Vakarų technologiniai sprendimai, UAB; WARTSILA BLRT Estonia OÜ Lithuania Branch; MACGREGOR BLRT BALTIC; Aktsiaselts Mereabi Klaipėda Branch.

Liability of the Enterprise and Applicable Sanctions:

29. Where the entry of any tangibles into the Territory is not declared, and the corresponding purchase documents are absent, such items shall be considered the property of the WSY.

30. The responsibility for the protection and maintenance of own property present in the Territory lies with the Enterprise.

31. The Enterprise (that does not belong to the BLRT Grupp) shall undertake to pay to the WSY a fine totalling twelve average monthly salaries of the respective employee, if in breach of Paragraph 2 of the present Conditions.

32. The Enterprise shall undertake to pay to the WSY a fine totalling the price of the contracts with a respective customer for the last twelve months, if in breach of Paragraph 9 of the present Conditions.

33. In case of any other violations of the present Conditions than those indicated by Paragraphs 31-32 and OSEP Terms and Conditions, the WSY shall be entitled to request from the Enterprise in breach to pay a fine of up to EUR 5,000 for each instance of breach (e.g., the persons within the Territory under the influence of alcohol, carrying or consuming alcohol, using drugs, or smoking in places not intended for this purpose), attempt to steal / stealing property in the Territory (or from a vessel located at the WSY), or any other violations. Where the violation is of a continuous nature, and the Enterprise in breach does not remove it after the receipt of the corresponding request of the WSY, the WSY, along with the fine for the breach, shall be entitled to impose an additional fine of up to EUR 50 for each day of continuation of the violation starting from the date, when the WSY request concerning the removal of the violation has been received. Apart from the imposition of fines on the Enterprise in breach (i.e., the Enterprise whose employee, representative or other person whose actions is the responsibility of the Enterprise (e.g., a visitor, service provider or a person performing works) is in breach of the present Conditions), the WSY shall also be entitled to request that the natural person who has violated the present Conditions or the Rules of Port Complex Users' Access to the Territory would leave the Territory immediately, as well as to cancel the permit issued for such a natural person and suspend the permit issuance for such a natural person for up to 2 months following the violation date. Where the breaches occur regularly (any person is in breach 2 or more times within a six-month period), the WSY shall have the right to refuse the issuance of the permit for such a person up to 6 months from the date of the last instance of breach. The WSY shall have the right to differentiate the extent of the sanctions provided for by the present paragraph depending on the nature and gravity of the breach. The application of the sanctions provided for by the present paragraph shall not divest the WSY or the Companies of their right to claim the compensation for damage from the Enterprise responsible for the breach (i.e., the Enterprise whose employee, representative or other person whose actions is the responsibility of the Enterprise (e.g., a visitor, service provider or a person performing works) is in breach of the present rules), where the breach has caused any damage.

34. The instances of breach shall be recorded in deeds or other means of evidence indicated in the Civil Procedure Code of the Republic of Lithuania. In addition to the issuing persons, the deeds have to be signed by a

representative of the Enterprise and / or the employee liable for the violation. In case the representative of the Enterprise or the employee liable for the violation fails to sign the deed, a copy of the deed shall be sent to the Enterprise via fax or e-mail with a proposal to sign the deed within the indicated term. In case the signed deed or the reasonably grounded refusal to sign the deed is not returned by the indicated deadline, it shall be deemed that the Enterprise has signed it.

35. Where the WSY finds out that the Enterprise has wilfully occupied and / or uses any area or premises of the WSY, the Enterprise shall have to pay the WSY the fine totalling the rent payment for three months according to the tariffs of the WSY, which has to be paid within 15 days from the issue of the invoice for the amount of the fine, and to immediately vacate the wilfully occupied area (premises), or to conclude a rent agreement for that area (premises). The invoice for the fine amount shall be issued based on the deed drawn up by the WSY, and the copy of such deed shall be handed over to the Enterprise.

36. Where the WSY CD finds out that the stolen property of the companies of the WSY group or the remains of such property is stored in the premises or areas rented by the Enterprise, the Enterprise shall have to reimburse the costs of acquisition of such property to the company of the WSY group.

37. The reimbursement amount and / or fine for the damage caused to the WSY due to the fault of the employees of the Enterprise shall be offset while settling the payments, according to the offset documents harmonised with the Enterprise.

38. Any violation of the present Conditions, the OSEP Terms and Conditions or the internal order of the WSY shall be considered a material breach of the agreement concluded with the Companies. In such an event, the Companies shall be entitled, without any consequences for themselves, to unilaterally terminate the agreement concluded with the Enterprise by giving a single notice to the Enterprise three working days in advance. If the agreement is terminated on the above basis, the Enterprise shall lose the right to enter into any future agreements with any company of the WSY group at its own initiative. The termination of the agreement does not exempt the Enterprise from the elimination of any defects, reimbursement of damages and payment of forfeit. The forfeit indicated in the present Conditions shall be deemed the minimum amount of damages, however, the Companies shall, in all cases, be entitled to claim the compensation for the damages not covered by the above forfeit.

Final Provisions:

39. The Enterprise confirms that it is a registered company operating according to the laws of the country of registration and has all the rights and powers to carry out its activities. The person signing the present Conditions is authorised to do so.

40. In case of any changes in the legal details of the Enterprise, it must immediately inform in writing the Director of the respective company of the WSY group and the Permit Office of the Control Department accordingly.

41. Any disputes concerning the present Conditions shall be settled in the court in Klaipėda. The law of the Republic of Lithuania shall be applicable for the interpretation of the Conditions and settlement of disputes.