

FRAMEWORK AGREEMENT
ON
for Tax Advisory and Reporting Services for RB Rail AS in 2019-2020
for Part No 3 "On-demand tax advisory services covering all taxes and duties in Estonia, Latvia and Lithuania"

between

RB Rail AS

and

KPMG Baltics SIA

Contract registration number 8/2019-20
CEF¹ Contract No INEA/CEF/TRAN/M2014/1045990 A34
CEF Contract No INEA/CEF/TRAN/M2015/1129482 B18
CEF Contract No INEA/CEF/TRAN/M2016/1360716 C09
Procurement procedure identification No RBR 2018/31

Riga

Dated 28 March 2019

¹ Grant Agreement under the Connecting Europe Facility

FRAMEWORK AGREEMENT

This Framework agreement ("Agreement") together with all Annexes thereto, is entered into in Riga, on 28 March of the year 2019 (the "Effective Date") by and between:

RB Rail AS, a joint stock company registered in the Latvian Commercial Register with registration No 40103845025, legal address at Krišjāņa Valdemāra iela 8-7, Riga, LV-1010, Latvia (the "Principal"), represented by the Chairperson of the Management Board Timo Riihimäki and Management Board Member Ignas Degutis acting on the basis of the Regulations on Representation Rights dated 25 May 2018, on the one side,

and

KPMG Baltics SIA, a limited liability company registered in the Latvian Commercial Register with registration No 40003235171, legal address at Vesetas iela 7, Riga, LV-1013, Latvia (the "Service Provider"), represented by Steven John Austwick acting on the basis of procura, on the other side.

who are collectively referred to as the "Parties" and separately – as "Party".

WHEREAS:

- (A) Core business of the Principal is design, construction and marketing (including branding) of the new fast conventional double track electrified railway line with the maximum design speed of 240 km/h and European standard gauge (1435 mm) on the route from Tallinn through Pärnu Riga Panevėžys Kaunas to Lithuanian Polish Border ("Project") financed under the auspices of Connecting Europe Facility ("CEF");
- (B) The Principal has organised procurement procedure "Tax Advisory and Reporting Services for RB Rail AS in 2019-2020" (identification No RBR 2018/31) (the "Procurement Procedure") whereby the Service Provider's tender proposal (the "Service Provider's Proposal") was selected as the winning bid for Part No 3 "On-demand tax advisory services covering all taxes and duties in Estonia, Latvia and Lithuania";
- (C) This Framework Agreement is co-financed from the Connecting Europe Facility (CEF), CEF Contract No INEA/CEF/TRAN/ M2014/1045990, Activity 34, Action No: A5.1.1: "Project implementation support measures (RBR)", CEF Contract No INEA/CEF/TRAN/ M2015/1129482, Activity 18, Action: "Global project management" and CEF Contract No INEA/CEF/TRAN/ M2016/1360716, Activity 9, Action No: C5.1.2: "Global project and Action project implementation support measures (RB Rail, EE, LV, LT)".

1. NOW, THEREFORE, the Parties hereby enter into this Agreement on the following terms and conditions:

1. SUBJECT OF THE AGREEMENT

- 1.1. This Agreement sets out the rights and obligations, terms and conditions that apply to the Parties of the Agreement where the Service Provider is contracted by the Principal to provide tax advisory services related to operations of the RB Rail AS and its main partners involved in the implementation of the Rail Baltica project in accordance with this Technical specification (Annex A) for the Principal for the successful implementation of the Rail Baltica project.
- 1.2. The range of tax advisory Services to be provided by the Service Provider to the Principal is described in Annex 3 of the Procurement Procedure (Annex A of this Agreement) and includes, but is not limited to, counselling, preparation of documents, litigation, representation (the "Tax Advisory Services"). The procedure for the provision of Tax Advisory Services is provided in Clause 3 of this Agreement.
- 1.3. The purpose of the Agreement is to define the terms and conditions under which the Service Provider shall provide Tax Advisory Services to the Principal on-demand basis. The Agreement is framework-based and does not impose an obligation on the Principal to appoint the Service Provider to provide services and does not guarantee any exclusive right to the Service Provider to provide Tax Advisory Services to the Principal. This Agreement entitles the Service Provider to be requested by the Principal at the full discretion of the latter. The Service Provider is solely responsible for its costs and expenses incurred in connection with providing the Tax Advisory Services.

- 1.4. For every assignment, a separate assignment order in any form/document as decided by the Principal (the "Assignment order") shall be issued by the Principal and confirmed by the Service Provider.
- 1.5. The Service Provider shall provide services only on basis of a confirmed Assignment order, the conditions thereof become binding on both parties: the Service Provider and the Principal.
- 1.6. If the Service Provider refuses or fails to duly complete the assignment after the Assignment order has been confirmed between the Parties, the Service Provider is obligated to pay a contractual penalty to the Principal at the Principal's request of the amount corresponding to the double (2x) of the total sum of the fee according to the Assignment order.
- 1.7. All Assignment orders and this Agreement shall form a single agreement between the Parties. The provisions of this Agreement constitute an integral part of each Assignment order. In the event of any inconsistency between the provisions of this Agreement and Assignment order, the Assignment order shall prevail.

2. FRAMEWORK AGREEMENT VALUE AND PERIOD

- 2.1. The Framework agreements with Service Provider are on-demand based with no fixed work-load and/or fixed overall value.
- 2.2. The total allocated amount for the Procurement of Tax Advisory Services for Agreement concluded as a result of the Procurement is: 50 000,00 EUR (fifty thousand euros zero cents), excl. VAT.
- 2.3. However, this does not bind the Principal to purchase Tax Advisory Services through the Framework agreement for the estimated amount.
- 2.4. The Agreement period is 2019-2020 starting from the Commencement date (signature date) until 31 December 2020.
- 2.5. The Agreement terminates after Agreement period expires or until the maximum Agreement amount is reached whichever occurs earlier and after the all Assignment orders are fully completed by the Service Provider and approved by the Principal.

3. APPOINTMENT OF AN ASSIGNMENT

- 3.1. In order to receive Tax Advisory Services, the Principal shall conclude an Assignment order.
- 3.2. The Principal invites the Service Provider to implement an assignment by sending an Assignment order by e-mail in any form/document as decided by the Principal.
- 3.3. The Assignment order shall include details of the Tax Advisory Services to be carried out by the Service Provider. If total estimated hours required for fulfilment of assignment exceed eight (8) hours, the Assignment order should include details on precise content, scope form of deliverable and fixed number of hours, etc.
- 3.4. After receiving an invitation, as soon as possible but not later than within the 1 (one) working day the Service Provider shall respond by stating its availability to implement the assignment. In case the Service Provider fails to respond within the required time period, the Service Provider is obligated to pay a contractual penalty to the Principal in 500 EUR (five hundred *euro*) amount. In case of a Conflict of Interests (Clause 15), the Service Provider is obligated to notify the Principal immediately about its Conflict of Interests and refrain from providing the particular assignment.
- 3.5. After the corresponding Assignment order is accepted by the Service Provider, the conditions set in the Assignment order become binding upon the Parties.
- 3.6. The Service Provider has right to reject Principal's invitation to implement an assignment only in exceptional cases when the Service Provider envisages that the implementation of a particular Assignment order would result in a conflict with requirements set in the Framework agreement, or in case of a Conflict of Interests (Clause 15). The decision of the Service Provider to reject the Principal's invitation to implement an assignment shall be provided in writing by stating the actual reasons for such decision.
- 3.7. The Service Provider has the right to request reasonable explanatory information from the Principal regarding the specifics of provision of an assignment via email.

4. PERFORMANCE OF THE AGREEMENT

- 4.1. The Service Provider must perform the Agreement in compliance with its provisions, the instructions given by the Principal, under the specific terms agreed in an Assignment order and all legal obligations applicable under EU, international and national law.
- 4.2. The Service Provider and the expert providing the Tax Advisory Services to the Principal must comply with the relevant professional diligence and applicable legislation governing the activities of tax advisers and the provision of Tax Advisory Services must be of consistently high quality that is necessary to achieve the purpose of the particular Assignment order agreed between the Parties in particular Assignment order.
- 4.3. The Service Provider shall, within reason and in the scope of Tax Advisory Services, endeavour to carry out all activities that would reasonably assist and aid the Principal, always act in the best interests of the Principal and use its best endeavours to engage all legal means reasonably available in achieving the result of the particular assignment specified in the particular Assignment order.
- 4.4. The Principal shall deliver to the Service Provider relevant essential information necessary for the provision of Tax Advisory Services. The Principal understands that the proper provision of Tax Advisory Services requires the Principal to give to the Service Provider all the information relevant to the particular assignment, and to inform the Service Provider of any changes to that information.
- 4.5. The Principal shall provide the Service Provider or Service Provider's nominated advisers (experts from Service Provider's Proposal) (the "expert") with a respective power of attorney at the request of the Service Provider, if necessary, for providing the particular assignment.
- 4.6. The Principal shall have the final and exclusive right in the negotiations, terms, decisions, agreements, etc. and in any and all matters related to Tax Advisory Services, including but not limited to the final right to decide whether or not to conclude any agreement(s), litigate, submit documents etc.
- 4.7. The Service Provider shall provide the Principal with all and any information and documentation in its possession or control relating to the Tax Advisory Services provided to the Principal. The Service Provider shall return original documents to the Principal immediately at the Principal's request.
- 4.8. The Service Provider shall carry out the tasks, prepare and provide all documents, reports, minutes of the meetings and any other information material (i.e. provide Deliverables²) specified in an Assignment order.
- 4.9. The Principal reserves the right to ask the Service Provider (or its corresponding expert) to provide intermediate results (deliverables) of an Assignment order in short notice, in order to check the progress of the implementation of an Assignment order. The Service Provider (or its corresponding expert) shall provide the Principal with the information, status of the progress including proof thereof, such as intermediate documentation, reports, etc. within the short notice period. This confirmation does not imply the implementation of any additional assignments (reports etc.) but confirms progress of the implementation of the Assignment order. Failing to do so within the short notice period or by providing information that shows that the assignment will not be completed within specified time in the Assignment order, the Principal reserves the right to cancel the implementation of the Assignment order and to proceed with the procedures for terminating the Agreement.
- 4.10. As a part of the Deliverables, the Service Provider shall prepare information material in a fully comprehensive and understandable³ way, by providing explicit and full source details (initial information, evidences etc.) used for the analysis and provision of Deliverables.
- 4.11. The Principal shall have no responsibility over any content of Deliverables provided by the Service Provider.
- 4.12. Approval by the Principal of the Deliverables of the corresponding Assignment order shall not mean the approval of the outcome results (reports, agreements, procedural documents, summary, advice, decisions etc.) delivered by the Service Provider. Service Provider shall bear full responsibility of the Deliverables provided.

² Definition "Deliverables" shall include all tasks (including, but not limiting to, actions and information material, agreements, procedural and other documents) to be carried out by the Service provider in order to fully implement the corresponding Assignment order.

³ The information provided in the Deliverables shall be understandable to the average-level bookkeeper or manager with no particular experience in a specific topic concerned.

5. RIGHTS AND OBLIGATIONS

- 5.1. The Service Provider shall be responsible for the availability of its experts implementing particular Assignment orders.
- 5.2. The Service Provider shall be responsible for ensuring that its experts included in the Agreement fulfil the requirements thereof as long as it comes to experts' responsibility.
- 5.3. The Service Provider shall remain fully responsible for the results (including Principal's losses incurred due to such results) of its services after the completion of an Assignment order. Any additional expenses arisen due to the correction of unacceptable outcome results shall be covered solely by the Service Provider. The Principal reserves the right to request the Service Provider to correct the results of its services regardless whether it is necessary during the implementation of an Assignment order or after it was completed and approved.
- 5.4. No subcontracting (except mentioned in the Service Provider's Proposal) in any kind or form is allowed for implementation of an Assignment order. Only the Expert specified in an Assignment order is allowed to implement the tasks defined therein.
- 5.5. The Service Provider must keep records and other supporting documentation (original supporting documents) as evidence that the Assignment order is correctly performed and the expenses were actually incurred. These must be available for review upon the Principal's request.
- 5.6. The Principal is obliged to pay for the services of the Service Provider in accordance with the Assignment order and based on the approved Deliverables of the Service Provider pursuant to the payment request.
- 5.7. The Service Provider is obliged to ensure a valid professional risk indemnity insurance agreement covering all the Experts with limit of liability in the amount of at least 1 000 000,00 EUR (one million *euro*) for any insurance claim covering all period of validity of the Agreement and with extended reporting period 5 (five) years. The Service Provider is obliged to submit to the Principal a copy of a renewed insurance agreement or a new insurance agreement including the above-mentioned provisions within five (5) working days before the date of expiry of the previous insurance agreement.
- 5.8. The Service Provider represents and warrants to the Principal, as of the Commencement date, as follows:
 - (a) it has all requisite qualification, skills and competence to provide the Service to the Principal on the terms and conditions of this Agreement which are no less favourable than the terms and conditions of service identified by the Service Provider in any document submitted by the Service Provider to the Principal as part of the Procurement Procedure and on the terms of the Service Provider's Proposal identified in accordance with Service Provider's Proposal;
 - (b) it holds all requisite licenses, permits, approvals and consents necessary to enable performance of the Service according to the specifications contained in this Agreement and Technical Specification (Annex A);
 - (c) it has all requisite ability to ensure the highest quality of the Tax Advisory Service;
 - (d) it will assign competent and duly qualified personnel to carry out the Tax Advisory Service set out in this Agreement according to the highest professional Standard and Good Industry Practice;
 - (e) it is not deemed to be a person associated with the Principal for the purposes of applicable law;
 - (f) it is compliant with all of the requirements of the Service Provider's Declaration contained in Annex C;
 - (g) and will continue to be compliant with all such requirements during the term of this Agreement.

6. PAYMENTS

- 6.1. Service Provider must make a request for payment to obtain its remuneration for services and reimbursement of expenses agreed in the Agreement. After acceptance of Deliverables by the Principal (by signing Delivery Acceptance Deed), the Service Provider must submit the invoice within thirty (30) calendar days or at another time agreed between the Parties in the Assignment order.
- 6.2. Invoices should be sent to the e-mail invoices@railbaltica.org and should include the following details about the Agreement: Identification number RBR 2018/31, and name of the contact person: Anita Pūka.

- 6.3. The Principal shall make the payment after fifteen (15) days from the date on which the Principal receives properly prepared payment request (invoice) on the accepted Deliverable.
- 6.4. The Principal may suspend the payment at any time if:
 - (a) the Deliverable is not accepted by the Principal;
 - (b) invoice supporting documents are missing;
 - (c) the invoice is incorrect;
 - (d) the Principal has to make further checks to verify details of invoice.
- 6.5. The Principal shall reject the invoice (parts of) if it does not fulfil the conditions of the Agreement and particular Assignment order.
- 6.6. The Principal may reduce the fee if the Service Provider is in breach of any of its other obligations under the Agreement (including unsatisfactory implementation of any Assignment orders). The Principal must formally notify the Service Provider of its intention, include the reasons why, and invite the Service Provider to submit any observations within fifteen (15) days of receiving notification. If the Principal does not accept these observations, it will formally notify confirmation of the rejection or reduction.
- 6.7. Payments are subject to the Principal's approval of Deliverable(s) and of the invoice(s). Approval does not mean recognition of compliance, authenticity, completeness or correctness of content.
- 6.8. The Principal may at any point suspend the payment deadline, if an invoice cannot be processed because it does not comply with the Agreement's provisions. The Principal must formally notify the Service Provider of the suspension and the reasons for it. After the condition for suspending the payment deadline is mitigated, the suspension will be lifted — and the remaining payment period will resume.
- 6.9. If the payment deadline has been suspended due to the non-compliance with the Agreement's conditions and the Service Provider fails to rectify the outcome of the corresponding Assignment order within the reasonable period of time, the Principal may also terminate the Agreement.
- 6.10. In the event of failure by the Service Provider to meet any deadline and/or supply any Deliverable by the date stipulated in the particular Assignment order, the amount of fee payable by the Principal to the Service Provider under the corresponding Assignment order with respect to the relevant time period shall be reduced by zero point five percent (0.5%) of the amount of such fee for each day of delay.
- 6.11. Payments will be made in euros.
- 6.12. The Principal shall pay the amounts shown on the invoice by bank transfer to the bank account of the Service Provider. Each Party bears its own bank charges.
- 6.13. The legal fees described in the Service Provider's Proposal (Annex B of this Agreement) and in the Assignment order are exclusive of VAT. The VAT treatment for the supply of Tax Advisory Services under an Assignment order shall be determined pursuant to the VAT laws of the jurisdiction where a taxable transaction for the VAT purposes is deemed to take place. If VAT is payable on any contractual amounts, the Principal shall pay to the Service Provider an amount equal to the VAT at the rate applicable from time to time, provided that such amount shall only be required to be paid after the Service Provider provides the Principal with a valid VAT invoice in relation to that amount. Each Party shall, on request, provide the other Party with any additional VAT invoices or other documentation required for VAT purposes.

7. FEES

- 7.1. The Service Provider shall act as an independent contractor on its own cost and for its own account and the Principal shall not be obliged to pay to the Service Provider any royalties or fees other than the fees and/or rates expressly agreed upon in the Assignment order or to compensate any other kind of costs or expenses of the Service Provider. The Principal shall remunerate to the Service Provider the fees and costs stated in the Assignment order.
- 7.2. The applicable fees (hourly rate) of the Service Provider are included in the Service Provider's Proposal. The fees offered by the Service Provider at the request of the Principal for providing a particular Assignment may not be higher than the fees offered by the Service Provider in the Service Provider's Proposal and the offered fees are final. If the Service Provider is in breach of the previous sentence, the Principal refuses the Service Provider's Proposal for providing of an assignment.

8. OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL PROPERTY RIGHTS)

- 8.1. The Principal will fully and irrevocably acquire the ownership of the results under this Agreement including any rights in any of the results listed in this Agreement, including copyright and other intellectual or industrial property rights, and all technological solutions and information contained therein, produced in performance of the Agreement.
- 8.2. The Principal will acquire all rights and obligations in this Clause 8.2 from the moment the Deliverables (results) are delivered by the Service Provider and are not limited in time and will be valid after the expiry of the Agreement and/or the individual Assignment order.
- 8.3. The copyright fee has been included in the fee (Clause 7). The transfer of copyright shall also remain valid if the Agreement is prematurely terminated for any reason and/or terminated without the complete delivery of the Deliverables.
- 8.4. The Principal has the right to publish material submitted by the Service Provider without the Service Provider's permission, as well as to require the Service Provider to change it, to redo it, to divide it into parts. If the Service Provider and the Principal cannot agree on the execution of this work, the Principal is entitled to involve another Service Provider in carrying out the said task.
- 8.5. The Service Provider shall undertake to ensure that the Services, the execution of Services or the use of the any of the Deliverables not violate the rights, including copyright, of third persons.
- 8.6. If the Services, the execution of the Services or the use of the Deliverables or other deliverables produced while rendering the Services violate the rights of third persons, the Service Provider shall be liable for the violation. The Service Provider shall be obliged to compensate the damage caused to third persons and satisfy any claims for the compensation of damage filed against the Principal by third persons.

9. ON-THE-SPOT VISITS

- 9.1. By virtue of Council Regulation (Euratom, EC) No 2185/961 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU) No 883/20132 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities. Where appropriate, OLAF findings may lead to criminal prosecution under national law.
- 9.2. By giving a written notice five (5) working days in advance, but in case of an unannounced check without an advance notice, the Principal may carry out independent on-the-spot visits to the sites and premises where the activities implemented within the Agreement are or were carried out.
- 9.3. On-the-spot visits may be carried out either directly by the authorised staff of the Principal or by any other outside body authorised to do so on behalf of the Principal. Information provided in the framework of on-the-spot visits shall be treated on confidential basis. The Principal shall ensure that any outside body authorised shall be bound by the confidentiality obligation.
- 9.4. The Service Provider shall ensure that the performer of the on-the-spot visit or any other outside body authorised has access to all the information and documents, including information and documents in electronic format, which is requested by the authorised staff of the performer of the on-the-spot visit or any other outside body authorised for the performance of an on-the-spot visit and which relates to the implementation of the Agreement, as well as shall allow the authorised staff of the performer of the on-the-spot visit or any other outside body authorised copying of the information and documents, with due respect to the confidentiality obligation.

10. AMENDING THE AGREEMENT; TERMINATION OF THE AGREEMENT

- 10.1. The Agreement can be amended in compliance with the provisions of Section 61 of the Public Procurement Law.
- 10.2. If after the conclusion of the Agreement amendments are made to the existing laws and regulations and in consequence the costs of Service Provider's Tax Advisory Services increase or decrease and when a prior warning has been given, then, after a mutual agreement by the Parties, the Fee is amended.

- 10.3. Amendments to the Agreement are proposed by the Party who sees a need for the amendments by submitting a justification for the proposal of amendments.
- 10.4. Amendments and supplements to the Agreement shall be valid only when they have been prepared in writing and signed by the Parties; they shall be enclosed to this Agreement and become an integral part of it.
- 10.5. When deciding on amending the Agreement, compliance with Public Procurement Law of the Republic of Latvia, Procurement and requirements under its Regulation must be ensured.
- 10.6. This Agreement may be terminated by a Party by giving the other Party sixty (60) days prior written notice of termination (the "Regular Termination"). In the event of Regular Termination, the Agreement shall remain legally binding on the Parties until, but only in respect of, all rights and obligations already created or existing prior to the date of the Regular Termination are fully performed by both Parties.
- 10.7. The Principal reserves the right to terminate the Agreement within ten (10) working days after sending a written notice to the Service Provider due to the following reasons:
 - (a) The Service Provider has committed substantial errors, irregularities or fraud, or is in serious breach of its obligations under the Procurement procedure or under the Agreement, including false declarations and obligations relating;
 - (b) The Service Provider breaches conditions of the Agreement and does not cure the breach within two (2) working days of written notice of same;
 - (c) Service Provider and/or its expert poorly performs his/her tasks defined in the corresponding Assignment order.
- 10.8. The Parties reserve the right to terminate the Agreement at any time after sending a written notice if:
 - (a) the Principal fails to make a payment where such failure has not been eliminated within thirty (30) calendar days after receipt of a written notice of failure to pay from the Service Provider;
 - (b) a Party is dissolved, declares bankruptcy, becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
 - (c) a breach of confidentiality (Clause 14) occurs;
 - (d) a breach of obligation to avoid Conflict of Interests (Clause 15) occurs;
 - (e) The Service Provider fails to submit a valid professional risk indemnity insurance agreement within a time mentioned in Clause 5.7.
- 10.9. The Principal reserves the right to terminate the Agreement if services of the Service Provider are no longer required or the Service Provider has rejected the last three (3) Principal's invitations to implement an assignment.
- 10.10. The Principal reserves the right to terminate a particular Assignment order if the services specified thereof are no longer required. In such a case, the costs incurred by the Service Provider up to the notification of the termination of an Assignment order are subject to the reimbursement by the Principal.
- 10.11. If the Principal has unilaterally terminated the Agreement due to non-fulfilment of the obligations undertaken in the Agreement by the Service Provider, the Principal has the right to disqualify the Service Provider from participation in any tenders organized by the Principal during twelve (12) months from the date of the termination of the Agreement.
- 10.12. Termination according to Public Procurement Law. The Agreement can be immediately terminated upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the provisions mentioned in the Section 64 of the Public Procurement Law. In such a case, the Principal shall pay the Service Provider the fees in respect of the services provided under this Agreement up to the date of the notification of the termination of this Agreement and the Principal is not obliged to pay contractual or any other penalty or damages to the Service Provider.
- 10.13. The Principal may terminate this Agreement immediately upon giving to the Service Provider a written notice of termination explaining, in reasonable detail, the reason for termination, if:
 - (a) CEF Co-financing for further financing of the Tax Advisory Service are not available to the Principal fully or partly;

In such a case, the Principal shall pay the Service Provider the fees in respect of the Tax Advisory Service provided under this Agreement up to the date of the notification of the termination of this Agreement and the Principal is not obliged to pay contractual or any other penalty or damages to the Service Provider.

- (b) it is not possible to execute the Agreement due to the application of international or national sanctions, or European Union or North Atlantic Treaty Organization applied sanctions significantly affecting interests of financial or capital market.

11. FORCE MAJEURE

11.1. 'Force majeure' means any situation or event that:

- (a) prevents either Party from fulfilling their obligations under the Agreement;
- (b) was unforeseeable, exceptional and beyond the Parties' control;
- (c) was not due to error or negligence on their part; and
- (d) proves to be inevitable in spite of exercising due diligence.

11.2. A force majeure must be immediately and formally notified to the other Party.

11.3. Notification must include details of the situation's nature, likely duration and expected effects.

11.4. The Party faced with a force majeure will not be held in breach of its Agreement obligations if the force majeure has prevented it from fulfilling them.

12. COMMUNICATION BETWEEN THE PARTIES

12.1. Communication under the Agreement (e.g. information, requests, submissions, formal notifications, etc.) must:

- (a) be carried out in English;
- (b) be carried out between the contact persons specified in the corresponding Assignment order;
- (c) be made in writing (including electronic form); and
- (d) bear the Agreement's and Assignment order's number.

12.2. During the implementation of the Assignment order, the communication via e-mail shall be executed between the persons indicated in the corresponding Assignment order. Additionally, all copies of those e-mail messages shall be sent also to Parties' e-mail addresses specified in the Agreement.

12.3. Communications by e-mail are deemed made when they are sent by the sending Party and receipt is confirmed by the receiving Party, unless the sending Party receives a message of non-delivery. Sending Party is responsible to get the confirmation that a message (with all its contents) sent via e-mail was received.

12.4. Assignment orders, notices, declarations and invoices shall be deemed received:

- (a) if delivered by hand, on the first working day following the delivery day;
- (b) if sent by post, on the fifth (5th) working day after the date of posting;
- (c) if sent by email and received "out of office reply" or similar on the day of sending if sent before 17:00 on a working day, or otherwise at 09:00 on the first working day following such sending (Latvian time applies).

12.5. If the final day of a time period referred to in this Agreement is Saturday, Sunday or a holiday prescribed by law, the following working day shall be considered the final day of the time period.

12.6. The Parties agree that information may be exchanged electronically over the internet.

13. EXPERT CHANGE

- 13.1. Only in exceptional cases experts included in the Agreement can be replaced and by signing an amendment to the Agreement.
- 13.2. The proposed expert's qualifications must be equivalent to or higher than those of the replaced expert. The qualifications must be proven by submitting the same qualification documents/information as for the selected expert within the Procurement Procedure process.
- 13.3. The Principal reserves the right to request the Service Provider to replace an expert in case of any of the following reasons:
 - (a) repeated careless performance of duties;
 - (b) incompetence or negligence;
 - (c) non-fulfilment of obligations or duties stipulated in the Agreement;
 - (d) poor knowledge of English language (unsatisfactory presentation, writing skills in English);
 - (e) termination of employment relations or cooperation agreement with the Service Provider.
- 13.4. The Service Provider shall not involve experts, employee and/or staff (including but not limited to manager, consultants) who have a criminal record, in the implementation of the Agreement.
- 13.5. The Service Provider shall submit to the Principal the name, surname, personal code (identification number), professional title (job position) of every natural person that will implement the Agreement and/or will be present on site at least ten (10) working days prior involvement of this person in the implementation of the Agreement and/or its presence on site. The Service Provider shall provide a brief (concise) description of duties towards the implementation of the Agreement of the persons, and, if requested by the Principal.
- 13.6. The Principal has a right to demand dismissal of such a natural person non-compliant with the security clearance requirements stipulated in this Clause 13.6 at the Principal's sole discretion on the basis of the Principal's written request for dismissal. Parties agree that such Principal's decision is in-contestable.
- 13.7. The Service Provider shall replace the Sub-Contractor and/or Staff member which, during the effectiveness of this Agreement, meets any of the compulsory grounds for exclusion of tenderers (or Sub-Contractors) that were verified during the Procurement Procedure and/or the Principal has demanded his/her dismissal according to Clause 13.6 and to prevent (i) involvement of such a natural person in the implementation of the Agreement and (ii) the presence of this person in the real estate, construction site or any other site. The Service Provider shall immediately undertake all the necessary actions and measures to ensure that any risk of involvement of such a natural person in the implementation of the Agreement is promptly and duly eliminated.
- 13.8. In case mentioned in Clause 13.60 the Service Provider is obliged:
 - (a) to immediately replace the dismissed person according to Section 62 of the Public Procurement Law of the Republic of Latvia and the Agreement, and
 - (b) to comply with the Principal's written instructions pursuant to the Clause 13.6 and not to challenge these instructions, and
 - (c) to inform the Principal about dismissal or replacement proceedings pursuant to Clause 13.6.
- 13.9. In case if the immediate dismissal or replacement of the dismissed natural person non-compliant with the security clearance requirements stipulated in this Clause 13.6 results in the unreasonable in-crease of the costs towards the Service Provider, the Service Provider shall immediately inform the Principal about this fact in written and the Parties shall agree upon the conditions of the provision of the Services.
- 13.10. The Service Provider's non-compliance with the security clearance requirements stipulated in Clauses 13.4 and 13.6, the Principal's instructions towards the Service Provider regarding these security clearance requirements or other provisions of Section 13 constitutes a material breach (breach of a material term or condition) of the Agreement.

- 13.11. Failing of the Service Provider to propose another expert with equivalent or better qualifications within ten (10) working days period might lead to the termination of the Agreement by the Principal according to the procedure set in Clause 10.7.
- 13.12. The Principal shall approve or reject the replacement of an expert as soon as possible, but no later than within five (5) working days after the receipt of all information and documents necessary for a decision in accordance with the provisions in this Agreement.

14. CONFIDENTIALITY

- 14.1. Each Party undertakes to keep confidential the terms and conditions of the Agreement and Assignment order(s) and not to use or disclose any and all information of any kind or nature whatsoever, whether written or oral or whatsoever form, including, but not limited to, financial information, trade secrets, customer lists, any and all information and documents related to the negotiations and the subsequent performance of the Agreement between the Parties, which is not known to the general public (the "Confidential Information").
- 14.2. The Service Provider and experts (including but not limited to attorneys) of the Service Provider shall maintain confidentiality of the fact that the Principal has requested the Service Provider to provide Tax Advisory Services as well as of the information that has become known to the Service Provider in the provision of Tax Advisory Services. The Service Provider shall use the Confidential Information only for the provision of the Tax Advisory Services agreed between the Parties in the Assignment order or to perform its other obligations under the Agreement and to restrict disclosure of the Confidential Information solely to those representatives who have to know the Confidential Information in order to carry out the Tax Advisory Services or perform Service Provider's obligations under the Agreement.
- 14.3. A Party has the right to disclose Confidential Information only if it is explicitly required to do so by law or pursuant to any order of court or other competent authority or tribunal or if such disclosure has been agreed by the other Party in writing.
- 14.4. The Principal reserves the right to request the Service Provider and/or Expert to sign a confidentiality agreement for the implementation of a particular Assignment order.
- 14.5. The confidentiality obligation shall not expire in time.
- 14.6. If the Service Provider violates its confidentiality obligation, then it shall be liable to pay to the Principal a contractual penalty in the amount corresponding to thrice (3x) the total sum of legal fee according to the Assignment orders if the breach took place in relation with the performance of the assignment, but not less than 10 000 EUR (ten thousand euros) for each breach of such obligation.

15. SERVICE PROVIDER AND EXPERTS' INDEPENDENCE AND ABSENCE OF CONFLICT OF INTEREST

- 15.1. If the Service Provider provides or will provide Tax Advisory Services to any person whose interests are or probably will be in conflict with the interests of the Principal in relation with providing the assignment (in the past, in the present and in the foreseeable future) to the Principal, or in case of any circumstances, which harm or may harm the possibility of the Service Provider to act solely in the interests of the Principal (the "Conflict of Interests"), the Service Provider has the obligation to refrain from providing the assignment to the Principal. For example, if the assignment involves the drafting of documentation for a Procurement, the Service Provider would have to refrain from providing the assignment to the Principal if the Service Provider provides or probably will provide Tax Advisory Services to persons that have an interest in that Procurement.
- 15.2. As part of the obligation of the Service Provider to avoid Conflict of Interest, the Service Provider must also refrain from providing Tax Advisory Services to any person whose interests are or probably will be in conflict with the interests of the Principal in relation with providing the Assignment (in the past, in the present and in the foreseeable future) to the Principal. For example, if the assignment provided by the Service Provider involves the drafting of documentation for a Procurement, the Service Provider would have to refrain from providing the Tax Advisory Services to persons that have an interest in that Procurement.
- 15.3. The Service Provider immediately has to notify the Principal before taking up any assignments, if there can be doubts whether such are permissible pursuant to the obligation to avoid Conflict of Interests set forth in this Agreement. In case of doubt, the Principal has the right to decide whether a Conflict of Interests situation occurs or not.

- 15.4. If the Service Provider violates its obligation to avoid Conflict of Interests or fails to comply with it, it shall be liable to pay to the Principal a contractual penalty in the amount corresponding to thrice (3x) the total sum of legal fee according to the Assignment order if the breach took place in relation with the performance of the assignment, but not less than 10 000 EUR (ten thousand euros) for each breach of such obligation.

16. VISIBILITY REQUIREMENTS

- 16.1. The Service Provider is obliged to comply with the following visibility requirements:
- (a) Any reports, brochures, other documents or information connected with Deliverables which the Service Provider produces and submits to the Principal or makes publicly available must include the following:
- (i) a funding statement stating that the Principal is the recipient of the funding from the CEF: "Rail Baltica is co-financed by the European Union's Connecting Europe Facility";
 - (ii) (for printed materials) a disclaimer releasing the European Union from any liability in terms of the content of the dissemination materials: "The sole responsibility of this publication lies with the author. The European Union is not responsible for any use that may be made of the information contained therein." This disclaimer in all European Union official languages can be seen at the website: <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>;
 - (iii) the European Union flag.
- (b) Requirements set in Clauses 16.1. (a) (i) – 16.1. (a) (iii) can be fulfilled by using the following logo:



**Co-financed by the Connecting Europe
Facility of the European Union**

If the Service Provider shall use this logo, the Service Provider shall ensure that elements of the logo will not be separated (the logo will be used as one whole unit) and enough free space around the logo shall be ensured;

- 16.2. The Service Provider is obliged to comply with the latest visibility requirements set by the European Union. For that purpose, the Service Provider shall follow the changes in the visibility requirements on its own. On the date of conclusion of this Agreement the visibility requirements are published on the following website: <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>.
- 16.3. Under this Agreement, the Principal hereby agrees and authorises the Firm to make a reference to the Principal's name and logo (trademark) in the marketing materials of the Firm, including on the Internet home page of the Firm, in capability statements, legal directories, brochures, presentations, etc. In order to indicate the cooperation between the Firm and the Principal. The Parties hereby agree that this consent remains effective throughout the term of the Agreement and 5 (five) years after the termination or expiry of this Agreement.

17. TECHNICAL, LEGAL AND FINANCIAL CHECKS AND AUDITS

- 17.1. By giving a written notice five (5) working days in advance, but in case of an unannounced check or audit without an advance notice, the Principal may carry out technical, legal and financial checks and audits in relation to the implementation of the Agreement.
- 17.2. Checks and audits may be carried out either directly by the authorized staff of the Principal or by any other outside body authorised to do so on Principal's behalf.
- 17.3. Information and documents obtained in the framework of checks or audits shall be treated on a confidential basis. Principal shall ensure that its staff and any outside body authorised by the Principal be bound by the confidentiality obligation.

- 17.4. The Service Provider shall ensure that the performer of the check or audit or any other outside body authorised has access to all the information and documents, including information in electronic format, which is requested by the performer of the check or audit or any other outside body authorised for the performance of the check or audit and which relates to the implementation of the contract, as well as shall allow the performer of the check or audit or any other outside body authorised by it copying of the information and documents with due respect to the confidentiality obligation.

18. GOVERNING LAW; RESOLUTION OF DISPUTES

- 18.1. The rights of the Parties hereto and the validity, interpretation and implementation of this Agreement shall be governed by and construed and interpreted in accordance with the laws of the Republic of Latvia. In the event of any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof or thereof, the disputing Party shall provide written notice thereof to the other Party. The Parties shall attempt in the first instance to resolve such dispute through amicable consultations.
- 18.2. When any dispute occurs, and is the subject of amicable consultations, the Parties shall continue to exercise their remaining respective rights, and fulfil their remaining respective obligations, under this Agreement.
- 18.3. If the dispute is not resolved by amicable consultation within thirty (30) days after notice of a dispute is given by a Party, then any Party may submit the dispute for final resolution by a competent court of the Republic of Latvia.

19. MISCELLANEOUS

- 19.1. The payment of any contractual penalty hereunder shall not relieve either Party from the responsibility to perform any of the obligations of such Party set forth in the Agreement or deriving from the applicable law.
- 19.2. Any amendments must not make changes to the Agreement that might alter the initial conditions of the Procurement procedure or result in unequal treatment of tenderers participated in this Procurement.
- 19.3. If at any time, any clause of the Agreement becomes illegal, invalid or unenforceable, in any respect, under the applicable law, neither the legality, validity nor enforceability of the remaining provisions of the Agreement shall in any way be affected or impaired thereby. The Parties shall, in good faith, utilize their best efforts to replace any illegal, invalid or unenforceable clause with such that is legal, valid and enforceable and comes as close as possible to the invalid clause as regards its economic intent.
- 19.4. The Principal cannot be held liable for any damage caused or sustained by the Service Provider or a third party during or as a consequence of performing the Agreement, except in the event of the Principal's wilful misconduct or gross negligence.
- 19.5. In the event of any inconsistency between the terms of this Agreement and any of the Annexes, the text of this Agreement shall take precedence over any term set forth in any of the Annexes. In the event of any inconsistency between the terms of any of the Annexes, the order of precedence of the text of such Annexes (including any calculation) shall be established according to the sequence of listing in Clause 20.
- 19.6. Both parties agree that procurement regulations shall be considered as integral part of the Agreement.
- 19.7. The Agreement is concluded in 2 (two) copies in English, one for each, all having the same legal effect.

20. ANNEXES

- 20.1. This Agreement contains the following annexes:
- (a) Annex A – Technical specification on 5 (five) pages;
 - (b) Annex B – The Service Provider's Proposal part on 1 (one) page;
 - (c) Annex C – Service Provider's declaration on 2 (two) pages.

21. SIGNATURES

Principal:

RB Rail AS

Uniform registration No 40103845025

Address: K.Valdemāra iela 8-7, Riga, Latvia, LV-1010

Bank account details:

Bank: Luminor Bank AS

SWIFT code: NDEALV2X

Account number: LV73NDEA0000084270995

Service Provider:

KPMG Baltics SIA

Uniform registration No 40003235171

Address: Vesetas iela 7, Riga, LV-1013, Latvia

Bank account details: [CONFIDENTIAL]

Timo Riihimäki

RB Rail AS Chairperson of the Management Board

Steven John Austwick

KPMG Baltics SIA Partner, Procura holder

Ignas Degutis

RB Rail AS Management Board Member

ANNEX A: TECHNICAL SPECIFICATION

TECHNICAL SPECIFICATION FOR THE OPEN PROCEDURE
"TAX ADVISORY AND REPORTING SERVICES FOR RB RAIL AS IN 2019 - 2020"
(ID NO. RBR 2018/31)

PART NO. 3 "On-demand tax advisory services covering all taxes and duties in Estonia, Latvia and Lithuania"



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Riga
2019

1. INTRODUCTION TO RAIL BALTICA

The Baltic countries Estonia, Latvia and Lithuania have historically been linked to the east-west railway transport axis using the 1520mm gauge railway system. Because of the existing historical and technical constraints, the existing rail system is incompatible with mainland European standards, thus there is a consensus that Estonia, Latvia and Lithuania need to be fully integrated into the wider European rail transport system. Currently there is no efficient 1435 mm railway connection along the Warsaw-Kaunas-Riga-Tallinn axis, i.e. there are missing links or significant bottlenecks. Thus, there are no direct passenger or freight services along the railway axis as the existing infrastructure does not allow for competitive services compared to alternative modes of transport. Thus, the clear majority of the North-South freight is being transported by road transport and the overall accessibility in the region is low.

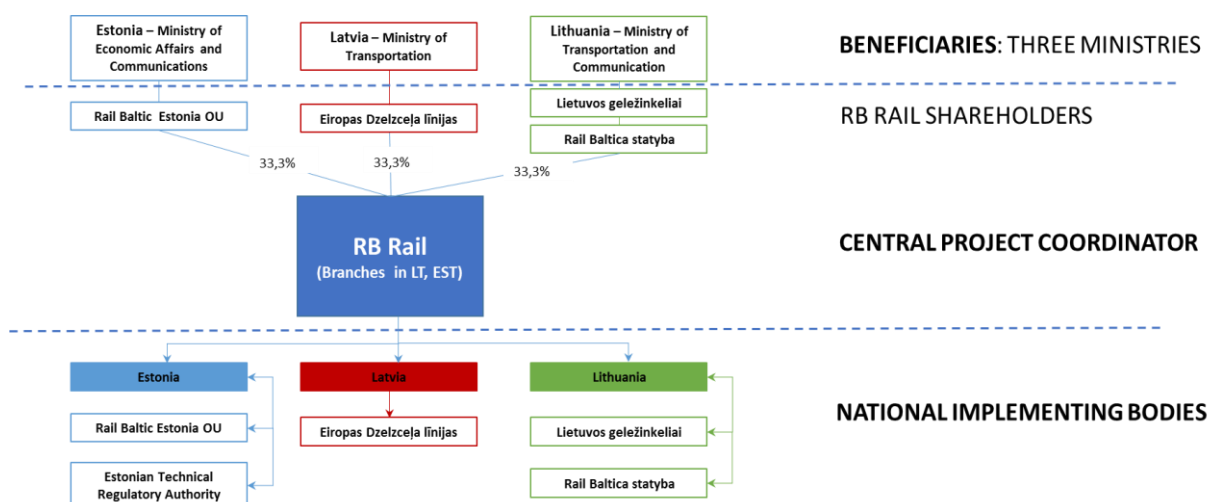
The ambitions of the Rail Baltica Global project (Global Project) are:

- to become a powerful catalyst for sustainable economic growth in the Baltic States;
- to set a new standard of passenger and freight mobility;
- to ensure a new economic corridor will emerge;
- sustainable employment and educational opportunities;
- an environmentally sustainable infrastructure;
- new opportunities for multimodal freight logistics development;
- new intermodal transport solutions for passengers;
- safety and performance improvements;
- a new value platform for digitalization and innovation;
- completion of Baltic integration in the European Union transport ecosystem.

Rail Baltica is already designed to become a part of the EU TEN-T North Sea – Baltic Core Network Corridor, which links Europe’s largest ports of Rotterdam, Hamburg and Antwerp – through the Netherlands, Belgium, Germany and Poland – with the three Baltic States, further connecting to Finland via the Gulf of Finland short sea shipping connections with a future fixed link possibility between Tallinn and Helsinki. Further northbound extension of this corridor shall pave the way for future connectivity also with the emerging Arctic corridor, especially in light of the lucrative prospects of the alternative Northern Circle maritime route development between Europe and Asia. Furthermore, the North Sea – Baltic Corridor crosses with the Baltic-Adriatic Corridor in Warsaw, paving the way for new supply chain development between the Baltic and Adriatic seas, connecting the Baltics with the hitherto inadequately accessible Southern European markets. In a similar fashion, Rail Baltica shall strengthen the synergies between North-South and West-East freight flows, creating new trans-shipment and logistics development opportunities along the Europe and Asia overland trade routes. The new Rail Baltica infrastructure would, therefore, not only put the Baltics firmly on the European rail logistics map, but also create massive opportunities for value creation along this infrastructure with such secondary economic benefits as commercial property development, revitalization of dilapidated urban areas, private spin-off investment, new business formation, technology transfer and innovation, tourism development and other catalytic effects. Rail Baltica aims to promote these effects from the early stages of the Global Project, learning from the key global success stories and benchmarks in this regard.

The Contracting authority RB Rail AS (RBR) was established by the Republics of Estonia, Latvia and Lithuania, via state-owned holding companies, to coordinate the development and construction of the fast-conventional standard gauge railway line on the North Sea – Baltic TEN-T Core Network Corridor (Rail Baltica II) linking three Baltic states with Poland and the rest of the EU.

The diagram below illustrates the shareholder and project governance structure of the Rail Baltica project.



RBR together with governments of Estonia, Latvia and Lithuania (represented by the ministries in charge of transport policy) have applied for the CEF co-financing in 2015, 2016 and 2017 (three applications in total). The applications were successful and INEA grants are available to support the Global Project expenses.

Rail Baltica is a joint project of three EU Member States – Estonia, Latvia and Lithuania – and concerns the building of a fast conventional double-track 1435 mm gauge electrified and ERTMS equipped mixed use railway line on the route from Tallinn through Pärnu (EE), Riga (LV), Panevėžys (LT), Kaunas (LT) to the Lithuania/Poland state border (including a Kaunas – Vilnius spur) with a design speed of 240km/h. In the longer term, the railway line could potentially be extended to include a fixed link between Helsinki and Tallinn, as well as integrate the railway link to Warsaw and beyond.

The expected core outcome of the Rail Baltica Global Project is a European gauge (1435mm) double-track railway line of almost 900 km in length meant for both passenger and freight transport and the required additional infrastructure (to ensure full operability of the railway). It will be interoperable with the TEN-T Network in the rest of Europe and competitive in terms of quality with other modes of transport in the region. The indicative timeline and phasing of the project implementation can be found here: <http://www.railbaltica.org/about-rail-baltica/project-timeline/>.

2. FRAMEWORK OF ASSIGNMENT

The Contractor shall provide tax advisory services related to operations of the RB Rail AS and its main partners involved in the implementation of the Rail Baltica project in accordance with this Technical specification (hereinafter – Services). Scope of Tax advisory services (but not limited to):

- Value added tax, in particular its application to railway designing and construction activities and related consulting and administrative services, joint or central procurements, compensation of costs and complex financing arrangements;
- Individual income taxes and social insurance contributions, including taxation of foreign nationals, directors' fees, royalties, contracts for services, compensations of travel and other business-related costs;
- Corporate income tax and taxation of RB Rail AS and its foreign branches, withholding taxes;
- Transfer pricing documentation (if applicable) for services provided among related parties within the scope of Rail Baltica project;
- Environmental taxes;
- Administrative procedures of various tax authorities in Latvia, Estonia and Lithuania, expert assistance in case of tax audit, disputes with tax authorities, litigation cases.

Services should be delivered in English in written form, using MS Word, Power Point and Excel applications as appropriate and agreed for each assignment. Potential transaction or situation under question should be

reviewed for all applicable taxes, several possible scenarios indicated where applicable, including corresponding costs, benefits and risks, and the best course of action proposed. References to relevant laws, regulations and court decisions should be included where applicable and agreed separately.

EU legislation governing national tax laws as well as business and public administration regulations as far as they relate to particular tax questions and situations. Tax advisory services should be provided in the context of financial reporting based on IFRS (International Financial Reporting Standards issued by the International Accounting Standards Board) and local statutory requirements in Latvia, Estonia and Lithuania.

3. SERVICE CONTRACT MANAGEMENT

3.1. Contractor's obligations

- 3.1.1. For the provision of Services, the Contractor shall remain fully responsible for the results of its Services during and after the provision of Services. Any additional expenses arisen due to the correction of the unacceptable results shall be covered solely by the Contractor. On reasonable grounds Contracting authority reserves the right to request the Contractor to correct the results of its Services regardless whether it is necessary during the period of Service provision or after completion of thereof.
- 3.1.2. The Contractor undertakes to effect such insurance with an insurer and on terms and conditions acceptable to the Contracting authority. The limit of Professional risk indemnity insurance liability for the insurance coverable shall be no less than 1 000 000,00 EUR (one million euros zero cents) per claim/occurrence during the whole period of performance of the Procurement Contract and with extended reporting period of 5 (five) years. The costs of such insurance shall be at the expense of the Contractor.
- 3.1.3. The Contractor shall ensure necessary effort, means, resources and personnel required for the successful provision of Services.
- 3.1.4. The Contractor shall be responsible for ensuring that its experts included in Contract are available throughout the Service provision period.
- 3.1.5. The Contractor must keep records and other supporting documentation (original supporting documents) as evidence that the Contract is performed correctly, and the expenses were actually incurred. These must be available for review upon the request of Contracting authority.
- 3.1.6. The Contractor shall make its own arrangements for office facilities, personal computers and other facilities of appropriate performance and security standard for Service provision.
- 3.1.7. The Contractor shall ensure that its team members (experts etc.) involved in Service provision are adequately supported and equipped. Costs for administration of service contract, office operation (including telecommunication costs), transportation and accommodation costs shall be included.

3.2. Provision of Services

- 3.2.1. The Contractor must perform the Contract in compliance with its provisions and all legal obligations under applicable EU, international and national law within the set deadlines and to the highest professional, diligence and ethical standards.
- 3.2.2. The Contractor shall carry out the tasks, prepare and provide all documents, reports and any other information material required for the provision of the Services.
- 3.2.3. During the implementation of Services, the Contractor shall identify possible risks at early stage and propose a mitigation measures in order to successfully deliver Services on time.

3.3. Provision of assignment

- 3.3.1. Contractor should accept orders of tax advisory services in a written form by e-mail from RB Rail Accounting manager or CFO, acknowledge their receipt by return e-mail including estimated workload in hours. If total estimated hours required for fulfilment of particular task exceed 8 (eight) hours, the

Parties should agree on precise content, scope form of deliverable and fixed number of hours before starting the particular assignment.

- 3.3.2. Contractor should prepare delivery acceptance statement together with each invoice for services provided. All completed assignments during the invoicing period should be listed on the delivery acceptance statement, showing time consumed, including tasks and questions which required less than 8 (eight) hours.
- 3.3.3. VAT expert or Direct taxation expert in provision of services may involve other consultants at own discretion as long as full responsibility for the deliverable remains with the expert proposed.

3.4. Confidentiality, independence and absence of conflict of interest

- 3.4.1. The Contractor is expected to ensure that its contractual and professional obligations in particular with regard to confidentiality, independence and absence of conflict of interests are well understood and upheld throughout and after Services provision.
- 3.4.2. During the provision of Services, the Contractor shall provide independent view based on its expertise, education and experience.

3.5. Miscellaneous

- 3.5.1. Communication with Contracting authority under Contract (e.g. information, requests, submissions, formal notifications, etc.) must be carried out in English.
- 3.5.2. Communication channels: e-mail, Skype, telecommunications etc.
- 3.5.3. All written materials shall meet the highest standards and technical terminology proficiency. If requested by the Contracting authority, the Contractor shall engage professional proofreading Services at its own expense.
- 3.5.4. Contractor shall include any travel expenses (if any arise) in proposed contract price. Contracting authority won't additionally reimburse any travel expenses incurred by Contractor during the provision of Services.
- 3.5.5. Contracting authority is deemed as the administrative instance and will be responsible for making the principal decisions.

ANNEX B – TENDERERS’ PROPOSAL



"Tax advisory and reporting services for
RB Rail AS in 2019 - 2020"

ANNEX NO. 10: FINANCIAL PROPOSAL
FINANCIAL PROPOSAL FOR THE OPEN PROCEDURE
"TAX ADVISORY AND REPORTING SERVICES FOR RB RAIL AS IN 2019 - 2020"
(ID NO. RBR 2018/31)

Part No. 3 "On-demand tax advisory services covering all taxes and duties in Estonia, Latvia and Lithuania"

The Tenderer [*name of the Tenderer*] offers to deliver services in accordance with the Annex No. 3 "Technical specification for the Part No. 3" for the following costs¹:

No.	Service	Unit	Hourly rate (EUR without VAT)
1.	On-demand tax advisory services (blended hourly rate)	hour	74
Total (EUR without VAT):			74

28-1-19

[date of signing]

[Steven John Austwick, partner, procura holder]

¹ When preparing the Financial proposal, the rules of Section 11 of the Regulations shall be considered.

ANNEX C: SERVICE PROVIDER'S DECLARATION

I, the undersigned duly authorised representative, on behalf of KPMG Baltics SIA undertake:

1. To respect the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively;
2. Not to use forced or compulsory labour in all its forms, including but not limited to not employ people against their own free will, nor to require people to lodge 'deposits' or identity papers upon commencing employment;
3. Not to employ: (a) children below 14 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons;
4. To ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of a contract takes place;
5. To ensure the payment of wages in legal fashion, at regular intervals no longer than one month, in full and directly to the workers concerned; to keep an appropriate record of such payments. Deductions from wages will be conducted only under conditions and to the extent prescribed by the applicable law, regulations or collective Contract, and the workers concerned shall be informed of such deductions at the time of each payment. The wages, hours of work and other conditions of work shall be not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective Contracts covering a substantial proportion of employers and workers; (ii) arbitration awards; or (iii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out;
6. To ensure, so far as is reasonably practicable, that: (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health;
7. To support and respect the protection of internationally proclaimed human rights and not to become complicit in human rights abuses;
8. To create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment;
9. To have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment; wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices;
10. To identify and manage chemical and other materials posing a hazard if released to the environment to ensure their safe handling, movement, storage, recycling or reuse and disposal;
11. To monitor, control and treat as required prior to discharge or disposal wastewater and solid waste generated from operations, industrial processes and sanitation facilities;
12. To characterize, monitor, control and treat as required prior to discharge or disposal air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations;
13. To reduce or eliminate at the source or by practices, such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials, waste of all types, including water and energy;
14. To adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery;

15. To disclose (a) any situation that may appear as a conflict of interest, such as but not limited to: where a Service Provider or an undertaking related to the Service Provider has advised a Beneficiary or Implementing Body or has otherwise been involved in the preparation of the Procurement procedure; and (b) if any Beneficiaries' or Implementing Bodies' official, professional under contract with Beneficiary or Implementing Body or sub-contractor may have a direct or indirect interest of any kind in the Service Provider's business or any kind of economic ties with the Service Provider;
16. Not to offer any benefit such as free goods or services, employment or sales opportunity to a Beneficiary's and Implementing Body's staff member in order to facilitate the Service Providers' business with Beneficiaries or Implementing Bodies;
17. Within a period set in the applicable national legislation following separation from service or award of a contract, as the case may be, to refrain from offering employment to any Beneficiaries' and Implementing Bodies' staff in service and former Beneficiaries' and Implementing Bodies' staff members who participated in the Procurement process and to whom a legal restriction to receive material benefits from or be employed by a Service Provider which participated in a Procurement procedure or restrictions with similar effect applies;
18. To promote the adoption of the principles set forth in this Service Provider's Declaration by my potential business partners and promote the implementation of the principles set forth in this document towards own Service Providers;
19. Not procure goods, works and services from other Service Providers:
 - a. Who, or its member of the Management Board or the Supervisory Board or procurator of such Service Provider, or a person having the right to represent such Service Provider in activities related to a subsidiary, has been found guilty in any of the following criminal offences by a such punishment prescription of prosecutor or a judgement of a court that has entered into effect and is non-disputable and not subject to appeal:
 - i. bribetaking, bribery, bribe misappropriation, intermediation in bribery, taking of prohibited benefit or commercial bribing;
 - ii. fraud, misappropriation or laundering;
 - iii. evading payment of taxes and payments equivalent thereto,
 - iv. terrorism, financing of terrorism, invitation to terrorism, terrorism threats or recruiting and training of a person for performance of terror acts;
 - b. who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of an infringement of employment rights which means:
 - i. employment of such one or more citizens or nationals of countries, which are not citizens or nationals of the European Union Member States, if they reside in the territory of the European Union Member States illegally;
 - ii. employment of one person without entering into a written employment contract, not submitting an informative declaration regarding employees in respect of such person within a time period laid down in the laws and regulations, which is to be submitted regarding persons who commence work;
 - c. who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of infringement of competition rights manifested as a vertical Contract aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel Contract, except for the case when the relevant authority, upon determining infringement of competition rights, has released the candidate or tenderer from a fine or reduced fine within the framework of the co-operation leniency programme;
 - d. whose insolvency proceedings have been announced (except the case where a bailout or similar set of measures is applied within insolvency proceedings oriented towards prevention of possible bankruptcy and restoration of solvency of the debtor, in which case I shall evaluate the possibility of such Service Provider to participate in the tender), economic activity of such Service Provider has been suspended or discontinued, proceedings regarding bankruptcy of such Service Provider have been initiated or such Service Provider will be liquidated;
 - e. who has tax debts in the country where the Procurement is organised or a country where such Service Provider is registered or permanently residing, including debts of State social insurance contributions, in total exceeding an amount which is common threshold in public Procurements in the respective country.

Steven John Austwick, Partner, Procura holder, 28.03.2019