



**KLAIPĖDOS NAFTA**  
A K C I N Ė B E N D R O V Ė

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**TERMS OF NEGOTIATED PROCEDURE FOR  
PROVISION OF FINANCIAL SERVICES (LONG-TERM LOAN)**

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## 1. GENERAL INFORMATION

- 1.1. AB Klaipėdos Nafta ("**Company**"), legal entity code 1106 48893, domiciled at Burių g. 19, LT-91003 Klaipėda, seeks to acquire financial services (long-term loan) and invites qualified interested persons to participate in the negotiations for granting of the long-term loan.
- 1.2. Following paragraph 2(2) of Article 10 of the Law on Public Procurement, these negotiations for provision of financial services (long-term loan) are not subject to the Law on Public Procurement and/or the Rules on Simplified Public Procurement Procedures of AB Klaipėdos Nafta.
- 1.3. The negotiations shall be conducted following these Terms of Negotiated Procedure, the principles of free movement of goods, freedom of establishment, freedom to provide services, non-discrimination and equal treatment, transparency, proportionality and mutual recognition.
- 1.4. The individual authorised to communicate with candidates and/or participants and to obtain from them notices related to the negotiations procedures shall be Giedrė Šiaulienė, tel. 8-46 492 802, fax 8-46 313 142, e-mail address g.siauliene@oil.lt, address Burių g. 19, LT-91003 Klaipėda.
- 1.5. The Company shall conduct the negotiations in good faith, but it cannot be held liable if the parties fail to reach an agreement on provision of financial services (long-term loan) on terms acceptable to the Company. Nor can the Company be held liable for termination of the negotiations by the reason of adoption of amendments to relevant legal acts and/or announcement of explanations by relevant authorities, which establish that the conclusion of the agreement, which is the object of these negotiations, must be subject to the Law on Public Procurement and/or other special procedure. Accordingly, the candidate (participant) shall bear all expenses of preparing and submitting the request and the tender offers as well as other costs related to the participation in the negotiations.
- 1.6. The Company preliminarily plans to conduct the negotiations in the stages and within the time limits indicated below. Interested persons should responsibly get prepared in advance for all the following steps of the negotiations in order that the negotiations could be conducted as fast as possible. Preliminary stages and the schedule of the negotiations foreseen by the Company (the schedule is not final and can change during the negotiations) are presented below. Should any of the stages be delayed, respective later steps shall be delayed accordingly. In the course of conduction of the negotiations, the Company may present an updated schedule to participants of the negotiations, though it is not obligated to do so:

No.	Step (stage)	Provisional term	Responsible party
1.	Announcement of the negotiations	28-08-2015	Company
2.	Submission of requests to participate in the negotiations	07-09-2015	Candidate
3.	Verification of conformity to the qualification requirements	08-09-2015	Company
4.	Disclosure of confidential information	After verification of qualification	Company
5.	Invitation to submit initial tender offers	09-09-2015	Company
6.	Submission of initial tender offers	28-09-2015	Participant

7.	Negotiations	05-10-2015	Both
8.	Submission of final tender offers	15-10-2015	Participant
9.	Evaluation of final tender offers and award decision	20-10-2015	Company
10.	Signature of the Loan Agreement	02-11-2015	Both

## 2. OBJECT OF THE NEGOTIATIONS

- 2.1. The object of the negotiations is financial services – long-term loan (“**Loan**”). The purpose of the Loan is to finance some payments under the agreement for lease of the liquefied natural gas floating storage and regasification unit (“**FSRU**” and “**Time Charter Party**” respectively) concluded between the Company and Hoegh LNG Ltd. and Hoegh LNG Klaipėda, UAB.
- 2.2. The description of the Loan, without confidential information, is given in the technical specification (“**Technical Specification**”), which is attached as Annex 1 to the Terms of Negotiated Procedure.
- 2.3. Following the procedure of use (keeping) of confidential information of AB Klaipėdos Nafta approved by the decision of the Board of the Company, dated 21 December 2012, and related corporate regulations, the detailed description of the Loan, including, but not limited to, the Loan release schedules and the terms and conditions of the Time Charter Party (“**Detailed Description of the Loan**”), constitutes confidential information of AB Klaipėdos Nafta, which is not public. One can get access to the Detailed Description of the Loan only after one signs an agreement (undertaking) of non-disclosure of confidential information of the Company.
- 2.4. Interested persons, willing to get access to the Detailed Description of the Loan, must contact the person indicated in paragraph 1.4 of the Terms of Negotiated Procedure regarding agreements (undertakings) of non-disclosure of confidential information and getting access to the Detailed Description of the Loan.
- 2.5. The Loan, which in total amounts to EUR 300 million, shall be divided into two equal parts:
- 2.5.1. Loan tranche I shall be a loan of EUR 150 million;
- 2.5.2. Loan tranche II shall be a loan of EUR 150 million.
- The total amount of the Loan and the amounts of both the Loan tranches indicated above are indicated without the option of increasing the amount by 30 percent. The option either will be provided for in the Loan Agreement or not depending on the results of the negotiations with the participants of the negotiations.
- 2.6. Participants of the negotiations can make tender offers regarding any of the Loan tranches indicated in paragraph 2.5 hereof, i.e. only regarding Loan tranche I or only regarding Loan tranche II or regarding both the Loan tranches.
- 2.7. Participants of the negotiations can also make tender offers for a part of Loan tranche I and Loan tranche II respectively, however the least offered amount of a Loan tranche and a step of the offered Loan tranche cannot be less than EUR 75 million, i.e. a participant of the negotiations can make a tender offer regarding lending of the amounts of EUR 75 million or EUR 150 million in each of the Loan tranches.
- 2.8. Alternative tender offers are permitted in the negotiations, but they must be given for different Loan amounts, i.e. a participant of the negotiations can make one price proposal regarding the amount of EUR 75 million and a different price proposal regarding the amount of EUR 150 million.
- 2.9. The Company will enter into one Loan Agreement with the winner of the negotiations or several winners of the negotiations for granting of all the Loan tranches.

### **3. QUALIFICATION REQUIREMENTS**

- 3.1. Interested persons (candidates), willing to take part in the negotiations, shall be subject to the minimum qualification requirements specified in Annex 2 to the Terms of Negotiated Procedure.

### **4. EXPLANATIONS AND CLARIFICATIONS OF THE TERMS OF NEGOTIATED PROCEDURE**

- 4.1. The Terms of Negotiated Procedure may be explained and/or clarified on the Company's initiative or at the participants' requests.
- 4.2. The Company shall publish the explanations and clarifications of the Terms of Negotiated Procedure, which do not contain confidential information, before the end of the procedures of verification of the candidates' qualification, in the same place where these Terms of Negotiated Procedure were published. Explanations and clarifications, which contain confidential information, as well as explanations and clarifications, which are given after the completion of the qualification verification procedures shall be given directly by e-mail only to those candidates, whose qualification was recognised suitable, i.e. who acquired the status of a participant of the negotiations, and who have assumed undertakings of non-disclosure of confidential information.
- 4.3. The requests to explain the Terms of Negotiated Procedure must be given to the person indicated in paragraph 1.4 hereof by e-mail. Candidates and participants should be active and give questions or ask for explanation of the Terms of Negotiated Procedure immediately after they have analysed them. Should candidates and participants detect discrepancies between documents comprising the Terms of Negotiated Procedure, they are obligated to contact the Company and to ask for an explanation, i.e. which requirement or provision should be applied.
- 4.4. The Company shall respond to requests to explain (clarify) the Terms of Negotiated Procedure, provided that a request to explain has been received no less than 4 (four) business days prior to the deadline for submission of requests or tender offers, respectively.
- 4.5. All answers to the questions given by the candidates or participants shall be published or given under the procedure set in paragraph 4.2.
- 4.6. The explanations and clarifications of the Terms of Negotiated Procedure shall be presented no later than 24 (twenty-four) hours before the deadline for submission of requests or tender offers, respectively. If the explanations and/or clarifications are presented later than 24 (twenty-four) hours before the deadline for submission of requests or tender offers, respectively, the term for submission of requests or tender offers shall be extended respectively so that there would be at least 24 (twenty-four) hours from the moment of submission of the explanations and/or clarifications till the relevant deadline for submission of requests or tender offers.

### **5. PREPARATION, SUBMISSION AND AMENDMENT OF REQUESTS TO PARTICIPATE IN THE NEGOTIATIONS**

- 5.1. The candidate may submit only one request – as an individual entity or as a member of a group of business undertakings. If the candidate submits more than one request or a member of the group of business undertakings participates in submitting several requests with different groups of business undertakings and/or individually, all these requests of all such candidates shall be rejected.
- 5.2. The candidate's request and qualification documents shall be submitted in the Lithuanian or English languages. If the respective documents are in languages other than Lithuanian or English, a copy of duly certified translation of the document into Lithuanian or English shall accompany these documents. A translation shall be deemed duly certified if it is certified by the signature of the candidate or signature of its duly authorised representative and bears a stamp of candidate, if it has one, or the translation is certified by the signature of the translator and a stamp of the bureau of translators, if it has one.
- 5.3. **The candidate's request must be submitted only by e-mail at the e-mail address indicated in paragraph 1.4 hereof.** Requests submitted in paper form or not by use of electronic means indicated by the Company shall not be examined.

- 5.4. The candidate's request must be submitted no later than on **7 September 2015 at 9:00** the Lithuanian time.
- 5.5. The candidate's request must consist of the following documents:
  - 5.5.1.a completed form of the request, the form of which is presented as Annex No. 3 to these Terms of Negotiated Procedure;
  - 5.5.2.documents confirming the candidate's conformity to the minimum qualification requirements indicated in Annex No. 2 to the Terms of Negotiated Procedure;
  - 5.5.3.document confirming the authority of the person signing the request (document confirming the person's appointment as the head of the legal entity, another document which confirms that the person heads the legal entity, power of attorney, etc.);
  - 5.5.4.other documents requested in these Terms of Negotiated Procedure and/or documents that the candidate wants to submit on its own initiative.
- 5.6. The request must be signed with a secure electronic signature meeting the requirements set by the Law of the Republic of Lithuania on Electronic Signature (official gazette *Valstybės Žinios*, 2000, No. 61-1827). All documents confirming the conformity of the candidates' qualification to the qualification requirements set in the Terms of Negotiated Procedure, other documents to be submitted together with the request must be submitted electronically, i.e. directly formed by electronic means (e.g. tender offer, certifications, declarations, etc.), or by providing digital copies of documents (e.g. certificates, etc.). The presented documents or digital copies of documents must be accessible by use of non-discriminatory, universally available data file formats (for example, pdf, jpg, doc, etc.).
- 5.7. It shall be regarded that the candidate, by submitting digital copies of relevant documents and signing the request with the secure electronic signature, confirms and declares that the copies of the documents are certified at the moment of submission of the request if a digital copy of each document is not separately certified signing it with the secure electronic signature and indicating "True copy" in the section for marks.
- 5.8. Candidates must clearly specify in the request which information in the request is confidential.
- 5.9. The Company shall be entitled to extend the term for submission of requests. The Company shall notify of any new deadline for submission of requests in the same place where these Terms of Negotiated Procedure were published.
- 5.10. At the candidate's request presented by e-mail, the Company shall immediately present a confirmation by use of the same means that the request has been received and shall indicate the date and the exact time of its receipt.
- 5.11. The candidate may not modify or revoke its request.
- 5.12. The Company shall not be liable for any communication failures or other unexpected cases due to which the request has not been received or has been received with any delay.

## **6. EVALUATION OF THE REQUESTS AND QUALIFICATION**

- 6.1. The Company shall examine requests received before the deadline for submission of requests in the absence of candidates that submitted the requests and/or their representatives.
- 6.2. The Company can evaluate the received requests immediately after their receipt, i.e. without waiting for the deadline for submission of requests, according to the *first in first out* principle.
- 6.3. The Company shall reject a request if:
  - 6.3.1.1. the request was submitted after the deadline for submission of requests;
  - 6.3.1.2. the candidate fails to meet the minimum qualification requirements;
  - 6.3.1.3. the candidate has submitted false information about the conformity to the established requirements, which can be proved by the Company by any lawful means;
  - 6.3.1.4. not all qualification data has been presented or the presented data is inaccurate or incomplete and, upon request of the Company, the candidate failed, within the period determined by the Company, which cannot be shorter than 1 (one) business day, to

present missing data or to clarify the presented inaccurate or incomplete data about its qualification;

- 6.3.1.5. the request and/or method of its submission does not comply with the requirements of the Terms of Negotiated Procedure;
- 6.3.1.6. there are other circumstances indicated in these Terms of Negotiated Procedure.
- 6.4. The Company, having taken a decision on evaluation of the qualification of the candidates that submitted requests, shall inform each candidate about it separately no later than within 3 (three) business days after the decision is taken.
- 6.5. The Company, having decided that a candidate meets the minimum qualification requirements, shall give it the status of a participant and shall inform it about a possibility to assume the undertaking of non-disclosure of confidential information and get access to the Detailed Description of the Loan.

## **7. PREPARATION, SUBMISSION AND AMENDMENT OF INITIAL TENDER OFFERS**

- 7.1. The Company shall simultaneously invite only those candidates, which were recognised to be participants, i.e. which meet the minimum qualification requirements and requests of which were not rejected on the grounds specified in paragraph 6.3 of the Terms of Negotiated Procedure, to submit their initial tender offers.
- 7.2. The participants shall submit initial tender offers in the same composition in which requests were submitted, i.e. if a request was submitted by a candidate acting individually, then the same individually acting participant shall submit the initial tender offer, and if a request was submitted by a group of business undertakings, then the same group of business undertakings shall submit the initial tender offer. This also means that where a candidate belongs to a group of companies, the same legal entity must participate in the entire procedure of negotiations, and, if successful, enter into the Loan Agreement.
- 7.3. Notwithstanding provisions of paragraph 7.2, a participant has the right, subject to the Company's consent, to assign rights and obligations in connection with participation in the negotiations to a third party or to add new members to the group of business undertakings, which meet the minimum requirements indicated in Annex No. 2 to the Terms of Negotiated Procedure.
- 7.4. Preparation and submission of tender offers shall *mutatis mutandis* be subject to the provisions of Section 5 of the Terms of Negotiated Procedure, unless the relevant provisions of this section regulate certain issues otherwise.
- 7.5. The initial tender offer of a participant must consist of:
  - 7.5.1. the tender offer prepared according to the form presented as Annex No. 4 to the Terms of Negotiated Procedure;
  - 7.5.2. proposals regarding the term sheet of the Loan Agreement, indicating a clause proposed to be amended and/or to be additionally included, providing a mark-up (with Track Changes function or similar) of an existing provision proposed to be amended or a new clause proposed to be included, as well as reasons substantiating such proposed amendment (addition) and effect on the tender offer price (if possible).
- 7.6. The tender offer must indicate that the tender offer is valid for at least 90 (ninety) calendar days after the deadline for submission of tender offers. If the tender offer does not indicate its effective term, it shall be regarded that the tender offer is valid for 90 (ninety) calendar days. Before the end of the effective term of the tender offer, the Company has the right to request that participants extend the effective term of their tender offers by a relevant date. Participants have the right to refuse to satisfy such a request.
- 7.7. The Company shall be entitled to extend the term for submission of tender offers. The Company shall notify all the participants invited to submit initial tender offers of any new deadline for submission of tender offers by e-mail.

## **8. EVALUATION OF INITIAL TENDER OFFERS**

- 8.1. The initial tender offers shall be examined in the absence of the participants that submitted the tender offers and/or their representatives.
- 8.2. Initial tender offers shall be evaluated only in terms of their rejection, i.e. whether there are any grounds for rejection of initial tender offers, but a ranking of tender offers shall not be formed. The Commission shall reject tender offers if:
  - 8.2.1. the participant has submitted false information about the conformity with the requirements established in the Terms of Negotiated Procedure, which can be proved by the Company by any lawful means;
  - 8.2.2. the initial tender offer was submitted after the deadline for submission of initial tender offers;
  - 8.2.3. the initial tender offer fails to meet the requirements of the Terms of Negotiated Procedure and the participant has failed to correct it within a term set by the Company.
- 8.3. The participants shall be informed about rejection of their initial tender offers within 3 (three) business days as of the adoption of a relevant decision.

## **9. NEGOTIATIONS**

- 9.1. The Company, having made itself familiar with initial tender offers, shall decide on inviting the participants to negotiate, the place and time of the negotiations, and shall inform all the participants invited to participate in the negotiations about it by e-mail. Negotiations may be conducted by video or telephone conferencing.
- 9.2. During the negotiations the Commission shall consult the participants and shall negotiate the price and all other terms of the tender offer (including, but not limited to, main conditions of the Loan Agreement). For avoidance of doubt, any provisions of the tender offer and the term sheet of the Loan Agreement may be negotiated.
- 9.3. The participants shall be invited and must arrive to negotiations at the time specified by the Company. If the Company does not agree on the negotiations time acceptable to the participant, participants may be invited to arrive to negotiations at the time specified by the Company, but in any case no earlier than on the next business day after sending the invitation to negotiate.
- 9.4. Negotiations with participants shall be performed in accordance with the following terms and conditions:
  - 9.4.1. negotiations with each participant shall be conducted individually;
  - 9.4.2. the parties may not disclose any technical or commercial information they get to know during the negotiations to any third persons;
  - 9.4.3. the Company shall not provide information to the participant, whereas the participant shall not provide information to other participants about agreements reached between the Company and the participant, except for procedural agreements (for example, agreements on the deadline for submission of tender offers, etc.), which are not related to commercial information;
  - 9.4.4. all participants will be subject to equal requirements, will be given equal opportunities and will be provided with equal information. When providing information, the Company will not discriminate any participants for the benefit of other participants;
  - 9.4.5. minutes of the negotiations shall be taken, except for cases when a video or audio record of negotiations is made. In the latter case, taking minutes of the negotiations can be omitted. Minutes of the negotiations shall be signed by authorised representatives of the Company and the participant that participated in the negotiations. The minutes shall be signed at the time of negotiations or immediately thereafter, however in any case not later than within 3 (three) business days following the negotiations. In case the participant refuses to sign the minutes or does not sign the minutes within the specified time, it shall be deemed that the participant has not participated in the negotiations.
- 9.5. The Company may organise as many rounds of the negotiations with each participant, as it thinks necessary.



- 9.6. If the participant does not arrive to the negotiations without any valid cause and/or does not sign the minutes of the meeting within the specified time or refuses to sign them, its initial tender offer shall be rejected and such a participant will not participate in any further procedures.

## **10. PREPARATION, SUBMISSION AND AMENDMENT OF FINAL TENDER OFFERS**

- 10.1. Following the conclusion of the negotiations, the Company shall evaluate the results of the negotiations and shall prepare the final term sheet of the Loan Agreement and shall invite participants, whose initial tender offers have not been rejected, to submit their final tender offers.
- 10.2. The purpose of the final term sheet of the Loan Agreement is to identify terms and conditions of the Loan Agreement, which have a significant effect on pricing of tender offers and, therefore, will have to be included into the Loan Agreement, or the ones that will not be included into the Loan Agreement.
- 10.3. Unless explicitly provided in this section otherwise, provisions regulating preparation and submission of initial tender offers shall apply to the preparation and submission of final tender offers *mutatis mutandis*.
- 10.4. When submitting their final tender offers, the participants shall not present any comments on the term sheet of the Loan Agreement, and if any such comments are presented, they shall be ignored by the Company. Final tender offers must be prepared referring to the final term sheet of the Loan Agreement.

## **11. SECURITY FOR VALIDITY OF TENDER OFFERS AND PERFORMANCE OF THE LOAN AGREEMENT**

- 11.1. The Company does not demand security for validity of tender offers.
- 11.2. Performance of the Loan Agreement shall be secured with penalties, under the conditions and procedure indicated in the term sheet of the Loan Agreement (including variations and supplements that might be made during negotiations).

## **12. EVALUATION OF FINAL TENDER OFFERS**

- 12.1. The received final tender offers shall be examined right after the deadline for submission of final tender offers. The meeting, where the received tender offers of the participants will be examined, shall be held in the place indicated in the invitation of the Company to submit final tender offers, i.e. in the Company's registered office or in its Vilnius office.
- 12.2. All participants that submitted the tender offers or their authorised representatives shall have the right to participate in the procedure of familiarisation with the final tender offers. Initial familiarisation with received tender offers shall take place even in the absence of the participants or their authorised representatives that submitted tender offers from the meeting for initial familiarisation with tender offers received.
- 12.3. Authorised representatives of a participant must have the power of attorney to represent the participant during the procedure of familiarisation with tender offers received. A power of attorney and a document confirming representative's identity shall be submitted to the Chairman of the meeting before the start of the meeting. Without the above-mentioned documents, the participant's representative may not attend the procedure of familiarisation.
- 12.4. During the procedure of familiarisation with tender offers, the name of the participant that submitted a tender offer, the total final price indicated in the tender offer shall be announced to the attending participants or their authorised representatives (without disclosing the constituent parts of price components). The further procedure of examination and evaluation of the tender offers shall take place in the absence of the participants (their representatives).
- 12.5. Tender offers for each Loan tranche not rejected by the Company shall be evaluated separately according to the evaluation criterion of the most economically advantageous tender offer, formed by two criteria in the following order of importance:
- 12.5.1. the price criterion;

12.5.2. the Loan amount criterion.

- 12.6. At first, tender offers shall be evaluated according to the total price of the tender offer, expressed as an absolute amount. All the tender offers submitted for each Loan tranche shall be put into the ranking of tender offers in the order of increase of prices. If there are tender offers submitted for a part of a Loan tranche, then in formation of the ranking of tender offers, compound tender offers shall be formed according to the lowest price from tender offers of several participants submitted only for a part of a relevant Loan tranche. Grouping shall be made only of those tender offers, which are submitted for a part of the amount.
- 12.7. If, after the formation of the ranking of tender offers for a relevant Loan tranche in the order of increase of prices, it turns out that the prices of several tender offers (including the price formed from tender offers of several participants) are equal, the winning tender offer shall be the tender offer of the participant, the Loan tranche amount offered by which is the biggest (for example, if the total amount of price proposals of two participants, each of which offered a loan of EUR 75 million for Loan tranche I, is equal to 100 relative units (EUR 75 million for 40 relative units and EUR 75 million for 60 relative units) and the price proposal of another participant, who offered the whole amount of the relevant Loan tranche, i.e. EUR 150 million, is equal to 100 relative units, then, based on the criterion indicated in paragraph 12.5.2 of the Terms of Negotiated Procedure, the tender offer of the participant who offered a loan of EUR 150 million will be successful).
- 12.8. If it is impossible to establish according to paragraph 12.5.2 of the Terms of Negotiated Procedure, the tender offer(s) of which participant(s) must be given priority, tender offers of those participants, whose tender offers are ranked higher concerning both the Loan tranches, will be ranked higher in the ranking of tender offers.
- 12.9. If it is impossible to establish according to paragraphs 12.5.2 and 12.8 of the Terms of Negotiated Procedure, the tender offer(s) of which participant(s) must be given priority, tender offers of those participants that were submitted earliest (account shall be taken only of the time of submission of final tender offers) will be ranked higher in the ranking of tender offers.
- 12.10. If a participant submitted alternative tender offers for different amounts of a Loan tranche, they shall be evaluated as separate tender offers.
- 12.11. In case of questions regarding the content of final tender offers or in case of non-compliance of final tender offers with the Terms of Negotiated Procedure, the Company must make a request to the participant to explain its tender offer or eliminate non-compliances with the Terms of Negotiated Procedure. The participants must, within a time limit set by the Company, present explanations of the tender offer or eliminate non-compliances, without changing the total final tender offer price, which was announced during the procedure of familiarisation with the tender offers.
- 12.12. The Company shall reject the final tender offer if:
  - 12.12.1. the participant has submitted false information about the conformity with the requirements established in the Terms of Negotiated Procedure, which can be proved by the Company by any lawful means;
  - 12.12.2. the final tender offer was submitted beyond the deadline for submission of final tender offers;
  - 12.12.3. the final tender offer or the method of its submission fails to meet the requirements of the Terms of Negotiated Procedure;
  - 12.12.4. within the time limit set by the Company the participant failed to correct arithmetic mistakes and/or non-compliances and/or failed to explain the final tender offer;
  - 12.12.5. prices offered by all the participants, whose tender offers were not rejected for any other reason, were too high and not acceptable to the Company.
- 12.13. The participant shall be informed about the rejection of the final tender offer immediately, but in any case no later than within 5 (five) business days.

### **13. RANKING OF FINAL TENDER OFFERS AND AWARD OF THE LOAN AGREEMENT**

- 13.1. The Company, in order to award the Loan Agreement, following the Terms of the Negotiated Procedure shall determine the ranking of tender offers (except for cases when only one participant is invited to submit a tender offer or only one participant submits a tender offer). The first tender offer in the ranking of tender offers or several tender offers, when the whole amount of a relevant Loan tranche is formed from several tender offers, shall be recognised as the successful tender offer or tender offers.
- 13.2. The Company shall inform all participants, whose tender offers have not been rejected, immediately (but in any case no later than within 5 (five) business days) by e-mail about the decision to award the Loan Agreement, shall indicate the determined ranking of tender offers, the winning tender offer(s). These requirements do not apply, when only one participant submits a tender offer.
- 13.3. The Company shall award the Loan Agreement to the participant(s), whose tender offer(s) is (are) recognised to be the winning one(s).
- 13.4. After the winner(s) of the negotiations is (are) determined, it (they) shall be invited to discuss all the remaining terms and conditions of the Loan Agreement under the procedure and conditions set by the Company and, after the parties agree on such terms and conditions, to sign the Loan Agreement.
- 13.5. If any of the participants invited to discuss terms and conditions of the Loan Agreement refuses to discuss them, refuses to enter into the Loan Agreement or does not arrive in order to do this without a valid cause, the tender offer of such a participant shall be deemed rejected, a new ranking of tender offers shall be formed from the remaining tender offers that have not been rejected, the winner(s) of the negotiations shall be determined and it (they) shall be invited to discuss the terms and conditions of the Loan Agreement and to enter into the Loan Agreement, as provided for in paragraph 13.4.

### **14. LOAN AGREEMENT**

- 14.1. In discussing terms and conditions of the Loan Agreement the parties shall cooperate in good will and good faith and shall negotiate on all terms and conditions, which were not included into the term sheet of the Loan Agreement. The terms and conditions included into the term sheet of the Loan Agreement will not be able to be changed and will have to be included into the Loan Agreement. For avoidance of doubt, this does not forbid setting forth the terms and conditions included into the term sheet of the Loan Agreement in such detail in the Loan Agreement as it is necessary in order that both the parties would have a uniform understanding of them and in order to interpret them and/or establish the procedure of their application without changing their essence.
- 14.2. The Company, seeing that there is no possibility to agree on the text of the Loan Agreement acceptable to both the parties, shall have the right at any time to determine all the terms and conditions of the Loan Agreement, which were not included into the term sheet of the Loan Agreement, at its own discretion and to invite the participant that submitted the winning tender offer to sign it. If the participant does not agree to sign the Loan Agreement on such conditions, it shall be regarded that it refused to enter into the Loan Agreement. In such a case, the consequences provided for in paragraph 13.5 shall apply.

### **15. DISPUTE RESOLUTION PROCEDURE**

- 15.1. The participant, which thinks that the Company has failed to follow these Terms of Negotiated Procedure and in this way violated interests of the participant, has the right to go to court requesting indemnification for damages.

### **16. ANNEXES**

**Annex 1 – Technical Specification;**

**Annex 2 – Minimum Qualification Requirements;**

**Annex 3 – Form of Request to Participate in the Negotiations;**  
**Annex 4 – Form of Initial (Final) Tender Offer;**  
**Annex 5 – Term Sheet of the Loan Agreement.**

## TECHNICAL SPECIFICATION

### Intended scope of and requirements for financial services:

- Financial services to be procured:**
- 1) Long-term loan for the amount not exceeding EUR 300,000,000 (three hundred million euro).
  - 2) Currency of the loan – euro.
  - 3) Loan may be offered in four parts:  
Part A: loan of up to EUR 75,000,000 (seventy five million euro).  
Part B: loan of up to EUR 75,000,000 (seventy five million euro).  
Part C: loan of up to EUR 75,000,000 (seventy five million euro).  
Part D: loan of up to EUR 75,000,000 (seventy five million euro).
  - 4) Conditions of disbursement and repayments of loan parts are confidential. Last disbursement – 4<sup>th</sup> calendar quarter of 2024, last repayment – 31 December 2044. Abovementioned conditions may be different for each loan part.
  - 5) Suppliers may offer one, several or all the parts of the loan.
  - 6) The Company at any time may refer to the respective grantor of the loan with request to extend the funding period under the same conditions for an additional term of up to one year and to adjust the repayment schedule respectively. Consent of respective grantor of the loan is required for above-mentioned extension of the funding period.
  - 7) Purpose of the loan is to fund a part of the payments established in Time Charter Party (including its subsequent amendments).

### Additional conditions

In accordance with the Rules on Handling of Confidential Information, approved by the board of the Company, dated 21 December 2012, and order of the General Manager of the Company No. BV-56, dated 5 April 2013, time charter party on lease of liquefied natural gas floating storage and regasification unit and other information related to its implementation, including conditions of financial services (to be procured by this procurement) is deemed to be confidential information of the Company. Hence, in accordance with the said documents tenderers shall be allowed to get acquainted with them only following signature of undertaking on non-disclosure of confidential information.

Interested parties may sign undertaking on non-disclosure of confidential information and get the detailed information regarding disbursement and repayment of each loan part as well as other reasonably requested confidential information to be issued at Buriu str. 19, LT-91003 Klaipeda or by other methods agreed upon with the contact person indicated in the Procurement Documents.

**MINIMUM QUALIFICATION REQUIREMENTS**

1. Each candidate must meet the following qualification requirements:

<b>No.</b>	<b>Qualification requirements for candidates</b>	<b>Documents and information to be submitted</b>
1.1	The candidate is registered under the procedure set by laws and has the right to provide financial services and engage in banking activities.	Document proving registration of the candidate (legal entity); Bank license issued by a competent authority of the Republic of Lithuania or a license issued by a competent authority of any other Member State of the European Union and such a candidate has exercised its right of establishment in Lithuania pursuant to Directive (EC) No. 2013/36.
1.2	The candidate, its parent company and/or the group of companies to which it belongs has at least A- loan rating for long-term borrowing in foreign currency according to Standard&Poor's or not lesser than equivalent rating granted by equivalent loan rating agency (e.g. Fitch at least A-; Moody's at least A3).	Documents confirming that the candidate, its parent company and/or the group of companies to which it belongs has a rating specified in the qualification requirement herein.

2. If the candidate cannot submit the specified documents because the respective state does not issue these documents or the documents issued in the respective state do not cover the issues concerned, the candidate's declaration of free from shall be presented, which shall confirm conformity to the relevant applicable requirement;
3. If the Company has doubts about the compliance of the candidates with the qualification requirements, the Company has the right to address the competent institutions and other persons in order to obtain all required information. In case such persons do not confirm the truthfulness of information provided by the candidate, the Company shall have the right to reject the request and/or tender offer of the candidate;
4. The Company may request to provide originals of the documents, digital copies of which were provided.

## FORM OF REQUEST TO PARTICIPATE IN THE NEGOTIATIONS

## PROVISION OF FINANCIAL SERVICES (LONG-TERM LOAN)

[day] [month] 2015

[city]

<b>Candidate's name</b>	<i>[If a group of business undertakings participates in the negotiations, all members of the group of business undertakings and a member representing them are to be indicated]</i>
<b>Candidate's representative</b>	
<b>Candidate's address</b>	
<b>Candidate's telephone number</b>	
<b>Candidate's fax number</b>	
<b>Candidate's e-mail address</b>	

By signing this request we confirm that:

- ❖ we agree with all requirements of the Terms of Negotiated Procedure;
- ❖ we are interested in participation in the negotiations and entering into the Loan Agreement according to requirements set in the Terms of Negotiated Procedure;
- ❖ all the presented information, including information about qualification, is accurate and correct, and digital copies of the presented documents are true.

Information about the conformity to the minimum qualification requirements:

Nr.	Qualification requirement	Confirmation of conformity	Document presented in order to prove conformity
1	The candidate is registered under the procedure set by laws and has the right to provide financial services.	[Yes or no]	
2.	The candidate, its parent company and/or the group of companies to which it belongs has at least A- loan rating for long-term borrowing in foreign currency according to Standard&Poor's or not lesser than equivalent rating granted by equivalent loan rating agency (e.g. Fitch at least A-; Moody's at least A3).	[Yes or no]	

Other documents presented together with the request to participate in the negotiations:

No.	Document	Number of pages
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## FORM OF INITIAL (FINAL) TENDER OFFER

## PROVISION OF FINANCIAL SERVICES (LONG-TERM LOAN)

[day] [month] 2015

[city]

<b>Participant's name</b>	<i>[If a group of business undertakings participates in the negotiations, all members of the group of business undertakings and a member representing them are to be indicated]</i>
<b>Participant's representative</b>	
<b>Participant's address</b>	
<b>Participant's telephone number</b>	
<b>Participant's fax number</b>	
<b>Participant's e-mail address</b>	

By signing below we confirm that:

- ❖ we agree will all requirements of the Terms of Negotiated Procedure;
- ❖ we are interested in participation in the negotiations and negotiating in good will on conditions set forth in this tender offer and hereby we give our price proposal:

<b>Agreement administration fee</b>	<b>Maximum commitment fee</b>	<b>Maximum amount of payable interest</b>	<b>Total tender offer price</b>
[•]	[•]	[•]	[•]
<b>VAT, if applicable:</b>			[•] or [N/A to be specified]
<b>Total tender offer price including VAT, if applicable:</b>			[•]

The total tender offer price is EUR [*the figure to be specified in words*].

Together with the tender offer, we present the following documents:

<b>No.</b>	<b>Document</b>	<b>Number of pages</b>

**TERM SHEET OF THE LOAN AGREEMENT**

No.	Term	Content
1.	<b>Conclusion and the Structure of the Loan Contract</b>	<ol style="list-style-type: none"> <li>1. The terms of the Loan Contract, individually discussed in this Annex and in other parts of the Negotiations Documents (including variations that may be done in accordance with results of negotiations and submitted to the participants in the invitation for final offer) must be included into the draft Loan Contract or appropriately prepared in accordance with the established requirements and cannot be changed, except for such amendments and additions to this Termsheet of the Loan Contract, which may be necessary in order for the parties to understand and interpret relevant provisions in a proper and uniform manner, but in any case without changing their essence. This does not restrict right of the parties to include provisions into the contract regulating the terms given in this term sheet of the Loan Contract in more detail or establishing the procedure of their implementation.</li> <li>2. The Loan Contract will be concluded in Lithuanian, or in Lithuanian and English. In case the Loan Contract is concluded in Lithuanian and English, in case of controversies or differences in the contract texts in Lithuanian and in English, the Lithuanian language text shall prevail.</li> <li>3. In case more than one participant is selected under the negotiations procedure, a single Loan Contract will be signed with all the creditors for the respective parts of the loan, however detailed conditions of the each part of loan as well as other rights and obligations of the Company and the respective creditor will be individually stipulated in annexes of the Loan Contract.</li> <li>4. Participant who was offered to enter into the Loan Contract and who does not agree with the terms of the Loan Contract and/or amendments thereto proposed by the Company shall be held to have refused to enter into the Loan Contract.</li> </ol>
2.	<b>Subject-matter of the Contract</b>	<ol style="list-style-type: none"> <li>1. Loan facility of up to EUR 300,000,000 (three hundred million euro) may be divided into parts A, B, C and D.</li> <li>2. The purpose of loan is financing a portion of payments under Time Charter Party, as may be amended from time to time).</li> <li>3. Loan Part A is up to EUR 75 000 000 (seventy five million euro).</li> <li>4. Loan Part B is up to EUR 75 000 000 (seventy five million euro).</li> <li>5. Loan Part C is up to EUR 75 000 000 (seventy five million euro).</li> <li>6. Loan Part D is up to EUR 75 000 000 (seventy five million euro).</li> <li>7. During the term of the Loan Contract on the request of the Company the maximum amounts of the loan parts indicated above shall have to be increased by up to 30 (thirty) per cent, in case such increase is necessary due to fluctuation of the exchange rate between United States Dollar and euro.</li> <li>8. The Company may request respective creditor to prolong financing period at any given time on the same terms and conditions for the additional period of up to one year as well as to update repayment schedule of the respective loan part. Such extension of financing period is possible only with consent of the respective creditor.</li> <li>9. Loan Contract may also be concluded for a part of the overall loan facility. Moreover, additional financier may accede to the Loan Contract. In such case the Loan Contract will be revised as established in its terms and conditions, however total amount of</li> </ol>

		<p>the object (sum of the facility) of Loan Contract in any case will not be exceed the amount indicated in items 1 and 7 of this Section.</p> <p>10. In case the Company decides to finance part of the amounts payable under the Time Charter Party from sources other than Loan Part A, Loan Part B, Loan Part C or Loan Part D, the Company by 30 (thirty) calendar days' prior written notice may reduce maximum loan limit under any of loan parts as well as repay any loan part or its part. Any respective loan part (or its part thereof) shall be prepaid in order which economically is the most beneficial to the Company.</p> <p>11. Disbursement currency – euro, however at the time of disbursement the disbursed amount will be converted into US dollars in accordance with the market exchange rate between US dollar and euro at 12 noon Lithuanian time of the date of the respective disbursement without any additional fee.</p> <p>12. Repayment currency - euro.</p> <p>13. The Company may reduce maximum limit of each loan part by 3 (three) days' prior written notice.</p>
<p><b>3.</b></p>	<p><b>Price of Services</b></p>	<p>1. Pricing for the financial services consists of:</p> <p>1.1. the One Time Fee for Conclusion of the Contract and Administration of Financial Services (including all fees for intermediation services);</p> <p>1.2. the Commitment Fee;</p> <p>1.3. the Interest.</p> <p>2. Interest is calculated on the daily basis and consists of indicated fixed annual interest rate, floating interest rate 1 and floating interest rate 2. Interest is calculated on disbursed and not yet repaid portion of the loan. Actual number of days in the calendar year shall be used in the estimation process of the overall interest. Annual interest rate may not be changed during the whole term of the Loan Contract.</p> <p>3. Floating interest rate 1 is a 3 month EURIBOR, value of which is determined on a preceding business day of signing the Loan Contract and will be fixed for the period of 3 months. The value of floating interest rate 1 for each next 3 months period will be determined on the last business day of the preceding period.</p> <p>4. Floating interest rate 2 is value of Credit Default Swaps of Lithuania, value of which is determined on the preceding business day of signing the Loan Contract and will be fixed for the period of 3 months. The value of floating interest rate 2 for each next 3 months period will be determined on the last business day of the preceding period. Floating interest rate 2 shall not exceed 5 (five) percentage points.</p> <p>5. Commitment Fee for loan for financing lease fee will be calculated on a daily basis by applying fixed annual percentage of commitment fee to the difference between undisbursed portion of maximum amount available for disbursement during that calendar year and the disbursed amount during that calendar year (commitments other that maximum amount available for disbursement during that calendar year are not included in this calculation). Actual number of days in the calendar year shall be used in the estimation process of the commitment fee. Fixed annual percentage of commitment fee may not be changed during the whole term of the Loan Contract. The Company will inform the creditors on maximum amount available for disbursement during that calendar year not later than 10 (ten) business days prior to the</p>

		<p>beginning of that calendar year.</p> <p>6. Commitment Fee for loan for financing purchase price of the FSRU will be calculated from 1 November 2024 until the financing under the respective loan is disbursed. It will be calculated on a daily basis by applying fixed annual percentage of commitment fee to the undisbursed amount of loan available under respective loan part. Actual number of days in the calendar year shall be used in the estimation process of the commitment fee. Fixed annual percentage of commitment fee may not be changed during the whole term of the Loan Contract.</p> <p>7. One Time Fee for Conclusion of the Contract and Administration of Financial Services shall mean – one time fee to cover administrative costs of the creditor incurred during the whole term of the Loan Contract.</p> <p>8. One time fees for disbursement of loan (for conclusion or amendment of Loan Contract, provision of consents, disbursement of loan in other currency, etc.) are included into One Time Fee for Conclusion of the Contract and Administration of Financial Services.</p> <p>9. Price for services will be paid in euro.</p> <p>10. Subject to Section 9, price will not be changed.</p> <p>11. There will not be any other remuneration for conclusion of Loan Contract and disbursement of loan.</p> <p>12. The Company will not compensate any additional expenses of the creditor incurred in connection to changes in taxation.</p>
4.	<b>Payment of the Price of Services</b>	<p>1. One Time Fee for Conclusion of the Contract and Administration of Financial Services shall be paid within 30 (thirty) days as of the effective date of the Loan Contract, however in any case not later than the moment of the first disbursement of loan.</p> <p>2. Interest and Commitment Fee for a current quarter shall be paid on the last day of that quarter.</p>
5.	<b>Condition Precedent for Disbursement of Loan</b>	<p>1. Conditions precedent for disbursement:</p> <p>1.1. legal acts enabling the Company to exercise purchase option are adopted;</p> <p>1.2. signing of Loan Contract;</p> <p>1.3. disbursement request is provided at least 2 (two) business days prior to the date of the requested disbursement;</p> <p>1.4. no event of default has occurred;</p> <p>1.5. One Time Fee for Conclusion of the Contract and Administration of Financial Services has been paid;</p> <p>1.6. Corporate approvals are adopted for execution of Loan Contract and receipt of financing under the Loan Contract;</p> <p>1.7. no other conditions.</p>
6.	<b>Repayment of Loan</b>	<p>1. Conditions of disbursement and repayments of loan parts are confidential. Last disbursement – 4th calendar quarter of 2024, last repayment – 31 December 2044. Abovementioned conditions may be different for each loan part.</p> <p>2. The Company is entitled to prepay any loan part or its part with a 30 (thirty) calendar days prior written notice without having to pay any prepayment fee, however the Company shall remunerate the creditor its direct damages incurred due to such prepayment. Parties agree that if a loan part or its portion is prepaid (i) on the last day of calculation period of floating interest rate 1, the</p>

		<p>damages may be calculated only in connection to floating interest rate 2, (ii) on the last day of calculation period of floating interest rate 2 there will be no damages may be accrued. Prepaid amount will be used for repayment of all instalments pro rata.</p>
<p>7.</p>	<p><b>Restrictions on the Activities of the Company</b></p>	<p>1. The Loan Contract cannot establish any restrictions on the activities of the Company, except for the restrictions set in items below. In cases provided for in the Loan Contract, when prior consent of the creditor is required for performance of certain actions, the creditor undertakes to give such consent within less than 45 (fourty five) calendar days after the Company's request and presentation of all documents in support of the request to the creditor. The creditor shall not have the right to withhold its consent without a valid cause.</p> <p>2. Change of Control The Company shall promptly inform the creditor if a Change-of-Control Event has occurred or is likely to occur in respect of itself. At any time after the occurrence of a Change-of-Control Event, the creditor may, by notice to the Company, refuse to disburse loan. However, in such case the Company at any time, by notice to the Company, may repay disbursed portion of loan and terminate the Loan Contract. For the purposes of this Article: (a) a "Change-of-Control Event" occurs if (i) the Republic of Lithuania ceases to control the Company or (ii) the Company ceases to own 100% (one hundred percent) in any subsidiary holding title to or having possession of any asset forming part of the LNG Project; and (b) "control" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.</p> <p>3. Negative pledge (a) The Company shall not and shall ensure that its subsidiaries shall not create or permit to subsist any security over any of its assets. For the purposes of this article, the term security means any mortgage, pledge, assignment, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect. (b) Paragraph (a) above does not apply to any security created or outstanding on or over any assets of the Company or its subsidiaries: (i) for the purposes of (1) any indebtedness, not exceeding EUR 187 000 000 (one hundred and eighty seven million euro) in the aggregate, for the balance of the financing of the LNG Project (2) any counter-security provided to the guarantor with respect to the guarantor's issuance of the state guarantee securing agreement with the European Investment Bank and Nordic Investment Bank, (3) any security provided to the owner or lessor of the FSRU securing obligations of the Company under Time Charter Party as well as any counter-security provided for any third party for the issuance of security of the obligations of the Company under Time Charter Party; (ii) in constructing and operating the LNG re-loading terminal business and (or) extending capacities or otherwise developing the this business and/or infrastructure provided that the aggregate amount of indebtedness secured by such security (excluding any security created or outstanding under Paragraph (b)(i) above) does not exceed, at any time, EUR 30,000,000 (thirty million euros); or (iii) in operating the oil terminal business and (or) extending capacities or otherwise developing the oil terminal business and/or infrastructure provided that the aggregate amount of indebtedness secured by such security (excluding any security created or</p>

		<p>outstanding under Paragraph (b)(i) above) does not exceed, at any time, EUR 30,000,000 (thirty million euros); or</p> <p>(iv) in the ordinary course of business or in the ordinary day-to-day trading transactions of the Company in operating the oil and/or oil products terminal business and/or for working capital purposes provided that such security is removed or discharged within twelve months and the arrangement or transaction is not entered into primarily as a method of raising loan or of financing the acquisition of an asset.</p> <p>4. <b>Pari Passu ranking</b> The Company shall ensure that its payment obligations under this Loan Contract rank, and will rank, not less than pari passu in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally.</p> <p>5. <b>Interest Cover</b> The Company shall ensure that the ratio of EBITDA to Interest in respect of the period of twelve months ending on the last day of each of the Company's financial years shall not fall below 4.0:1.0 (four to one). The first test will be on 31/12/2015. For the purposes of the above: "EBITDA" means, in respect of each 12 (twelve) month' period: (i) the consolidated profit before income tax plus (ii) consolidated income from financial activities minus consolidated loss from financial activities plus/minus (iii) any exceptional or extraordinary items arising during the period on a consolidated basis and plus (iv) consolidated depreciation and amortization. "Interest" means in respect of each 12 (twelve) months' period, the aggregate amount of the interest and other debt charges incurred by the Group on a consolidated basis.</p> <p>6. <b>Disposal of Assets</b> (a) Except as provided below and unless otherwise and previously agreed to by the creditor in writing, the Company shall not, and shall procure that any its subsidiary will not dispose of any part of its assets. (b) Paragraph (a) above does not apply to any disposal of assets for fair market value and at arm's length. For the avoidance of doubt, any assignment of receivables classified as security shall fall under Negative Pledge and not Disposal of Assets. For the purposes of this Article, "dispose" and "disposal" includes any act effecting sale, transfer, lease or other disposal.</p>
8.	<b>Security</b>	<p>1. The Company shall not provide any security at the time of signing of the Loan Contract and until acquisition of FSRU (such acquisition is envisaged on 4th calendar quarter of 2024).</p> <p>2. Upon acquisition of FSRU the Company will secure its obligations under the Loan Contract by at least a second ranking pledge/mortgage of FSRU within 30 (thirty) calendar days. The creditors will be entitled to recover on pro rata basis according to the amount of claim rights under the Loan Contract. In order to create pledge/mortgage of the FSRU securing claims pro rata under the Loan Contract it is possible that creditors will have to agree on amendment of or supplement to the Loan Contract in connection to the execution of pledge/mortgage agreement. Subject to country of registration of FSRU, such agreement might be governed by foreign law.</p> <p>3. Creditors agree and undertake to ensure that at any given time FSRU could be pledged under first ranking pledge/mortgage in favour of international financial institution(s) (e.g. European Investment Bank, Nordic Investment Bank, European Bank for</p>

		<p>Reconstruction and Development), in case such institution provides part of the funding for payments under the Time Charter Party.</p> <p>4. No other security will be provided to secure obligations under the Loan Contract.</p>
<p><b>9.</b></p>	<p><b>Effective Term, Amendment and Termination of the Contract</b></p>	<p>1. The Loan Contract will enter into force on the day of its signing and shall not expire until full fulfilment of all obligations under the Loan Contract or its termination.</p> <p>2. Conditions of Loan Contract may be changed on the grounds clearly and unambiguously indicated in the Loan Contract and on agreed terms. Conditions of Loan Contract may be amended if such amendment would not infringe principles and objectives stipulated in Lithuanian legislation and upon receipt of consent form a competent authority, if such consent is necessary. Technical amendment, corrections etc. which do not affect mutual rights and obligations of the parties may be made in any case.</p> <p>3. Loan Contract may contain additional provisions which are included into credit agreements according to usual market practice.</p> <p>4. Loan Contract may be terminated:</p> <p>4.1. by mutual agreement of the parties;</p> <p>4.2. by 30 (thirty) calendar days prior written notice;</p> <p>4.3. on the grounds and in accordance to procedures established by law.</p> <p>5. Right of the creditor to terminate the Loan Contract or demand prepayment</p> <p>The creditor may, by notice to the Company, refuse to disburse loan and demand repayment of the disbursed loan amount within 90 (ninety) days in the following events (for the period of 90 (ninety) days, the creditor shall not take any action for enforcement of its rights):</p> <p>(a) if the Company does not pay on the due date any amount payable pursuant to this Loan Contract at the place and in the currency in which it is expressed to be payable, unless payment is made within 5 (five) business days of the written notice by the creditor;</p> <p>(b) if any information or document given to the creditor by the Company or any representation or warranty made by the Company in or pursuant to this Loan Contract or performance of this Loan Contract is incorrect or misleading in any material respect;</p> <p>(c) if, following any default of the Company in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan Contract, the Company is required discharge ahead of maturity such other loan or obligation and such delayed payments are in an aggregate amount in excess of EUR 10 (ten) million or its equivalent in any other currency or currencies;</p> <p>(d) if any legal proceedings are taken in relation to the suspension of payments, a moratorium of any indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement or otherwise) and judicial liquidation proceedings, or if the Company takes steps towards a substantial reduction in its capital, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities;</p> <p>(e) if the Company materially defaults in the performance of its obligations in respect of any other financial agreement to it by the creditor;</p>

		<p>(f) if a Material Adverse Change occurs, as compared with conditions at the date of this Loan Contract; or</p> <p>(g) if it is or becomes unlawful for the Company to perform any of its obligations under this Loan Contract</p> <p>6. "Material Adverse Change" means, any event or change of condition, which in the reasonable opinion of the creditor, has a material adverse effect on:</p> <p>(a) the ability of the Company to perform its obligations under this Loan Contract;</p> <p>(b) the business, operations, property, condition (financial or otherwise) or prospects of the Company.</p> <p>7. The creditor is not entitled to transfer its rights and obligations under the Loan Contract to any third party without prior written consent of the Company. Such consent may be issued by the Company in case the creditor could not fulfil its obligations under the Loan Contract due to objective reasons, including but not limited to initiation of bankruptcy or legal restructuring procedure of the creditor, licence or other authorisations necessary for the activities of the creditor are revoked, otherwise ceases its activities, transfers its rights in universal manner, internal restructuring occurs, however, in all cases if transfer of rights and obligations is compatible with laws and regulations, and subject to receipt of consent of the competent authorities, if such consent is necessary.</p> <p>8. If the Company assigns its rights and obligations under the Time Charter Party to a related company, there must be a possibility to assign the Loan Contract without any additional charge. The rights and obligations of the Company under the Loan Contract may be transferred only subject to a prior written consent of the creditor. However, refusal to grant such consent must be reasonable.</p>
10.	<b>Information Covenants</b>	<p>1. The Company does not assume any obligations regarding provision of periodical information to creditor as long as shares of the Company are traded in the regulated market. Periodical information concerning financial standing of the Company as well as any other material event shall be provided to the creditor only if shares cease to be traded in the regulated market or such information is not duly published according to the Law of the Republic of Lithuania on Securities, the Rules for Ensuring Confidentiality and Disclosure of Inside Information, approved by Resolution No. 03-46 of the Board of the Bank of Lithuania, dated 28 February 2013, and in other legal acts.</p> <p>2. If such information is not sufficient to the creditor, the creditor may reasonably request additional information or explanation.</p>
11.	<b>Governing Law and Dispute Resolution</b>	<p>1. The Loan Contract, as well as mutual relations between the parties in connection with the Loan Contract shall be governed by and it shall be interpreted in accordance with the law of the Republic of Lithuania.</p> <p>2. The parties shall seek to settle all the claims and disagreements arising out of the Loan Contract by negotiations.</p> <p>3. If the parties fail to agree by way of negotiations, each dispute, controversy or claim arising out of or in connection with the Loan Contract, its breach, termination or validity, shall be finally settled in Lithuanian courts.</p>
12.	<b>Liability</b>	<p>1. If the creditor is late to fulfil its contractual obligations and disburse loan within the terms set in the Loan Contract for reasons beyond the control of the Company, the creditor undertakes to pay the Company 0.025% default interest on the requested disbursement amount for each day overdue and compensate any other</p>



		<p>damages.</p> <p>2. If the Company is late to pay under the Loan Contract, 0.025% default interest may be charged on the overdue amount for each day overdue.</p> <p>3. No other sanctions or fines shall be imposed on the Company.</p>
<b>13.</b>	<b>Implementation of the Rights of Creditors</b>	<p>1. Creditors may serve notices, claims, requests and take any other action vis-a-vis the Company, including serving notices regarding termination of Loan Contract or any mandatory prepayment under the Loan Contract, only acting jointly and where the total amount of disbursed and not repaid credit as well as remaining committed funding held by such creditors exceeds 2/3 (two thirds) of total amount of disbursed and not yet repaid credit as well as remaining committed funding under the Loan Contract (hereinafter – the “Majority Creditors”). Creditors may appoint representative to act on behalf of Majority Creditors.</p> <p>2. In case waiver or consent of the creditor is necessary under the Loan Contract, such consent shall be deemed to be received if granted by Majority Creditor or their representative.</p>