

APPROVED
By the Order No. 1R____
of ____ February 2024 of CEO
of AB Lietuvos oro uostai

DESCRIPTION OF THE PROCEDURE FOR LEASING REAL ESTATE		
Document prepared by	Head of Sales of the Division of Sales of the Department of Commerce	
Participants of procedures/policies/rules	Participants	Employees of the Division of Sales and the Division of Real Estate Development Department of the Department of Commerce
	Interested Parties (<i>An interested party is a person, group of persons or organization that may be affected by the activities or their result</i>)	<ol style="list-style-type: none"> 1. AB Lietuvos oro uostai (Lithuanian Airports) 2. Potential Lessees
Annexes that enter into force (<i>e.g. procedure, template</i>)	Annex 1. Declaration of Impartiality (<i>attached separately</i>); Annex 2. Calculation of the Amount of the Lease Fee for the Leased Real Estate; Annex 3. Real Estate Public Rental Tender Announcement Form (<i>attached separately</i>); Annex 4. Form of Application for Participation in the Public Tender on the Lease of Real Estate (<i>attached separately</i>); Annex 5. Form of the Protocol for Confirming the Results of the Public Tender on the Lease of Real Estate (<i>attached separately</i>); Annex 6. Application for Short-Term Lease of Real Estate (<i>attached separately</i>).	
Documents that have expired (<i>e.g. procedure, template</i>)	None	

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1. PURPOSE AND SCOPE OF APPLICATION

- 1.1. The present document regulates the procedures for the organization and execution of the lease of real estate (hereinafter referred to as Real Estate/real estate) owned by AB Lietuvos oro uostai (Lithuanian Airports, hereinafter referred to as the Company).
- 1.2. The document is intended for the employees of AB Lietuvos oro uostai (Lithuanian Airports) and potential lessees of the Company's Real Estate.

2. DEFINITIONS AND ABBREVIATIONS

- 2.1. **Annual lease fee value** – the sum of the minimum lease fee for 12 (twelve) months specified in the specific lease agreement announcement on lease (in EUR excluding VAT).
- 2.2. **Initiator** – a responsible employee of the Division of Sales of the Department of Commerce, who has the right to initiate the procedures for leasing the Property owned by the Company.
- 2.3. **Commission** – the Real Estate Leasing Commission established on the basis of the order of the CEO of the Company, consisting of the Initiator, the Head of the Company's Division of Sales, and 1 (one) employee of the Division of Sales. The specific composition of the Commission's members for a specific tender shall be selected, taking into account the location of the Real Estate to be leased, unless otherwise specified in the order of the CEO of the Company. By order of the Company's CEO, a commission for leasing a specific Real Estate or a different composition of the Commission (including a larger number of members) may be established.
- 2.4. **Tender** – a public selection carried out on the basis of the Company's call to submit applications for the lease of Real Estate announced by the Company, during which the decision on the lease of specific Real Estate is made taking into account the most economically beneficial offer submitted to the Company.
- 2.5. **Real Estate** – the real estate owned by the Company (buildings, premises, other structures and/or their groups, as well as individual parts of buildings, premises and/or structures), which the Company does not use in its activities for its own needs and which the Company seeks to lease.
- 2.6. **Lessee** – a natural or legal person who has submitted an application in a carried out public tender or an application outside of a public tender and has entered into a Real Estate Lease Agreement with the Company.
- 2.7. **Application** – a document or a set of documents submitted by a potential lessee in the manner provided for in this Procedure, containing the information requested by the Company to be provided and/or which is necessary for the Company to be able to evaluate the conditions, economic benefits and compliance with the qualification requirements of the Real Estate lease offered by the potential lessee.
- 2.8. **Potential Lessee** – a natural or legal person who wishes to rent the Company's Real Estate.
- 2.9. **Owner of Real Estate** – the responsible employee of the Company's Department of Finance entitled to draw up a list of Real Estate.
- 2.10. **Beginning of the Procedure for Leasing Real Estate** – the day of the public announcement about leasing the Real Estate.
- 2.11. **Means of informing the public** – a website and other digital communication channels/means in which information is publicly disseminated.
- 2.12. **Highest economic benefit** – the highest lease fee and/or commission offered by the Potential Lessee, depending on the conditions of the Tender.
- 2.13. **Deposit** – the sum of the initial lease fees for 3 (three) months paid by each participant of the Tender prior to submitting an Application for the lease of Real Estate.
- 2.14. **Commissions** – part of the monthly turnover, which the Lessee pays every month (if this is stipulated in the lease agreement).

3. GENERAL PROVISIONS

- 3.1. The Description of the Procedure for Leasing Real Estate (hereinafter referred to as the Procedure) establishes the rules and process for leasing the real estate (hereinafter referred to as the Real Estate/real estate) owned by the JSC Lithuanian Airports (AB Lietuvos oro uostai) (hereinafter also referred to as the Company) to third parties.
- 3.2. The procedure for leasing real estate that had been applied before the entry into force of the present Procedure shall be carried out in accordance with the rules for leasing real estate valid before the entry into force of this Procedure, taking into account the basic principles and provisions set forth in this Procedure as much as possible. The procedure for leasing real estate, applied after the entry into force of this Procedure, shall be carried out in accordance with this Procedure.
- 3.3. The Company shall be entitled to terminate the Procedure for Leasing Real Estate before signing the Real Estate Lease Agreement, notifying Potential Lessees, if any, about this. The decision on the termination of the Procedure for Leasing Real Estate shall be made by the person/department/body that made the decision to lease the real estate. Accordingly, third parties who participated in the leasing procedure (Potential Lessees) shall be notified about the procedures for leasing real estate within 3 (three) working days from the adoption of the decision via the e-mails provided by them, by mail (at the specified address), or by other methods specified in the Announcement on Tender.
- 3.4. In the cases provided for in the Company's Articles of Association, decisions regarding the lease of the Real Estate are made by the Company's Board and/or the Company's shareholder (when the conclusion of a transaction on the lease of the Real Estate requires a decision by the Company's Board, which must be approved by the Company's shareholder).
- 3.5. In individual cases, when the subject carries out socially significant activities or other activities creating value for the public interest and society intended for the pursuit of non-profit in the provided premises, or if these activities provide a reasonable economic benefit to the Company, the Head of the Company's Division of Sales, having assessed the circumstances of the specific situation, shall be entitled to establish a specific procedure and/or procedures for leasing specific real estate by adopting a reasoned decision; however, in compliance with the essential principles and conditions of this Procedure. In such cases, the procedure for leasing real estate shall be approved without violating the Company's Articles of Association and the applicable legal acts. In the sense of this Clause, economic benefit is understood as covering expenses related to the maintenance of the real estate and investments, etc.
- 3.6. The employees of the Company, while performing the functions assigned to them, shall be guided by the internal procedures of the Company regulating the coordination of private interests, and, before participating in the process of leasing real estate, they will be obliged to sign a declaration of impartiality. The employees of the Company, participating in the procedures of leasing real estate, must refrain from the execution of procedures for leasing real estate and decision-making in the event of a conflict-of-interest situation. The Chairman of the Real Estate Leasing Commission shall ensure that the fact of withdrawal/removal is properly recorded in writing in the relevant document (for example, the minutes of a meeting); it should be indicated who removed/was removed, when and for what reason. In the event that the number of members of the Commission becomes smaller than the number specified in Clause 2.3 of the Procedure after the removal/resignation of a member of the Real Estate Leasing Commission, other employees of the Company must be appointed to the composition of the Commission.
- 3.7. The Company's Real Estate may not be leased to the Company's employees, members of the Company's supervisory and management bodies or persons related to them. When submitting an application or participating in a public tender for leasing of real estate, a person confirms that he/she is not an employee of the Company or a member of the Company's supervisory and management bodies or a person related to them, and he/she is aware that the Company's

Real Estate may not be transferred to the Company's employees, the members of the Company's supervisory and management bodies or to persons related to them.

- 3.8. The procedure for calculating charges for utility services and the current rates for utility services are available on the Company's website at <https://ltou.lt/lt/apie-lietuvos-oro-uostus/tvarkos-ir-dokumentai>.
- 3.9. The description of the procedure for the implementation of international sanctions and the procedures for checking the Company's business partners are available on the Company's website at <https://ltou.lt/lt/apie-lietuvos-oro-uostus/tvarkos-ir-dokumentai/tarptautiniu-sankciju-igyvendinimo-tvarkos-aprasas>.

4. ORGANIZING THE REAL ESTATE LEASE TENDER AND DETERMINING THE AMOUNT OF THE LEASE FEE

- 4.1. The Owner of Real Estate shall make a list of the Real Estate of the Company to be leased in accordance with the present Procedure. Real Estate will be included in the list:
 - 4.1.1. When it is recognized as unnecessary for the Company's activities, but is not sold;
 - 4.1.2. After the expiration of a contract concluded with respect to the relevant Real Estate (when the contract is not renewed) or if a contract is terminated before its term.
- 4.2. When the Commission carries out leasing procedures in accordance with the present Procedure, the Initiator, having determined the Company's options to lease the Real Estate, shall provide all necessary information to the Commission and shall implement the Commission's decisions.
- 4.3. The procedures for leasing Real Estate shall be carried out at the Company:
 - 4.3.1. By the Commission, when the minimum annual lease fee value of the leased Real Estate (the corresponding leased part thereof) exceeds EUR 12,000.00 (twelve thousand euros). The Commission, in accordance with this Procedure, shall organize and perform the lease of the Real Estate according to the documents and materials submitted by the Initiator;
 - 4.3.2. The Initiator, when the minimum annual lease fee value of the leased Real Estate (the corresponding leased part thereof) is equal to or less than EUR 12,000.00 (twelve thousand euros). In this case, all actions in accordance with the provisions of this Procedure shall be performed by the Initiator, and decisions made in the lease process shall be approved by the Head of the Company's Division of Sales. In this case, taking into account the annual lease fee value of the leased Real Estate, no Tender may be announced, and the selection of the participants provided for in Chapter V of this Procedure as well as the evaluation of applications shall be carried out by the Initiator by interviewing specific interested potential participant(s). The Initiator shall justify why the lease agreement is concluded by interviewing specific participants. In such a case, the information on the submission of an application and negotiations, if such are carried out, specified in Clause 4.7 of the Procedure and Chapters IV, and V of the Procedure, shall be provided in the Initiator's call to submit applications. The Initiator may provide not all the information specified in Clause 4.7 of the Procedure in the call for the submission of applications.
- 4.4. The specific term of the Real Estate lease shall be determined in each case by taking into account the Company's need for that Real Estate, the demand for the Real Estate and other related circumstances. The announcement on the lease of Real Estate, after evaluating the circumstances of the specific case, may specify the minimum and/or maximum periods of the lease.
- 4.5. When establishing the amount of the lease fee, the principle of the maximum economic benefit to the Company shall be followed. The initial (minimum) amount of the Real Estate lease fee and/or commission shall be determined in accordance with the procedure set out in Annex 2 and shall be published publicly along with other terms and conditions of the Real Estate Lease

- Tender. The Value Added Tax (hereinafter referred to as VAT) shall be added to the set amount of the lease fee, except for the exceptions provided by legal acts, when VAT is not applied.
- 4.6. Tenders for the lease of Real Estate shall be published on the Company's website <https://www.ltou.lt/lt/galimybes-verslui/patalpu-nuoma> and/or on <https://tenders.ltou.lt>, or on an electronic platform (if the Tender is conducted electronically) and may additionally be published in another means of informing the public. A tender may be conducted without announcing it in the cases specified in this Procedure.
 - 4.7. An announcement on a tender (Annex 3) must include the following information on each Real Estate object:
 - 4.7.1. The name of the Company (Lessor);
 - 4.7.2. The area of the Real Estate for lease;
 - 4.7.3. The address of the Real Estate for lease and other basic information about the Real Estate;
 - 4.7.4. The purpose of use of the Real Estate for lease (special characteristics of the Real Estate);
 - 4.7.5. The initial amount of the lease fee with and without VAT and the commissions;
 - 4.7.6. Other commercial terms;
 - 4.7.7. The lease term;
 - 4.7.8. The General and Special Terms and Conditions of the lease agreement (a link to these General and Special Terms and Conditions);
 - 4.7.9. The progress and deadlines of the Tender (the start of the Tender, the time of inspections of the Real Estate, etc.);
 - 4.7.10. Information about the negotiations and stages planned for the Tender, selection of participants and requirements for applications and participants (this information may also be provided in a separate document);
 - 4.7.11. The Application Form (Annex 4; attached as a separate document);
 - 4.7.12. The method and conditions for submission of an application;
 - 4.7.13. Information about non-acceptance of applications after the deadline;
 - 4.7.14. The telephone number for provision of information and other contact details of the Company;
 - 4.7.15. Information that the Company's Real Estate may not be transferred or leased to the Company's employees, the members of the Company's supervisory and management bodies or persons related to them;
 - 4.7.16. Information about the method of submitting a report on potentially observed manifestations of corruption or potentially illegal actions of the Company's employees by the following e-mail: pranesk@ltou.lt;
 - 4.7.17. Information that the Company has the right to terminate the Real Estate lease process at any time;
 - 4.7.18. Information that the Company has the right not to return the Deposit paid by the recognized winner of the Tender, who refuses to sign or does not sign the Real Estate Lease Agreement for more than 30 (thirty) calendar days, and to demand compensation for all incurred costs of announcing the Tender, as well as other damages incurred, including the difference in the amount of the lease fee if the Real Estate is rented to another lessee for a lower amount of the lease fee.
 - 4.8. The Company's Real Estate may not be leased if there was no announcement about the lease of this Real Estate in accordance with the provisions of the present Procedure and/or the deadline for submission of Applications has not expired, except for the exceptions set out in Clauses 3.5 and 4.3.2 and Chapter VI of the Procedure.
 - 4.9. When a potential lessee directly applies to the Company regarding the lease of Real Estate, in the absence of an announced Tender, the Initiator shall assess the possibility of starting procedures for the lease of such Real Estate within 10 (ten) working days at the latest and:

- 4.9.1. If it is possible to lease such Real Estate, the Initiator shall start organizing a Tender in accordance with the procedure set out in this Chapter, directly informing the Potential Lessee who has expressed interest, about the announced Tender and the deadline for submission of applications, or
- 4.9.2. In the absence of the possibility/need to lease such Real Estate, the Initiator shall notify the Potential Lessee who had expressed the interest directly about the decision not to start the lease procedures. The Company will not be obliged to indicate the reasons for such a decision.

5. PROCEDURE FOR THE SUBMISSION AND EVALUATION OF APPLICATIONS

- 5.1. Persons seeking to lease the Company's Real Estate may submit Applications during the period specified in the announcement of the specific Tender for the Real Estate to be leased.
- 5.2. A tenderer, at least 5 (five) working days before the deadline for submission of Applications, shall be entitled to address the Company by the e-mail specified in the announcement on the Tender for an explanation of the Tender terms and conditions/provided information. The Company shall respond in writing (to the e-mail specified by the tenderer who submitted the request) to each inquiry of the tenderer no later than within 5 (five) working days from the date of receipt of the inquiry and shall publish the content of the inquiry and response (its essence) on the Company's website at <https://www.ltou.lt/lt/galimybes-verslui/patalpu-nuoma> and/or <https://tenders.ltou.lt> so that all participants of the Tender familiarize with this information. Tenderers' inquiries received 5 (five) working days before the deadline for submission of applications or later will not be considered. The Company shall also be entitled to explain/clarify the conditions of the Tender/information provided on its own initiative, following the above-mentioned procedure and deadlines.
- 5.3. The application form (as a separate document) shall be made public together with the Tender announcement on the Company's website <https://ltou.lt/lt/galimybes-verslui/patalpu-nuoma> and/or <https://tenders.ltou.lt>.
- 5.4. Applications can be submitted physically (in a sealed envelope) or electronically, following the principles and conditions described in this Procedure. The specific method of submitting applications shall be indicated in the specific announcement of the Real Estate Lease Tender.
- 5.5. The Company shall not see or evaluate the content of the Applications until the end of the period for the submission of the Application.
- 5.6. Upon the end of the period for the submission of the Application, the Company shall evaluate only those Applications, the submitters of which have provided evidence that the Deposit had been paid by the Tenderer (i.e. the Company has received the payment).
- 5.7. The Application must be prepared in Lithuanian. Correspondence between the Tenderers and the Company's representatives shall be conducted in Lithuanian and/or English. If the documents supporting the information specified in the Application (i.e., certificates, contracts, etc.), which are submitted by a Tender along with the Application, are submitted in a language other than Lithuanian, in such a case, these documents must be accompanied by a certified accurate translation into Lithuanian made by a translator entitled to engage in such activities, except in the case where, due to the extremely large volume of the above-mentioned documents, a written request had been received from the Tenderer for their submission in English and the Company has submitted a written response that it does not object to this. Applications that do not meet the language requirements specified in this Clause shall not be evaluated.
- 5.8. If an Application is submitted physically (in a sealed envelope), the pages of the Application (including all annexes) must be numbered and bound in such a way that it is not possible to insert new pages, tear out pages or replace them without damaging the stitching, and the rear side of the last page must contain the signature of the Tendered or his authorized person, his/her name, surname, duties (if any) and the number of pages comprising the Application.

The Application must be put in a sealed envelope that is to be submitted to the Company. The following information must be indicated on the envelope: the title of the real estate for which the Tender was announced, the location (address) of the real estate, the reference “Tender on Lease of Real Estate” and the name and address of the Tenderer. If the Application is sent by post, the sealed envelope with the Application (including all its annexes) and the document issued by a financial authority confirming the payment of the Deposit by the Tenderer must be placed in an additional envelope and sent to the address indicated in the Announcement on Tender.

- 5.9. If an Application is submitted digitally through the system specified in the Announcement on Tender, the Application must be signed by an authorized person: a copy of each signed page of the Application (with all annexes) or a complete set of documents signed with a qualified electronic signature must be submitted.
- 5.10. If a group of economic entities participates in a Tender:
 - 5.10.1. A group of economic entities shall submit a copy of the joint venture agreement along with the Application. The joint activity agreement must specify the obligations of each party to this agreement in the performance of the expected lease agreement entered into with the Company. The joint venture agreement must provide for the joint and several liability of all parties to the agreement for non-fulfilment of obligations before the Company (the Lessor). In addition, the joint activity agreement must specify which person represents the group of economic entities (with whom the Company’s representative should communicate on issues arising during the evaluation of the Application and during the execution of the lease agreement). The lease agreement shall be concluded with the responsible partner specified in the joint venture agreement. The joint activity agreement must establish a ban on changing the composition of the members of the group of economic entities before and after the conclusion of the lease agreement, as well as the procedure for changing the responsible member of the group of economic entities without changing the composition of the members of the group of economic entities. The joint activity agreement cannot be altered without the prior written consent of the Company;
 - 5.10.2. The Announcement on Tender shall indicate which requirements each member of the group of economic entities must meet and submit the specified documents and/or which requirements set out in the Announcement on Tender must be met and the specified documents must be submitted by the member of the group of economic entities who, after winning the Tender, will actually carry out activities in the leased Real Estate.
- 5.11. If a participant who is not incorporated in the Republic of Lithuania participates in the tender, such a participant, in the event of winning the Tender, shall be entitled to establish a legal entity in the Republic of Lithuania within 30 (thirty) calendar days from the date of receiving information about the results of the Tender, which will carry out activities in the leased Real Estate, for the purpose of performing the real estate lease agreement, and with whom the real estate lease agreement will be concluded. In the event that, due to the fault of third parties or due to any other circumstances, the Tenderer will not be able to establish a legal entity in the Republic of Lithuania within 30 (thirty) calendar days from the day of receiving information about the results of the Tender, the obligation to enter into a real estate lease agreement will fall upon the Tenderer who has won the Tender. If the Tender winner (or the legal entity established by him, as indicated above) does not sign the Real Estate Lease Agreement within the specified period, the Deposit paid by the Tenderer shall not be repaid to the Tender who has won the Tender. In this case, the winner of the Tender shall lose the right to make claims and demand compensation for losses.
- 5.12. Applicants (any member of a group of economic entities, if the Application is submitted by a group of economic entities) may not be in debt to the Company on the day of submitting the Application. Applications submitted by the Company’s debtors will not be evaluated.

- 5.13. If the information contained in the Application and/or attached documents are incomplete or inaccurate, or the Initiator (the Commission) has doubts about the reality of the data specified in the Tenderer's declaration, the Initiator (the Commission) shall ask the Tenderer to clarify them. If this Tenderer, for any reason, does not specify the aforementioned documents/data within the deadline set by the Initiator (the Commission), the Tenderer's Application will be rejected. The Initiator (the Commission) shall perform all the actions discussed in this Clause no later than within 5 (five) working days from the end of the deadline for the submission of Applications. Communication between the Initiator (the Commission) and the Tenderer shall be carried out at the e-mail address specified in the Tenderer's Application or using the correspondence functions of a digital system (if the Tender is conducted via a digital system with a correspondence function).
- 5.14. During the Tender, negotiations may be conducted in the cases and following the procedures specified in the Announcement on Tender, in compliance with the following conditions:
- 5.14.1. If only 1 Application has been submitted that meets the terms and conditions of the Tender, in which the Potential Lessee has offered the lease fee amount and/or the amount of the commission, which is not lower than the established minimum (initial) amount of the lease fee and/or the amount of the commission, this Tenderer shall be considered the potential winner of the Tender. The Initiator or the Commission (depending on who has been organising the Tender) may but shall not be obliged to decide to conduct negotiations with such a participant in order to agree on better lease conditions;
- 5.14.2. When more than 1 (one) Application is received, meeting the terms and conditions of the Tender, which offer the same lease fee amount and/or the amount of the commission, the Initiator or the Commission (depending on who has been organising the Tender) no later than within 5 (five) working days from the deadline of the submission of Application shall initiate negotiations with Potential Lessees, informing them of the situation and inviting them to submit new offers regarding the lease of the Real Estate to the contacts specified in the Application (or by e-mail, if Applications are submitted by e-mail);
- 5.14.3. The procedures of the Tender (negotiations) may be carried out in stages and the selection of tenderers may be carried out when tenderers who meet the requirements set out in the Announcement on Tender are invited to submit updated Applications. In such a case, the Announcement on Tender shall indicate, and the Tender shall be carried out in the following order:
- 5.14.3.1. Potential lessees shall be invited to submit initial Applications and documents supporting compliance with the requirements specified in the Announcement on Tender. The Announcement on Tender may stipulate that tenderers must provide information in the applications about the expected investments, their value, and other information in the Applications, and the Initiator or the Commission (depending on who has been organising the Tender) will evaluate the information provided and its compliance with the requirements in the manner provided for in the Announcement on Tender and the terms and conditions of the Tender;
- 5.14.3.2. Potential lessees shall be invited to negotiate and submit updated Applications, whose submitted documents justify and prove compliance with the requirements specified in the Announcement on Tender;
- 5.14.3.3. Taking into account the results of the negotiations and the updated Applications received, assessing the possibility of obtaining better offers during the negotiations, the Commission or the Initiator (depending on who has been organising the Tender) may decide to conduct additional rounds of negotiations on the lease fee and/or commission amount.

- 5.15. All received Applications shall be evaluated and the winner of the Tender shall be selected based on the criteria specified in the Announcement on the specific Tender.
- 5.16. The Initiator or the Commission (depending on who has been organising the Tender) shall notify the Potential Lessees about the exact time and progress of the negotiations.
- 5.17. In the cases provided for in Clause 4.3.1 of the Procedure, negotiations shall be conducted by the Commission. If necessary, the Commission shall be right to engage competent experts in the negotiation meetings. At least 2 (two) employees of the Company shall participate in the negotiations in all cases. The composition of the working group and the results of the negotiations shall be recorded in the minutes of the negotiation. Additionally, other methods and means of recording negotiations may be used.
- 5.18. In the cases provided for in Clause 4.3.2 of the Procedure, negotiations shall be conducted by the Initiator. If necessary, the Initiator shall be right to engage competent experts in the negotiation meetings. At least 2 (two) employees of the Company shall participate in the negotiations in all cases. The composition of the working group and the results of the negotiations shall be recorded in the minutes of the negotiation. Additionally, other methods and means of recording negotiations may be used.
- 5.19. Negotiations shall be considered to have taken place and ended when negotiation meetings had taken place with all Potential Lessees participating in the negotiations in accordance with the terms and conditions of this Procedure and Potential Lessees had submitted the final updated Applications in relation to the lease fee and/or commission amounts or the deadline for the submission of the final updated Applications has expired.
- 5.20. The winner of the Tender may be selected by evaluating Applications according to the following criteria (the detailed procedure for evaluating Applications will be provided in the announcement on a specific Tender):
 - 5.20.1. The lease fee specified in the Application shall be evaluated;
 - 5.20.2. The amount of the commission fee specified in the Application shall be evaluated, the calculation methodology of which is specified in the announcement of a specific Tender;
 - 5.20.3. The amount of the lease fee and commission fee specified in the Application shall be evaluated.
- 5.21. The participant who submitted the offer with the highest economic benefit and who has met all the requirements set forth in the announcement on Tender shall be announced as the winner of the Tender.
- 5.22. The results of the Tender and the decision on the determination of the winner shall be formalized in the protocol (Annex 5), which shall indicate all Potential lessees, the amounts of the lease fee and/or commissions offered by them, and the Tender winner. If the Tender was organized by the Initiator, the protocol shall also be signed (approved) by the Head of the Company's Division of Sales. If the tender was organized by the Commission, the protocol shall be signed by the Commission members who participated in the negotiations. The documents of the announcement of the Tender shall be attached to the protocol.
- 5.23. Within 3 (three) working days from the date of adoption of the decision on the determination of the winner of the Tender, the Initiator shall notify all participating Potential Lessees of the results of the Tender to the e-mail addresses specified in their Applications or by other methods of communication specified in the Announcement on Tender.
- 5.24. Within 1 (one) working day after the announcement of the Tender results, the Initiator shall initiate the repaid of the Deposits to the unsuccessful Tenderers to the bank accounts specified in the Applications. The Deposits paid by a Tenderer shall be returned within 5 (five) working days after the day of above-mentioned initiation.
- 5.25. The Company shall be entitled to terminate the Tender procedures at any time and for any reason before the conclusion of the Real Estate Lease Agreement. Adoption of this decision shall also be possible even when Applications have already been received. The decision to terminate the Tender on the lease of Real Estate may be motivated, among other things, by

the fact that circumstances arose that could not have been foreseen; after the announcement of the Tender, it became clear that the condition of the Real Estate can have a significant impact on the price of the Real Estate (lease); after the announcement of the Tender, it became clear that the leasing of the Real Estate is not possible, as well as in other cases when the decision not to implement the project decisions is made by the Company's governing body or there are other reasonable reasons for which it is appropriate to terminate the Real Estate Lease Tender procedures. The Tenderers shall be informed about the decision to terminate the Tender procedures by e-mail addresses specified in the Applications, and the Deposits paid by the Tenderers shall be returned to the Tenderers within 5 (five) working days from the decision to terminate the Tender. The Company shall not indemnify the Tenderers for losses related to the preparation and submission of Applications, etc. The Company shall not compensate any losses or losses of the Tenderers, if the results of the Tender are disputed, annulled or invalidated by any legal means at the initiative of the Tenderers or any other third parties.

- 5.26. Potential Lessees who have submitted Applications may be not recognized as Tenderers and/or the successful Tenderer if:
 - 5.26.1. Not all the necessary documents or information was submitted, or the mentioned documents and/or the Application do not meet the requirements established in the Procedure and/or Announcement on Tender (in terms of the content and/or form) or are not signed, or other conditions of the Tender are not fulfilled, or deficiencies are identified which are not removed or cannot be removed within the additional period granted which will be no longer than 5 (five) working days;
 - 5.26.2. The Potential Lessee does not meet the established qualification requirements and/or does not specify the data/documents and/or does not provide additional data/documents regarding compliance with the qualification requirements within the set deadline (no longer than 5 (five) working days);
 - 5.26.3. The information specified in the submitted Application is false and/or incorrect and/or inaccurate and/or incomplete, and these inaccuracies cannot be recognized as clerical error or technical error;
 - 5.26.4. The proposed amount of the lease fee and/or commission is lower than the initial (minimum) amount of the lease fee and/or commission specified in the Announcement on Tender;
 - 5.26.5. The Potential Lessee submits more than 1 (one) Application without cancelling the previous one;
 - 5.26.6. The Potential Lessee (any member of a group of economic entities, if the Application is submitted by a group of economic entities) has or had debt obligations before the Company (i.e. on the date of the submission of the Application, the Potential Lessee may not be indebted to the Company);
 - 5.26.7. It is established that the Potential Lessee does not meet the interests of national security in accordance with the Law of the Republic of Lithuania on the Protection of Objects of Importance to Ensuring National Security;
 - 5.26.8. The Potential Lessee is being liquidated, restructured, or reorganized, a bankruptcy case has been filed against it, or the bankruptcy process is being carried out of court, or there are circumstances that make it reasonable to believe that the Potential Lessee may become insolvent, a bankruptcy case may be filed against it, the Potential Lessee may be restructured, etc.;
 - 5.26.9. The Initiator/the Commission becomes aware of, or they have reasonable suspicions that the Potential Lessee meets at least one of the following criteria:
 - 5.26.9.1. The Potential Lessee can be linked to terrorism financing. If the Potential Lessee is a legal entity, it is also considered to be related to terrorism financing, when this criterion is met by any person directly related to this legal entity or a representative of the legal entity;

- 5.26.9.2. There is sufficient evidence to state that the money intended to pay for the leased Real Estate or to fulfil other obligations under the Lease Agreement may have been accumulated by criminal or other illegal means;
 - 5.26.9.3. The conclusion and execution of the agreement with the Potential Lessee would be contrary to the international sanctions implemented in the Republic of Lithuania in accordance with the Law on the Implementation of Economic and Other International Sanctions or the requirements established by the European Union, and also when:
 - 5.26.9.3.1. In the case of mobilization, war, state of emergency, or when the Government of the Republic of Lithuania, having assessed the risk that the factors that led to or may lead to the declaration of mobilization, the introduction of war or a state of emergency, pose a threat to national security, has made a decision on the application of this provision, the Potential Lessee or the person controlling it does not meet the requirements of Article 45 Part 2¹ of the Law on Public Procurement¹;
 - 5.26.9.3.2. The Potential Lessee or the person controlling it does not meet the requirements of Article 5k of Regulation (EU) 2022/576;
 - 5.26.9.4. The Potential Lessee gives or offers (directly or indirectly) to any employee of the Company and/or person related to such an employee any incentive in the form of material or immaterial benefit for performing or refraining from performing any act related to the lease, or for showing favour or disfavour, or refraining from showing them;
 - 5.26.9.5. There are other circumstances, due to which the Company may not start business relations with the Potential Lessee, based on the motivated decision of the Head of the Division of Sales.
- 5.27. In the event that the Potential Lessee, recognized as the winner of the Tender, refuses to sign the Real Estate Lease Agreement or does not sign the Real Estate Lease Agreement for more than 30 (thirty) calendar days, the Real Estate Lease Agreement may be offered to the second Tenderer who submitted the best offer to sign the Real Estate Lease Agreement.
- 5.28. If the Commission for the Coordination of the Protection of Objects of Importance to Ensuring National Security or other competent authorities come to a conclusion that the winner of the Tender does not meet the interests of national security, the winner of the Tender will be declared the Tenderer who was ranked the second and who, taking into account the requirements of the current legislation, will also be subject to compliance with national security interest check. The Real Estate Lease Agreement will not be signed with the successful Tenderer, if before the signing of the Lease Agreement, the Commission for the Coordination of the Protection of Objects of Importance to Ensuring National Security or other competent authorities determines that the successful Tenderer does not meet the interests of national security in accordance with the Law on the Protection of Objects of Importance to

¹ Laikoma, kad Potencialus nuomininkas ar jį kontroliuojantis asmuo neatitinka nustatytų reikalavimų, kai: minėti asmenys yra registruoti Lietuvos Respublikos viešųjų pirkimų įstatymo 92 straipsnio 15 dalyje numatyta sąraše nurodytose valstybėse ar teritorijose arba yra Lietuvos Respublikos viešųjų pirkimų įstatymo 92 straipsnio 15 dalyje numatyta sąraše nurodytose valstybėse ar teritorijose nuolat gyvenantys arba turintys šių valstybių pilietybę asmenys; Lietuvos Respublikos Vyriausybė, vadovaudamasi Lietuvos Respublikos nacionaliniam saugumui užtikrinti svarbių objektų apsaugos įstatyme įtvirtintais kriterijais, yra priėmusi sprendimą, patvirtinantį, kad nurodyti subjektai ar su jais ketinamas sudaryti (sudarytas) sandoris neatitinka nacionalinio saugumo interesų arba turima kompetentingų institucijų informacija, kad nurodyti subjektai turi interesų, galinčių kelti grėsmę nacionaliniam saugumui.

National Security of the Republic of Lithuania. In this case, the Tenderer's Deposit will be returned to the Tenderer.

5.29. The Tender shall be considered not to have taken place if:

- 5.29.1. The Potential Lessee, recognized as the winner, refuses to sign or does not sign the Real Estate Lease Agreement for more than 30 (thirty) calendar days. In such a case, the results of the Tender shall be cancelled, and the real estate lease shall be announced again, except for the case provided for in Clause 5.27 of the Procedure. The Company shall be entitled not to return the Deposit to the Tenderer recognized as the winner who has not entered into the Lease Agreement and to demand compensation for all incurred costs of announcing the Tender, as well as other damages incurred, including the difference in the amount of the lease fee, if the Real Estate is leased to another lessee for a lower amount of the lease fee.
- 5.29.2. Not a single tenderer registered to participate in the Tender, or none of the tenderers meets the qualification requirements, or no application is submitted, or the submitted Applications do not meet the published conditions, or all Tenderers offered a lower lease fee than the set initial lease fee amount, or the Applications of all Tenderers were rejected. In such cases, the lease of the Real estate may be re-announced (the lease conditions may be adjusted). If the lease of the Real Estate was announced at least 2 (two) times in a row and at least 4 (four) months have passed since the first announcement of the lease of the Real Estate, but the Real Estate cannot be leased out, the owner of the Real Estate shall be addressed regarding the issue of further management, use and disposal of such Real Estate and the conditions of the lease. When contacting the owner of the Real Estate, data about the costs of maintaining such Real Estate will be collected, the needs and possibilities of using it in the Company's activities, as well as other information related to the Real Estate, and based on this data, motivated proposals will be prepared and submitted to the owner of the Real Estate regarding the further management, use and disposal of such Real Estate.

6. ORGANIZATION OF THE LEASE OF REAL ESTATE WITHOUT THE USE OF TENDERS AND TERMS AND CONDITIONS OF SHORT-TERM LEASE

- 6.1. The Real Estate may be leased without following the provisions of Chapters 4 and 5 of this Procedure (i.e. not through a Tender) for a short-term lease period, if at that time the Real Estate is not needed for the Company's needs, the Real Estate is not leased when announcing the Real Estate lease in accordance with the procedure provided for in Chapters 4 and 5 of this Procedure, or when due to objective circumstances the Real Estate cannot be offered for long-term rent (for example, the Real Estate is intended to be sold or planned to be used for the Company's needs, etc.).
- 6.2. The term of the short-term lease, for which the Real Estate can be leased to the same entity (lessee) in accordance with the provisions of this Chapter, shall be no longer than 4 (four) months in 1 (one) calendar year.
- 6.3. In the case of short-term lease, the Real Estate can be rented for the organization of short-term events (for example, exhibitions, sports competitions, meetings, seminars, celebrations, cultural events, social needs of employees and other similar needs), seasonal trade and/or service provision, short-term emergency work (for example, to liquidate accidents, natural disasters), to ensure the smooth implementation of the Company's strategic projects (when a short-term lease provides a temporary and operational solution) and in other similar cases.
- 6.4. A Potential Lessee who wishes to rent the Real Estate for a short-term lease period shall submit an application to the Company (Annex 6). The right specified in this Procedure for Potential Lessees to initiate the conclusion of a Real Estate Lease Agreement does not mean the Company's public offer and does not oblige the Company to accept the requests of Potential

Lessees and conclude lease agreements based on them. The Potential Lessee's application shall state:

- 6.4.1. The name of the legal entity, code (natural person's name, surname, date of birth), address, telephone, e-mail address;
- 6.4.2. Description and area of the Real Estate wished to be rented;
- 6.4.3. The proposed amount of the lease fee for 1 sq.m.;
- 6.4.4. A brief description of the use of the Real Estate/the idea;
- 6.4.5. The term of use of the Real Estate, the period (i.e. the desired term of the short-term lease, taking into account the maximum possible duration);
- 6.4.6. Contact person.
- 6.5. The Initiator shall evaluate the amount of the lease fee offered by the Potential Lessee and the intended use of the Real Estate. If the amount of the lease fee is not less than the minimum amount of the short-term lease fee specified in Annex 2 of the Procedure, the purpose of use of the Real Estate will create value for passengers, the Company's partners and other related parties, there are no cases provided for in Clauses 5.26.7 – 0 of the Procedure and other conditions set forth in this Chapter are met, the Initiator, after receiving the coordination by/approval of the Head of the Division of Sales, shall make a decision to lease the Real Estate.
- 6.6. Within 5 (five) working days from the adopted decision, the Initiator shall inform the Potential Lessee about the decision through the contacts specified in the Application. In the case of refusal to conclude a short-term lease agreement, the Potential Lessee will be informed that a decision has been taken not to conclude an agreement and that the Company is not obliged to accept and satisfy such requests according to this Procedure.
- 6.7. After the end of the lease term specified in the short-term Real Estate Lease Agreement, the Agreement shall expire. The Agreement may be extended only if the total short-term lease term under this Agreement does not exceed 4 (four) months in 1 (one) calendar year and (or) the Company does not use the Real Estate for its own needs, and/or there is no intention to rent the Real Estate to another entity.

7. CONCLUSION, PUBLICATION AND ADMINISTRATION OF THE AGREEMENT

- 7.1. The Real Estate Lease Agreement with the identified successful Tenderer shall be signed by the Director of the Department of Commerce of the Company or his/her authorized person.
- 7.2. The General and Special Terms and Conditions of the Lease Agreement shall be entered into with the persons with whom it will be decided to enter into a lease agreement. All changed or modified General Terms and Conditions as well as non-applicable General Terms and Conditions of the Agreement shall be indicated separately in the Special Terms and Conditions of the Lease agreement.
- 7.3. All expenses related to the conclusion of the Lease Agreement and the use of the subject of the Lease Agreement, including, but not limited to, Real Estate insurance, the registration in the Register of Real Estate of Centre of Registers, utility and any other taxes, as far as it is related to the subject of the Lease Agreement, shall be borne by the Lessee from the date of signing the certificate of transfer and acceptance of the leased Real Estate unless otherwise stated in the Special Terms and Conditions of the Lease Agreement.
- 7.4. The leased Real Estate must be used sparingly and in accordance with the purpose of the Real Estate specified in the Lease Agreement exclusively by the very Lessee, except in the cases where the Lessee receives the prior written consent of the Lessor to sublease the Real Estate or grant the right to use the Real Estate to third parties on other grounds. In the case of a sublease, the term of the sublease agreement cannot be longer than the lease term, and the rights and obligations arising on the basis of the lease agreement concluded between the Lessee and the Lessor will not be transferred to the sublessee, i.e. the Tenderer who has won the Tender (the Lessee) who signed the lease agreement shall be fully responsible for the subtenant.

- 7.5. The Department of Commerce of the Company, responsible for the leased Real Estate, will implement the control of Real Estate lease agreements. The appointed employee of the Division of Sales shall be responsible for the administration of the Real Estate Lease Agreements, and the employee of the Department of Real Estate Development shall be responsible for monitoring the performance of the Lessee's obligations under the lease agreements. In the performance of their assigned functions, the above employees shall, among others:
- 7.5.1. Before sending the draft of the lease agreement to another party, the employees shall make sure that the payment procedure, deadlines and other conditions for the payment of utility bills and other taxes are clearly described. The procedure for calculating charges for utility services and the current rates of utility services are presented in Clause 3.8 of the Description;
 - 7.5.2. In January of each year, the employees shall check the consumer price index published by the Lithuanian Statistics Department or another authorized competent institution and, if this indicator is positive (inflation is determined), shall organize the recalculation of the amount of the lease fee according to the lease agreements concluded by the Company, if it is stipulated in the lease agreements, and shall send notices to the Lessees about the indexing of the lease fee;
 - 7.5.3. Upon expiry of the term set in the lease agreement, the employees shall check whether the Lessee has fulfilled the obligation to register (de-register) the lease agreement in the Register of Real Estate of the Centre of Registers, by requiring the Lessee to provide evidence confirming the fulfilment of the obligation or by checking this information in the database of the Centre of Registers. If it is determined that the Lessee has not fulfilled his obligations, the responsible employee of the Company shall take the measures specified in the lease agreement;
 - 7.5.4. Upon the expiry of the period set in the lease agreement, also each year the employees shall also review the administered agreements on the lease of the Real Estate every year and shall check whether the Lessees have submitted valid civil liability insurance policies, and if it is determined that this obligation of the Lessees has not been fulfilled, shall require the Lessees to immediately submit the aforementioned documents or, if the Lessees have not fulfilled the obligation to insure their civil liability for the leased Property, shall apply the liability provided for in the lease agreements;
 - 7.5.5. Each year the employees shall regularly review the list of administered Real Estate Lease Agreements every year, check the validity periods of the aforementioned agreements and draw up a schedule for the organization of lease Tenders and perform other necessary actions, as well as evaluate the possibilities and appropriateness of extending the existing Real Estate Lease Agreements, performing an analysis of the rental prices existing in the market;
 - 7.5.6. Upon receiving a notification from the Company's Department of Accounting that the Lessee is late in paying the lease fee or other payments provided for in the Agreement, the employees shall notify the Lessee of the calculation of defaults established in the Lease Agreement and shall urge them to fulfil their obligations, as well as shall evaluate the situation and the need to initiate the termination of the Lease Agreement, in accordance with the provisions of the Lease Agreement.
- 7.6. Information about the lease agreements concluded during the calendar year shall be made public on the Company's website <https://ltou.lt>, by publishing reports on the lease agreements for the calendar years concluded during the reporting period, providing summarized statistical information (leased area, address, what activities are carried out), as well as specifying the address, area, date and term of the leased Real Estate and the Lessee (if the Lessee is a natural person, the personal data of the Lessee will not be published, and only "Natural person" will be indicated). The Head of the Company's Division of Sales shall be responsible for the annual disclosure of the aforementioned information.

- 7.7. The Real Estate lease agreements shall be registered in the Register of Real Estate of the Centre of Registers. The obligation to register a lease agreement rests with the Lessee and shall be stipulated in each lease agreement, and if the Lessee does not fulfil the aforementioned obligation, the lease agreement will be registered by the Company at the expense of the Lessee. The lease agreement may not be registered only if the lease term is shorter than 1 (one) year and it is known in advance that the lease agreement will not be extended.
- 7.8. The Lessee shall be obliged to pay the lease fee every month on the basis of the submitted VAT invoice. Payments for the previous month are to be made by the last calendar day of the month when the VAT invoice is submitted. If the lease fee and other payments stipulated in the lease agreement are not paid on time, the Lessee shall be obliged to pay the Lessor a late interest of 0.05% (five-hundredths of a per cent), calculated from the unpaid amount for each day of delay.

8. SUBMISSION AND HEARING OF COMPLAINTS, STATEMENTS OR REQUESTS

- 8.1. Complaints regarding the decisions made by the Company in connection with the conclusion of Real Estate Lease Agreements, the evaluation of Applications, the termination of Lease Agreements, and the actions or inaction of the Initiator and/or the members of the Commission are to be submitted to the Company by e-mail (address: info@ltou.lt) or by mail to the Company's registered office address. Notification of potentially observed manifestations of corruption or potentially illegal actions of the Company's employees can be submitted to the Company by e-mail (address: pranesk@ltou.lt).

9. RESPONSIBILITY

- 9.1. The Director of the Department of Commerce of the Company shall be responsible for the relevance of the content of the Procedure and the updating of the content in accordance with the procedure established by the internal legal acts of the Company.

10. STORAGE AND ARRANGEMENT OF DOCUMENTS

- 10.1. Documents (letters, reports, decisions, announcements and other documents) related to the conclusion of the Company's Real Estate lease agreements shall be stored in accordance with the procedure established by the Company's internal legal acts. The employee responsible for the execution of a specific rental agreement shall be responsible for the collection and transfer of such documents for safekeeping.

11. FINAL PROVISIONS

- 11.1. This Procedure is published on the Company's website www.ltou.lt and is available to all interested persons; it is also in the Company's "Repository of Processes" and is available to all employees of the Company.
- 11.2. The Heads of the Company's structural divisions, whose employees must follow this Procedure in their activities, are responsible for familiarizing the subordinate employees with this Procedure.
- 11.3. Disputes arising from the organization of the Tenders on Real Estate lease or their results, the execution of the Lease Agreement shall be resolved in accordance with the procedure established by the legal acts of the Republic of Lithuania.

12. ANNEXES

Annex 1. Declaration of Impartiality (*attached separately*);

Annex 2. Calculation of the Amount of the Lease Fee for the Leased Real Estate;

- Annex 3. Real Estate Public Rental Tender Announcement Form (*attached separately*);
Annex 4. Form of Application for Participation in the Public Tender on the Lease of Real Estate (*attached separately*);
Annex 5. Form of the Protocol for Confirming the Results of the Public Tender on the Lease of Real Estate (*attached separately*);
Annex 6. Application for Short-Term Lease of Real Estate (*attached separately*).
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Annex 2
to the Description
of the Procedure for Leasing Real Estate

CALCULATION OF THE AMOUNT OF THE LEASE FEE FOR THE LEASED REAL ESTATE

1. The initial (minimum) amount of the Lease Fee is established including and excluding the value added tax (VAT) according to the rental prices of analogous (similar) property (buildings, structures, premises, etc.) prevailing in the real estate market, which are determined by all means available to the Company, including, but not limited to, advertisements in public media.
2. Criteria for establishing the amount of the Lease Fee: the location, purpose, condition and demand of the Real Estate.
3. The procedure of payment of the Lease Fee and the deadlines are stipulated in the Lease Agreement.
4. If, after 2 (two) consecutive announcements on the lease of the same Real Estate, not a single Application is received, or all submitted Applications offer a lower amount of the Lease Fee than the set initial (minimum) amount of the Lease Fee, when publishing a new announcement, the initial (minimum) amount of the Lease Fee may be reduced at each subsequent stage, but not more than by 20% (twenty) percent of the initial (minimum) amount of the Lease Fee.
5. In the case of a short-term lease, the amount of the Lease Fee for 1 (one) month may not be less than 15 EUR (fifteen euros) excluding VAT for 1 (one) square meter or may not be less than 20% (twenty percent) of the monthly turnover gained in the leased Real Estate, depending on which of the mentioned amounts is larger.