

**AMENDMENTS NO. 1**  
**TO 08.01.2018**  
**"BUSINESS PLAN PREPARATION AGREEMENT"**

Riga 10.10.2018

Contract registration number

8/2018-01
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**RB Rail AS**, a joint stock company registered in the Latvian Commercial Register registration No 40103845025, having its registered address at K. Valdemāra iela 8-7, Riga, LV 1010, Latvia ("Company"), represented by Chairman of the Management Board Ignas Degutis and Management Board Member Kaspars Rokens acting on the basis of the Regulations on Representation Rights dated 25 May 2018, on the one side,

and

**DB Engineering&Consulting GmbH**, registration number HRB 56655 B, having its registered address at EUREF-Campus 14, Torgauer Straße 12-15, 10829 Berlin, Germany ("Contractor"), represented by Vincent van Houten, acting on the basis of Power of Attorney No 9338/17, dated 1 November 2017 and Lithuanian Branch Manager of DB Engineering & Consulting GmbH Laimius Karciauskas, acting on the basis of the Power of Attorney File No 257/2017, dated 30 May 2017.

The Company and the Contractor are jointly referred to as "Parties", and each separately – "Party",

**WHEREAS**

- (A) According to Section 1, Section 3 (Point 3) and Section 5 of Article 61 of the Public Procurement Law of the Republic of Latvia amendments to a procurement agreement are permissible, if they do not change the general nature of the procurement (general contract) and amendments to the procurement contract are necessary for reasons that the contracting authority could not foresee previously and/or if the value of the amendments to the procurement agreement does not exceed at the same time i) the contractual price thresholds set by the Cabinet of Ministers, from which notice of contract must be published in the Official Journal of the European Union and ii) 10 per cent of the original procurement agreement;
- (B) Implementation of Business Plan Agreement for Rail Baltica Railway between the Company and the Contractor dated 8 January 2018 ("Agreement") has taken longer than initially planned and to the date of signing of these Amendments No1 amount to 93 days;
- (C) The delay for 40 days can be attributable to the Company for several reasons: delay in review of documents from RB Rail Working group established by the Company and Stakeholders, difficulties to ensure sufficient quality and timely comments to deliverables from the RB Rail Working group and various Rail Baltica project stakeholders (Beneficiaries, Implementing Bodies, Supervisory Board and Peer reviewers);
- (D) The delay for 53 days can be attributable to the Contractor. According to Section 7.1 of the Agreement, the Contractor shall pay to the Company the penalty in the amount of EUR 34 185,00 (excluding VAT);
- (E) Due to the requests of Stakeholders and need to provide separate financial statements with a minimum of two additional scenarios of Infrastructure Management costs in the operations phase, the Company would like to engage the Contractor in delivering the additional services, as described in Clause 1 to these Amendments No 1, and the Contractor has calculated the fees for these additional services being EUR 34 185,00 (excluding VAT) that is up to 10% of the Agreement price;

- (F) Due to the above mentioned the Contractor is entitled to an extension of the deadlines for performing the Services and submitting the Deliverables as describe below. The Parties also agree to set-off the penalties mentioned Point (D) of Preamble against the fees mentioned in Point (E) of Preamble;
- (G) Based on Section 14 of the Agreement the Parties need to reflect the above-mentioned changes in the Agreement to extend the reports and deliverables submission and approval schedule.

NOW, THEREFORE, the Parties hereby without any delusion or fraud enter in to these Amendments No 1 ("Amendments No 1") to the Agreement on the following terms and conditions:

1. The Parties agree to amend Annex A: Technical Specification Clause 4.2 Financial model second paragraph point 7 and add point 8 as follows:
  - Developing separate financial statements with a minimum of two additional scenarios of Infrastructure Management costs in the operations phase. The scenarios must include elements where functions are partly of fully centralised or separated and the possible effect on maintenance costs, staff costs, operations costs etc. The differences between the scenarios may be based on benchmarks with other countries and other projects. The scenarios must be described, and the differences explained, including the long term financial situation and the eventual need for subsidies;
  - Highlighting the most important sensitivity factors by changing various key inputs, to see their change impact on the Business plan. Sensitivity factors as example could be changes in capital expenditure, infrastructure maintenance cost, infrastructure periodic renewal cost, administration cost, minimum infrastructure charge, EU grants, national contribution, borrowing, passenger carrier tariff, freight carrier tariff, freight carrier tariff change, passenger amount, freight amount, passenger induced flow.
2. The Parties agree to replace Annex A: Technical Specification Clause 4.5 Business plan delivery timing as follows:

Duration of the performance of the task can be no longer than 44 weeks as of the date of signing of the Contract. Contractor shall start the work on the Business Plan and start preparation of the Inception Report as of the date of signing the Contract with the Contractor. The Contractor will be expected to report on the Global Project status to the RBRs Global Project Coordinator on at least weekly basis. Furthermore, RBR plans to establish Reference group to update stakeholders on the Global Project progress. Implementation of the comments made by Reference group will be discretionary to RBR and Contractor. However, consultations with the Stakeholders shall happen via (together with) RBR where reasonable utilising RBR project group, including Country managers as a leading counterparty.

It is expected that in week 35, the final Business plan and Financial model will be submitted for an independent Peer review to the party chosen by the Contractor. Peer review is expected to be finalised by week 39, so during weeks 39-44, the Contractor may need to incorporate any relevant comments.

The proposed indicative time schedule based on the Global Project duration of 44 weeks is described below: If the Contractor offers to complete the Global Project in a shorter time period, a reworked time schedule needs to be presented in the initial Tender documentation. If the Contractor chooses to

rework the time schedule, then it should be noted that each review phase of Company is expected to take 2 (two) weeks.

<b>week</b>	<b>Report</b>	<b>Main contents</b>
1 – 6	Inception report	<ol style="list-style-type: none"> <li>1. Table of contents of the Business plan and financial model architecture</li> <li>2. Review of available information</li> <li>3. Business plan governance structure, including RBR project group's role, reference group's role as well as stakeholder role and alignment process.</li> <li>4. Identification of strategic options for Global Project management and operation after commissioning</li> <li>5. Identification of RB Rail direct shareholders and national government needs of Business plan supporting their decisions regarding Global Project implementation</li> <li>6. Initial European and global best practice benchmarking insights</li> <li>7. Financial model is set-up and pre-populated with the available information</li> <li>8. Detailed Global Project management structure and plan</li> </ol>
<b>Strategic briefing to the MB (Management Board) of RBR</b>		
6 - 12	Deliverables 1 <sup>st</sup> draft	<ol style="list-style-type: none"> <li>1. Business plan 1<sup>st</sup> draft (at least but not limited to sections: Global Project implementation status, Long term Global Project development strategy, Organisational structure and Global Project governance, Market and competition, Regulatory and compliance matters, Taxation matters, Public relations and communication matters, Capital expenditure and Global Project scheduling, Accounting policy matters Financing options)</li> <li>2. Financial model 1<sup>st</sup> draft with populated fields (at least 60% completed), including Operating cash flow 1<sup>st</sup> draft with populated fields (at least 95% completed)</li> </ol>
<b>Strategic briefing to the MB of RBR</b>		
12 - 16	Deliverables 2 <sup>nd</sup> draft	<ol style="list-style-type: none"> <li>1. Incorporation of comments received since 1<sup>st</sup> draft</li> <li>2. Business plan 2<sup>nd</sup> draft (at least 80% completed)</li> <li>3. Financial model 2<sup>nd</sup> draft with populated fields (at least 80% completed), including Operating cash flow 2<sup>nd</sup> draft with populated fields (100% completed)</li> </ol>
<b>Strategic briefing of 2<sup>nd</sup> draft to the MB of RBR</b> Briefing session to the Reference group after 3 <sup>rd</sup> draft with the ambition to prepare for the Supervisory Board (SB) mandate for consideration and approval of the finalised Business plan (Shareholders Agreement Clause 7.1).		

16 - 20	Deliverables 3 <sup>rd</sup> draft	<ol style="list-style-type: none"> <li>1. Incorporation of comments received since 2<sup>nd</sup> draft</li> <li>2. Business plan 3<sup>rd</sup> draft (100% completed)</li> <li>3. Financial model 3<sup>rd</sup> draft with populated fields (100% completed)</li> </ol>
<p>Strategic briefing of 3<sup>rd</sup> draft to the MB of Company  Briefing session to the Reference group after 3<sup>rd</sup> draft with the ambition to prepare for the Supervisory Board (SB) mandate for consideration and approval of the finalised Business plan (Shareholders Agreement Clause 7.1).</p>		
35 - 44	Business plan Financial model Sensitivity analysis	<ol style="list-style-type: none"> <li>1. Incorporation of comments received since 3<sup>rd</sup> draft (including IB comments)</li> <li>2. Business plan final (100% completed)</li> <li>3. Financial model final (100% completed)</li> </ol>
<p>Review of the final draft by the MB of the Company  Peer review as commissioned by the Company</p>		
36 - 37	Presentation	<ol style="list-style-type: none"> <li>1. Presentation</li> <li>2. Final review</li> <li>3. Incorporation of comments from Peer review, if relevant</li> </ol>
<p>Presentation to the Global Project stakeholders (Implementing bodies, Beneficiaries, SB and MB of the Company). At least two presentations are expected for each country plus two presentation for RBR internal use (8 presentations in total), including presentation to the SB that is mandated to consider and approve finalised Business plan (Shareholders Agreement Clause 7.1).</p>		
44	Final deliverables submitted	<ol style="list-style-type: none"> <li>1. Business plan</li> <li>2. Financial model, including "Assumption book", model's manual and training to RBR staff</li> <li>3. Presentation</li> <li>4. Supporting materials if relevant</li> </ol>

3. The Parties agree to replace the numbers stated in Section 4.1 of the Agreement as follows:
  - 4.1.: 455 002,35 EUR;
  - 4.1.1: 376 035 EUR;
  - 4.1.2: 78 967,35 EUR.
4. The Parties agree to express Section 4.4 of the Agreement in the following wording:
  - 4.4. The Fee shall be payable to the Contractor according to the following schedule:
    - 4.4.1. 34 185 EUR within fourteen (14) working days after delivery to the Company of the Inception Report pursuant to Section 3.1 of this Agreement;
    - 4.4.2. 102 555 EUR within fourteen (14) working days after delivery to the Company of Deliverables 1st draft pursuant to Section 3.1 of this Agreement;
    - 4.4.3. 102 555 EUR within fourteen (14) working days after delivery to the Company of Deliverables 3rd draft pursuant to Section 3.1 of this Agreement;
    - 4.4.4. 136 740 EUR after Final Deliverables submitted within 10 (ten) working days after acceptance of the Business Plan by the Company.
5. The Parties agree that entire study shall be completed on 7 November 2018.
6. All other terms of the Agreement remain unchanged.

7. The Parties confirm that they do not have any claims against each other arising from extension of Deliverables submission and approval schedule and these Amendments No 1.
8. The Amendments No1 shall enter into force upon its signing by the Parties.
9. The Amendments No1 are concluded in two (2) equal copies on two (2) pages. After the signing the Company and the Contractor shall each retain one copy.

**Company**

**Contractor**

**RB Rail AS**

**DB Engineering&Consulting GmbH**

**Signature:**

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