

**CONTRACT No. \_\_\_\_\_**  
*regarding directors and officer's liability insurance*

Riga, March 24, 2017.

RB RAIL AS, registration No. 40103845025, represented by the Chairman of the Board Baiba Anda - Rubesa, hereinafter – *the Policyholder*, on the one part, and  
**Compensa Vienna Insurance Group ADB Latvian branch**, reg. no.40103942087, legal address: Vienibas gatve 87H, Riga, LV-1004, represented by authorised person Kaspars Neivalds, (hereinafter – *the Insurer*), on the other part,

*the Policyholder* and *the Insurer* hereinafter collectively referred to as – **the Parties**, and each individually as –**the Party**,

in accordance with the decision made by the Procurement Commission of the procurement “Directors and Officers liability insurance” (id. No. RB Rail 2017/4), hereinafter - **the Procurement**, during the meeting of 27 February 2017 (Minutes No.5), enter into the following contract, hereinafter - **the Contract**:

**1. Subject of the Contract**

- 1.1. *The Policyholder* shall order and pay, but *the Insurer* shall undertake to perform insurance of directors and officers liability of *the Policyholder*, for **12 (twelve) calendar months** from the day of entering into the Contract and issue a Policy, in accordance with the technical specification (Annex No.1) and financial proposal of *the Insurer* for the Procurement (Annex No.2), as well as the terms and conditions of this Contract, which shall become as integral parts of this Contract, hereinafter - **the Service**.
- 1.2. On the day of entering into the Contract *the Insurer* shall issue an insurance policy (hereinafter - the Policy) to *the Policyholder*, which shall become as an integral part of this Contract and shall come into force on **25 March 2017**.
- 1.3. The terms and conditions of the insurance shall not be contrary to the terms and conditions of this Contract. In case of contradiction, the terms and conditions of the Contract shall prevail.
- 1.4. Upon signing this Contract, *the Insurer* confirms that equal insurance coverage and limits of responsibility shall be ensured for the whole period of the Contract and it shall not be entitled to withdraw from the certification during the whole validity period of the Contract.

**2. Validity Period and Validity of the Contract**

- 2.1. This Contract shall come into force after mutual signing thereof and day of registration of the Contract with the CUSTOMER, i.e., 24 March 2017, and shall be valid for 12 months 24 (twenty four) hours per day until the date of expiry of the Policy. **The validity period of *the Policy* shall be from 26 March 2017 at 0:00 o'clock until 25 March 2018 at 23:59 o'clock.**
- 2.2. Upon mutual agreement, the Parties shall be entitled to terminate this Contract at any time.
- 2.3. *The Policyholder* shall be entitled to unilaterally terminate this Contract before the expiry thereof by warning *the Insurer* on that in writing 15 (fifteen) calendar days in advance, if:
  - 2.3.1. *The Insurer* fails to fulfil the liabilities set in this Contract or fulfils them in a part;
  - 2.3.2. *The Insurer* has been declared as insolvent, undergoes the winding-up proceedings or bankruptcy proceeding under the court judgement;
  - 2.3.3. A licence for performance of insurance has been annulled for *the Insurer*;
  - 2.3.4. The contractual penalty calculated for *the Insurer* has reached the maximum amount set in the Contract - 10% (ten percent) from the amount of the insurance premium referred to in Paragraph 3.1 of the Contract.
  - 2.3.5. in other special cases, having reasonable grounds for that, by informing *the Insurer* on that in writing at least 30 (thirty) calendar days in advance.
- 2.4. *The Insurer* shall be entitled to unilaterally terminate this Contract before expiry thereof by warning *the Policyholder* on that in writing 15 (fifteen) calendar days in advance, if:

- 2.4.1. *The Policyholder* fails to make payment of the insurance premium referred to in sub-paragraph 3.1 of the Contract in the amount and in accordance with the procedure set in this Contract;
  - 2.4.2. *The Policyholder* undergoes the winding-up proceedings.
  - 2.4.3. The contractual penalty calculated for *the Policyholder* has reached the maximum amount set in the Contract - 10% (ten percent) from the amount of the insurance premium referred to in Paragraph 3.1 of this Contract.
- 2.5. Upon terminating the Contract in an unilateral manner, in accordance with sub-paragraph 2.3 and 2.4 of the Contract, *the Insurer* shall pay back to *the Policyholder* a part of the unused insurance premium, which shall be proportional with the remaining validity period of the Policy, without deducting expenses for administrative expenses, by making the repayment within 10 (ten) working days from the day of receipt of the submission of *the Policyholder*.
  - 2.6. In case of need the Policyholder may request to prolong the insurance period for 1 (one) calendar month and in total not exceeding 10% from the amount referred to in Paragraph 3.1 of this Contract.

### 3. Insured Amount and Premium

- 3.1. *The Policyholder* shall pay to *the Insurer* the annual insurance premium in the amount of EUR 13,950.00 (thirteen thousand nine hundred and fifty euro and 0 cents) and *the Insurer*, upon occurrence of the insured event, shall pay the insurance indemnity.
- 3.2. *The Policyholder* shall pay the insurance premium referred to in Paragraph 3.1 of this Contract for the Service provided by *the Insurer* - insurance of liability of officials, excluding VAT, in accordance with Section 52, Paragraph one, sub-paragraph 20 of the Value Added Tax Law.
- 3.3. In case if regulatory enactments of the Republic of Latvia change during the validity period of the Contract and the services provided by insurers are taxable with VAT, *the Policyholder* shall pay them in addition, and the amounts included in the Contract shall be considered as the ones that exclude the value added tax
- 3.4. The contract price shall include all expenses in relation to provision with insurance, except for expenses of the event stipulated in Paragraph 3.3 of the Contract.
- 3.5. *The Policyholders* shall pay the annual insurance premium within 30 (thirty) calendar days after conclusion of the Contract and the day of receipt of the invoice issued by *the Insurer* (secretariat's notice) to the current account specified in the invoice.
- 3.6. The day when the wire transfer made by *the Policyholder* has reached the current account of *the Insurer* specified in the invoice shall be considered as the payment date.

### 4. Rights and Obligations of the Parties

#### 4.1. The Policyholder shall:

- 4.1.1. comply with the terms and conditions of the Contract;
- 4.1.2. undertake to provide *the Insurer* with proper circumstances for Service provision, providing with all information necessary for fulfilment of this Contract;
- 4.1.3. pay the insurance premium referred to in Paragraph 3.1 of this Contract, in accordance with the terms and conditions of this Contract;
- 4.1.4. as soon as possible, but not later than within 10 (ten) workings days after occurrence of the insured event shall inform *the Insurer* regarding the occurring insured event;
- 4.1.5. be entitled to attract expert for evaluation of the insured event;
- 4.1.6. in case if *the Policyholder* has not showed any objections regarding the decision taken on indemnity within 10 (ten) calendar days from the receipt of the decision made, it shall be deemed that it agrees with the decision made;
- 4.1.7. in order to receive the insurance indemnity, *the Policyholder* after occurrence of the insured event, as soon as it has become possible, shall inform via telephone +371 67 55 8888 and electronically send the application for indemnity to the e-mail address of *the Insurer*: [atlidzibas@compensa.lv](mailto:atlidzibas@compensa.lv), and notify *the Insurer* on the occurrence of the insured event;

#### 4.2. The Insurer shall:

- 4.2.1. ensure proper quality of the Service, in accordance with the offer submitted for the Procurement and provisions of the present Contract;
- 4.2.2. undertake to precisely comply with and fulfil the provisions of the Contract in a timely manner;
- 4.2.3. pay the insurance indemnity, in accordance with the amount, procedure and terms set in the Law On Insurance Contracts and this Contract;
- 4.2.4. in case of occurrence of the insured event, make a decision regarding disbursement of the insurance indemnity within not less than 30 (thirty) working days after the day of receipt of all necessary documents, which prove the occurrence of the insured event and the amount of losses;
- 4.2.5. in case of occurrence of the insured event, disburse the insurance indemnity within 5 (five) working days from the day of preparation of the decision on the insurance indemnity;
- 4.2.6. In case of termination of the policy in accordance with the procedure referred to in sub-paragraph 2.3 of the Contract *the Insurer* shall back a part of the unpaid premium in proportion with the remaining validity period of the Policy, without deducting expenses for administrative expenses;
- 4.2.7. provide that the Insurance Conditions shall remain unchanged for the whole validity period of the Contract;
- 4.2.8. not be entitled to refuse to disburse the insurance indemnity within the term set in Paragraph 4.2.5 of the Contract;
- 4.2.9. not be entitled to refuse to disburse the insurance indemnity, without examining the whole available information;
- 4.2.10. receive the insurance premium set in the Contract, in accordance with the provisions of Paragraph 3.1 of the Contract;
- 4.2.11. if *the Policyholder* fails to agree with the amount of losses calculated by *the Insurer* pursuant to agreement between the Parties, *the Insurer* may disburse a part of the insurance indemnity up to the amount that is not disputed by any of the Parties, until making payment of loss in full;

## 5. Responsibility of the Parties

- 5.1. *The Policyholder* and *the Insurer* confirm by mutual signing of the Contract that there are circumstances, prohibiting the Parties to enter into this Contract.
- 5.2. *The Insurer* confirms of having all necessary rights in order to provide the Service in accordance with the terms and conditions of this Contract.
- 5.3. Upon entering into the present Contract, *the Insurer* confirms of being informed and evaluated all risks covered.
- 5.4. The Parties shall be responsible for failure to fulfil the Contract or improper fulfilment thereof, as well as for losses caused to the other Party, if they have occurred as a result of activity or inactivity of one Party or employees thereof, as well as activities or neglect caused as a result of gross negligence and evil intent. The Party at fault shall compensate to the other Party the occurring losses.
- 5.5. *The Insurer* shall have an obligation to prove any circumstances, exempting it from the liabilities set in the Contract to disburse the insurance indemnity.
- 5.6. If *the Insurer* fails to provide *the Service*, in accordance with the terms and conditions of the Contract, which is reflected in non-compliance of the terms set in this Contract, *the Insurer* shall pay to *the Policyholder* a contractual penalty in the amount of 0.1% (one tenth of a percent) from the annual insurance premium for each day of delay. The total amount of the contractual penalty shall not exceed 10 % (ten percent) from the amount of the annual insurance premium.
- 5.7. If *the Policyholder* fails to make the payment of the insurance premium set in sub-paragraph 3.1 of the Contract, in accordance with the terms and conditions of this Contract, *the Policyholder* shall pay to *the Insurer* a contractual penalty in the amount of 0.1 % (one tenth of a percent) from the annual insurance premium of the Contract for each day of delay. The total amount of the contractual penalty shall not exceed 10 % (ten percent) from the amount of the annual premium referred to in sub-paragraph 3.1 of the Contract.
- 5.8. Payment of the contractual penalty shall not exempt the Parties from fulfilment of liabilities of this Contract.

## 6. Dispute Settlement Procedure

- 6.1. Any disputes arising from this Contract between the Parties shall be initially settled by mutual negotiations.
- 6.2. Liabilities arising from this Contract shall be discussed in accordance with the regulatory enactments of the Republic of Latvia.
- 6.3. In case if it is not possible to settle the dispute by negotiations within 30 (thirty) calendar days, it shall be settled in a court of the Republic of Latvia, in accordance with the effective regulatory enactments.

## 7. Force Majeure Circumstances

- 7.1. The Party shall be exempted from responsibility for complete or partial non-fulfilment of liabilities provided in this Contract, if such non-fulfilment has occurred as a result of force majeure after the day of signing of this Contract by both parties, which the Parties could neither predict in advance, nor prevent. Only such circumstances and events as war, strikes, rebellion, domestic revolutions, new regulatory enactments or decisions of the municipal authorities, delaying or making difficult the fulfilment of liabilities of the Contract, shall be considered as force majeure circumstances.
- 7.2. The Party, the fulfilment of liabilities of which is completely or partially restricted by the occurring force majeure circumstances, shall immediately, but not later than within 3 (three) working days, inform the other Party in writing regarding occurrence or termination of such circumstances. A report regarding occurrence of force majeure circumstances shall be enclosed with a statement, issued by the competent authority and containing the confirmation and description of the above mentioned circumstances.
- 7.3. If due to force majeure circumstances the Contract is not valid for longer than 30 (thirty) calendar days, each of the Parties shall be entitled to terminate the Contract by warning the other Party on that in writing at least 7 (seven) calendar days in advance. In such a case neither Party shall be entitled to claim for compensation of losses, arising as a result of termination of this Contract. *The Insurer* shall pay back a part of the unpaid premium in proportion to the remaining validity period of the Policy, without deducting expenses for administrative expenses.

## 8. Confidentiality

- 8.1. The Parties shall undertake not to use and not to disclose to third parties the confidential information (any written or verbal information, including financial information, commercial secrets, lists of customers, any information and documents with regard to discussion of the Contract between the Parties and other information that is not publicly available).
- 8.2. All information that *the Policyholder* has received from *the Insurer* within the framework of the Contract or acquired from other persons is confidential. *The Policyholder* shall not be entitled to disclose any such information to third parties, without a written consent of *the Insurer*, neither during the validity period of the Contract, nor after expiry of the validity period of the Contract.

## 9. Authorised Persons of the Parties

- 9.1. During the control of fulfilment of the Contract the responsible person of *the Policyholder* shall be: Ģirts Rūda, telephone number +371 29 494 480, e-mail address: [girts.ruda@railbaltica.org](mailto:girts.ruda@railbaltica.org).
- 9.2. During the control of fulfilment of the Contract the responsible person of *the Insurer* shall be: Liga Kiukucane, telephone number +371 27766009, e-mail address: [liga.kiukucane@compensa.lv](mailto:liga.kiukucane@compensa.lv).

## 10. Final Provisions

- 10.1. In case if any of the provisions of the Contract becomes void as a result of amendment to regulatory enactments, this Contract shall not become void with regard to other paragraphs thereof. In such a case the Parties shall apply the Contract in accordance with the effective regulatory enactments.
- 10.2. In case if details for any of the Parties or contact persons of the Parties or contact information thereof set in Paragraph 8 of the Contract are changed, the relevant Party shall notify the other Party on that in writing within five working days from the day of occurrence of such changes. After

receipt of the notification (secretariat's notice) it shall become as an integral part of the Contract. If the Party fails to fulfil the provisions of the present sub-paragraph, it shall be deemed that the other Party has fulfilled its liabilities in full by using the information available in this Contract regarding the other Party.

- 10.3. If the Insurance Conditions submitted by *the Insurer* contravene with the terms and conditions of this Contract, the terms and conditions referred to in this Contract shall be binding and priority for the Parties.
- 10.4. Change of the manager of the Parties shall not serve as grounds for termination or cessation of the Contract. In case of reorganisation of the Parties, this Contract shall remain valid and the provisions thereof shall be binding to the legal successor thereof. The Party shall warn the other Party in writing on the occurrence of such circumstances ten days in advance.
- 10.5. The Parties shall agree in writing on amendments or supplementations to the Contract, except for the case of information change referred to in sub-paragraph 9.2 of this Contract. The written agreements shall be signed and prepared in two copies, one copy for each of the Parties, and shall be enclosed with this Contract as an integral part thereof.
- 10.6. Information exchange between the Parties in cases referred to in Paragraph 4.1.8 and 9.2 of this Contract may be performed also by using e-mails, which shall become as integral parts of the Contract, except for terms and conditions of the Contract, which provides for information exchange in the written form.
- 10.7. The Parties shall not be entitled to deliver their rights and obligations related to this Contract and arising from that to third persons.
- 10.8. Annexes to this Contract shall become as an integral part of this Contract.
- 10.9. This Contract is prepared in Latvian on 58 (fifty eight) pages in two copies, including the principal wording of the Contract on 5 (five) pages, Annex No.1 "Technical Specification" and "List of Responsible Persons" on 4 (four) pages, Annex No.2 "Technical Offer/ Insurance Conditions" on 42 (forty two) pages, Annex No.3 "Financial Offer" on 1 (one) page, one copy of the Contract for each of the Parties. Both copies of this Contract shall have the same legal force.

## 11. Details and Signatures of the Parties

### THE POLICYHOLDER:

**RB Rail AS**  
Registration number: 40103845025  
Legal address: Gogoļa iela 3,  
Riga, LV-1050  
Tel: +371 6696 7171  
Fax: +371 6703 5252  
Bank: Nordea bank AB  
Bank code: NDEALV2X  
Account No. LV73NDEA0000084270995

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/ B.A.Rubesa /

### THE INSURER:

**Compensa Vienna Insurance Group ADB  
Latvijas filiāle**  
Registration number: 40103942087  
Legal address: Vienības gatve 87H, Riga,  
LV-1004  
Tel.: +371 67 55 8888  
Bank: AS SEB Banka  
Bank code: UNLALV2X  
Account No. LV23UNLA0050018990709

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/K.Neivalds/