

GENERAL TERMS AND CONDITIONS OF CONTRACTS FOR SERVICES

1. General provisions

- 1.1. The purpose of the Contract is to regulate the legal relations arising from and in connection with the Contract between the Contracting Authority and the Contractor.
- 1.2. The rights and duties of the Parties are based on legislation effective in Estonia and on the Contract along with the documents belonging thereto.
- 1.3. The Parties ensure that by entering into the Contract they have not violated any provisions of law, articles of association or other legislative measure applicable to them or any duties or obligations assumed by them under any previously concluded contracts or agreements.
- 1.4. The Parties warrant and represent that:
 - 1.4.1. they have sufficient passive and active legal capacity prescribed by law to enter into the Contract, perform the duties and obligations and exercise the rights arising from the Contract; and
 - 1.4.2. the persons signing the Contract and the annexes thereto on their behalf have sufficient authorisation to sign the Contract in accordance with legislation and other legislative measures.
- 1.5. This Contract supersedes any and all prior contracts and agreements between the Parties insofar as these are in conflict with the Contract.

2. Object of Contract

- 2.1. The Work to be performed by the Contractor has been specified in the Contract and the documents belonging thereto.
- 2.2. Regardless of Article 2.1, the Work means any and all work and steps, incl. the work and steps not specified in the Contract and the documents belonging thereto, which are necessary for achievement of the result prescribed by the Contract as well as steps related to drawing up the documentation required for acceptance of the work. Upon absence of an agreement to the contrary, the said is not subject to separate remuneration and the Contractor performs the work, takes the steps and provides the services in the framework of the overall deadlines and remuneration set out in the Contract.
- 2.3. The Parties agree on the exact term of performance of the Work in the Special Terms and Conditions.

3. Duties and obligations of Contractor

- 3.1. The Contractor is obligated to:
 - 3.1.1. perform the Work and hand it over to the Contracting Authority within the term, at the price and with the quality specified in the Contract and in accordance with other terms and conditions of the Contract;
 - 3.1.2. perform the Work in accordance with effective provisions and the best practices recognised in the Contractor's economic and professional activities and with the customary quality of the Work, given the characteristics and purpose of the Work, and in accordance with the substantial prerequisites established by the Contracting Authority with regard to the quality of the Work;

- 3.1.3. immediately, but not later than within 5 (five) working days as of the emergence of respective circumstances, inform the Contracting Authority of the emergence of such circumstances which affect due performance of the Work under the Contract;
- 3.1.4. immediately inform the Contracting Authority in writing within 5 (five) working days if the adherence to the Contracting Authority's instructions jeopardises the quality or deadlines of the Work or affects the cost of the Work or of other circumstances learned by the Contractor, which jeopardise the quality, deadlines or cost of the Work.
- 3.2. The Contractor does not to attend to public relations in connection with the Contract or make any announcements to the press, electronic media, the public or other audiences, except upon the prior written consent of the Contracting Authority. Only statements coordinated with the Contracting Authority in advance may be published.
- 3.3. The Contractor gives the Work a guarantee for a term of 24 months as of the receipt of the Work. During the guarantee period the Contractor undertakes to eliminate any and all deficiencies in the work at their own expense and with their own funds. The Contractor is obligated to react to the Contracting Authority's information about the defects of the Work within 2 (two) working days after receiving the respective information from the Contracting Authority by e-mail or post. The guarantee period established herewith is extended by the period during which the Contractor eliminates the defects of the Work.

4. Contractor's rights

- 4.1. The Contractor has the right to:
 - 4.1.1. receive remuneration from the Contracting Authority for the performance of the Work pursuant to the terms and conditions of the Contract;
 - 4.1.2. make proposals to the Contracting Authority regarding performance of the Work, submitting its written proposals in a format which can be reproduced in writing, which are reviewed by the Contracting Authority, who informs the Contractor in the same format in which the proposal was submitted;
 - 4.1.3. demand that the Contracting Authority remove any illegal impediments to the performance of the Work;
 - 4.1.4. demand that meetings on the performance of the Work be organised if it is unavoidable for normal performance of the Work, adherence to the deadlines and ensuring the quality. The Contracting Authority must be informed of a meeting to be called at least 5 (five) working days in advance.

5. Contracting Authority's duties

- 5.1. The Contracting Authority is obligated to:
 - 5.1.1. pay for the Work in the amount and by the due dates specified in the Special Terms and Conditions;
 - 5.1.2. provide the Contractor with information required for performance of the Work;
 - 5.1.3. not to unreasonably impede the performance of the Work by the Contractor;
 - 5.1.4. accept the contractual Work duly performed by the Contractor;
 - 5.1.5. participate in regular meetings pertaining to the Work.

6. Contracting Authority's rights

- 6.1. The Contracting Authority has the right to:
 - 6.1.1. demand that the Contractor adhere to the deadlines and quality requirements provided in the Contract and annexes thereto;
 - 6.1.2. with good reason refuse to approve proposals for coordination of the Work submitted by the Contractor;
 - 6.1.3. call a meeting of the Parties by informing the Contractor thereof in writing 5 (five) working days in advance;

- 6.1.4. set off any claim against the Contractor arising from the Contract on the basis of this Contract or any other legal relationship against the amounts payable to the Contractor under this Contract or any other legal relationship;
- 6.1.5. rely on the non-compliance of the Work or amendments thereof with the requirements also within a reasonable term after the acceptance of the Work and if the Contracting Authority could have detected the non-compliance of the Work also in the course of performance of the Work or upon delivery and receipt of the Work.

7. Contract price

- 7.1. The Contract Price is inclusive of any and all costs and expenses to be incurred by the Contractor in the framework of the Contract and the fee for the copyright specified in Articles 11.1 and 12.2 of the Contract (transfer of the author's economic rights and granting the right of use of moral rights, i.e. the grant of a licence).
- 7.2. The Contracting Authority pays the Contractor for the properly performed Work in accordance with the Special Terms and Conditions after signature of the Deed of Delivery of the Work by the Contracting Authority and/or the receipt of an invoice. The due date of the invoice must be at no less than 15 (fifteen) working days from the date of issue.
- 7.3. If the Contract Price is paid to a sole proprietor after signature of the Deed of Delivery of the Work, the payment depends on the time of signature of the Deed. If the Deed is signed by the Parties before the 25th (twenty-fifth) date, the Contract Price shall be paid to the Contractor not later than by the 9th (ninth) date of the following month. If the Deed is signed by the Parties after the 25th (twenty-fifth) date, the Contract Price shall be paid to the Contractor not later than by the 9th (ninth) date of the following month.
- 7.4. If the Work does not comply with the requirements set out in the Contract that Contracting Authority may unilaterally reduce the Contract Price by informing the Contractor thereof in writing. The reduction of the Contract Price may be recorded in the Deed of Delivery of the Work.

8. Delivery and receipt of Work

- 8.1. The Work is delivered and received in accordance with the Special Terms and Conditions either by signature of the Deed of Delivery of the Work by the Contracting Authority or by approval of the invoice by the Contracting Authority. The Contracting Authority has the right to refuse to accept the Work that does not comply with the requirements, indicating the specific reasons for the refusal.
- 8.2. If the Work is accepted on the basis of the Deed, the Work shall be deemed as delivered against signature confirming the receipt or, in the case the Deed is delivered by mail or e-mail, in such a manner that the recipient confirms the receipt.
- 8.3. The Contracting Authority inspects the Work and has the right to submit their complaints to the Contractor (hereinafter Objections) in connection with the non-compliance of the Work within 10 (ten) working days as of the delivery of the Work by the Contractor.
- 8.4. If the Contracting Authority does not submit any Objections within the term specified in Article 8.3, the Contracting Authority is obligated to sign the Deed of Delivery of the Work.
- 8.5. The Contractor has the right to certify the non-existence of the circumstances serving as the ground for refusal to accept the Work or reduction of the price, demanding that expert assessment acceptable to both Parties be carried out. If the refusal to accept the Work proves unfounded according to the expert assessment, the Contracting Authority shall pay the Contractor the costs of expert assessment, otherwise the Contractor shall bear the expert assessment costs.

9. Liability of Parties. *Force majeure*

9.1. Contractor's liability

- 9.1.1. The Contractor is liable for any breach of the Contract, above all, if the Work does not comply with the requirements set out in the Contract and annexes thereto. The Work is also deemed non-compliant if the Contractor has not submitted the required documentation on the Work upon the receipt of the Work.
- 9.1.2. If the Contractor fails to deliver or perform the Work by the dates specified in the Contract, the Contracting Authority shall have the right to demand that the Contractor pay a contractual penalty at the rate of 1% (one percent) of the price of the Work that has not been delivered or performed per day of delay. Upon payment for the Work, the Contracting Authority has the right to reduce the Contract Price payable to the Contractor by the amount of the contractual penalty.
- 9.1.3. If the Contractor breaches a duty or obligation arising from the Contract or annexes thereto, the Contracting Authority shall have the right to submit to the Contractor a claim for elimination of the breach, giving the Contractor a reasonable term for elimination of the breach (depending on the degree of severity of the breach, but usually no more than 5 working days). If the Contractor fails to perform the duty or obligation within the given term, the Contractor shall pay the Contracting Authority a contractual penalty at the rate of 0.5% (zero point five percent) of the Contract Price per day of delay.
- 9.1.4. If the Contracting Authority does not consider it reasonable to have the Work repaired, the Contracting Authority shall accept, under the Deed of Delivery, the Work not performed in accordance with the terms and conditions of the Contract and reduce the price in proportion to the ratio of the value of the improper performance of the duty or obligation and the value of proper performance of the same.
- 9.1.5. The Contractor shall compensate for any and all actual and documented costs and losses caused to the Contracting Authority in connection with the defects of the Work performed by the Contractor.
- 9.1.6. The Contracting Authority has the right to file a contractual penalty or default interest claim against the Contractor within 180 (one hundred and eighty) days from the date when the Contracting Authority learned of the emergence of the contractual penalty or default interest claim.
- 9.1.7. In the event of failure to perform the duty set out in Article 3.2 the Contracting Authority has the right to terminate the Contract unilaterally and/or demand the payment of a contractual penalty at the rate of 5% (five percent) of the Contract Price. Upon termination of the Contract on the basis of this Article, the Contracting Authority pays the Contractor for the Work performed only if the Contracting Authority is interested in partial performance of the Contract.
- 9.1.8. A fundamental breach of the Contract means failure to deliver the Work by the prescribed date, the non-compliance of the Work with the quality requirements, and disregard for the duty specified in Article 3.2.
- 9.1.9. The contractual penalties specified in this chapter have been agreed on for the purpose of enforcement of performance of the duties and obligations and the claiming of a contractual penalty does not affect the Contracting Authority's right to demand that the Contractor also compensate for any damage or loss.

9.2. Contracting Authority's liability

- 9.2.1. If the Contracting Authority fails to perform the financial obligations set out in the Contract, the Contractor shall have the right to charge the Contracting Authority default interest at the rate of 0.05% (zero point zero five percent) of the overdue amount a day, but no more than 5% (five percent) of the Contract Price.
- 9.3. Failure to perform or unsatisfactory performance of the duties and obligations arising from the Contract is not deemed breach of the Contract if it was caused by *Force majeure*. The Parties consider the circumstances specified in subsection 103 (2) of the Law of Obligations Act as *Force majeure*. The Party whose acts upon performance of

the contractual duties and obligations have been obstructed by *Force majeure* shall immediately notify the other Party thereof in writing. In the event of *Force majeure* the deadline of performance of the Contract is extended by the period of the existence of such circumstances. Upon cessation of *Force majeure*, the Party shall resume performance of the Contract. If due to *Force majeure* the performance of the Party's duties and obligations arising from the Contract has been obstructed for more than 2 (two) calendar months in a row, the Parties may terminate the Contract.

10. Notices and authorised representatives

- 10.1. Notices are usually sent by phone, e-mail or mail. If the sending of a notice has substantial legal consequences, the notice shall be given to the other Party in a format which can be reproduced (i.e. in writing, by fax or e-mail). Above all, the Parties requests for termination of the Contract as well as claims against the other Party arising from breach of the Contract shall be given in writing. An informative notice may be given by phone as well.
- 10.2. Notices pertaining to the Contract are communicated to the other Party at the address specified in the Contract. The Party shall immediately notify the other Party of any changes in the address.
- 10.3. A written notice is deemed to have been received by the other Party if it has been handed over against signature or sent by a postal agency by registered mail at the Party's address specified in the Contract and 5 (five) calendar days have passed from posting the notice. If the Party has changed its address during the Contract term and failed to inform the other Party thereof in writing, the notice shall be considered as received by the Party if it has been mailed to the address specified in the Contract. Where a notice is sent by fax, it shall be deemed as received at the time indicated in the header of the fax message. Where a notice is sent by e-mail, the notice shall be deemed as received after the time indicated in the receipt confirmation.
- 10.4. The authorised representatives of the Parties have been specified in the Special Terms and Conditions. Authorised representatives of the Contracting Authority have the right to represent the Contracting Authority in any and all matters pertaining to the Contract, except for amendment of the Contract, unilateral termination of the Contract and submission of a claims of contractual penalty, default interest and/or compensation of damage and loss. If the Contracting Authority's authorised representative is temporarily absent from service or has left service, another representative of the Contracting Authority shall be deemed as the Contracting Authority's authorised representative. The Contracting Authority notifies the Contractor in accordance with Article 10.1.

11. Title. Copyright. Preservation of materials and information

- 11.1. Any result of the Work created by the Contractor on the basis and in the framework of the Contract or acquired by the Contractor from third parties and accepted and paid by the Contracting Authority on the basis of the Contract (hereinafter the Materials) and the transferable intellectual property rights related to them, incl. any and all economic rights of the author (hereinafter the Rights) pass fully to the Contracting Authority as of the receipt of the Materials for the remuneration specified in the Contract (the Contract Price). In addition, after the receipt of the Materials the Contracting Authority has the right, at its own discretion, to decide on the circumstances related to the use of the Materials, incl. to decide on the manner, time and conditions of disclosure of the Materials, amend and correct the Materials, their headings or the indication of the author's name, add the works of other persons to the Materials and protect the honour and dignity of the author of the Materials, and demand that the use of the Materials be terminated (the licence inclusive of the right of sub-licensing).

- 11.2. Unless agreed otherwise between the Parties, the Contractor does not have the right to use the Materials or their parts of an independent meaning or the Rights without the Contracting Authority's prior written consent.
- 11.3. The information gathered by the Contractor on the basis of and in the framework of the Contract or processed versions of such information are deemed the Contracting Authority's property and in the event of expiry or termination of the Contract or at the request of the Contracting Authority the Contractor is obligated to immediately hand over to the Contracting Authority any and all such information that is in their possession.
- 11.4. Any and all projects, plans, drawings, specifications and other documents created by the Contractor or coming in the possession or under the control of the Contractor on the basis and in the framework of the Contract during performance of the Work are deemed as the property of the Contracting Authority. Unless agreed otherwise between the Parties, the Contractor is obligated, in the event of expiry or termination of the Contract or at the request of the Contracting Authority, to immediately return to the Contracting Authority any and all documents listed above, other data media and technical tools that are in their possession and do so at their own expense. Following the expiry or termination of the Contract, the Contractor may not retain possession of copies of the listed documents without the written consent of the Contracting Authority.
- 11.5. If following the expiry or termination of the Contract the Contracting Authority does not demand that the Contractor hand over the documentation specified in Articles 11.3 and 11.4 of the Contract, the Contractor shall preserve the documentation at their own expense for 3 (three) years as of the expiry or termination of the Contract. The Contractor undertakes to send the documentation to the Contracting Authority at their own expense within 30 (thirty) days following the receipt of the respective written notice. Following the expiry of the preservation term the Contractor has the right to completely or partially destroy the documentation and the Contracting Authority loses the right to claim the documentation.

12. Contract for legislative drafting services. Title. Copyright. Preservation of materials and information

- 12.1. Only Article 12 along with its paragraphs is applied to title, copyright and matters of preservation of materials and information in the case of contracting for legislative drafting services.
- 12.2. For the remuneration (Contract Price) set out in the Contract the Contractor gives the Contracting Entity a non-exclusive licence along with the right of sub-licensing granting the right to use, when preparing, coordinating and processing the draft act and explanatory memorandum thereof in the Government of the Republic and in the *Riigikogu*, any and all moral and economic rights of the author of the works created by the Contractor on the basis and in the framework of the Contract. For the purpose of introducing the draft act and other materials prepared to the public the Contracting Authority may rely on the analysis prepared as a result of the Work and quote the analysis. Also, the Contracting Authority may use the Work performed by the Contractor for carrying out further analyses as well as drafting and processing new acts and explanatory memoranda. The entire analysis or the core of the analysis may be disclosed only upon the consent of the Contractor as well as if so required by the Public Information Act. If a claim of infringement of the copyright upon performance of the Work is filed against the Contracting Authority, the Contractor shall be liable for the damage and loss caused to the Contracting Authority.
- 12.3. The Contractor undertakes not to disclose the draft act or the explanatory memorandum prepared as a result of the Work before the Contracting Authority has made the draft act and the explanatory memorandum publicly available.

13. Final provisions

- 13.1. The Parties have agreed that they have the right to transfer the rights and duties arising from and related to the Contract to third parties only upon the prior written consent of the other Party. For the purposes of this Article transfer of rights and duties to a third party does not mean transfer of the rights and duties arising from and related to the Contract to another public authority or state-owned entity in private law.
- 13.2. The Contract enters into force as of signature by the representatives of the Parties and remains in force until the Parties have exercised the rights and performed the duties and obligations arising from the Contract. The Contract may be amended solely by a written agreement between the Parties or in another format prescribed for the events set out in the Contract.
- 13.3. Disputes related to the Contract which the Parties have failed to resolve by way of negotiations are resolved in the Harju County Court. The Contract is governed by Estonian law. If a provision of the Contract proves to be in conflict with Estonian legislation, it does not affect the validity of the remaining provisions.
- 13.4. The information obtained on the basis of the Contract is confidential and not subject to disclosure to third parties. Disclosure of confidential information related to the Contract to third parties is permitted only by the prior written agreement of the other Party. The confidentiality requirement provided by the Contract does not extend to disclosure of information to the Parties' auditors, lawyers and banks or to the events where the Parties are obligated to disclose information in accordance with legislation. The Contractor is aware of the fact that the Contract is public, except to the extent that is designated for internal use on the grounds arising from the Public Information Act.
- 13.5. The Contract is terminated in accordance with the provisions of the Law of Obligations Act.
- 13.6. The General Terms and Conditions are set out on seven (7) pages.