

The IT and Development Centre, Ministry of the Interior

GENERAL TERMS AND CONDITIONS OF AUTHORISATION AGREEMENTS, CONTRACTS FOR SERVICES and SALES CONTRACTS

1. General provisions

- 1.1. The contract consists of these general terms and conditions (hereinafter *the general terms and conditions*) and special terms and conditions (hereinafter *the special terms and conditions*) and their annexes. The special terms and conditions are the part of the contract not comprising the general terms and conditions.
- 1.2. The purpose of the contract is to regulate the legal relations arising between the contracting authority and the contractor and, if the payer is another authority, also between such authority and the contractor on the basis of the contract.
- 1.3. The language of performing the contract is Estonian.
- 1.4. The parties are independent in their activities and neither party is responsible for the fulfilment of obligations assumed by the other party towards third parties.
- 1.5. The parties ensure and declare that by entering into this contract, they have not violated any law, statute, or other legal provision applicable to them, nor any obligation assumed by them under any previously concluded contract or agreement.
- 1.6. The parties certify that:
 - 1.6.1. they have sufficient passive and active legal capacity to conclude the contract and to fulfil the obligations and exercise the rights arising from the contract;
 - 1.6.2. the persons who have signed this contract and its annexes have been granted sufficient authority to conclude this contract in accordance with statutes, legislation, and other relevant documents;
 - 1.6.3. they have read the contract and the procurement documents and fully understand the content and the consequences of the obligations assumed and agree to the terms and consequences provided therein;
 - 1.6.4. the performance of the contract will not prejudice the rights and interests of third parties and there are no circumstances which would preclude the rights of the party to enter into the contract and to duly perform it;
- 1.7. upon concluding the contract, all previous contracts and other agreements between the parties become invalid to the extent that they conflict with the contract.

2. Object of the contract

- 2.1 The object of the contract is the performance of work, provision of services or delivery of goods, rights or other benefits (hereinafter the object of the contract) and is defined in the special terms and conditions of the contract and accompanying documents. The contractor will also be obliged to perform work, services or activities, including ancillary obligations, or to deliver items, rights or benefits that are not specified in the contract but which, by their nature, form part of the object of the contract. Unless otherwise agreed, this is not subject to separate remuneration, and the contractor performs the work, provides the services or delivers the goods, rights or benefits within the deadline and for the fee specified in the contract.
- 2.2 The contractor certifies that third parties have no rights to the object of the contract and that third parties have no grounds for claiming such rights.
- 2.3 The quality of the object of the contract must correspond to what has been agreed in the contract and to the quality requirements normally applicable to this type of object of the contract.

3. Obligations of the contractor

The contractor must:

- 3.1. carry out works, provide services, or deliver the object of the contract at their own expense and responsibility, with care, with high quality, on time, and at a professional level in accordance with the contract, legislation, standards applicable in their field of activity or profession, and good morals, and deliver these to the contracting authority. If the object of a contract concluded with a contractor who is a natural person is the creation of a work, it is assumed that the contractor will create it personally. In this case, third parties are involved in the performance of the works (creation of the work) with the prior written consent of the contracting authority in a form reproducible in writing, and provided that the agreements concluded with the persons involved do not conflict with the terms of the contract;
- 3.2. ensure and be responsible for the tools, licenses, and copyrights necessary for performing the work, providing the service, or delivering the object of the contract independently and at their own expense;
- 3.3. by the time of commencement of performing the contract, provide the name, registry code, contact information, information on legal representatives for each subcontractor, as well as the name, date, number and amount of the subcontract. The contractor must provide the same information about each additional subcontractor in performing the contract;
- 3.4. provide the contracting authority with information about the performance of the contract in a format requested by the contracting authority, take into account the proposals made by the contracting authority, and cooperate with the persons designated by the contracting authority and the contact person of the contracting authority;
- 3.5. allow the contracting authority or the contact person of the contracting authority to inspect the scope and quality etc. of performing the contract at any time;
- 3.6. immediately, but no later than within 2 (two) working days from the occurrence of relevant circumstances, notify the contracting authority and, if the payer is not the contracting authority, also the payer's contact person in a form reproducible in writing, of the occurrence of circumstances that prevent the contractor from fulfilling its obligations, including those that affect quality, cost, or have other adverse effects on the performance of the contract. In such a case, fulfilling the notification obligation does not automatically give the contractor the right to exceed the total cost of works, the time limits for completion, or to deviate from the quality requirements established in the contract with regard to the object of the contract, etc. without the consent of the contracting authority granted in the same form as the corresponding contract.
- 3.7. pay at its own expense all royalties and other fees of any nature related to the performance of the contract to third parties;
- 3.8. deliver the completed works, the results of the service provided or other object of the contract and the rights and documentation related thereto to the contracting authority on the date or within the time limit specified in the contract and at the location specified therein. The contractor also undertakes to provide the contracting authority, payer, or third party specified in the contract, upon request, with information about the intellectual property rights of third parties in regards to the works or services (name, function in the performance of the work, scope of rights, etc.) and to prepare the documentation related to the performance of the contract in Estonian, unless the contracting authority has agreed to the submission of documentation in another language. The contractor provides the translation at their own expense;
- 3.9. follow the contracting authority's instructions and the rules for using the contracting authority's premises and other security or safety requirements and restrictions that the contracting authority has communicated to the contractor before or during the performance of the contract;
- 3.10. ensure that the team member involved by them uses the electronic access card assigned to

them personally and registers their movements in the contracting authority's premises with it, if the contracting authority has granted the team member access to the contracting authority's premises;

- 3.11. ensure that the team member involved by the contractor uses the property, equipment, and access to information systems provided to them by the contracting authority solely in person, purposefully, prudently and for the proper performance of contractual obligations, and ensure the protection and preservation of the property entrusted to them. The contractor bears financial liability for damage caused to the contracting authority due to the intentional or negligent behaviour of its team members;
- 3.12. take into account that when using the equipment and access granted by the contracting authority to the contractor's team member, the contractor's team member does not have a legitimate expectation of privacy and the contracting authority logs their activities on the devices and systems;
- 3.13. perform other obligations arising from the performance of the contract and stipulated in the contract and legislation;
- 3.14. under the contract and for the cost specified therein, also perform so-called related works or services that are not expressly specified in the contract but whose performance is required and/or necessary for the achievement of the objective of the contract based on good practice and the professional expertise of the contractor. The related works described in this clause do not refer to changes in the object or scope of work of the contract arising from the contracting authority;
- 3.15. the contractor notifies the contracting authority's contact person and, if the object of the contract is transferred to the payer or a third party, their contact person in advance of the exact time of transfer of the object of the contract, ensuring that the relevant contact person receives the relevant notification and that the proposed time suits them. The right of ownership of the object of the contract and the risk of accidental destruction and damage transfers from the contractor to the contracting authority or, in cases specified in special conditions, to the payer or a third party upon transfer of possession of the object of the contract;
- 3.16. adhere to the information security requirements and the procedure for using the equipment of SMIT abroad as published on the website <https://www.smit.ee/et/hanked> when performing the contract, and ensure that the persons involved in performing the contract also adhere to these requirements. The contract is subject to the most recent versions of the information security requirements and procedure on traveling abroad with work equipment of SMIT published on the aforementioned website at the time of the call for tenders or submission of the tender. If the tender notice is also published in the European Union's Tenders Electronic Daily (TED) in addition to the Public Procurement Register, the time of publication of the tender notice in TED is considered the time of call for tenders.
- 3.17. Upon expiry of the contract, the contractor must return all resources provided by the contracting authority to the contractor or by the contractor to a person participating in the performance of the contract, including equipment, access cards, etc.

4. Rights of the contractor

The contractor has the right to:

- 4.1. require the contracting authority and payer to comply with the terms of the contract;
- 4.2. receive payment from the contracting authority or, in cases specified in the special terms and conditions, from the payer for the due performance of the contract;
- 4.3. make proposals to the contracting authority regarding the performance of work or provision of services, presenting their reasons in a form reproducible in writing, which the contracting authority reviews and notifies the contractor of their decision to accept or reject the proposal;
- 4.4. demand for the removal of any unlawful circumstances arising from the contracting authority that prevent the performance of the contract;

- 4.5. demand for meetings related to the performance of work or provision of services, if this is unavoidable for the due performance of work or provision of services, meeting time limits, and ensuring quality. Upon this request by the contractor, the contracting authority organizes a meeting within two (2) working days of the contractor's request sent in a form reproducible in writing;
- 4.6. perform other rights stipulated in the contract and legislation.

5. Obligations of the contracting authority

The contracting authority must:

- 5.1. pay the contractor remuneration for the due performance of the contract in accordance with the contract, unless, under the special terms and conditions, another institution or person is the payer, in which case the payment obligation rests with the institution or person specified in the special terms and conditions;
- 5.2. create the conditions necessary for the contractor to perform the contract in accordance with the special terms and conditions;
- 5.3. not unreasonably obstruct the contractor in performing the contract;
- 5.4. accept the works, services, or other object of the contract duly performed by the contractor, unless, under special terms and conditions, the object of the contract is to be transferred to the payer or a third party or institution;
- 5.5. participate in statutory meetings related to the performance of the contract;
- 5.6. give the contractor the instructions necessary for the performance of the contract, if the contractor needs them and expresses such a wish;
- 5.7. perform other obligations stipulated in the contract and legislation.

6. Rights of the contracting authority

The contracting authority has the right to:

- 6.1. require the contractor to comply with the terms of the contract;
- 6.2. provide instructions for provision of services;
- 6.3. refuse to approve the proposal(s) submitted by the contractor for approval for good reason;
- 6.4. convene a meeting of the parties, notifying the contractor thereof in a form reproducible in writing, if possible, two (2) working days in advance;
- 6.5. involve other state authorities in the performance of the contract on the part of the contracting authority (in particular, but not limited to the role of the payer);
- 6.6. at any time, inspect the compliance of the object of the contract with the contract and request information from the contractor about the performance of the contract, including the volume of services provided, the quality of services or work, and other conditions.

7. Performing background checks

- 7.1 All team members who perform works or provide services directly for the contractor undergo a background check as provided for in § 7⁵⁹ of the Police and Border Guard Act before they begin performing their duties under the contract.
- 7.2 The contractor informs the persons directly involved in the performance of the contract of the need to carry out background checks.
- 7.3 In order to conduct a background check, the contractor submits the written consent of the relevant team member to the contracting authority no later than 5 (five) working days after concluding the contract. The contracting authority provides the contractor with the necessary consent form. If the contractor does not submit the consent within the specified period, the delay is considered a breach on the part of the contractor.
- 7.4 If a team member refuses to give consent to a background check, the contracting authority has the right to refuse to allow the team member to work and to demand that the team member be replaced.
- 7.5 The contracting authority has the right to refuse to allow a team member to perform the contract if, based on information obtained as a result of a background check, the team

member is not suitable for performing the contracting authority's works or providing the service. Due to the sensitivity of the information, the data obtained during the background check will not be disclosed to the contractor.

- 7.6 If a team member does not consent to a background check or is found to be unsuitable for the contracting authority as a result of the background check, the contractor undertakes to ensure that the team member is replaced immediately (i.e. within a maximum of 5 working days). Replacing a team member for this reason does not constitute grounds for amending the time limit for performing the contract.

8. Value of contract

- 8.1. The value of the contract includes, among other things, all expenses incurred by the contractor within the framework of the contract and remuneration for the copyrights specified in the contract (transfer of the author's economic rights and granting of a license for the use of right of publicity), as well as all other expenses incurred in the performance of the contract.
- 8.2. The contracting authority or payer pays the contractor duly for the contract in accordance with the special terms and conditions, either after the contractor and contracting authority have signed the instrument of delivery and receipt (hereinafter referred to as the IDR) and the invoice submitted on the basis thereof has been received and approved, upon receipt of the invoice submitted after the performance of the contract, if no IDR is drawn up for the performance of the contract in accordance with the special terms and conditions of the contract, or, in the case of a contractor who is a natural person, upon the signing of the IDR for the works or services by the contractor and the contracting authority.
- 8.3. The term of payment for invoices must be at least 21 (twenty-one) calendar days from the date of receipt. If the value of the contract is paid to a contractor who is a natural person, payment for the performance of the contract is made no later than on the 14th (fourteenth) calendar day after the signing of the IDR for the works or services performed.
- 8.4. If the contractor is a company registered in Estonia, the contractor will send the contracting authority e-invoices that comply with the Estonian e-invoice standard. The e-invoice must include, in addition to the information specified in the standard, the surname of the contact person of the contracting authority, the reference number of the public procurement (if relevant), the number of the public contract (if relevant), the reference number of the part of the public contract (if relevant), and the external funds project code (in the case of a contract financed from external funds). An e-invoice must be sent via an e-invoicing operator. An e-invoice is deemed to be received from the date of receipt by the e-invoice operator.
- 8.5. If, under the special terms and conditions, another institution is the payer, the contractor sends the invoice to the payer via the e-invoice operator, indicating on the invoice the surname of the payer's contact person instead of the surname of the contracting authority's contact person, and other information specified in clause 8.4.
- 8.6. If the contractor is not a company registered in Estonia, the contractor sends the invoice to the contracting authority in PDF format to the email address arved@smi.ee or, if the fee is paid by another institution, to the payer at the email address of the contact person of the payer.
- 8.7. The invoice submitted by the contractor must clearly and unambiguously refer to the contract. Invoices that do not comply with the conditions set out in this clause and clauses 8.4 or 8.5 are not payable.
- 8.8. If the contracting authority has grounds to demand a contractual penalty and/or compensation for damages from the contractor, the contracting authority and the payer, if the payer is another authority, have the right to deduct the contractual penalty and/or compensation for damages from the amount payable to the contractor under the contract.
- 8.9. If the works, service, or other object of the contract do not meet the requirements specified in the contract, the contracting authority and the payer, if the payer is another authority,

may unilaterally reduce the value of contract, notifying the contractor in a form reproducible in writing.

- 8.10. If the contract is terminated in accordance with the terms of the contract or if the principal has submitted orders under the contract in an amount less than the maximum value of the contract by the time of termination of the contract, the difference between the maximum value and the actual value is not paid to the contractor or otherwise compensated.

9. Quality of works. Delivery and receipt

- 9.1. The quality of the works performed, services provided, or object of the contract delivered must meet at least the requirements specified in the contract and other requirements generally applicable to such works, services, or other object of the contract. Documents and other items related to the works, services, or other object of the contract must also comply with these requirements.
- 9.2. The object of the contract is delivered by the contractor to the contracting authority at the contracting authority's location in accordance with the terms and conditions of the contract. If the object of the contract is transferred to the payer, it must be transferred at the payer's location at the time agreed with the payer's contact person, no later than at the time limit for performance of the contract.
- 9.3. The object of the contract is delivered and received with the signing of the IDR(s) by the contractor and the contracting authority, the contractor and the contracting authority's contact persons, or, if the object of the contract is to be transferred to the payer, by the contractor and the payer or the contact persons of the contractor and the payer. The object of the contract is accepted by way of approving the invoice only if this is stipulated in the special terms and conditions of the contract. The contracting authority and the payer have the right to refuse to accept non-compliant services, works, or object of the contract, indicating the specific reasons for the refusal.
- 9.4. The contracting authority or payer, if the object of the contract is transferred to the payer and the payer is another authority, has 20 working days to inspect the compliance of the object of the contract submitted for acceptance with the terms and conditions of the contract and to sign the IDR. The contracting authority and payer may extend this time limit if the extension is justified.
- 9.5. If the contracting authority or payer has not signed the IDR within 20 working days and has not notified of an extension of the time limit specified in clause 9.4 or of defects in the object of the contract in accordance with clause 9.7, the object of the contract is deemed accepted 20 days after the delivery of the object of the contract. The provisions of this section do not apply if the contract is financed in part or in full from external funds (i.e. not financed entirely from the state budget).
- 9.6. If the contracting authority or payer discovers errors, defects, or other non-compliances with the terms of the contract in the object of the contract submitted for receipt, the contractor is in breach of contract and the breach will be cured in accordance with the instructions of the contracting authority or payer.
- 9.7. The contracting authority has the right to refuse to accept the defective object of the contract, in which case the contracting authority's contact person communicates the reasons for refusal to the contractor, or to accept the defective object of the contract, adding a list of defects or incomplete work together with a time limit for curing the defects to the IDR. By signing the IDR, the contractor certifies to be aware of the time limits for curing the defects and completing the incomplete works specified in the instrument, and undertakes to comply with these time limits. A separate IDR is drawn up for the cured defects.
- 9.8. If the contracting authority has no complaints regarding the object of the contract, the contracting authority and the contractor or the contact persons of the contracting authority and the contractor sign an IDR regarding the object of the contract. The substitute contact person also has the right to sign the IDR.

- 9.9. Together with the IDR, the contractor provides the contracting authority with the technical and other documentation necessary for the use and management of the object of the contract, on paper and/or on an electronic data carrier (CD/DVD, etc.) and/or by email or installs it in the environment indicated by the contracting authority, as requested by the contracting authority.
- 9.10. If the object of the contract is a development service under an hourly rate, the following principles apply to the recording and settlement of hours:
 - 9.10.1 a team member involved by the contractor records the number of working hours spent on the tasks defined by the contracting authority in the contracting authority's task management system or in another environment as agreed with the contracting authority;
 - 9.10.2 working hours are settled according to the number of working hours recorded in the management system and accepted by the contracting authority via IDR.
- 9.11. The contracting authority accepting the object of the contract does not release the contractor from liability for any defects or non-conformities that were not discovered during the delivery and receipt of the object of the contract, and the contractor undertakes to remedy any such errors or defects that existed at the time of transfer of the object of the contract at their own expense within a reasonable period of time.
- 9.12. If the contractor does not agree with the contracting authority's refusal to accept the object of the contract or with the existence of errors or defects identified upon acceptance, the contractor has the right to request an expert assessment. In this case, the contractor orders an expert assessment from a person agreed upon with the contracting authority in order to identify the defects or errors in the object of the contract indicated by the contracting authority. If the expert assessment reveals that the refusal to accept the work was unjustified, the contracting authority reimburses the contractor for the costs of the expert assessment; otherwise, the contractor bears the costs of the expert assessment. If the expert assessment reveals that the defects or errors in the object of the contract indicated by the contracting authority were partially justified, then the contracting authority reimburses the contractor for the expert assessment costs proportionally only in respect of those defects or errors which the expert assessment has found to be absent.

10. Liability of parties. Force majeure

10.1. Liability of the contractor:

- 10.1.1. The contractor is liable for any breach of contract, in particular, if the object of the contract does not meet the requirements agreed upon in the contract and its annexes. Works and services are deemed non-compliant, among other things, if the contractor fails to submit the required documentation upon delivery and acceptance of the works or services, fails to deliver the work within the time limit, does not provide the service in the agreed scope by the agreed time limit, does not duly perform the works or provide the services, including at least with the usual quality and efficiency, the contractor fails to provide the contracting authority with information about the performance of the contract, etc. In the case of things, rights, or other benefits, their delivery is deemed non-compliant if they do not meet the requirements agreed upon in the contract, the contractor fails to deliver them by the agreed time limit, or fails to provide the contracting authority with information about the performance of the contract, etc.
- 10.1.2. If the contractor breaches a contractual obligation that cannot be cured, the contracting authority or payer has the right to demand a contractual penalty of up to 5% (five percent) of the value of contract for each breach. In the event of a material breach of contract, the contracting authority also has the right to terminate the contract unilaterally in addition to claiming contractual penalties.
- 10.1.3. If the contractor breaches a contractual obligation which can be cured, the contracting authority and the payer have the right to submit a claim to the contractor to cure the breach (hereinafter also referred to as a compliance notice), giving the contractor a reasonable

time limit to cure the breach (depending on the nature of the works or services, the circumstances of the breach, etc., but generally no more than 5 (five) working days). If the contractor fails to comply with the compliance notice within the specified time limit, the contractor pays the contracting authority or the payer a contractual penalty of up to 0.25% (zero point twenty-five percent) of the value of contract for each delayed day in curing the breach, except in cases specified in clause 10.1.4, where the contractual penalty rate specified in that clause applies, but not more than 30% (thirty percent) of the total value of contract. A delay in the contractor curing the breach despite a compliance notice by the contracting authority or payer also grants the contracting authority the right to terminate the contract unilaterally on an extraordinary basis. In the event of a material breach, neither the contracting authority nor the payer is required to grant the contractor additional time to remedy the breach, and the contracting authority may terminate the contract unilaterally on an extraordinary basis in the event of a material breach.

- 10.1.4. If the contractor delays the performance of works, provision of services, or delivery of the object of the contract beyond the time limit agreed upon in the contract, the contracting authority or payer has the right to demand a contractual penalty from the contractor in the amount of up to 0.25% (zero point twenty-five percent) of the value of the unperformed or untransferred object of the contract for each day of delay and to terminate the contract unilaterally on an extraordinary basis. The maximum amount of the contractual penalty specified in this clause is limited to 30% (thirty percent) of the total value of contract.
- 10.1.5. The contractor undertakes to compensate for all costs and losses incurred by the contracting authority or payer in connection with defects in the works performed by the contractor or non-compliance with the contract of the services provided.
- 10.1.6. Failure to comply with the obligations arising from clauses 13.1-13.5 constitutes a material breach of contract and the contracting authority has the right to terminate the contract unilaterally and/or demand a contractual penalty of up to 5% (five percent) of the value of contract for each breach. Upon termination of the contract on the basis of this clause, the contracting authority or payer pays the contractor for the work performed only if the contracting authority has an interest in the partial performance of the contract.
- 10.1.7. Extraordinary unilateral termination of the contract does not deprive the contracting authority or payer of the right to claim contractual penalties and compensation for damages from the contractor. If the contract allows for a contractual penalty to be claimed on the basis of several provisions for the same breach, the contracting authority or payer has the right to decide on the basis of which provision to claim the contractual penalty.
- 10.1.8. The contracting authority and payer have the right to reduce the value of contract by the amount of the contractual penalty upon payment. Collecting a contractual penalty does not affect the right of the contracting authority or payer to additionally require that the contractor perform the obligation and compensate for damages.
- 10.2. Liability of the contracting authority and the payer:
 - 10.2.1. if the contracting authority or payer delays in fulfilling their financial obligations specified in the contract, the contractor has the right to demand interest from the contracting authority or payer at a rate of 0.05% (zero point zero five percent) per day of the delayed amount, but no more than 10% (ten percent) of the value of contract.
- 10.3. Failure to perform or noncompliant performance of obligations under the contract is not considered a breach of contract if it was caused by circumstances of force majeure.
- 10.4. If the performance of contractual obligations is prevented for more than 60 (sixty) consecutive calendar days due to circumstances of force majeure, either party may terminate the agreement.
- 10.5. The total liability of the parties in performing the contract is limited to the total value of contract, except in cases of breach of confidentiality intentionally or due to gross negligence.

11. Communication and contact persons

- 11.1. Communications are generally sent by telephone, email, or post. If a notification has significant legal consequences, notifications to be sent to the other party must be sent in written form, including, for example, statements of termination of the contract between the parties, as well as a claim by one party against the other party arising from a breach of contract, etc.
- 11.2. Notifications related to the contract are sent to the other party using the contact information specified in the contract. The other party or parties must be notified immediately of any changes in contact information. If a party has changed their contact information during the term of the contract and has not notified the other party thereof in a form reproducible in writing, the notice is deemed to have been received by the party when sent to the most recent contact information notified by the party.
- 11.3. A written notification is deemed to have been received by the party if it has been handed over against signature or if the notification has been sent by registered mail by the postal service to the address communicated by the party and 5 (five) calendar days have passed since posting. When sending documents by email, including digitally signed documents, the notification is deemed to have been received at the time indicated in the delivery notification or at the time of sending indicated in the email.
- 11.4. The contact persons of the parties are specified in the special terms and conditions of the contract. Contact persons have the right to represent the contracting authority or contractor in all matters related to the performance of the contract, except for amendments to the contract (including increases in the scope of the contract, changes to the object or time limit of the contract, etc.), termination of the contract, and claims for contractual penalties, fine for delay, or compensation for damages.

12. Right of ownership. Copyrights. Preservation of documents and information

- 12.1. The object of the contract created by the contractor under the contract or acquired by the contractor from third parties and accepted and paid for by the contracting authority under the contract, and the transferable intellectual property rights related thereto, including all proprietary rights of the author (hereinafter referred to as “rights”) are transferred in full to the contracting authority or payer, if the object of the contract is to be transferred to the payer, upon receipt of the object of the contract for the fee specified in the contract. With regard to intellectual property rights applicable to the object of the contract, which are not transferable by their nature, including the author’s personal rights, the contractor grants the contracting authority or payer, if the object of the contract is to be transferred to the payer, an irrevocable exclusive license for the entire term of validity of the copyright, starting from the transfer of the materials. The contracting authority or payer, if the object of the contract is to be transferred to the payer, has, after acceptance of the object of the contract, the right, among other things, to decide at their own discretion on matters related to the use of the object of the contract, including deciding on the manner of publication of the object of the contract, the start date and conditions for the use of the object of the contract, make changes, additions, and corrections to the object of the contract or the work that is the object of the contract, its titles or name of author, add the works of other persons to the object of the contract, and the right to contest the object of the contract or the work that is the object of the contract, distortions made to their titles and indication of the name of author, and damaging assessments made about them, and to demand the cessation of use of the object of the contract (exclusive license with the right to sublicense). The contractor undertakes to ensure that they have all the rights to transfer the proprietary rights in the manner specified above and to grant an exclusive license with regard to personal rights.
- 12.2. The manner and territory of using the object of the contract or the work that is the object of the contract are not limited, i.e. they may be used in any manner (including on the Internet) and throughout the world.
- 12.3. The contractor does not have the right to use the object of the contract or parts or rights thereof independently without the prior written consent of the contracting authority or

- payer, if the object of the contract is to be transferred to the payer.
- 12.4. Information collected by the contractor under the contract or its processing are considered the property of the contracting authority or payer, if the object of the contract is transferred to the payer, and upon expiry of the contract, the contractor undertakes to destroy such information or, at the request of the contracting authority or payer, if the object of the contract is transferred to the payer, to immediately transfer it to the contracting authority or payer, if the object of the contract is to be transferred to the payer, at their own expense. The contracting authority or payer, if the object of the contract is to be transferred to the payer, also has the right of ownership of the data carrier by means of which the object of the contract, the work that is the object of the contract, or the documents related to the object of the contract are reproduced.
- 12.5. All projects, plans, drawings, specifications, and other documents created under the contract in any form and with any content, created by the contractor or that have come into the contractor's possession or control during the performance of the work under the contract, are deemed to be the property of the contracting authority or the payer, if the object of the contract is to be transferred to the payer. Upon expiry of the contract, the contractor must destroy the relevant information or, at the request of the contracting authority or payer, if the object of the contract is to be transferred to the payer, to return to the contracting authority or payer at its own expense and without delay all documents, other data carriers and technical means in its possession referred to above.
- 12.6. If a third party prevents the contracting authority or payer from exercising their intellectual property rights arising from the contract or infringes those rights, the contracting authority or payer notifies the contractor, who must immediately take all necessary measures to enable the exercise of the rights arising from the contract and to cease the infringement of the rights of the contracting authority or payer. If the contractor takes such measures, the contracting authority or payer will cooperate with them to the extent necessary.
- 12.7. If a claim is brought against the contracting authority or payer due to a copyright infringement that occurred during the performance of the contract, the contractor will be liable for the damage incurred by the contracting authority or payer.
- 12.8. The contractor undertakes to ensure that personal rights are enforceable, including to the following extent:
- 12.8.1. the contracting authority or at the contracting authority's request, or if another institution is the payer, then the payer and at the payer's request, third parties have the right to make changes to the transferred result and supplement it without the consent of the contractor;
- 12.8.2. the contracting authority or at the contracting authority's request, or if the payer is another institution, then the payer and at the payer's request, third parties have the right to add the works of other authors to the result without the consent of the contractor;
- 12.8.3. by delivering the result to the contracting authority or payer, the contractor certifies that the result is ready for presentation to the public and that the contractor has waived the right to disclose it themselves, except with the prior written consent of the contracting authority or, if the payer is another institution, the payer.
- 12.9. The contractor certifies and ensures that:
- 12.9.1. the contractor has fully acquired the relevant rights on the basis of agreements concluded with its employees, contractors, subcontractors, or partners, and the contractor has the right under the contract to transfer said property rights and license the personal rights to the contracting authority or payer;
- 12.9.2. from the conclusion of the contract, neither they nor their employees, contractors, subcontractors, or partners have any claims against the contracting authority or payer arising from potential violations of proprietary copyrights and licensed personal rights;
- 12.9.3. if the use of the result is prevented by third parties' intellectual property rights or claims arising from the infringement thereof, the contractor is obliged to remove such hindrances at their own expense;
- 12.9.4. the contractor does not offer the result and/or works similar to it to the point of confusion

and/or derivative works to third parties. When determining similarity to the point of confusion, the overall impression of the product and its design are taken into account, with greater importance being attached to the copyrighted elements contained in the product.

- 12.10. The contractor must guarantee the contracting authority or payer, if the object of the contract is to be transferred to the payer, all necessary rights to check and test the result created in the course of the performance of the contract and to install the system even at a time when the delivery has been transferred but not yet accepted by the contracting authority or payer.

13. Confidentiality

- 13.1. The contractor undertakes to keep confidential all information intended for internal use that has become known to them in connection with the performance of the contract during the term of the contract and for an indefinite period after the expiry of the contract until the end of the confidentiality period.
- 13.2. Disclosure of confidential information to third parties is permitted only with the prior consent of the contracting authority in a form reproducible in writing. The contractor is aware that the contract is public to the extent provided for in the Public Information Act.
- 13.3. The contractor undertakes to implement organizational, physical, and IT security measures to protect confidential information from accidental or intentional unauthorized modification, accidental destruction, intentional destruction, disclosure, etc.
- 13.4. The contractor undertakes not to use confidential information in any way for personal gain or in the interests of third parties.
- 13.5. The contractor undertakes to ensure, among other things, that its representative(s), employees, partners, and other persons whom they use in the performance of their obligations are aware of the confidentiality obligation set forth in this contract, and to require said persons to fulfil this obligation under the same conditions.

14. Warranty

- 14.1. The provisions of clauses 14.2-14.16 apply to contracts for services and sales contracts.
- 14.2. The warranty period commences upon acceptance of the object of the contract. If the object of the contract is delivered in parts, the warranty period commences upon delivery of the final part.
- 14.3. The warranty period is 12 (twelve) months, and any non-compliance with the requirements of the contract must be remedied within a reasonable period of time.
- 14.4. If the object of the sales contract is stationary computers (desktop computers, small servers, workstations), display devices (computer monitors) or portable computers (laptops, two-in-one laptops, tablets, portable all-in-one computers, mobile thin clients), the warranty period is 24 months. The warranty covers repairs and the provision of a replacement product for the duration of the warranty repair. The warranty also covers battery defects, such as failure to charge or faulty battery connection. The warranty guarantees that the products comply with the specifications of the contract without an additional fee.
- 14.5. The warranty period is suspended during the time when the contracting authority or payer is unable to use the object of the contract due to non-compliance with the terms of the contract for which the contracting authority or payer is not responsible.
- 14.6. With regard to complaints concerning the object of the contract, the contractor must respond to the contracting authority's or payer's notification at the earliest opportunity, but no later than within 3 (three) working days of receiving the notification.
- 14.7. The warranty does not cover defects that have arisen as a result of the negligence or intentional action or inaction of the contracting authority or payer.
- 14.8. During the warranty period, the contractor must, at their own expense, cure any defects that have become apparent in the object of the contract or replace the non-compliant object of the contract free of charge from the moment the contracting authority or payer submits

a corresponding claim to the contractor and in accordance with the contract, and may not terminate the necessary activities before the defects have been cured, unless the contractor proves that the defects arose as a result of the contracting authority or payer's use or storage of the object of the contract, and if the contractor has previously notified the contracting authority and payer of such conditions of use or storage in a form reproducible in writing. The right to report a warranty claim lies with, among other things, the contracting authority's or payer's contact person and their immediate supervisor. It is assumed that the warranty covers all defects that have become apparent during the warranty period.

- 14.9. The contractor covers all costs associated with the elimination of defects covered by the warranty that arise during the warranty period, including transportation, postal, and other related costs.
- 14.10. If the contractor does not consider the defect to be covered by the warranty, they must immediately notify the contracting authority or payer thereof, providing relevant reasons, before curing the defect. If the contracting authority or payer does not agree with the contractor, the contracting authority and payer have the right to order a third party to inspect the defect before the item is repaired. If, as a result of the defect detection, it becomes apparent that the defect or error is covered by the warranty, the contractor covers the costs of defect detection and repair; otherwise, the costs of defect detection are covered by the contracting authority or payer. If the defect or error is not covered by the warranty, the contractor has the right to document the time spent on curing the error in accordance with the contract and to demand compensation in accordance with the contract or, if the contract does not specify an hourly or other applicable rate for the work, the parties agree separately on the compensation for the costs; the basis for the agreement is the price list normally submitted by the contractor for such works or the usual cost of the specific work.
- 14.11. In the case of development works, an error report is considered to have been submitted if it has been registered in the contracting authority's error management environment (ServiceDesk) and the error management environment has forwarded it to the contact person designated by the contractor.
- 14.12. At the request of the contracting authority or payer, the contractor cures any errors and defects that have become apparent during the warranty period at the contracting authority's or payer's location, provided that it is possible to cure the error and/or defect on site due to the nature of the object of the contract.
- 14.13. If the contractor does not commence to cure the defect within the time limit set by the contracting authority or payer, or within a reasonable period of time in the absence of such a time limit, the contracting authority or payer has the right to cure the defect themselves or with the help of a third party and to demand compensation from the contractor for the costs associated with the curing in addition to a contractual penalty.
- 14.14. If the object of the contract is a thing and the manufacturer's warranty period for that thing or any of its components is longer than the warranty period agreed in the contract, the expiry of the warranty period under the contract does not suspend the validity of the manufacturer's warranty. The contractor must provide the contracting authority or payer with the documentation related to the manufacturer's warranty specified in this clause separately, but failure to fulfil the obligation to transfer the warranty documents does not affect the validity of the warranty.
- 14.15. If the contractor cures a non-conformity with the terms of the contract that has become apparent in the object of the contract or a component thereof by replacing the object or component, the warranty period for the replacement object or component commences from the date of return of the object or component to the contracting authority or payer.
- 14.16. The warranty does not exclude or limit the buyer's right to use other legal remedies arising from the law and the contract.

15. Transfer of claims and obligations and termination of the contract

- 15.1. The contracting authority has the right to terminate the contract at any time, regardless of

reason, by notifying the contractor at least sixty calendar days in advance. The contracting authority also has this right if the parties have agreed on a contract for a specified term. Upon termination of the contract on the basis of this clause, the contracting authority undertakes to pay the contractor for the works, services or other object of the contract actually delivered at the time of termination; no other amounts are subject to compensation.

- 15.2. A party has the right to terminate the contract without notice if:
- 15.2.1. the other party has breached the contract and has not cured the breach within a reasonable time limit specified by the party;
 - 15.2.2. the breach of contract is material;
 - 15.2.3. the breach is repeated;
 - 15.2.4. the other party has suspended the performance of the contract or has not commenced performance of the contract at the agreed time;
 - 15.2.5. the confidentiality obligation is violated;
 - 15.2.6. the performance of contractual obligations is transferred to a third party without the prior written consent of the other party (the contact person does not have the right to give such consent);
 - 15.2.7. performance of the contract is prevented by circumstances of force majeure and the effect of such force majeure has suspended performance of the contract for more than 60 days; or
 - 15.2.8. bankruptcy proceedings have been initiated against the other party, bankruptcy has been declared, or their assets have been seized, or their financial situation has, in the reasonable opinion of the other party, significantly deteriorated and this deterioration renders the due performance of the contract unlikely.
- 15.3. The contracting authority has the right to terminate the contract without prior notice, including without the consent of the payer, if the paying party to the contract is another institution, if:
- 15.3.1 the contractor has repeatedly (at least twice) replaced a team member with a person who does not meet the agreed requirements;
 - 15.3.2 the contractor has replaced a team member without the prior consent at least in a form reproducible in writing of the contracting authority or the contracting authority's contact person;
- 15.4. Upon termination of the contract due to the fault of the contractor, the contractor has the right to demand remuneration only for the object of the contract that has actually been delivered at the time of termination of the contract and which the contracting authority or payer is able to use.
- 15.5. The contracting authority or payer, if the payer is another institution, undertakes to complete the settlement upon expiry of the contract within two months of the expiry of the contract.

16. Final provisions

- 16.1. The contract enters into force when signed by the parties and remains in force until the rights arising from the contract have been exercised and the obligations have been fulfilled. The terms of contract may be amended in at least a form reproducible in writing. The contracting authority has the right to extend the time limit for performing the contract by the period of delay caused by the contracting authority or circumstances of force majeure.
- 16.2. The parties may terminate the contract unilaterally in extraordinary circumstances and use other legal remedies in the cases and in accordance with the procedure provided for in the contract or by law.
- 16.3. Expiry of the contract does not affect the exercise of such rights or the performance of such obligations which, by their nature, continue to apply after the expiry of the contract (e.g., confidentiality obligations, agreements regarding intellectual property rights applicable to materials, warranty, etc.).
- 16.4. The parties have agreed that they have the right to transfer the rights and obligations arising

from and related to the contract to third parties only with the prior consent of the other party in a form reproducible in writing. The transfer of rights and obligations to a third party in the context of this provision does not include the transfer by the contracting authority of rights and obligations arising from and related to the contract to another public authority or a legal person established by the state.

- 16.5. If the contractor wishes to transfer the rights and obligations under the contract to a third party, including in the case of a merger or division, they must, in addition to requesting the consent of the contracting authority, submit to the contracting authority evidence, documents, and confirmations that enable the contracting authority to verify the qualifications of the replacement person and the absence of grounds for exclusion in accordance with the conditions applicable in the procurement procedure preceding the conclusion of the public contract.
- 16.6. The contract is governed by the law of the Republic of Estonia. If any provision of this agreement is found to be contrary to the legislation in force in the Republic of Estonia, this does not affect the validity of the remaining provisions. If the provisions described are mandatory provisions that cannot be deviated from, the provisions that are in conflict with the law will be brought into compliance with the applicable regulations at the earliest opportunity.
- 16.7. In the event of any conflict between the contract documents, the following order of priority applies: 1) special terms and conditions; 2) general terms and conditions; 2) other contract documents. In the event of a conflict between the public contract and the framework agreement, the provisions of the public contract prevail.
- 16.8. Integral parts of the contract are all annexes and procurement documents as well as the tender of the contractor submitted in the public procurement and written notices between parties which are not signed separately as annexes to the contract.
- 16.9. Any disputes arising from the contract that the parties are unable to resolve through negotiation are referred to the Harju County Court for resolution.