SPONSORSHIP AGREEMENT No. [*numbers*]

[*date*]

[*location*]

**UAB** \_\_\_\_\_\_\_\_\_\_\_\_\_, a private limited liability company incorporated and operating under the laws of the Republic of \_\_\_\_\_\_\_\_\_, having its registered office at \_\_\_\_\_\_\_\_, legal entity code \_\_\_\_\_\_\_\_\_, represented by [position, name, surname]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, acting in accordance with *[instrument of incorporation – Articles of Association/by-laws or power of attorney issued]* (hereinafter referred to as the **Sponsorship Provider**),

and

\_\_\_\_\_\_\_\_\_\_\_\_, a company incorporated and operating under the laws of [country], having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, legal entity number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, represented by [position, name, surname], acting in accordance with the acting in accordance with *[instrument of incorporation – Articles of Association/by-laws or power of attorney issued]* \_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the **Sponsorship Recipient**),

hereinafter referred to collectively as the **Parties** and each individually as a **Party**, have entered into this Sponsorship Agreement (hereinafter referred to as the **Agreement**).

1. **Object of the Agreement**
   1. The Sponsorship Provider undertakes to transfer to the Sponsorship Recipient, free of charge, in accordance with the procedure set out in this Agreement, the sum of EUR [amount] (in words) (hereinafter referred to as the **Sponsorship**) and the Sponsorship Recipient undertakes to use the Sponsorship received in accordance with the terms and conditions of this Agreement.
   2. The Sponsorship shall be granted for the implementation of “\_\_\_\_\_\_\_\_\_\_\_\_\_” [name of the project, location of the project] (hereinafter referred to as the **Project**) in accordance with the Sponsorship Application submitted by the Sponsorship Recipient and registered on \_\_\_ (hereinafter referred to as the **Application**). The Application shall be attached to the Agreement as an Annex and shall form an integral part of the Agreement.
   3. The Agreement is concluded and the Sponsorship shall be provided in accordance with the requirements of the Civil Code of the Republic of Lithuania, the Republic of Lithuania Law on Charity and Sponsorship, other normative legal acts regulating the receipt and use of the Sponsorship, the Sponsorship Provider's Rules of the Management of Sponsorship, and the Sponsorship Recipient's founding documents.
2. **Obligations and Rights of the Sponsorship Provider**
   1. The Sponsorship Provider undertakes to transfer the Sponsorship to the Sponsorship Recipient no later than by [date].
   2. The Sponsorship Provider shall have the right to extend the deadline for the transfer of the Sponsorship to the Sponsorship Recipient by unilateral decision or the deadline may be extended by an agreement between the Parties, up to the end of the year of conclusion of the Agreement, i.e. the 31st (thirty-first) day of December. In the event that the deadline referred to in Clause 2.1 of the Agreement is the end of the year of conclusion of the Agreement, i.e. 31 (thirty-first) December, the deadline for the transfer of the Sponsorship may not be extended.
   3. The Sponsorship Provider shall transfer the Sponsorship to the Sponsorship Recipient's bank account No. [*numbers*], indicating in the bank transfer that the funds are allocated as Sponsorship.
   4. The Sponsorship Provider shall have the right to obtain from the Sponsorship Recipient information and documentation on the use of the Sponsorship.
   5. The Sponsorship Provider must publish information about the Sponsorship on the website [www.ignitisgrupe.lt](http://www.ignitisgrupe.lt) no later than 1 (one) month after the award of the Sponsorship: The Sponsorship Recipient, the purpose of the Sponsorship, the amount of the Sponsorship, the duration of the Sponsorship, and any other information selected at the discretion of the Sponsorship Provider.
   6. The Sponsorship Provider undertakes to provide information on the Sponsorship to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania or to other institutions in accordance with the procedure established by law.
   7. Upon establishing that the Sponsorship Recipient has been granted Sponsorship in contravention of European Union aid rules or that the aid has been declared by the European Commission to be incompatible aid, the Sponsorship Provider, in accordance with Article 55(1) of the Republic of Lithuania Law on Competition, shall be obliged to adopt a decision, which declares that the aid has been unlawfully granted and is to be reimbursed to the state budget.
   8. In such a case, the Sponsorship Recipient must reimburse the Sponsorship thereto to the State budget or the amount shall be recovered without recourse to court. The procedure for the repayment of unlawfully granted State aid or *de minimis* aid shall be detailed in the Description of the Procedure for the Repayment of Unlawful or Incompatible State Aid or De Minimis Aid approved by the Government of the Republic of Lithuania by its Resolution of 6 September 2004 No. 1136.

**3. Declarations, Obligations and Rights of the Sponsorship Recipient**

* 1. The Sponsorship Recipient hereby declares that it has the right to receive the Sponsorship in accordance with the procedures laid down by the legislation of the Republic of Lithuania and undertakes to inform the Sponsorship Provider immediately in the event that such right is lost.
  2. The Sponsorship Recipient undertakes to use the Sponsorship received in a responsible manner, in accordance with its purpose and exclusively for the implementation of the Project, and to provide timely reports and other information related to the use of the Sponsorship funds.
  3. The Sponsorship Recipient may, if agreed upon in writing with the Sponsorship Provider, publicise in its events, publications, newsletters, information notices, its website (if any) and other publicity about the Sponsorship it has received for the Project, and may also refer to the Sponsorship Provider as an entity contributing to the implementation of the Project. In such cases, the amount of the costs incurred by the Sponsorship Recipient in publicising information about the Sponsorship Provider shall not exceed 10 (ten) percent of the value of the Sponsorship granted by that Sponsorship Provider (if the publicity costs have been included in the application for Sponsorship) under this particular Agreement. If the Sponsorship Recipient incurs costs in excess of the threshold referred to in this Clause in relation to the dissemination of the information, such costs in excess of this threshold shall be deemed to be a Sponsorship that has not been used in accordance with the purpose of the Sponsorship and shall be borne by the Sponsorship Recipient at the expense of the latter. The provisions of Clause 4.5 of the Agreement shall not apply to this Clause.
  4. The Sponsorship Recipient hereby agrees that the Sponsorship Provider may, at its discretion, publicise information about the Sponsorship granted to the Sponsorship Recipient.
  5. If the Sponsorship, or a part thereof, is used for the acquisition of property, the Sponsorship Recipient must ensure that the property is kept and used for its intended purpose as it is set in the Clause 13.1 Sponsorship Provider's Rules of the Management of Sponsorship.
  6. The Sponsorship Recipient undertakes to pay all taxes in accordance with the legislation of the country concerned in relation to the use of the Sponsorship received.
  7. The Sponsorship Recipient undertakes to collect and keep all documents (invoices, warrants, cash register vouchers, contracts, etc.) confirming the use of the Sponsorship.
  8. The Sponsorship Recipient undertakes to keep records in accordance with the laws and regulations of the State concerned in order to verify the use made of the Sponsorship by the Sponsorship Provider for the Sponsorship Recipient.
  9. The Sponsorship Recipient undertakes to indemnify the Sponsorship Provider against any losses incurred by the Sponsorship Provider as a result of the misuse of the Sponsorship, the misuse of publicity, the submission of erroneous, inadequate or inappropriate reports in accordance with the present Agreement, or any other violation by the Sponsorship Recipient of its obligations under this Agreement.
  10. The Sponsorship Recipient undertakes to comply with the requirements of the Anti-Corruption Policy and Code of Ethics of AB Ignitis grupė, which are publicly available on the website [www.ignitisgrupe.lt](http://www.ignitisgrupe.lt), during the performance of the Agreement.
  11. In the event that it is established that the Sponsorship Recipient has been granted the Sponsorship in contravention of European Union aid rules or the Sponsorship has been declared by the European Commission to be incompatible aid, and in the event that the Sponsorship Provider, in accordance with Article 55(1) of the Republic of Lithuania Law on Competition, has adopted a decision declaring that the aid has been granted unlawfully and is subject to repayment to the state budget, the Sponsorship Recipient undertakes to reimburse the Sponsorship granted thereto.

1. **Monitoring of the Use of Sponsorship**
   1. The Sponsorship Recipient undertakes to implement the Project by \_\_/\_\_/\_\_\_\_ [date]. Failure by the Sponsorship Recipient to implement the Project within the term set out in this Clause, or within the extended term set out in Clause 4.2 of the Agreement, shall be deemed to constitute a material violation of the Agreement. The Sponsorship Recipient undertakes to reimburse the Sponsorship granted to the Sponsorship Provider within 30 (thirty) calendar days of receipt of the Sponsorship Provider's request. The Sponsorship Recipient shall not be eligible to apply to the Sponsorship Provider or the Sponsorship Provider's subsidiaries for any projects for a period of 3 (three) years from the date of the material violation of the Agreement.
   2. If, due to changes in objective circumstances, the Sponsorship Recipient is unable to implement the Project by the term set out in Clause 4.1 of the Agreement before the expiry of such term, the term set out in Clause 4.1 may be extended once by agreement of the Parties, but not more than 2 (two) times. The Sponsorship Recipient undertakes to notify the Sponsorship Provider immediately of the occurrence of such circumstances, together with a reasoned request for an extension of the term and the evidence and documents supporting the request. The Sponsorship Provider shall examine such a request within 10 (ten) business days from the date of its receipt and shall provide the Sponsorship Recipient with a reply on whether or not to extend the term set out in Clause 4.1 of the Agreement. In the event of an extension of the term, a supplementary arrangement in simple written form shall be signed between the Parties to amend the Agreement. Such arrangement shall be considered an integral part of this Agreement.
   3. If, due to changes in objective circumstances, it is not possible to implement the Project, or it is not possible to implement the Project in its entirety, or if, due to unforeseen circumstances, it is intended to replace part of the activities or goods (their amount / characteristics) foreseen in the Project by other activities or goods, and this makes it impossible to use the Sponsorship in the way foreseen in the Application, the Sponsorship Recipient undertakes to notify the Sponsorship Provider in written form within 5 (five) business days of the date on which such circumstances come to light. The letter must indicate and describe in detail the circumstances that make it impossible to implement the Project in its entirety or aim to replace part of the activities or goods (their quantities/characteristics) foreseen in the Project with other activities or goods. In such a case, evidence must be provided that would allow the Sponsorship Provider to make sure that there is no possibility to implement the Project in its entirety or that it is reasonably intended to change part of the Project's activities or goods.
   4. The Sponsorship Provider shall examine the information received within 10 (ten) business days, take a decision and inform in written the Sponsorship Recipient of the decision taken:

4.4.1. if after determining that the changes to the project activities are of a small scale (quantitatively include no more than 20 percent of the amount of the project budget specified in Appendix 2 the Community Support application (if it is possible to estimate)) or are necessary for the proper implementation of the project and as a result do not change the final objective/s of the Project, the Support Provider approves the change of Project activities or goods (their quantities/characteristics), prepares an Agreement change project and both parties sign the changes to the Agreement (and its annex Application);

4.4.2. if after determining that that changes of the project activities or goods (their amount/characteristics) will substantially alter the Project and the Project objectives will not be achieved, the Sponsorship Provider shall inform the Sponsorship Recipient that no changes are possible. In this case the Sponsorship Recipient must reimburse the Sponsorship within 30 (thirty) calendar days of informing the Sponsorship Provider thereof.

* 1. If part of the Sponsorship remains unused during the implementation of the Project and the Project is implemented within the term set out in Clause 4.1 of the Agreement, the Sponsorship Recipient undertakes to return the unused part of the Sponsorship to the Sponsorship Provider within thirty (30) calendar days from the expiry of the term set in Clause 4.1 of the Agreement.

This provision shall not apply only if the Sponsorship Recipient has used this part of the Sponsorship in accordance with clause 4.4 and has submitted supporting documents to the Sponsorship provider together with the Project implementation report referred to in Clause 4.9 of the Agreement.

* 1. If the Sponsorship is not used for its intended purpose, i.e. not for the implementation of the Project as foreseen in Clause 1.2 of the Agreement, this shall be considered to be a material violation of the Agreement and the Sponsorship Agreement with the Sponsorship Recipient shall be terminated unilaterally, without the need to resort to court proceedings by the Sponsorship Provider. In such a case, the Sponsorship Recipient undertakes to reimburse the Sponsorship granted to the Sponsorship Provider within 30 (thirty) calendar days of receipt of the Sponsorship Provider's request. The Sponsorship Recipient shall not be eligible to apply to the Sponsorship Provider or the Sponsorship Provider's subsidiaries for Sponsorship for any projects for a period of 3 (three) years from the date of the material violation of the Agreement with the Sponsorship Provider.
  2. If the Sponsorship Recipient fails to comply with the obligation to comply with the requirements of the Anti-Corruption Policy and the Code of Ethics of AB Ignitis grupė in the performance of the Agreement, as stipulated in Clause 3.10 of the Agreement, and does not rectify the violation within five (5) business days from the day of receipt of the relevant notification from the Sponsorship Provider of the Sponsorship, then this shall be deemed to be a material violation of the Agreement, and the Sponsorship Agreement shall be terminated with the Sponsorship Recipient of the Sponsorship, unilaterally, without recourse to the courts by the Sponsorship Provider. In such a case, the Sponsorship Recipient undertakes to reimburse the Sponsorship granted to the Sponsorship Provider within 30 (thirty) calendar days of receipt of the Sponsorship Provider's request. The Sponsorship Recipient shall not be eligible to apply to the Sponsorship Provider or the Sponsorship Provider's subsidiaries for Sponsorship for any projects for a period of 3 (three) years from the date of the material violation of the Agreement with the Sponsorship Provider.
  3. In the event of circumstances coming to light that the Sponsorship Recipient has provided false or untrue information to the Sponsorship Provider in the Application or related documents, as well as in the event of circumstances that make or may make the granting and/or use of the Sponsorship unlawful, or that pose a potential risk to the reputation of the Sponsorship Provider and/or AB Ignitis grupė and its directly and indirectly controlled legal entities (hereinafter referred to as the **Group**), (for example, such as judgments handed down by courts in civil, administrative or criminal cases against the Sponsorship Recipient for previous offences related to the misuse of the Sponsorship, as well as for fraud or other similar corrupt or other criminal offences, information in the public domain about the potentially improper activities of the Sponsorship Recipient, which may directly or indirectly have a negative impact on or undermine the good reputation of the Sponsorship Provider or the Group, inappropriate behaviour/activities of the Sponsorship Recipient or its management which may pose a risk to the ability of the Sponsorship Provider to achieve the results of the Activity or the Project as set out by the Sponsorship Provider for the Sponsorship Recipient, etc.) shall be considered as a material violation of the Agreement and the Sponsorship Agreement with the Sponsorship Recipient shall be terminated unilaterally, without recourse to the courts by the Sponsorship Provider. In such a case, the Sponsorship Recipient undertakes to reimburse the Sponsorship granted to the Sponsorship Provider within 30 (thirty) calendar days of receipt of the Sponsorship Provider's request. The Sponsorship Recipient shall not be eligible to apply to the Sponsorship Provider or the Sponsorship Provider's subsidiaries for Sponsorship for any projects for a period of 3 (three) years from the date of the material violation of the Agreement with the Sponsorship Provider.
  4. The Sponsorship Recipient shall submit to the Sponsorship Provider, by \_\_/\_\_/\_\_\_\_ [date], a completed report on the use of the Sponsorship on the results of the implemented Project (hereinafter referred to as the **Report**) in the form prescribed by the Sponsorship Provider, together with a description and documented justification of the use made of the Sponsorship. The Sponsorship Recipient shall attach to the Report invoices, payment orders, cash receipts, contracts, etc., or copies thereof. The Sponsorship Recipient may attach additional material (photographs, videos, final Project deliverable (e.g. a book)) at its discretion.
     1. Failure by the Sponsorship Recipient to submit the Report shall be considered to be a material violation of the Agreement and the Sponsorship Recipient shall undertake to reimburse the Sponsorship to the Sponsorship Provider within 30 (thirty) calendar days of the Sponsorship Provider's request. The Sponsorship Recipient shall not be eligible to apply to the Sponsorship Provider or the Sponsorship Provider's subsidiaries for any projects for a period of 3 (three) years from the date on which the amount of the Sponsorship was due to be repaid to the Sponsorship Provider.
     2. If the Sponsorship Provider considers that the Report and the accompanying documents do not justify the use of the full amount of the Sponsorship disbursed to the Sponsorship Recipient, the Sponsorship Provider shall request additional information and documents from the Sponsorship Recipient, which must be provided by the Sponsorship Recipient within 5 (five) business days from the receipt of such request. In case the Sponsorship Recipient does not provide the additional information and documents requested by the Sponsorship Provider within the term or the information and documents provided are, in the opinion of the Sponsorship Provider, inadequate, the situation shall be deemed to be a failure to submit the Report and the consequences referred to in Clause 4.9.1 of the Agreement shall apply.
     3. If the Sponsorship Provider considers that the Report and the accompanying documents do not justify the use of part of the amount of the Sponsorship disbursed to the Sponsorship Recipient, the Sponsorship Provider shall request additional information and documents from the Sponsorship Recipient, which must be provided by the Sponsorship Recipient within 5 (five) business days from the receipt of such request. In case the Sponsorship Recipient of the Sponsorship does not provide the additional information and documentation requested by the Sponsorship Provider for part of the amount of the Sponsorship within the set term, or if the information and documentation provided is, in the opinion of the Sponsorship Provider, inadequate, the Sponsorship Recipient shall reimburse to the Sponsorship Provider the part of the Sponsorship, the use of which has not been duly justified by the additional information, documentation requested by the Sponsorship Provider, within thirty (30) calendar days from the date of receipt of a request from the Sponsorship Provider. Failure to repay the part of the Sponsorship amount in due time will preclude the Sponsorship Recipient from applying to the Sponsorship Provider or the Sponsorship Provider's subsidiaries for the award of Sponsorship for any projects for a period of 3 (three) years from the date the part of the Sponsorship amount was due to be repaid to the Sponsorship Provider.

1. **Validity, Amendment and Termination of the Agreement**
   1. This Agreement shall enter into force on the date of its signature and shall remain in force until the obligations under this Agreement have been fully discharged.
   2. The Agreement may be amended or supplemented by written agreement of both Parties. A written agreement between the Parties to amend the Agreement shall be attached to the Agreement as an Annex and shall form an integral part of the Agreement.
   3. The Agreement may be terminated by written agreement of the Parties or at the initiative of one of the Parties by giving the other Party not less than 30 (thirty) calendar days' written notice of termination.
   4. The Parties hereby agree that in the event of unilateral termination of the Agreement, the following rules shall apply:

5.5.1. If the Sponsorship Agreement is terminated due to the fault of the Sponsorship Recipient, the Sponsorship Recipient undertakes to reimburse the Sponsorship received to the Sponsorship Provider within 30 (thirty) calendar days;

5.5.2. If the Sponsorship Recipient terminates the Sponsorship Agreement through no fault of the Sponsorship Provider, the Sponsorship Recipient undertakes to reimburse the Sponsorship Provider within 30 (thirty) calendar days;

5.5.3. If the Sponsorship Provider terminates the Sponsorship Agreement through no fault of the Sponsorship Recipient or the Sponsorship Recipient terminates the Sponsorship Agreement through the fault of the Sponsorship Provider, the Sponsorship Provider shall reimburse the Sponsorship Recipient for the documented direct losses incurred by the Sponsorship Recipient during the implementation of the Project as provided for in Clause 1.2 of the present Agreement, or in the performance of any other obligations to the Sponsorship Provider under this Agreement. The Parties hereby agree that such direct losses shall not exceed the amount of the Sponsorship referred to in Clause 1.1 of the Agreement. The Sponsorship Provider undertakes to reimburse the Sponsorship Recipient for such direct losses within thirty (30) calendar days of receipt of the documentation supporting the direct losses.

* 1. The Agreement shall be terminated unilaterally, without recourse to the courts, at the request of the Sponsorship Provider, if the Sponsorship Recipient commits a material violation of the Agreement (Clauses 4.5 – 4.8). In such a case, the consequences set out in Clauses 4.5 – 4.8 of the Agreement shall apply.
  2. The Agreement shall be deemed to have been terminated for the purposes of Clauses 5.3 and 5.4 upon timely receipt of evidence of the repayment of the Sponsorship to the Sponsorship Provider. The Sponsorship Recipient shall be informed in writing of the moment of termination of the Agreement.
  3. Damages caused by the Parties to each other shall be indemnified in accordance with the procedures established by law, unless otherwise specified in this Agreement.

1. **Dispute Resolution**
   1. All disagreements arising between the Parties in connection with this Agreement shall be settled by negotiation, and in the event of failure to reach an agreement within 1 (one) calendar month, in the courts of the Republic of Lithuania in accordance with the procedure established by the legislation of the Republic of Lithuania.
2. **Final Provisions**
   1. The Agreement shall be governed by the law of the Republic of Lithuania, except for specific matters relating to the receipt and/or accounting for and/or documentation of the use of the Sponsorship, which may be governed by the law of another State.
   2. All notices and Reports under the Agreement relating to the performance of the Agreement shall be sent by e-mail of the Parties specified in the Agreement.
   3. Information and/or documents sent by e-mail shall be deemed to have been served on the business day following the day on which the e-mail was sent.
   4. The Parties must inform each other in writing no later than within 5 (five) business days of any change in their details and contact persons. A Party that fails to notify a change in its details shall bear all risks relating thereto and all notices, requests, demands and other documents sent to a Party's last known e-mail address shall be deemed to have been sent and duly served.
   5. The Parties shall designate contact persons who will be responsible for communication in the implementation of the Agreement. Authorised contact person (employee) of the Sponsorship Provider: \_\_\_\_\_\_\_\_\_\_\_\_\_ (name, surname, e-mail, tel. No.). Authorised contact person (employee) of the Sponsorship Recipient: \_\_\_\_\_\_\_\_\_\_\_\_\_ (name, surname, e-mail, tel. No.).
   6. The Sponsorship Recipient may not unilaterally assign its rights and obligations under this Agreement to any other person. The Sponsorship Provider shall have the right to unilaterally assign all rights and obligations under this Agreement to third parties of the Sponsorship Provider's choice, without the Sponsorship Recipient's prior consent, in accordance with its own internal legal provisions.
   7. The Agreement shall be signed in 2 (two) copies, each of which shall have equal legal authority, one copy being delivered to each of the Parties.
3. Annexes to the Agreement

Annex 1 – Sponsorship Application, reg. No.

1. **Details of the Parties**

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| **UAB \_\_\_\_\_\_\_\_\_\_** Legal entity code:  Address:  E-mail address:  VAT identification number:  Bank account No.  Bank  Bank code: | **Name of legal entity** Legal entity code:  Address:  E-mail address:  VAT identification number:  Bank account No.  Bank  Bank code: |

|  |  |
| --- | --- |
| **On behalf of the Sponsorship Provider:**  **UAB \_\_\_\_\_\_\_\_\_\_\_**  Position, name, surname | **On behalf of the Sponsorship Recipient:**  **(name)**  Position, name, surname |