

STUDY AGREEMENT

for

Rail Baltica energy subsystem procurement and deployment strategy

between

RB Rail AS

and

**Consortium INECO – ARDANUY consisting of Ingeniería y Economía del Transporte S.M.E. M.P., S.A (INECO)
and ARDANUY Ingeniería, S.A (ARDANUY)**

Contract registration number 8/2019-3

CEF³ Contract No INEA/CEF/TRAN/M2016/1360716 C1.1.8

Procurement procedure identification No RBR 2018/8

Dated 17 January 2019

STUDY AGREEMENT

This STUDY AGREEMENT (hereinafter, the "Agreement"), together with all Annexes thereto, is entered into in Riga, on 17 January of the year 2019 (hereinafter, the "Effective Date") by and between:

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

and

Consortium INECO – ARDANUY consisting of Ingeniería y Economía del Transporte S.M.E. M.P., S.A., reg no A28220168 (INECO) and ARDANUY Ingeniería, S.A., reg no A80480759 (ARDANUY) and represented by INECO a company organized and existing under Spanish law, registration number with A28220168, having its registered address at Paseo de la Habana, 138, 28036, Madrid (Spain) (hereinafter, the "Contractor"), represented by Mr. Ignacio Fernández-Cuenca acting on the basis of PoA No NUMBER THREE THOUSAND SIX HUNDRED AND THIRTY FIVE granted in the presence of GREGORIO JAVIER SIERRA MARTINEZ on the twenty-sixth day of October of two thousand and sixteen.

WHEREAS:

- (A) This Agreement is entered into within the framework of the Global Project which includes all activities undertaken by the respective beneficiaries and implementing bodies of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania in order to build, render operational and commercialize the Rail Baltic / Rail Baltica railway – a new fast conventional double track electrified railway line with the maximum design speed of 249 km/h and European standard gauge (1435mm) on the route from Tallinn through Pärnu-Riga-Panevėžys-Kaunas to Lithuanian-Polish border, with the connection of Kaunas – Vilnius, and related railway infrastructure in accordance with the agreed route, technical parameters and time schedule;
- (B) **The Principal has organised procurement procedure "Rail Baltica energy subsystem procurement and deployment strategy" (identification No. RBR 2018/8) (hereinafter, the "Procurement Procedure") whereby the Contractor's tender proposal (hereinafter, the "Contractor's Proposal") was selected as the winning bid;**
- (C) This Agreement is co-financed from the Connecting Europe Facility (CEF), Action No. CEF Contract No INEA/CEF/TRAN/M2016/1360716, Activity C1.1.8, Action No: 2016-EU-TMC-0116-M.

SECTION I. DEFINITIONS AND INTERPRETATION

- 1.1. *Definitions.* In this Agreement, unless the context requires otherwise, all defined terms shall have the meanings ascribed to such terms in accordance with Annex A (*Definitions and Common Terms*).
- 1.2. *Interpretation.*
 - (a) The headings contained in this Agreement shall not be used in its interpretation.
 - (b) References to the singular shall include references in the plural and vice versa, words denoting a gender shall include any other gender where the context requires, and words denoting natural persons shall include any other persons.
 - (c) References to a treaty, directive, regulation, law or legislative provision shall be construed, at any particular time, as including a reference to any modification, extension or re-enactment of the respective treaty, directive, regulation, law or legislative provision at any time then in force and to all subordinate legislation enacted from time to time.
 - (d) In the event there arises a conflict between provisions of the Agreement, the last provision to have been written chronologically shall take precedence.
 - (e) Any reference in this Agreement to a person acting under the direction of another person shall not include any action that is taken in contravention of any Applicable Law or Standards, unless the relevant person can demonstrate that an explicit instruction or direction was given to take the relevant action.

- (f) Unless expressly stated to the contrary, any reference in this Agreement to the right of consent, approval or agreement shall be construed such that the relevant consent, approval or agreement shall not be unreasonably delayed or withheld. The Parties agree and acknowledge as follows:
 - (i) neither Party shall not be required to seek or apply for any consent, approval or agreement by any Person which would place the respective Party in breach of the Applicable Law or any Good Industry Practice; and
 - (ii) nothing in this Agreement shall require the Principal to give or procure the giving of any consent or approval which would be contrary to the protection, safety and efficient operation of the Railway and the Project.
- (g) **A reference to “writing” shall include an e-mail transmission and any means of reproducing words in a tangible and permanently visible form.**
- (h) **The words “include” and “including” are to be construed without limitation.**
- (i) **Unless indicated otherwise, all references to “days” shall mean calendar days.**
- (j) The words in this Agreement shall bear their natural meaning.

1.3. *Order of Precedence.* In the event of any discrepancy or inconsistency between the documents forming part of this Agreement, the following order of precedence shall apply:

- (a) this Agreement document;
- (b) Explanations (clarifications) of the procurement documentation;
- (c) Technical specification;
- (d) Clarifications of the Tender of the Contractor;
- (e) Tender of the Contractor;
- (f) Procurement documents with the annexes;
- (g) All other Annexes of the Agreement.

SECTION II. GENERAL TERMS AND CONDITIONS

- 2.1. *Engagement to Carry Out Study.* The Principal hereby engages the Contractor to provide and perform the Study for the purposes of the Project, as further described and according to the specifications contained Annex B *Technical specification* to this Agreement, and the Contractor hereby accepts such engagement. The Study shall result in the provision to the Principal of the Deliverables identified in accordance with Annex C (*Schedule of Study*) to this Agreement.
- 2.2. *Co-Operation of the Parties.* The Parties shall cooperate with one another to fulfil their respective obligations under this Agreement. Both Parties shall endeavour to maintain good working relationships among all key personnel engaged toward provision of the Study.
- 2.3. *Licensing Requirements.* By signing this Agreement, the declaration is made by the Contractor that the Contractor is professionally qualified, registered, and licensed to practice in the Republic of Latvia.
- 2.4. *General Obligations of Contractor.* The Contractor shall be responsible for the professional quality, technical accuracy, and coordination of all concepts, programming, reports, designs, drawings, specifications, and other services furnished under this Agreement. The Contractor shall have an obligation, without additional compensation of any kind, to correct or revise any errors, deficiencies, or omissions in concepts, programming, reports, designs, drawings, specifications, estimates, and other services rendered hereunder and forming part of the Study.
- 2.5. *Acceptance Not a Waiver.* **The Principal's review, approval, acceptance, or payment for the Works forming part of the Study shall not be interpreted or construed to operate as a waiver of any right or cause for action arising out of the Contractor's performance of any Works under this Agreement. The Contractor shall remain liable to the Principal as allowed under this Agreement and under Applicable Law for any and all costs and/or Damages caused by the Contractor's negligent performance of any of the Works furnished under this Agreement.**

SECTION III. RESPONSIBILITIES OF PRINCIPAL

- 3.1. *Supply of Information.* Unless otherwise provided under this Agreement, the Principal shall, in a timely manner, provide to the Contractor any information regarding requirements and parameters of the Project, as may reasonably be requested by the Contractor for the purposes of the Study. The Principal shall furnish to **the Contractor a preliminary Project program setting forth the Principal's objectives**, schedule, constraints and criteria, including necessities and relationships, special equipment, systems and site requirements.
- 3.2. *Review of Documentation.* The Principal shall examine Documentation as may be submitted by the Contractor for review by the Principal toward partial completion of the Study and, upon request of the Contractor, shall render decisions and opinions pertaining thereto.
- 3.3. *Decisions.* On all matters properly referred to it in writing by the Contractor the Principal shall give its decision in writing so as not to delay the Study and within a reasonable time.
- 3.4. *Accounting and Auditing Services.* The Principal shall furnish accounting and auditing services as may be necessary for the Study as the Principal may require to ascertain how and/or for what purposes the Contractor has used the funds paid under the terms of this Agreement.
- 3.5. *Action Upon Becoming Aware of Defects.* In the event the Principal observes or otherwise becomes aware of any error, fault, omission, or defect in the Study or non-conformance of any action forming part of the Study with the Documentation, the Principal shall give prompt notice thereof to the Contractor.

SECTION IV. RESPONSIBILITIES OF CONTRACTOR

- 4.1. *Standard of Performance.* **The Contractor's services shall be performed** as expeditiously as is consistent with professional skill and care, orderly progress of the Study, and in accordance with the Schedule of Study set forth in accordance with Annex C (*Schedule of Study*).
- 4.2. *Obligation to Act in Accordance with Principal's Comments.* In performing the Study, the Contractor shall have due regard to any comments made by the Principal in connection with any review of the Documentation, and shall provide reasons to the Principal where it does not take into account any such comments.
- 4.3. *Duty of Care and Exercise of Authority.* The Contractor shall:
 - (a) in performing its obligations under this Agreement, exercise reasonable professional skill, diligence and care as may be expected of a properly qualified and competent person carrying out services of a similar size, nature, type and complexity;
 - (b) ensure that its personnel are properly qualified and competent in accordance with the relevant Standards;
 - (c) ensure that all maps, drawings, plans, specifications, estimates, surveys and other documents required to be prepared or submitted by the Contractor under this Agreement conform to Good Industry Practice generally acceptable at the time of submission of such maps, drawings, plans, specifications, estimates, studies and documents;
 - (d) at all times during the term of the Study, ascertain and comply with all Applicable Laws and Good Industry Practice of the Republic of Latvia;
 - (e) comply, where applicable, with any reasonable requirements of the Principal not otherwise provided for in this Agreement; and
 - (f) ensure that all designs are performed, and that the design process is documented, in accordance with Good Industry Practice, and using standard industry quality control methods.
- 4.4. *Maintenance of Records.* During the term of the Study and for period of 10 (ten) years for any reason whatsoever, the Contractor shall keep and maintain clear, adequate and accurate records and Documentation evidencing, to the reasonable satisfaction of the Principal, that the Study has been and is being carried out in accordance with the Standards. In addition, the Contractor shall retain copies of the object code of all Contractor Software used in performance of the Study and retain copies of all software used in the design and production of the Contractor Software.
- 4.5. *Access to Documentation.* At all times during the term of the Study, the Principal shall have access to all Documentation. This access shall be continuing and survive the termination of this Agreement for either cause or convenience. The Documentation shall be kept in a generally recognized format for a period of 10 (ten) years from the date of termination of this Agreement or the Final Acceptance Date, as applicable. All records

forming part of the Documentation shall be available to the Principal auditor, or expert appointed by the Principal during the period of time specified in accordance with this Clause 4.6.

- 4.6. *Right to Sub-Contract and Staff.* In carrying out the Study, the Contractor may only rely on the services of those Approved Sub-Contractors and Staff listed in *Annex E: List of approved Sub-Contractors and Staff*, as such list may, from time to time, be modified or supplemented in agreement with the Principal and in accordance with the terms and subject to the criteria contained in the applicable Public Procurement Law of the Republic of Latvia. Parties shall specify the name, contact details and legal representative(s) of each Approved Sub-Contractor as of the Effective Date in *Annex E: List of approved Sub-Contractors and Staff*. The Contractor shall have an obligation to notify the Principal in writing of any changes to Sub-Contractor or Staff data specified in *Annex E: List of approved Sub-Contractors and Staff* occurring during the term of this Agreement and of the required information for any new Sub-Contractors or Staff member which it may subsequently engage toward provision of the Study.

Pursuant to the Public Procurement Law of the Republic of Latvia the Contractor shall obtain prior written consent of the Principal for the replacement of each Sub-contractor or each Staff member, or each key personnel indicated in *Annex E: List of approved Sub-Contractors and Staff* and involvement of additional Sub-contractors or Staff members, or key personnel.

Review and evaluation of the replacement of Sub-contractors or Staff shall be carried out, and the consent or refusal to give consent shall be rendered by the Principal in accordance with Section 62 of the Public Procurement Law of the Republic of Latvia.

The Contractor 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.

- 4.7. *Responsibility for Performance by Sub-Contractors and Staff.* The Contractor shall retain the complete responsibility for the proper performance of all of its obligations under this Agreement, and any act, failure to act, breach or negligence on the part of any of its Approved Sub-Contractors shall, for the purposes of this Agreement, be deemed to be the act, failure to act, breach or negligence of the Contractor.
- 4.8. *No Conflicting Activity.* **Except with the Principal's knowledge and express written permission, the Contractor shall not engage in any activity, or accept any employment, other agreement, interest, or contribution that would reasonably appear to compromise the Contractor's professional judgment and performance with respect to the Study and/or the Project.** In performing the Study, the Contractor shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Study is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest.
- 4.9. *Attendance of Meetings.* To the extent necessary to ensure smooth and efficient provision of the Study, the **Contractor shall, at the Principal's request, hold and/or attend meetings with any persons.**
- 4.10. *Compliance with Laws.* The Contractor shall review the **Applicable Laws applicable to the Contractor's services.** In carrying out any activities forming part of the Study, the Contractor shall, at all times, ensure compliance with requirements imposed by supra-national and/or governmental authorities having jurisdiction over the Project.
- 4.11. *Information Furnished by Principal.* The Contractor shall be entitled to rely on the accuracy and completeness of services and information furnished by the Principal. The Contractor shall provide prompt written notice to the Principal if the Contractor becomes aware of any errors, omissions, or inconsistencies in such services or information.
- 4.12. *Certain Negative Covenants.* In performing the Study, the Contractor undertakes not to procure goods or services of any kind from any Person meeting any of the following criteria:
- (a) the Person who is a member of the Management Board or Supervisory Board of an Approved Sub-Contractor or procurator of an Approved Sub-Contractor, or is authorized to represent or act on behalf of an Approved Sub-Contractor with respect to any activity related to any subsidiary company of such Approved Sub-Contractor, and such Person has been accused of commitment of any of the following criminal offences pursuant to an order issued by a public prosecutor or was found to be guilty of commitment of any of the following criminal offences in accordance with a court judgment that has entered into legal force, is non-disputable and non-appealable:
 - (i) formation, organisation, leading or involvement in the criminal organisation or another criminal formation, or participation in the criminal acts of such organisation or formation;

- (ii) accepting a bribe, giving a bribe, misappropriation of a bribe, intermediation toward giving or taking of a bribe, acceptance of a prohibited benefit or commercial bribing;
 - (iii) fraud, misappropriation of funds or money laundering;
 - (iv) tax evasion or evasion of payments equivalent to tax;
 - (v) terrorism, financing of terrorism, instigation of acts of terrorism, terrorist threats or recruitment and training of a person with the aim of committing acts of terrorism;
 - (vi) human trafficking;
 - (vii) avoidance of tax and another similar payments.
- (b) the Person has, by decision of a competent authority or judgment of a court which has entered into legal force and is non-disputable and non-appealable, been found guilty of violation of labour law in any of the following manners:
- (i) employment of one or more citizens or nationals of countries who are not citizens or nationals of a Member State of the European Union and are residing in the territory of a Member State of the European Union unlawfully;
 - (ii) employment of one or more persons without having entered into written employment agreement with such persons, or without having submitted an employee declaration with respect to such persons within a period of time stipulated in accordance with applicable laws and regulations applicable to persons that enter into salaried employment;
- (c) the Person who, by decision of a competent authority or in accordance with judgment of a competent court which has entered into legal force, is non-disputable and non-appealable, has been held guilty of violation of applicable rules of competition law manifested as a vertical agreement aimed at restricting the ability of one or more purchasers to determine the resale price, or a horizontal cartel agreement, with the exception of instances where the relevant authority, upon having established the fact of violation of applicable rules of competition law, has discharged the candidate or participant in a tender offer from imposition of a fine or has reduced the amount of fine as a part of co-operation leniency programme;
- (d) the Person who has insolvency proceedings initiated against it (except in the circumstances where a bailout or a similar set of measures are applied within the insolvency proceedings and are aimed at preventing the bankruptcy and restoring the debtor back to solvency, in which case the Contractor shall evaluate the possibility of participation by such Person in performing the Study), economic activity of the Person has been suspended or discontinued, bankruptcy proceedings have been initiated against the Person or the Person is subject to a liquidation;
- (e) the Person has unpaid tax indebtedness in the country where the procurement is organised or in the country where the Person is registered or permanently residing as a tax payer, including the indebtedness with respect to State social insurance contributions, in the total amount exceeding EUR 150 in each individual country; in such case, the Contractor can, within its sole discretion, prompt the Approved Sub-Contractor to pay or discharge all outstanding tax indebtedness within 10 (ten) Working Days and, upon such payment or discharge, allow the Person to continue performance of the Study;
- (f) the person is an entity registered offshore;
- (g) International or national sanctions or substantial sanctions by the European Union or the North Atlantic Treaty Organization Member State affecting the interests of the financial and capital market has been imposed to the Person and such sanctions can affect the execution of the Contract: and
- (f) any of the above-mentioned criteria shall apply to all members of a group of persons if the Person is a group of persons.
- 4.15. *Visibility Requirements.* At all times during performance of the Study, the Contractor undertakes to comply with each of the following requirements:
- (a) any report, brochure, document or information related to the Study conducted by the Contractor hereunder or any other Person, or which the Contractor makes publicly available shall include each of the following:

- (i) a funding statement which indicates that the Study is financed from CEF funds substantially **in the following form: "Rail Baltic/Rail Baltica is co-financed by the European Union's Connecting Europe Facility"**;
 - (ii) with respect to printed materials, a disclaimer releasing the European Union from liability with respect to any contents of any distributed materials substantially in the form as follows: **"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"**. The disclaimer in all official languages of the European Union can be viewed on the website <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>; and
 - (iii) the flag of the Council of Europe and the European Union.
- (b) the requirements set forth in Clauses 4.15(a)(i) and 4.15(a)(iii) of this Agreement can be complied with by means of utilizing the following logo:



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

- in the event the Contractor decides to utilize the above logo, the Contractor shall ensure that the individual elements forming part of the logo are not separated (the logo shall be utilized as a single unit) and sufficient free space is ensured around the logo; and
- (c) in order to comply with the latest applicable visibility requirements established by the European Union, the Contractor shall regularly monitor changes to visibility requirements; as of the Effective Date, the visibility requirements are available for review on the webpage <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>.
- 4.16. *Reporting.* The Contractor shall, in a format and at intervals to be agreed with the Principal:
- (a) provide the Principal with regular reports and status updates on the progress of the Works.
 - (b) report on any changes to the Annexes of this Agreement, including but not limited to Study Schedule and Estimated Costs, which the Contractor considers may be needed in order to fulfil the objectives set out in the Agreement; and
 - (c) use reasonable endeavours to provide any other information and status updates as may be reasonably requested by the Principal at any time.

In order to avoid any doubt, any change to the above-mentioned documentation can be made only pursuant to this Agreement, if agreed by both Parties, and, if the proposed changes are compliant with the Public Procurement Law of the Republic of Latvia.

SECTION V. REPRESENTATIONS AND WARRANTIES

- 5.1. *Certain Representations and Warranties by Parties.* Each Party represents and warrants to the other Party, as of the Effective Date, as follows:
- (a) it has entered into this Agreement with the aim of attaining all of the objectives and performing in all material respects all of the obligations and commitments herein set forth;
 - (b) it has entered into this Agreement without having any intention or goal whatsoever to violate the Applicable Law, its own Articles of Association, other constitutional documents or agreements of any kind to which it is a party;
 - (c) it is not bankrupt and is not the subject of insolvency or winding-up proceedings, where its assets are being administered by a liquidator or by the court, it is not in an arrangement with creditors, where its business activities are suspended, or it is in any analogous situation arising from a similar procedure under the laws of the country where it is registered and submits its tax accounts; and
 - (d) it has entered into this Agreement of its own volition and in good faith.

5.2. *Certain Representations and Warranties by Contractor.* The Contractor represents and warrants to the Principal, as of the Effective Date, as follows:

- (a) it has all requisite qualification, skills and competence to perform the Study on the terms and conditions of this Agreement which are no less favourable than the terms and conditions of service identified by the Contractor in any document submitted by the Contractor to the Principal as part of **the Procurement Procedure and on the terms of the Contractor's Proposal**;
- (b) it holds all requisite licenses, permits, approvals and consents necessary to enable performance by the Contractor of the Study according to the specifications contained in Annex B (*Technical Specification*);
- (c) it has all requisite ability to ensure the highest quality of the Study;
- (d) it will assign competent and duly qualified personnel to carry out the Works 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 has not been registered as a VAT payer in the Republic of Latvia;
- (g) **it is compliant with all of the requirements of the Contractor's Declaration contained in Annex J (*Declaration of Contractor*)** and will continue to be compliant with all such requirements during the term of this Agreement;
- (h) the income mentioned in this Agreement will not derive through permanent establishment or fixed base maintained by the Contractor in the Republic of Latvia. The Consultant agrees to submit to the Principal four (4) copies of **"Residence Certificate–Application for Reduction of or Exemption from Latvian anticipatory taxes withheld at source from payments (management and consultancy fees, leasing fees and certain other types of income), paid to residents of Spain" (the "Residence Certificate")** confirmed by Competent Authority of Spain and the Latvian State Revenue Service. The Residence Certificate shall be submitted to the Principal prior the Principal will due to make a payment of the fee or other payments to the Contractor. Otherwise the Principal will withhold withholding tax at the rate of 20% from the fee and payments made to the Contractor.

SECTION VI. FEE AND PAYMENT

- 6.1. *Fee.* In consideration of provision of the Study, the Principal undertakes to pay the Contractor a consideration in the total amount set forth in accordance with Annex D (*Fee and Payment Schedule*) (**hereinafter, the "Fee"**) which shall be split into separate instalments and be payable by the Principal to the Contractor according to the Schedule set forth in Annex D (*Fee and Payment Schedule*). It is acknowledged and agreed by the Parties that the Fee shall include all Costs and expenses incurred by the Contractor and Approved Sub-Contractors toward performing the Study. The Fee specified in accordance with this Clause 6.1 excludes value added tax that will be charged at the rate applicable in accordance with Applicable Law at the time of invoicing.
- 6.2. *Invoicing.* According to Annex D (fee and Payment Schedule) and following each Completion Date and/or Final Acceptance Date, the Contractor shall deliver to the Principal an invoice specifying the amount of Fee payable and the period of time with respect to which the Fee is payable. In the event the Principal objects to payment of any amount claimed by the Contractor in the invoice, notice to this effect shall be given by the Principal to the Contractor not later than five (5) Working Days before the due date for payment under this Clause 6.2. The notice of objection shall state the amount to be withheld, the grounds for withholding the payment and the basis on which that amount is calculated. Unless such notice of objection is made by the Principal, the amount to be paid is that stated in the invoice which shall become due and payable in accordance with this Clause 6.2. For the avoidance of any doubt, the Principal shall not be required to pay any amount under this Agreement with respect to any part of the Study that has not been accepted by the Principal in accordance with Clauses 7.5, 7.6 , 7.7 of this Agreement.
- 6.3. *Payment.* Subject to the provisions of Clause 6.2, the Principal reserves the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement or other deduction of any kind if the nature of such set-off, retention, counterclaim, abatement or other deduction arises from this Agreement and the obligations of the Contractor provided herein (i.e. in cases of accrued contractual penalty amounts etc.). If the Principal uses the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement or other deduction of any kind, then the Principal so notifies to the Contractor no later than on the date of the respective payment stating the amount, the grounds and the basis on the Principal uses its right to set-off, retention, counterclaim, abatement or other deduction. Invoices shall be paid within 30 (thirty) Days after the

date of issue of the invoice. For the avoidance of any doubt, the Principal shall not be required to pay any amount with respect to any invoice in the absence of a Completion Certificate duly signed by the Principal or, with respect to the final payment of the Fee to be effected under this Agreement, the Final Acceptance Certificate duly signed by both Parties, taking into account that the Study shall be accepted by the Principal in accordance with Clauses 7.5, 7.6, 7.7 of this Agreement.

- 6.4. *Costs and Commissions.* Each Party shall bear its own costs, fees, commissions and expenses incurred in connection with the transfer of any funds under this Agreement to the other Party.
- 6.5. *Compliance with Tax Obligations in Spain.* It is acknowledged and agreed by the Parties that the Fee shall include all taxes and duties payable by the Contractor in the consequence of provision of the Study, except value added tax (the „VAT“). The Contractor shall, at the sole cost and expense of the Contractor, comply with the obligation to pay all taxes and duties relevant to provision of the Study in the Republic of Spain and in accordance with Applicable Law of the Republic of Spain. In addition, the Contractor shall assume all risks associated with the payment or obligation to pay such taxes and duties, if any. The Contractor assumes all risks associated with the possible increase in the amount of the Fee arising as a result of the obligation of having to pay any such taxes or duties.
- 6.6. *Invoice.* **The Contractor's invoices shall contain the following Contractor's details and details about the Contract:**
The Contractor shall send the invoice to the Principal electronically to the following e-mail address: invoices@railbaltica.org. The Principal shall review the invoice to verify whether it contains all necessary requisites.

Contractor	Consortium INECO – ARDANUY consisting of Ingeniería y Economía del Transporte S.M.E. M.P., S.A., reg no A28220168 (INECO) and ARDANUY Ingeniería, S.A., reg no A80480759 (ARDANUY)
Registration No	INECO: A28220168 / ARDANUY: A80480759
VAT payer's No	INECO: A28220168 / ARDANUY: A80480759
Address	[.]
Name of Bank	[.]
Bank Code	[.]
Bank Account No	[.]
Subject:	For provided services according to the Agreement for Rail Baltica Railway No 8/2019 – 3 (CEF ³ Contract No INEA/CEF/TRAN/M2016/1360716 Action No: 2016-EU-TMC-0116-M, Contract manager: Antanas Šnirpūnas, Railway Systems Engineer, e-mail address: antanas.snirpunas@railbaltica.org .

SECTION VII. COMMENCEMENT OF STUDY, REMEDYING OF DEFECTS AND ACCEPTANCE

- 7.1. *Study Commencement.* The Contractor shall not commence provision of the Study until Study Start Date, as identified in accordance with Annex C (*Schedule of Study*) and shall ensure that the Deliverables are furnished to the Principal on or before each relevant Study Milestone. The Contractor shall perform the Study with due diligence having due regard to any applicable Study Milestones and any other key dates for performance of the Study set out in the Agreement and the applicable Annexes, as may be amended from time to time with the consent of the Principal or in accordance with this Agreement and Public Procurement Law of Latvia.
- 7.2. *Impediments and Delays.* If the Study, or any part thereof, is impeded or delayed by the Principal or any third party engaged by the Principal so as to increase the duration of the Study:
- the Contractor shall inform the Principal of the circumstances and probable effects of such impediment or delay upon the agreed Schedule of Study specified in accordance with Annex C (*Schedule of Study*); and
 - the duration of the Study shall be increased and any Study Milestones affected by the impediment or delay shall be extended accordingly.
- 7.3. *Defects and Defects Date.* Until the Defects Date specified in accordance with Annex C (*Schedule of Study*) the Principal shall notify the Contractor of any Defects of any kind as soon as Defects are identified by the Principal and the Contractor shall have an obligation to notify the Principal of any Defects of any kind as soon as Defects are identified by the Contractor. Upon discovery of any Defects, or upon receipt by the Contractor of a notification of Defects from the Principal, the Contractor shall have fourteen (14) calendar days to remedy the Defects, **irrespective of the nature of such Defects (hereinafter, the “Cure Period”). In the event of inability or**

failure by the Contractor to remedy the Defects within the Cure Period, the Principal shall be entitled, in the sole and exclusive discretion of the Principal, to do any of the following:

- (a) allow the Contractor an additional time period for remedying the Defects, such time period to be determined in the sole discretion of the Principal;
- (b) remedy the Defects, irrespective of the extent or nature of the Defects, at own cost of the Principal (including by means of relying on the services of a third Person) and demand reimbursement by the Contractor of Costs incurred by the Principal as a result of having to pay other Persons toward carrying out any work or action;
- (c) terminate the Agreement according to Section IX. Termination and suspension; or
- (d) remedy the Defects in accordance with Clause 7.3.

For the avoidance of any doubt, the application of the Cure Period under this Clause 7.3 shall be without prejudice to and shall not relieve the Service Provider from the obligation to pay any contractual penalty in accordance with the provisions of Clause 10.3 or to pay Damages in accordance with the provisions of Clause 10.3 of this Agreement.

- 7.4. *Completion of Study and Completion Note.* Meeting of a Study Milestone or supply of a Deliverable occurs whenever the Contractor has completed all of the Works which the Contractor has undertaken to perform according to the *Annex B: Technical Specification* and Schedule of Study by the relevant Study Milestone. On meeting a Study Milestone and/or producing a Deliverable (including all Documentation and information forming part of the Deliverable) constituting all or an identifiable part of the Study, the Contractor shall issue to the Principal a Provisional Completion Note substantially in the form of Annex F: Form of *Provisional Completion Note* hereinafter, the "Provisional Completion Note"). The Provisional Completion Note shall include the Deliverable and adequate supporting Documentation and information relevant to the Study Milestone attained and/or Deliverable completed.
- 7.5. *Objection Notice and Provisional Acceptance Certificate.* In the event the Principal objects to the issuance of a Provisional Completion Acceptance Certificate, it shall give notice to the Contractor setting out in reasonable detail any Defect or reason for the objection (hereinafter, the "Objection Notice") within reasonable time following receipt of the Provisional Completion Acceptance Certificate. In the event no reasons for objection to the Provisional Completion Acceptance Certificate exist, the Principal shall issue, within reasonable time following receipt of the Provisional Completion Acceptance Certificate, a Certificate of Provisional Acceptance in the form of Annex G (*Form of Provisional Acceptance Certificate*) (hereinafter, the "Provisional Acceptance Certificate"). **Subject to Clause 2.5 of this Agreement, the date of the Provisional Acceptance Certificate shall constitute "Completion Date" with respect to the relevant Study Milestone and/or Deliverable. The Principal shall not unreasonably withhold or delay issuance of a Provisional Acceptance Certificate.** The Provisional Acceptance Certificate may have annexed to it a list of any outstanding Defects or deficiencies to be corrected by the Contractor.
- 7.6. *Completion of Study Following Receipt of Objection Notice.* In the event of receipt by the Contractor of an Objection Notice in accordance with Clause 7.5, the Contractor shall:
- (a) take due account of all Defects, irrespective of their extent or nature, and other matters raised in the Objection Notice;
 - (b) as soon as reasonably practicable but no later as mentioned in the Objection Notice, correct such Defects and deficiencies, irrespective of their extent or nature, and complete the Works indicated in the Objection Notice so as to comply in all material respects with the requirements of this Agreement; and
 - (c) issue to the Principal a second Provisional Completion Acceptance Certificate substantially in the form of Annex F *Form of Provisional Completion Note*.

The second Provisional Completion Acceptance Certificate issued in accordance with Clause 7.6(c) shall include the Deliverable and adequate supporting documentation relevant to the Study Milestone attained and/or Deliverable completed. In the event no reasons for objection to the second Provisional Completion Acceptance Certificate exist, the Principal shall, within reasonable time following receipt of the second Provisional Completion Acceptance Certificate, issue a Certificate of Provisional Acceptance in the form of Annex G (*Form of Provisional Acceptance Certificate*) and, subject to the provisions of Clauses 2.5 and 9.1(b) of this Agreement, the date of the Provisional Acceptance Certificate shall constitute "Completion Date" with respect to the relevant Study Milestone and/or Deliverable. For the avoidance of any doubt, the giving by the Principal of any Objection Notice under Clause 7.5 or second Objection Notice under this Clause 7.6 shall be

without prejudice to and shall not relieve the Contractor from the obligation to pay any contractual penalty in accordance with the provisions of Clause 10.2 or to pay Damages in accordance with the provisions Clause 10.3 of this Agreement.

- 7.7. *Final Acceptance.* Final acceptance shall occur upon remedying of all Defects notified by the Principal to the Contractor in accordance with Clause 7.3, irrespective of the extent or nature of such Defects. Final acceptance shall be evidenced by means of the Principal issuing and both Parties attaching their signatures to the Final Acceptance Certificate substantially in the form of Annex H (*Form of Final Acceptance Certificate*) (hereinafter, **the "Final Acceptance Certificate"**). In the event the Principal objects to the issuance of the Final Acceptance Certificate, no later than on the Defects Date, the Principal shall give notice to the Contractor setting out in reasonable detail all Defects which remain un-remedied, or reason(s) for refusal to issue the Final Acceptance Certificate. **The date of the Final Acceptance Certificate shall constitute the "Final Acceptance Date" with respect to the Study.** The Principal shall not unreasonably withhold or delay issuance of a Final Acceptance Note.

SECTION VIII. INTELLECTUAL PROPERTY RIGHTS

- 8.1. *Proprietary Rights.* All Documentation forming part of the Deliverables developed under this Agreement is and shall become the property of the Principal regardless of whether the Study or Deliverable is produced or finally accepted. It is acknowledged and agreed by the Parties that the Principal shall be permitted to reproduce the drawings, schemes and distribute the prints in connection with the use or disposition of the Documentation without any approval of the Contractor and without incurring obligation to pay any royalties or additional compensation whatsoever to the Contractor.
- 8.2. *Intellectual Property in Documentation.* The Contractor represents and warrants that it owns all Intellectual Property in all Documentation deliverable by or on behalf of the Contractor under this Agreement and that, to the extent any Intellectual Property in any Documentation is not owned by the Contractor, it has obtained all requisite consents from owner(s) of all Intellectual Property in the Documentation to fulfil all of the obligations undertaken by the Contractor under this Agreement and has fully discharged all obligations with respect to payment of any royalties or fees.
- 8.3. *Transfer of Ownership to Principal.* The Principal shall acquire legal title to and ownership in the Intellectual Property in all Documentation deliverable to the Principal under this Agreement as of the moment of delivery by the Contractor to the Principal of the Provisional Completion Acceptance Certificate, together with the Deliverable and Documentation forming part of the Deliverable, in accordance with Clause 8.5 of this Agreement; provided, however, that the Principal has paid the Fee or other consideration payable under the terms of this Agreement with respect to the relevant part of the Study or Deliverable. For the avoidance of any doubt, such title and ownership shall confer upon the Principal, without limitation, each of the following:
- (a) the right to reproduce the Documentation, or any part thereof, and distribute copies of the Documentation or any part thereof;
 - (b) the right to modify, amend and supplement the Documentation, or any part thereof;
 - (c) the right to licence the Documentation, or any part thereof, for use by others; and
 - (d) the right to transfer ownership in the Documentation, or any part thereof, to others.
- 8.4. *Grant of Limited License to Contractor.* Upon acceptance by the Principal of any Deliverable and Documentation forming part of any Deliverable in accordance with Clauses 7.5, 7.6, 7.7 the Principal shall be deemed to have granted the Contractor an irrevocable and exclusive licence to reproduce, modify and distribute copies of any Documentation forming part of any Deliverable for the purposes of the Study and the Project, subject to the following restrictions:
- (a) the license shall apply during the term of this Agreement only;
 - (b) the permitted use shall only cover the right to reproduce, modify and distribute the Documentation, or any part thereof, for the purposes of performing, implementing or modifying the Study; and
 - (c) the Documentation, or any part thereof, shall not, without the prior consent by the Principal, be distributed or communicated to any third party for purposes other than those permitted in accordance with this Clause 8.4.
- The license in accordance with this Clause 8.4 shall be deemed to have been granted to the Contractor as of the Completion Date.
- 8.5. *No Additional Royalty.* It is acknowledged and agreed by the Parties that consideration for the transfer of ownership in the Intellectual Property shall be forming part of the Fee and no additional royalty, fee or other

consideration of any kind shall be payable by the Principal to the Contractor or to any third party in consideration of the transfer of ownership in the Intellectual Property in any Documentation.

- 8.6. *No Infringement.* The Contractor represents and warrants to the Principal that no Documentation deliverable to the Principal under the terms of this Agreement will infringe any existing Intellectual Property of any third party. In the event any of the representations or warranties contained in this Section VIII prove to be untrue or inaccurate, the Contractor undertakes, at its own cost and expense, to defend and settle any claim raised by any third party alleging infringement of Intellectual Property in the Documentation. The foregoing undertaking by the Contractor shall apply subject to the following conditions:
- (a) the Principal shall notify the Contractor, without undue delay, of any third party claim alleging infringement of any Intellectual Property in any Documentation;
 - (b) the Principal refrains from admitting liability under any third party claim or acting on the account of such claim without prior approval by the Contractor; and
 - (c) the exclusive control over any legal proceeding or settlement related any third party claim shall be exercised by the Contractor; provided, however, that the Principal shall render the Contractor all reasonable assistance toward such proceeding or settlement, at the cost and expense of the Contractor.
- 8.7. *Infringement Proceedings. No Infringement.* The Contractor represents and warrants to the Principal that no Documentation and information deliverable to the Principal under the terms of this Agreement will infringe any existing Intellectual Property of any third party. In the event any of the representations or warranties contained in this **Section VIII** prove to be untrue or inaccurate, the Contractor undertakes, at its own cost and expense, to defend and settle any claim raised by any third-party alleging infringement of Intellectual Property in the Documentation and information. The foregoing undertaking by the Contractor shall apply subject to the following conditions:
- (a) infringement of any Intellectual Property in any Documentation;
 - (b) the Principal refrains from admitting liability under any third-party claim or acting on the account of such claim without prior approval by the Contractor; and
 - (c) the exclusive control over any legal proceeding or settlement related any third-party claim shall be exercised by the Contractor; provided, however, that the Principal shall render the Contractor all reasonable assistance toward such proceeding or settlement, at the cost and expense of the Contractor.
- 8.8. *Infringement Proceedings.* In the event the Principal is a party to legal proceedings involving allegations of infringement of any Intellectual Property in the Documentation of any third party, the Contractor shall keep the Principal fully informed of all aspects relevant to the legal proceedings and shall have the right, at its own cost, to be represented in the legal proceedings by separate counsel. In the event the Contractor fails to act against claims alleging infringement of any Intellectual Property in the Documentation and information of any third party within reasonable time but, in any event, within twenty (20) days of having been notified of such claims, the Principal shall have the right to assume legal defence against claims alleging infringement of Intellectual Property and shall be entitled to reimbursement by the Contractor of reasonable costs and expenses incurred toward such defence.
- 8.9. *Continued Use.* In the event a court of competent jurisdiction resolves in a binding judgment that the Documentation, or any part thereof, infringe Intellectual Property of any third party, the Contractor shall, at its own cost and expense, procure for the Principal the right of continued use of the Documentation, or part thereof infringing Intellectual Property of a third party,
- 8.10. *License in Intellectual Property of Contractor.* The Contractor hereby grants the Principal an irrevocable and non-exclusive license to use, reproduce, modify and/or enhance any Intellectual Property of the Contractor, provided and to the extent Intellectual Property of the Contractor is used by the Principal for the purposes of the Railway and/or the Project. It is agreed and acknowledged by the Parties that the license fee for the grant of license in accordance with this Clause 8.9 forms part of the Fee and such license shall continue to be valid irrespective of expiration of this Agreement following completion of the Study or termination of this Agreement for any reason.
- 8.11. *Obligation to Procure Intellectual Property Rights.* Where the Contractor is not the legal owner of any relevant Intellectual Property of the Contractor, the Contractor shall use reasonable endeavours to procure for the Principal the rights specified in accordance with Clause 8.9.
- 8.12. *Obligation to Indemnify with Respect to Uses Other Than for the Purpose.* The Principal shall defend and indemnify the Contractor from and against any and all Damages arising from the use by the Principal of any Intellectual Property of the Contractor other than for the purposes of the Railway and/or the Project.

- 8.13. *Indemnification by the Contractor.* The Contractor shall defend and indemnify the Principal from and against any and all Damages arising from the use by the Principal of any Intellectual Property of the Contractor, to the extent use by the Principal is within the scope of the license granted to the Principal in accordance with Clause 8.9.
- 8.14. *Certain Rights of Contractor.* The Contractor after written permission from the Principal shall have the right to include **photographic or artistic representations of the design of the Project among the Contractor's promotional and professional materials. However, the Contractor's materials shall not include the Principal's confidential or proprietary information regardless of whether or not the Principal has previously advised the Contractor in writing of the specific information considered by the Principal to be confidential or proprietary.**
- 8.15. *Certain Rights of Contractor.* The Contractor shall have the right to include **photographic or artistic representations of the design of the Project among the Contractor's promotional and professional materials** after obtaining prior written approval from the Principal. The Contractor shall be given reasonable access to **the completed Project to make such representations. However, the Contractor's materials shall not include the Principal's confidential or proprietary information regardless of whether or not the Principal has previously advised the Contractor in writing of the specific information considered by the Principal to be confidential or proprietary.** These materials also shall not contain any information or data that shall be used in accordance to any conditions and requirements set forth by the Principal or other entity; in this case the Contractor shall comply with such conditions and requirements.

SECTION IX. TERMINATION; SUSPENSION

- 9.1. *Termination for Material Breach or Bankruptcy.* Subject to the provisions of Clause 9.2, either Party shall be entitled to terminate this Agreement upon giving a written notice of termination to the other Party in the event of material breach by the other Party of any of its obligations under this Agreement. The written notice of termination shall contain an itemized description of the breach. For the purposes of this Clause 9.1 an event of material breach shall include any of the following:
- (a) commitment by a Party of any persistent or material breach of this Agreement (which shall include failure to pay an amount of at least EUR 5,000 due to the other Party or perform any part of the Study valued at least EUR 5,000;
 - (b) failure by the Contractor to duly address any of the matters raised in the second Objection Notice given by the Principal in accordance with Clause 7.6;
 - (c) failure by any Deliverable to conform to any of the material requirements to such Deliverable contained in Annex C (*Schedule of Study*), provided that such failure is not capable of being remedied during the Cure Period;
 - (d) failure by the Principal to make any payment to the Contractor in accordance with this Agreement within at least 14 (fourteen) days from the date of payment falling due;
 - (e) any of the representations or warranties given by either Party under Clause 5.1 or any of the representations or warranties given by the Contractor under Clause 5.2 proving to be untrue; or
 - (f) breach by the Contractor of the undertaking contained in Clause 8.10.
- 9.2. *Corrective Period.* In the event of breach by either Party of its obligations under this Agreement, the non-breaching Party shall allow the breaching Party 14 (fourteen) days for corrective action or submission of a **corrective action plan (hereinafter, the "Corrective Period")**. The Corrective Period shall be counted from the date of receipt by the breaching Party of a written notice of breach. Should no satisfactory corrective action be taken or acceptable corrective action plan provided by the breaching Party, the non-breaching Party shall have the right to terminate the Agreement. It is acknowledged and agreed by the Parties that the provisions of this Clause 9.2 shall not apply with respect to any of the events enumerated in accordance with Clause 9.3. In addition and for the avoidance of any doubt, the application of the Corrective Period under this Clause 9.2 shall be without prejudice to and shall not relieve either Party from the obligation to pay any contractual penalty in accordance with the provisions of Clause 10.2 or to pay Damages incurred by the other Party in accordance with the provisions of Clause 10.3.
- 9.3. *Right to Terminate Immediately.*
- 9.3.1. Notwithstanding anything to the contrary contained in this Agreement, a Party may terminate this Agreement immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the following:
- (a) breach by the other Party of Clause 10.2;

- (b) an event of Force Majeure has been continuing during more than 60 (sixty) days;
- (c) the other Party had passed a resolution for winding-up (other than in order to amalgamate or reconstruct);
- (d) breach by the Contractor any of the confidentiality undertakings contained in Section XII. Force Majeure;
- (e) the other Party is unable to pay its debts and has presented a petition for voluntary bankruptcy;
- (f) the other Party had a bankruptcy order issued against it;
- (g) liquidation, insolvency or legal protection proceedings have been initiated with respect to the other Party or the other Party is declared insolvent;
- (h) the occurrence of any event analogous to the events enumerated under Clauses 9.3 (e) – (g) under the law **of any jurisdiction to which the other Party's assets and undertaking are subject.**

9.3.2. **Principal's Right to Terminate Immediately.** The Principal may terminate this Agreement immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination, if:

- (a) CEF Co-financing for further financing of the Study are not available to the Principal fully or partly;

In such a case, the Principal shall pay the Contractor the fees in respect of the Study 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 Contractor.

- (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.

9.3.3. *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 Article 64 of the Public Procurement Law. In such a case, the Principal shall pay the Contractor the fees in respect of the Works and Study 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 Contractor.

9.4. *Right to Advance to Completion.* In the event the Contractor fails to fulfil any of its obligations, or fails to cure any breach in accordance with Clause 9.2, and the Agreement is terminated by the Principal, the Principal may advance the Study to completion by employing the services of other professional service supplier(s) or by other means available to the Principal. The Contractor shall be liable to the Principal for any and all additional costs incurred due to failure by the Contractor to perform. The rights and remedies available to the Principal set forth in accordance with this Clause 9.4 shall be in addition to any and all other rights and remedies available under Applicable Law.

9.5. *Consequences of Termination.* Upon expiration or termination of this Agreement, the obligations of the Parties set forth in this Agreement shall cease, except with respect to the following:

- (a) any obligations arising as a result of any antecedent breach of this Agreement or any accrued rights; and
- (b) the provisions stipulated in accordance with Clauses 4.4, 4.5, 7.3, 8.2, 8.3., 8.5, 8.6, 8.12., 10.2, 10.3, 17.2, 17.6, 17.8, 17.9 and *Section XIII. Confidentiality, Section XIV. Right to Audit XV, on the spot visits and Section XVI. Governing Law and Resolution of Disputes Section XV. On-the-spot-visits* which shall survive the termination or expiry of this Agreement and continue in full force and effect along with any other Clauses of or Annexes hereof which are necessary to give effect to the Clauses specifically identified in this 9.5 (b).

9.6. *Partial Acceptance.* Notwithstanding anything in this Agreement to the contrary including, without limitation, the provisions of Clauses 8.5, 8.6 and 8.7 and in the event of termination of this Agreement, the Principal shall have the right, in the sole discretion of the Principal, to partially accept any Works, part of Works or part of the Study delivered to the Principal under this Agreement (hereinafter, **the "Right of Partial Acceptance"**). The Principal shall notify the Contractor of its intention to exercise the Right of Partial Acceptance in the termination notice given in accordance with Clause 9.1 or Clause 9.3 of this Agreement, specifying, in reasonable detail, the Works, part of Works or part of the Study which the Principal would like to partially accept. In the event of receipt of such notice, the Contractor shall reasonably cooperate with the Principal in

order to ascertain transfer to the Principal of ownership in the result(s) of such Works, part of Works or part of the Study and determination of the amount of consideration payable by the Principal.

- 9.7. **Principal's Obligation to Pay.** Subject to the provisions of Clause 9.6 and except in the event of termination by the Principal occurring as a result of violation by the Contractor of Clause 16.3, in the event this Agreement is terminated for any reason prior to completion of the Study, the Principal shall have an obligation to pay the Contractor the following:
- (a) the Costs incurred by the Contractor up to the date of termination; and
 - (b) except where termination is due to negligence of the Contractor, breach by the Contractor, insolvency of the Contractor or a Force Majeure Event under Section XII:
 - (i) an amount equal to the costs reasonably and properly incurred by the Contractor as a result of or in connection with such termination; and
 - (ii) such additional amount as is required to put the Contractor in the same after tax position (taking into account the amount of any relief, allowance, deduction, set-off or credit relating to tax available to the Contractor in respect of the payment received) as it would have been in if the payment had not been a taxable receipt in the hands of the Contractor.
- 9.8. **No Obligation to Pay Costs Incurred Prior to Acceptance.** Notwithstanding anything set forth in this Agreement to the contrary including, without limitation, under Clause 9.7, the Principal shall have no obligation to pay any of the Costs incurred by the Contractor with respect to any Works or the Study (or part of any Works or the Study) not deemed as having been accepted by the Principal in accordance with Clauses 7.5, 7.6 or 7.7.
- 9.9. **No Prejudice to Other Rights.** The right to terminate this Agreement shall be without prejudice to any other right of either Party which has accrued prior to or as a result of such termination or to any remedy available to either Party under the terms of this Agreement or in accordance with Applicable Law.

SECTION X. LIABILITY

- 10.1. **Liability of the Parties.** The Contractor shall be liable to compensate Damages incurred by the Principal arising out of or in connection with this Agreement and pay contractual penalty set forth in accordance with Clause 10.2 if a breach of any of the obligations of the Contractor under this Agreement is established against the Contractor. The Principal shall be liable to pay the contractual penalty set forth in accordance with Clause 10.2 if a breach of payment obligations of the Principal under this Agreement is established against the Principal.
- 10.2. **Contractual Penalty.** In the event of failure by the Contractor to meet any Study Milestone and/or supply any Deliverable, the Contractor shall be liable to pay to the Principal a penalty of zero point one percent (0.1%) of the amount of the total Fee payable under this Agreement for each day of delay with meeting any of the Study Milestones and/or supplying any of the Deliverables set forth in accordance with Annex C (*Schedule of Study*); provided, however, that the total amount of penalty payable by the Contractor under this Clause 10.2 for the relevant Works, as specified according to Annex C (*Schedule of Study*) shall not exceed ten percent (10%) of the total amount of the Fee payable in consideration of such Works. In the event of failure by the Principal to pay any amount in accordance with Clause 6.1 Principal shall be liable to pay the Contractor a penalty of zero point one percent (0.1%) of the amount of the amount invoiced for each day of delay with meeting the payment obligation; provided, however, that the total amount of penalty payable by the Principal under this Clause 10.2 shall not exceed ten percent (10%) of the total amount remaining unpaid under the relevant invoice.
- 10.3. **Compensation for Damages.** Notwithstanding of and without prejudice to any contractual penalty payable in accordance with Clause 10.2 and subject to the provisions of Clause 10.5, in the event it is established that either Party is liable to the other Party with respect to any breach of its respective obligations under this Agreement, the liable Party shall compensate the other Party for any Damages incurred as a result of such breach, subject to the following terms:
- (a) the amount of compensation shall be limited to the amount of reasonably foreseeable Damages suffered as a result of the breach(es), but not otherwise; and
 - (b) if either Party is considered to be liable jointly with third parties to the other, the proportion of compensation payable by the liable Party shall be limited to that proportion of liability which is attributable to the breach by the liable Party.

- 10.4. *Attribution of Damages.* Any Damages suffered by either Party shall, for the purposes of Clause 10.3, be **reduced to the extent that the Damages are caused by or contributed to by the other Party's own negligence or breach of its obligations under this Agreement.**
- 10.5. *Limitation of Liability.* Notwithstanding anything to the contrary set forth in this Agreement, in no circumstances shall the Contractor or Principal be liable to one another for any loss of production, loss of profit, loss of revenue, loss of contract, liability incurred under other agreements (with the exception of costs paid by the Principal to contractors appointed by the Principal in relation to the Study or the Project) or any indirect or consequential loss arising out **of or in connection with this Agreement. The Contractor's total liability for the Works carried out under this Agreement shall in no circumstances exceed 1 000 000,00 EUR (one million euros).**

SECTION XI. LIABILITY INSURANCE

- 11.1. *Insurance Against Liability.* The Principal can request in writing that the Contractor:
- (a) insures against its commercial liability under Clause 10.2 and/or Clause 10.3;
 - (b) increases its insurance against liability under Clause 10.2 and/or Clause 10.3 over that for which the **Contractor was insured at the date of the Principal's first invitation to the Contractor for a proposal of the Study;**
 - (c) insures against public/third party liability;
 - (d) increases the insurance of the Contractor against public/third party liability over that for which the **Contractor was insured at the date of the Principal's first invitation to the Contractor for a proposal for the Study;** and/or
 - (e) effects other insurances.
- 11.2. *Obligation to Effect Insurance.* If so requested, the Contractor undertakes to exercise all reasonable efforts to effect such insurance or increase in insurance with an insurer and on terms and conditions acceptable to the Principal. The limit of liability for the insurance coverable shall be no less than 1 000 000,00 EUR (one million euro) per claim/occurrence and the Principal and its executive officers, officers and employees shall be named **as "additional insureds" under such policies. The costs of such insurance or increase in insurance shall be at the expense of the Contractor. For the purposes of this Section XI, "public/third party liability" shall mean the obligation to pay compensation (capital, interest and costs) for damages involuntarily caused to one or more third parties for death, personal injury and damage to property; and to employees for injuries suffered in any occurrences happened during their work activities (including, without limitation, institutional activity, ordinary, extraordinary, devolved, hired, given including those of a preliminary nature, complementary, accessory, solidarity, recreational, volunteer and social) which includes the protection of participants in the trials to cover the civil liability of the trier and trial promoters.**
- 11.6. *Insurance Certificate.* When requested by the Principal, the Contractor shall provide certificate(s) from its insurer or broker stating that the insurances required under this Section XI are in full force and effect. In addition, the Contractor shall provide not less than 30 (thirty) days prior written notice to the Principal of any cancellation or material reduction in the insurance.

SECTION XII. FORCE MAJEURE

- 12.1. *Effects of Force Majeure.* Subject to the requirements set forth in accordance with Clauses 10.2 and 10.3, each Party shall be relieved from liability for nonperformance of its obligations under this Agreement (other than any obligation to pay) to the extent that the Party is not able to perform such obligations due to a Force Majeure Event.
- 12.2. *Action on Becoming Aware of Force Majeure.* Each Party shall at all times, following the occurrence of a Force Majeure Event:
- (a) take reasonable steps to prevent and mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the Force Majeure Event as soon as practicable and use reasonable endeavours in accordance with Good Industry Practice to remedy its failure to perform; and
 - (b) not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to any failure to comply with its obligations under Clause 12.2(a).

- 12.3. *Notification Requirements.* Upon the occurrence of a Force Majeure Event, the affected Party shall notify the other Party as soon as reasonably practicable and in any event within 10 (ten) Working Days of it becoming aware of the relevant Force Majeure Event. Such notification shall give sufficient details to identify the particular event claimed to be a Force Majeure Event and shall contain detailed information relating to the failure to perform (or delay in performing), including the date of occurrence of the Force Majeure Event, the effect of the Force Majeure Event on the ability of the affected Party to perform, the action being taken in accordance with Clause 12.2(a) and an estimate of the period of time required to overcome the Force Majeure Event. The affected Party shall provide the other Party with any further information it receives or becomes aware of which relates to the Force Majeure Event and provide an update on the estimate of the period of time required to overcome its effects.
- 12.4. *Notification of Resumed Performance.* The affected Party shall notify the other Party as soon as practicable once the performance of its affected obligations can be resumed (performance to continue on the terms existing immediately prior to the occurrence of the Force Majeure Event).
- 12.5. *Mitigation of Effects of Force Majeure.* As soon as practicable after the notification specified pursuant to Clause 12.3, the Parties shall use reasonable endeavours to agree appropriate terms or modifications to the Study to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement.

SECTION XIII. CONFIDENTIALITY

- 13.1 *Confidential Information.* "Confidential Information" means, in relation to the Principal, all information of a confidential nature relating to the Principal and its Affiliates which is supplied by the Principal (whether before or after the date of this Agreement) to the Contractor, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, memoranda and other documents which contain or otherwise reflect or are derived from such information, but excludes information which:
- (a) the Principal confirms in writing is not required to be treated as confidential; or
 - (b) the Contractor can show that the Confidential Information was in its possession or known to it (by being in its use or being recorded in its files or computers or other recording media) prior to receipt from the Principal and was not previously acquired by the Contractor from the Principal under an obligation of confidence; or
 - (c) was developed by or for the Contractor at any time independently of this Agreement.
- 13.2 *Undertakings with Respect to Confidential Information.* Subject to Clauses 13.1 and 13.3, the Contractor shall:
- (a) at all times keep confidential all Confidential Information received by it and shall not disclose such Confidential Information to any other Person; and
 - (b) procure that its Affiliates and its and their respective officers, employees and agents shall keep confidential and not disclose to any Person any Confidential Information except with the prior written consent of the Party to which such Confidential Information relates.
- 13.3 *Permitted Disclosure.* Notwithstanding anything to the contrary set forth in accordance with Clauses 13.1 and 13.2, the Contractor shall, without the prior written consent of the Principal, be entitled to disclose Confidential Information:
- (a) that is reasonably required by the Contractor in the performance of its obligations pursuant to this Agreement, including the disclosure of any Confidential Information to any employee, contractor, agent, officer, sub-contractor (of any tier) or adviser to the extent necessary to enable the Contractor to perform its obligations under this Agreement;
 - (b) to enable a determination to be made pursuant to Section XVI;
 - (c) to its lenders or their professional advisers, any rating agencies, or its insurance advisers but only to the extent reasonably necessary to enable a decision to be taken on the proposal;
 - (d) to the extent required by Applicable Law or pursuant to an order of any court of competent jurisdiction, any parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law; or
 - (e) to the extent Confidential Information has become available to the public other than as a result of any breach of an obligation of confidence; provided that any such disclosure is made in good faith.

- 13.4 *Obligation of Confidentiality Pertinent to Recipients of Confidential Information.* Whenever disclosure is permitted to be made pursuant to Clauses 13.3(a) or (c), the Contractor shall require that the recipient of Confidential Information be subject to the same obligation of confidentiality as that contained in this Agreement.
- 13.5 *Certain Obligations on Termination of Agreement.* If this Agreement is terminated for whatsoever reason, the Contractor shall:
- (a) return to the Principal all of the Confidential Information then within the possession or control of the Contractor; or
 - (b) destroy such Confidential Information using a secure and confidential method of destruction.
- 13.6 *No Press Release by Contractor.* Save as required by Applicable Law, the Contractor shall not issue any press release in relation to the matters contemplated under this Agreement without the prior written consent of the Principal (such consent not to be unreasonably withheld or delayed) as to both the content and the timing of the issue of the press release.
- 13.7 *Right to Publish.* For the avoidance of any doubt, the Principal shall have the right to publish any of the documents, information or data provided by the Contractor to the Principal during provision of the Study.
- 13.8 *Remedies.* The Parties acknowledge and agree that a breach of the provisions of this Section XIII may cause the owner of Confidential Information to suffer irreparable Damages that could not be adequately remedied by an action at law. Accordingly, the Contractor agrees that the owner of Confidential Information that is disclosed in breach of Clauses 13.2, 13.4 or 13.6 may be entitled to specific performance of those provisions to enjoin a breach or attempted breach thereof and to any other remedy, including, inter alia, damages and injunctive relief, awarded by a court of competent jurisdiction.

SECTION XIV. RIGHT TO AUDIT

- 14.1. *Right to Audit.* Notwithstanding anything to the contrary set forth in this Agreement including, the Principal itself, a reputable outside independent body or expert engaged and authorized by the Principal shall be entitled to inspect and/or audit the Contractor to ensure compliance with the terms of this Agreement, including inspecting and/or auditing:
- (a) the performance of any aspect of the Study; and/or
 - (b) any documentation, including all payrolls, accounts of the Contractor and/or other records used in or related to the performance of the Study.
- 14.2. *Obligation to Assist.* The Contractor shall provide all reasonable assistance to the Principal or the independent body authorized by the Principal in carrying out any inspection or audit pursuant to this Section XIV. The Principal shall be responsible for its own costs, or the costs incurred by the outside independent body designated by the Principal, incurred toward carrying out such inspection or audit, unless, in the case of any such audit, that audit reveals that the Contractor is not compliant with the terms of this Agreement, in which case the Contractor shall reimburse the Principal for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 14.3. *Survival of Termination.* The rights and obligations of the Principal set forth in accordance with this Section XIV shall survive expiration or termination of this Agreement for any reason and shall continue to apply during 10 (ten) years following expiration or termination of this Agreement for any reason whatsoever.

SECTION XV. ON-THE-SPOT VISITS

- 15.1. *Right to perform On-the-Spot visits.* By submitting a written notice 5 (five) Working Days in advance, but at the same time reserving the right of an unannounced on-the-spot visit without an advance notice, the Principal may carry out on-the-spot visits to the sites and premises where the activities implemented within the Agreement are or were carried out.
- 15.2. *Personnel involved.* On-the-spot visits may be carried out either directly by authorised staff or representatives of the Principal or by any other outside body or third party authorised to do so on behalf of the Principal. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Principal shall ensure that any authorised outside body or third party shall be bound by the same confidentiality obligations.

- 15.3. *Access to the information.* Contractor shall provide to the performer of the on-the-spot visit or any other authorised outside body or third party 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 authorised outside body or third party 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 authorised outside body or third party the copying of the information and documents, with due respect to the confidentiality obligation.
- 15.4. *OLAF checks and inspections.* By virtue of Council Regulation (Euratom, EC) No 2185/96 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 883/2013 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 European Union law for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, OLAF findings may lead to criminal prosecution under national law.

SECTION XVI. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 16.1. *Governing Law.* This Agreement shall be governed by and construed in accordance with law of the Republic of Latvia.
- 16.2. *Resolution by Amicable Means.* The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Agreement through good faith debate, discussion, and negotiating prior to submitting them to mediation, arbitration, or other legal proceeding.
- 16.3. *Venue for Resolution of Disputes.* Should the Parties fail to agree by means of amicable negotiations within the time period of two (2) months from the date of serving of the respective written complaint to the other Party, the Parties shall submit all their disputes arising out of or in connection with this Agreement to the exclusive jurisdiction of the courts of the Republic of Latvia. The Parties hereby represent and warrant that the English language is understandable for both Parties in accordance with Article 8(1)(a) of the Regulation (EC) No 1393/2007 of the European Parliament and of the Council of 13 November 2007 on the service in the Member States of judicial and extrajudicial documents in civil or commercial matters (service of documents), and repealing Council Regulation (EC) No 1348/2000.

SECTION XVII. MISCELLANEOUS PROVISIONS

- 17.1. *Capacity.* Each Party warrants to the other Party that it has full power to enter into and perform this Agreement, and the person signing this Agreement on its behalf has been duly authorized and empowered to enter into such agreement. Each Party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it.
- 17.2. *Conflict of Interest, Corruption and Fraud.* Notwithstanding any penalties that may be enforced against the Contractor under Applicable Law, or the laws of other jurisdiction(s), the Contractor shall be deemed to have committed a breach under this Agreement and the Principal shall be entitled to terminate this Agreement immediately and without any regard to the provisions of Clause 9.3, if it is shown that the Contractor is guilty of:
- (a) offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or
 - (b) misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Principal, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.
- 17.3. *Notices.* Notices under the Agreement shall be in writing and will take effect from receipt by the Party to which the notice is addressed at the address of the Party set forth in the Preamble to this Agreement. Delivery can be by hand against a written confirmation of receipt or by registered letter.
- 17.4. *Damages Covered by Insurance.* To the extent Damages are covered by insurance, the Principal and the Contractor waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance current as of the date of this Agreement.

- 17.5. *Relationship of the Parties.* The relationship between the Contractor to the Principal under this Agreement is **that of independent contractors. The Contractor (or the Contractor's sub-contractors)** is not an employee of the Principal, is not carrying out the regular business of the Principal, and is not subject to the same employment regulations as are applicable to employees of the Principal. Each of the Parties shall be solely and entirely responsible for their own acts and the acts of their employees. No benefits, special considerations, or employer/employee-type provisions are provided by the Principal to the Contractor, the Contractor's employees, or the Contractor's consultants, or the employees of such consultants.
- 17.6. *Severability.* If any provision of this Agreement shall be held to be illegal, invalid, void or unenforceable under Applicable Laws, the legality, validity and enforceability of the remainder of this Agreement shall not be affected, and the legality, validity and enforceability of the whole of this Agreement shall not be affected.
- 17.7. *Successors and Assigns.* The Principal and the Contractor each bind themselves, their successors, legal representatives, and assigns to the other party to this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement. Neither Party shall assign or transfer its respective interest in the Agreement without written consent of the other Party.
- 17.8. *Amendments and Variations.* No amendment to or variation of this Agreement shall be effective unless made in writing and signed by duly authorized representatives of both Parties. The Agreement can be amended in compliance with the provisions of Article 61 of the Public Procurement Law of the Republic of Latvia.
- 17.9. *Entire Agreement.* This Agreement, and the Annexes hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and extinguishes all and any prior drafts, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.
- 17.10. *Execution.* This Agreement may be executed in two counterparts to be held by each Party which counterparts, taken together, shall constitute one and the same instrument.

Signed by:

For and on behalf of the Principal:

For and on behalf of the Principal:

For and on behalf of the Contractor:

Signature:

[•]

Signature:

[•]

Signature:

[•]

[•]

[•]

ANNEX A: Definitions and common terms

The following capitalized terms shall be ascribed the following meaning for the purposes of the Agreement:

- (a) **"Agreement"**, this Agreement, together with all Annexes thereto.
- (b) **"Applicable Law"** or **"Law"**, any legislative act, regulation, decree, order, ordinance, statute, treaty, directive, judgment, or other legislative measure. For the avoidance of any doubt, the term **"Applicable Law"** shall include any legislative act or directive relevant to public procurement.
- (c) **"Approved Sub-Contractor"**, any person or organization listed pursuant to Annex E (*List of Approved Sub-Contractors*), which is in a contractual relationship with the Contractor to provide a part of the Study.
- (d) **"Final Acceptance Certificate"**, as described in accordance with Clause 7.7.
- (e) **"Provisional Completion Acceptance Certificate"** **Completion Acceptance Certificate**, as defined in accordance with Clause 7.4.
- (f) **"Confidential Information"**, as defined in accordance with Clause 13.1 of the Agreement.
- (g) **"Costs"**, direct costs reasonably incurred in relation to the Project. Specifically, the Cost shall include any of the following:
 - (i) costs of all materials and supplies forming part of the Study, including transportation and storage expenses (discounts for cash or prompt payments will not reduce these costs);
 - (ii) salaries for personnel in the direct employ of the Contractor in the performance of the Study or relating to the Study;
 - (iii) **salaries of the Contractor's employees** for the time that they spend in connection with the Study;
 - (iv) payments to sub-contractors for work relating to the Study;
 - (v) costs of all employee benefits and taxes for items such as social security and other benefits for the labour and employees;
 - (vi) costs, including transportation and maintenance, of equipment and hand tools not owned by workmen employed by the Contractor which are employed or consumed toward the Study;
 - (vii) payments for rental charges for machinery, equipment, facilities and tools used in connection with the Study, and payments for installations, repairs, replacements, dismantling, removal, lubrication, transportation and delivery of those rental items;
 - (viii) other transportation costs incurred in connection with the Study;
 - (ix) that portion attributable to this Agreement of premiums for insurance that is required by this Agreement or by law to be obtained or maintained by the Contractor;
 - (x) sales, use, gross receipts or other taxes related to the Study, imposed by any governmental authority, to the extent that the Contractor is responsible for such taxes;
 - (xi) costs of long-distance telephone calls, telephone service at the site and postage relating to the Study;
 - (xii) costs of any data processing services used in connection with the performance of the work required under this Agreement; and
 - (xiii) losses and expenses, not compensated by insurance, sustained by the Contractor in connection with the work under this Agreement, provided they resulted from causes other than the fault or neglect of the Contractor.
- (h) **"Cure Period"**, as defined in accordance with Clause 7.3.
- (i) **"Corrective Period"**, as defined in accordance with Clause 9.2
- (j) **"Damages"**, any cost, claim, damage, demand, loss, expense or liability incurred by the relevant Party or Person.

- (k) **"Defect", is a part of the Study which is not in accordance with Annex B (Technical specification), the Applicable Law or Good Industry Practice.**
- (l) **"Defects Date", a period specified in Annex C (Schedule of Study) within which the Principal and Contractor is obliged to notify each Deficiency in the Service.**
- (m) **"Deliverable", any information, notes, material, drawings (including drawings in 3D model), records, documents and/or other items which the Contractor is required to deliver to the Principal as part of the Study, as further specified pursuant to Annex C (Schedule of Study).**
- (n) **"Documentation", all records, correspondence, and files of the Contractor, its employees, engineers, and consultants pertaining to the Project.**
- (o) **"Effective Date", as first above specified in the Preamble to this Agreement.**
- (p) **"EUR" and "euro", the official currency of the eurozone, officially known as the euro area.**
- (q) **"Fee", as defined in accordance with Clause 6.1 and Annex D (Fee and Payment Schedule);**
- (r) **"Final Acceptance Date", as defined in accordance with Clause 7.7.**
- (s) **"Force Majeure Event", any of the following events:**
 - (i) an act of the public enemy or war (declared or undeclared), threat of war, revolution, riot, insurrection, civil commotion, demonstration or sabotage;
 - (ii) an act of vandalism or accidental damage or destruction of machinery, equipment, track or other infrastructure;
 - (iii) a natural disaster or phenomena, including extreme weather or environmental conditions (such as lightning, earthquake, hurricane, storm, fire, flood, drought or accumulation of snow or ice);
 - (iv) nuclear, chemical or biological contamination;
 - (v) pressure waves caused by devices travelling at supersonic speeds;
 - (vi) discovery of fossils, antiquities or unexploded bombs; and/or
 - (vii) strike, lockout or other industrial action other than involving the Contractor or the Principal.
- (t) **"Good Industry Practice", in relation to the performance of any activity to which this standard is applied, the exercise of that degree of skill, diligence, prudence and foresight as would reasonably be expected to be exercised by a properly qualified and competent person engaged in carrying out works or services of a similar size, nature, scope, type and complexity, complying with Applicable Law, applicable Standards and published codes of practice.**
- (u) **"Intellectual Property", all intellectual property rights in any part of the world in respect of any documentation or information provided by the Contractor to the Principal, including any patent, patent application, trade mark, trade mark application, registered design, registered design application, utility model, trade name, discovery, invention, process, formula, specification, copyright (including all neighbouring rights, rights in computer software and database and topography rights), know how or unregistered design right.**
- (v) **"Intellectual Property of Contractor", all Intellectual Property owned or licensed to the Contractor with a right to sub-license.**
- (w) **"Objection Notice", as defined in accordance with Clause 7.5.**
- (x) **"Party" and "Parties", the Principal and the Contractor and include their respective successors in title, permitted assigns and permitted transferees.**
- (y) **"Person" shall include any person, company, body corporate, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing.**
- (z) **"Project", development of a 1435 mm standard gauge railway line in the Rail Baltic/Rail Baltica (RB) corridor through Estonia, Latvia and Lithuania aimed at eliminating the technical bottleneck due to the gauge differences (1,520 mm vs. the EU standard of 1,435 mm).**

- (aa) "Principal", the company **RB Rail AS**, as further specified in the Preamble of this Agreement, which employs the services of the Contractor, and legal successors to the Contractor and permitted assignees of the Contractor.
- (bb) "Provisional Completion Acceptance Certificate", as defined in accordance with Clause 7.4.
- (cc) "Railway", new fast conventional double track electrified railway line with the maximum design speed of 249 km/h and European standard gauge (1435 mm) on the Route.
- (dd) "Right of Partial Acceptance", as defined in accordance with Clause 9.6.
- (ee) "Study Milestone", the date for delivery of one or more Deliverables, as set out in the Technical Specification and Schedule of Study;
- (ff) "Contractor", the company **Consortium INECO – ARDANUY consisting of Ingeniería y Economía del Transporte S.M.E. M.P., S.A., reg no A28220168 (INECO) and ARDANUY Ingeniería, S.A., reg no A80480759 (ARDANUY)**, as further specified in the Preamble of this Agreement, which is employed by the Principal as an independent professional contractor to perform the Study, and legal successors to the Principal and permitted assignees of the Principal.
- (gg) "Standards", CEF Standards and Grant Agreement Standards;
- (hh) "Study", study on preparation of comprehensive procurement and deployment strategy and development of single solution deployment concept for Energy subsystem within the Rail Baltica Global Project by conducting technical pre-study, a thorough market and supplier assessment, with a particular emphasis on ensuring optimum interoperability and maximizing economies of scale through procurement consolidation.
- (ii) "Study Start Date", as specified in accordance with Annex C (*Schedule of Study*).
- (jj) "Working Day", any day (other than Saturday or Sunday) on which banks in the Republic of Latvia are open for conduct of business.
- (kk) "Works", all incidental works, steps and actions performed by the Contractor for the attainment of the objectives of the Study and/or the Project.

FOR OPEN COMPETITION
**“RAIL BALTICA ENERGY SUBSYSTEM PROCUREMENT
AND DEPLOYMENT STRATEGY”**
(IDENTIFICATION NO RBR 2018/8)



Co-financed by the European Union
Connecting Europe Facility

Riga, 2018

1. GENERAL

1.1. Introduction

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.

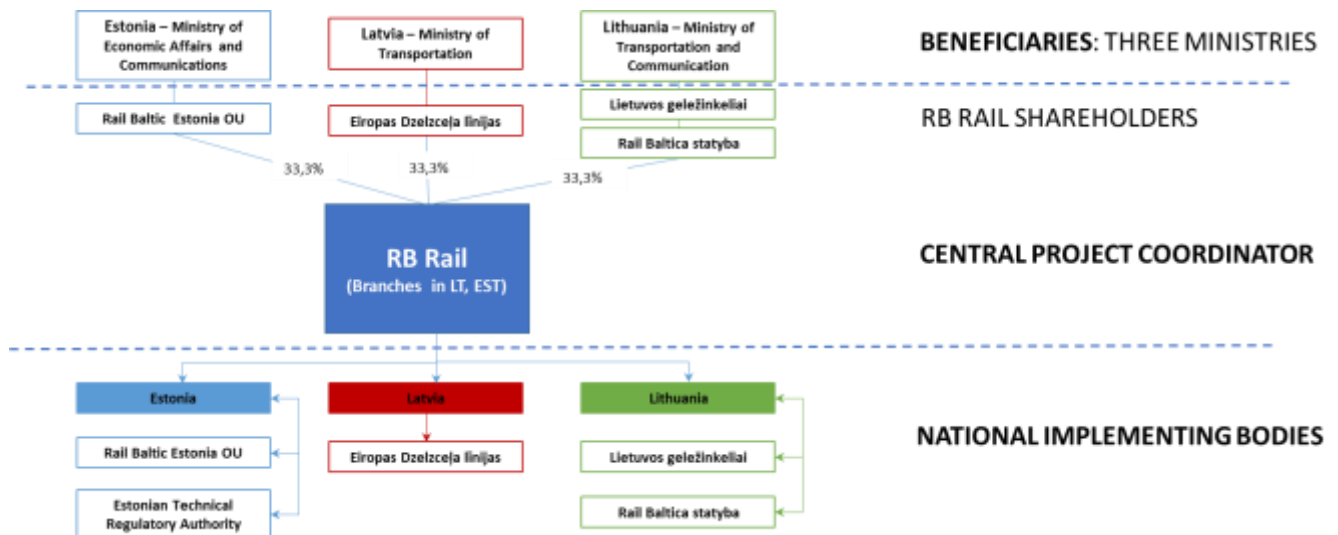
Rail Baltica is already designed to become a part of the EU TEN-T North Sea – Baltic Core Network Corridor, which links Europe's largest ports of Rotterdam, Hamburg and Antwerp – through the Netherlands, Belgium, Germany and Poland – with the three Baltic States, further connecting to Finland via the 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 transshipment 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 main technical parameters shall correspond to traffic code P2-F1 as per INF TSI (Commission Regulation 1299/2014/EU) and shall have the following main technical parameters:

- double track, design speed on the main track 249 km/h, design speed on side tracks minimum 100 km/h;
- axle load 25 t;
- distance between track centres 4.50 m on the main tracks;
- distance between two sided passing loops approximately 50 km and crossovers approximately 25 km but staged according to a train traffic forecast;
- all pedestrian, road and 1520mm rail crossings only as above or below grade crossings (segregated grade crossings), fencing and noise barriers where needed;
- ERTMS Level 2 with possible update to the newest version;

- communications system GSM-R with a view to accommodate the new generation railway communications standard;
- electrification 2x25 kV AC;
- station track length of 1050m;
- length of passenger trains 200m, but for spatial planning and track geometry design a length of 400m shall be used;
- height of passenger platforms 550mm;
- maintenance road, where necessary, shall be on one side of the tracks with gravel 3.5m wide

The shareholders structure of RBR is presented in Figure 1.



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 first two applications were successful and INEA grants are available to support the Global Project expenses with up to 85% of co-financing in amount of 633 mln EUR. The third application is also successful, grant agreement is being finalized.

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 railway line on the route from Tallinn through Pärnu (EE), Riga (LV), Riga International Airport (LV), Panevėžys (LT), Kaunas (LT) to the Lithuania/Poland state border (including connection Kaunas - Vilnius). 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 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/>.

Further information is available in <http://www.railbaltica.org/>

1.1. Energy subsystem procurement

Through the Contracting Scheme agreement reached by Rail Baltica Global Project direct stakeholders it was decided to purchase the Energy subsystem (including catenary, substations, control system) for Rail Baltica Global Project through the consolidated procurement model through the joint venture RB Rail AS (i.e. on behalf of and for the needs of the entire Global Project). This shall maximise the economic efficiency with cost savings driven by the potential economies of scale, ensure full and optimum interoperability, quality control and efficient supervision and put in place the best practise procurement model. This shall also allow to reach highest standard regarding the environmental impact of the Energy subsystem.

1.2. Abbreviations and terms

	Administrative
RB Rail AS, Contracting authority	A joint venture established by the Republics of Estonia (EE), Latvia (LV) and Lithuania (LT), via 100% state-owned special purpose vehicles, to design, construct and market a new fast-conventional standard gauge double track railway line on the North Sea – Baltic TEN-T Core Network Corridor linking three Baltic states with Poland and the rest of the EU.
CD	<i>Commencement Date</i> of the Contract
Consolidated procurement	A procurement conducted jointly by several contracting authorities in the meaning of Article 39(4) of the Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 On Public Procurement and Repealing Directive 2004/18/EC and several contracting entities in the meaning of Article 57(4) of the Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 On Procurement by Entities Operating in the Water, Energy, Transport and Postal Services Sectors and Repealing Directive 2004/17/EC.
Consulting services	all necessary activities being and to be implemented by the Contractor as required in the Contract.
Contract	Signed agreement between Contracting authority and Contractor to prepare Study through the provision of Consulting services defined in this agreement.
Contracting Scheme	Agreement on the Contracting Scheme for the Rail Baltic / Rail Baltica reached between beneficiaries and implementing bodies of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania with the aim to maximise the economic efficiency via consolidation of procurements with potential economies of scale, ensure full and optimum interoperability, quality control and efficient supervision and put in place the best practise procurement model to ensure transparency and minimise corruption risks by putting a single organization, the joint venture RB Rail AS, in charge of purchasing those elements of the Rail Baltic / Rail Baltica railway infrastructure, and associated studies, plans and designs, which are either for common benefit or which are crucial to the entire Rail Baltic / Rail Baltica railway infrastructure.
Contractor	Service provider awarded with a Contract to conduct Study.
Design guidelines	Set of predefined and standardized technically and economically justified engineering and design solutions for Rail Baltica Railway infrastructure to be applied at design, construction and operation phases.
Energy subsystem procurement and deployment strategy	Practical implementation of the strategic decision to purchase Energy subsystem for Rail Baltica Global Project through the consolidated procurement procedure by preparation of comprehensive procurement and deployment strategy based on technical pre-study, a thorough market and supplier assessment, with a particular emphasis on ensuring optimum interoperability in these critical areas.
EU	<i>European Union.</i>
National ¹ studies	Detailed engineering and feasibility studies on implementation of Rail Baltica in each of the three Baltic states, covering EIA, preliminary design, feasibility studies, spatial planning and similar activities.
Rail Baltica Global Project	Future railway line (for definition of key technical parameters, please see “Rail Baltica railway” below) eliminating missing links in the European railway network and establishing a fully-interoperable railway infrastructure on the route Warsaw – Kaunas – Riga – Tallinn – Helsinki,

¹ Terms *national* or *local* cover every Baltic state, if not stated otherwise.

and ensuring full railway interoperability and better railway usage indicators in passenger and cargo traffic. The project ensures Baltic State integration into the EU railway area. The project is the part of the TEN-T core network North Sea-Baltic corridor.

Rail Baltica railway	a new fast conventional double track electrified European standard gauge (1435mm) railway line on the route from Tallinn through Pärnu-Riga- Panevėžys -Kaunas to Lithuanian-Polish border, with the connection of Kaunas - Vilnius;
Railway infrastructure	Has the same meaning as an identical term in the Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area (recast), as well as it includes freight and passenger terminals and infrastructure and rolling stock maintenance facilities and the ground underneath them and the airspace above them to the extent that the national legislation permits the ownership of the ground and the airspace.
Technical specifications	The present document forming a part of Service procurement regulations and Contract following the procurement procedures;

Service specific, technical

BRELL ring	<i>Energy ring</i> linking Belarus, Russia, Estonia, Latvia and Lithuania.
CAPEX	<i>Capital expenditures</i>
TSO²	<i>Transmission System Operator</i> , existing operator of high voltage electricity transmission grids (ETG) that shall ensure the power supply to traction substations.
Energy subsystem	as defined in Commission Regulation (EU) No 1301/2014 of 18 November 2014 on the technical specifications for interoperability relating to the 'energy' subsystem of the rail system in the Union Text with EEA relevance.
ETG³	<i>Electricity Transmission Grid</i> .
ENS	<i>Energy Not Supplied</i> , ETG reliability index.
LCC	<i>Life-cycle cost</i>
MCA	<i>Multi Criteria Analysis</i>
Power supply	electricity power supply for Energy subsystem components.
ECCS	<i>Energy Control Command System</i>
RAMS	<i>Reliability, Availability, Maintainability and Safety</i>
Study	result of consulting services, provided by the Contractor, necessary to elaborate Energy subsystem procurement and deployment strategy by carrying out the tasks required in the Contract.
TSI	<i>Technical Specifications for Interoperability</i> .
TWG	<i>Technical work group</i> , group of internal experts, experts from stakeholders and involved parties nominated by the Contracting authority.
OPEX	<i>Operating expenditures</i>
WP	<i>Work package</i> , a defined part of Contractor's activities, to be carried out under the Contract's requirements.

² If not stated otherwise, abbreviation *TSO* is used as a general term to represent a single *Transmission System Operator* operating locally in any country of Baltic states and/or all System Operators operating in all Baltic states.

³ If not stated otherwise, abbreviation *ETG* is used as a general term to represent an *Electricity Transmission Grid* deployed in a single country of Baltic states and/or *Electricity Transmission Grids* deployed in all Baltic states.

Study programme Study programme, proposed by the Contractor and approved by the Contracting authority, shall include graphical representation of main **Study's milestones and summarised textual description of the services** to be provided as required in Technical specification.

1.3. Reference material

1.3.1. Within the framework of the Contract the Contractor shall consider the following non-exhaustive list of documents, studies, study projects, spatial development planning documents and any other documents required for service provision as well as online internet sources:

Ref.	Title of document, date of issuance, web link ⁴
a)	Feasibility study "Standard gauge separate railway line within the "Rail Baltica" corridor through Estonia, Latvia and Lithuania" (so called AECOM Study, 2011). Available at: http://www.railbaltica.org/about-rail-baltica/documentation/ Kaunas – Vilnius feasibility study, 2015 https://sumin.lrv.lt/uploads/sumin/documents/files/Veikla/Veiklos_sritys/Gelezinkeliu_transportas/%E2%80%9ERail%20Baltica%E2%80%9C_projektas/AECOM_Vilnius_(1).pdf .
b)	Rail Baltica Global Project Cost-Benefit Analysis, 2017 http://railbaltica.org/cost-benefit-analysis/
c)	Design guidelines for Rail Baltica railway, 2018 (relevant parts shall be provided during Study implementation), presentation slides: http://www.railbaltica.org/wp-content/uploads/2018/04/Elodie_Faivre_RBGF2018_Day2.pdf ; presentation video: https://www.youtube.com/watch?v=5qEIXQWhNZO&t=1s
d)	Operational plan concept for the railway (ongoing, reference to the procurement requirements: http://www.railbaltica.org/tenders/open-competition-preparation-of-the-operational-plan-of-the-railway/)
e)	Climate change impact assessment study (ongoing)
f)	Rail Baltica preliminary design for Estonia: http://railbaltic.info/et/materjalid/maakonnaplaneeringud
g)	Detailed technical study and environmental impact assessment of the Latvia section of the European gauge railway line Rail Baltica (https://makonis.edzl.lv/d/da5579a9e4/).
h)	Rail Baltica preliminary design for Lithuania: European gauge railway line between Kaunas and the Lithuanian-Latvian border. Environmental Impact Assessment, 2017 http://rail-baltica.lt/news/107/75/Europinio_standarto_gelezinkelio_linijos_Kaunas-Lietuvos-ir-Latvijos_valstybiu-siena-poveikio-aplinkai-vertinimas/ European gauge railway line between Kaunas and the Lithuanian-Latvian border. Special Plan, 2017 http://rail-baltica.lt/news/103/75/Europinio_standarto_gelezinkelio_linijos_Kaunas-Lietuvos-ir-Latvijos_valstybiu-siena-specialusis-planas/
i)	Study on Rail Baltic/Rail Baltica section "Polish / Lithuanian state border - Kaunas - RRT Palemonas" upgrade (ongoing, reference to the procurement requirements: http://www.railbaltica.org/tenders/polish-lithuanian-state-border-kaunas-rrt-palemonas-upgrade/)

1.3.2. Reference material not available online will be made available to the Contractor after signature of the Contract.

1.3.3. Relevant studies, reports, position papers by the relevant European and international institutions (including the European Commission, *Shift2Rail*, European Parliament, European Rail Agency, UNIFE, UIC etc).

⁴ Contracting authority shall not be responsible for the availability and content of the information available online (except for www.railbaltica.org website).

- 1.3.4. The Contractor shall consider all other significant information and documents with either direct or indirect relation to the Study, or providing background information, as well as relevant legislation, applicable standards and TSIs.
- 1.3.5. The Contractor shall be responsible for the understanding (translation) of the reference material provided in local languages.

2. STUDY FRAMEWORK

2.1. Study's objectives

- 2.1.1. Through the applicable procurement procedure Contracting authority seeks to procure the services for the preparation comprehensive Rail Baltica Global Project Energy subsystem procurement and deployment strategy through a technical pre-study and thorough market as well as supplier assessment in order maximize economies of scale and ensure optimum interoperability.
- 2.1.2. Within the Study, the Contracting authority, through analysing the best practices and applying smart technologies intends to develop Rail Baltica railway Energy subsystem that would deliver the optimum life cycle cost (LCC) and become an integral part of Rail Baltica railway to ensure safe, efficient and cost-effective railway operations.
- 2.1.3. The implementation of Energy subsystem within the scope Rail Baltica Global Project is a long-term investment that needs to be thoroughly analysed by evaluating possible technologies and costs associated (both CAPEX and OPEX) in order to avoid possible over-investments, as well as under-investments.
- 2.1.4. Environmental impact (and available means to minimise it) from the Energy subsystem perspective, both during the design and construction, as well as during operation and **maintenance of Energy subsystem, is a part of Study's scope. In addition**, impacts to mitigate climate change and measures to adapt to climate change from **the Study's scope**.
- 2.1.5. **Study's main objective is to make a first step towards implementation Rail Baltica Global Project's** Energy subsystem that is safe as an integral part of railway safety, ensures interoperability, robust to ensure the operation during degraded situations, dynamic to adapt to operational changes, flexible to satisfy traffic demands, capacity effective, maintenance effective and energy effective to increase railway value for money, innovative to utilise the latest proven technical solutions and cost-efficient from the life-cycle perspective.

2.2. Study implementation area

- 2.2.1. Study implementation area covers the required Energy subsystem for the electrified Rail Baltica railway line within three Baltic States: Lithuania, Latvia, Estonia.



3. SCOPE OF SERVICES

3.1. General

- 3.1.1. Within the scope of analysis of references, the Contractor shall identify the proposals regarding Energy subsystem technology options and other requirements related with the railway electrification provided therein.
- 3.1.2. Fair and high competition among the Energy subsystem technology providers and suppliers of related components shall be ensured by the Contractor during the development of Energy subsystem technology options, deployment strategy, maintenance as well as procurement scenarios. Risks of a reduced competition during Energy subsystem procurement and delivery process shall be identified at early stage of Study implementation.
- 3.1.3. The Contractor, by proposing Energy subsystem technology options, deployment strategies and procurement scenarios, shall align them with currently implemented interstate Rail Baltica Global Project agreements, as well as existing national (EU international) strategic development plans for energy sector and present any legal or national strategic issues limiting the implementation of different Energy subsystem technology options within the scope of Rail Baltica Global Project. In case above mentioned issues are identified, the Contractor shall propose legal changes to be implemented in the existing legislation in order not to have any restrictions regarding full scope of implementation scenarios of Energy subsystem.
- 3.1.4. The Contractor shall provide detailed analysis of CAPEX, OPEX of the components of Energy subsystem, and propose optimum solutions through Life Cycle Cost analysis. Long term perspective and reduction of OPEX shall be considered as major targets.
- 3.1.5. Throughout Study implementation the Contractor shall cover RAMS definition and perspective of Energy subsystem by analysing key RAMS aspects from Rail Baltica operational point of view, ETG connection reliability and associated Energy subsystem CAPEX and OPEX.
- 3.1.6. Energy subsystem deployment strategies and procurement scenarios shall be prepared by proposing the most beneficial vertical (in separate geographical line sections based on location of traction substations, catenary feeding sections, state borders etc.) and horizontal split (based on different Energy subsystem components).
- 3.1.7. With the trend of increasing energy prices and reduction of environment impact, power consumption, including power losses, is also an important parameter to be considered in the Study.
- 3.1.8. Based on the railway traffic demand, railway operation and energy market conditions, the intelligent power control management solutions for Rail Baltica railway shall be analysed and developed by the Contractor to have energy-efficient power consumption, which shall be communicated and approved by the TSO as to the level of their responsibility.
- 3.1.9. The Contractor shall implement risk analysis for all topics to be covered within the scope of the Study and provide mitigation measures to avoid or minimise those risks. The risk analysis shall cover at least limitation of competition within supplier market, market readiness, high scope of **materials' production and supply, Power supply reliability, technology changes, innovative technology solutions, geopolitical risk in energy sector** etc.
- 3.1.10. The influence of existing and planned electrified railways in the Baltic states shall be covered in the Study.

3.2. WP 1: Railway power demand

- 3.2.1. The Contractor shall estimate the power demand for Energy subsystem throughout Rail Baltica railway in the Study implementation area. The level of detail of power demand estimation shall be aligned with the available data to be supplied by Contracting authority from the Operational plan preparation process, which is planned to be implemented in parallel with the Study.
- 3.2.2. Estimation of power demand for Energy subsystem operation shall cover the following key aspects:
 - (a) Estimation of traction power demand distribution along Rail Baltica railway, according to planned train traffic;
 - (b) Number, location and length of catenary electrical sections, traction substation feeding areas according Preliminary Design information to be supplied by Contracting authority;

- (c) Number and location of traction substations: according Preliminary Design information to be supplied by Contracting authority;
 - (d) Power demand peaks compared to the nominal power, taking into account necessary measures to ensure permanent availability of power supply at catenary level;
 - (e) Non-traction power supply demand (signalling, station, technical building, utilities, any other equipment);
 - (f) Other relevant aspects.
- 3.2.3. The Contractor shall estimate also daily, weekly, monthly consumption peaks for every traction substation feeding area.
- 3.2.4. Gradual, planned increase of train operation services shall be considered for power demand planning within the timeline covered in Rail Baltica Global Project Cost-Benefit analysis CBA and Rail Baltica Operational Plan.
- 3.2.5. ***No railway traction simulation is required*** as per the present Technical Specifications; therefore, such service shall not be proposed by the Contractor. However, the Contractor shall be able to provide roughly fair estimates of the power demand of train operation, with supporting calculation elements. Hypothesis taken shall be justified, notably by providing benchmarking of similar railway power demand.
- 3.2.6. The Contractor shall consider railway operation possibilities through the *eco-driving* perspective, by employing a particular train driving approach on a coordinated way. Available or emerging technologies of eco-driving shall be detailed. Impact of eco-driving shall be assessed, on the basis of benchmarking of similar railway lines and operation.

3.3. WP 2: Electricity suppliers

- 3.3.1. The Contractor shall perform for the Electricity suppliers of the Baltic states region:
- (a) Situation analysis (production capacity, sources, electricity mix, seasonality features);
 - (b) Regulatory framework;
 - (c) Market conditions;
 - (d) Prospective analysis (from 2026 to 2056) (EU policy changes, new power sources or dismantled ones. Non-EU suppliers (Russia, Belorussia, Ukraine).
- 3.3.2. The Contractor shall analyse the existing electricity supplier market in the Baltic States region (*Nord Pool*/energy exchange), including all energy producers and sources.
- 3.3.3. The Contractor shall present the existing electricity supplier market status and trends and show their compatibility to be utilised as Rail Baltica Energy supply sources. The analysis shall cover for every supplier and power plant at least the following topics:
- (a) Production capacity (maximum, average and typical on the 10 past years), location, availability conditions in daily, hourly and yearly basis;
 - (b) Type of electricity sources, associated CO2 emission level and other elements regarding the environment impact;
 - (c) Estimated lifetime of every power plant, with possibilities to upgrade, overhaul or renewal, or planned year for shut down;
 - (d) Capacity of energy storage;
 - (e) Development of energy sector at global, regional and national levels, covering national **strategic projects (such as synchronization project of Baltic States' power transmission grids with that of Continental Europe)**;
 - (f) Development of renewable and innovative energy technologies;
- 3.3.4. Regulatory framework for electricity supplier market shall include:
- (a) Analyse the legislation and energy market situation for Estonia, Latvia, Lithuania, as well as existing and planned EU legislation / Energy policy related to electricity energy sector. The Contractor shall provide recommendations for necessary update of national energy sector legislation (if any) driven by the electricity supply of Rail Baltica railway.

- 3.3.5. Economical conditions for electricity supply shall include at least:
- (a) Typical contract conditions for electricity supplies;
 - (b) Fixed fees;
 - (c) Fees proportional to electrical consumption;
 - (d) Condition for power demand management;
 - (e) Any additional contribution or tax.
- 3.3.6. The Contractor shall analyse the electricity mix of supplier market in the Baltic States region (*Nord Pool*/energy exchange), including all type of energy and sources, for every state and as a whole, at present conditions.
- 3.3.7. The Contractor shall analyse the electricity mix of supplier market in the Baltic States region from non-EU suppliers (Russia, Belorussia, Ukraine), including all type of energy and sources, for every state, at present conditions.
- 3.3.8. The Contractor shall assess the expected changes of the electricity mix of supplier market in the Baltic States region, from 2026 (date of beginning of operation of Rail Baltica railway) to 2056. The Contractor shall support his analysis by providing sources of information and hypothesis.
- 3.3.9. The Contractor shall assess the possibility to prioritise electricity supply of Rail Baltica railway in renewable electricity and associated technical and economical conditions.

3.4. WP 3: Electricity Transmission Grids

- 3.4.1. The Contractor shall perform for the ETG of the Baltic states:
- (a) Technical analysis;
 - (b) Regulatory framework;
 - (c) Deployment strategy;
 - (d) Power demand management;
 - (e) Economical analysis;
 - (f) Prospective analysis (from 2026 to 2056)
- 3.4.2. The Contractor shall carry out and coordinate with the TSOs of the Baltic states (through the **Contracting authority, refer to 5.1.9) the following assignments as a part of Study's scope:**
- (a) assessment of ETG general conditions for connection of Rail Baltica ENE subsystem;
 - (b) assessment of ETG available electrical capacity, taking into account different factors (location, climatic conditions, situation for every calendar month and extreme cases, etc.);
 - (c) analysis of statistical information on the power outages of ETG lines in terms of their frequency, ground, duration, line restoration period (i.e. network reliability index ENS – *Energy Not Supplied*);
 - (d) assessment of data on existing availability and reliability of related ETG lines;
 - (e) assessment of conditions for feeding of regenerated energy back to ETG;
 - (f) assessment of ETG development strategies and plans in Estonia, Latvia, Lithuania and Baltic Sea region;
 - (g) coordination with TSO of various Traction Sub-Stations technology options, as well as Study results;
 - (h) economic analysis of technical solutions for the connection to ETG.
- 3.4.3. The issues related to unbalance, reactive energy, harmonic, etc. shall be covered in the Study.
- 3.4.4. Technical conditions for connection to ETG shall include:
- (a) **Principal layout of traction substation's HV part with responsibility border indicated;**
 - (b) Connection conditions and key parameters;

- (c) Circuit breaker technologies (outdoor, Gas Insulated (GIS), hybrid);
 - (d) Agreement on responsibility, control and status monitoring;
 - (e) Additional conditions to consider during traction substation design and installation process;
 - (f) The possible behaviour of ETG lines connected to Rail Baltica energy subsystem. The Contractor shall present the results to TSO together with the explanation of possible technical solutions used to minimise the negative influence of Energy subsystem to ETG. For the analysis the Contractors shall use input data received from TSO.
- 3.4.5. Regulatory framework for connection to ETG shall include:
- (a) Analyse the legislation and energy market situation for Estonia, Latvia, Lithuania, as well as existing and planned EU legislation / Energy policy related to electricity energy sector. The Contractor shall provide recommendations for necessary update of national energy sector legislation (if any) driven by the connection to ETG of Rail Baltica Global Project.
 - (b) The analysis shall cover the field of regenerated energy sent back to ETG, energy storage equipment, possibility of providing energy to Energy subsystem in a neighbouring state.
- 3.4.6. Deployment strategy for connection to ETG shall include:
- (a) Typical planning for construction of necessary ETG infrastructure;
- 3.4.7. Power demand management shall include:
- (a) State of the art technologies for power demand management from ETG perspective;
 - (b) Smart-grid technologies, (real-time information on energy consumption and generation for energy management strategy development);
 - (c) Conditions of implementation of power demand management system in the case of Rail Baltica railways, with analysis of pros and cons;
- 3.4.8. Economical conditions for connection to ETG shall include at least:
- (a) Fees for implementing, testing and commissioning of electrical connections;
 - (b) Yearly connection fees;
 - (c) Fees proportional to electrical consumption;
 - (d) Condition for power demand management;
 - (e) Any additional contribution or tax.
- 3.4.9. Prospective analysis (from 2026 to 2056) shall include at least:
- (a) Evolution of ETG from 2026 to 2056, on the basis of available data and information provided by ETG, on technical, economical and strategic point of view;
 - (b) **Impact on Rail Baltica railway of the project of desynchronization of the 3 Baltic States' ETG from the BRELL ring.**

3.5. WP 4: Traction Sub-Station

The Contractor shall perform for the Traction Sub-Station (TSS) of the Rail Baltica project:

- (a) State of art technology analysis (transformers, static frequency converters, others);
- (b) 2 x 25 kV / 1 x 25 kV multicriteria analysis;
- (c) State of art of the storage equipment associated to TSS;
- (d) Deployment strategy (delays and conditions);
- (e) Market conditions.

- 3.5.2. The Contractor shall develop the main technical conditions and functional requirements to be used for the selection and analysis of Traction Sub-Station technology options.
- 3.5.3. The analysis of TSS technology options shall cover at least the following aspects:
- (a) ETG quality requirements (to ensure operation compatibility between Energy subsystem and ETG);
 - (b) Unbalanced load of 3-phase feeding from ETG (necessary to align unbalance level with TSO);
 - (c) Harmonic level;
 - (d) Regenerative braking energy feeding back to ETG, or consumption inside railway Energy subsystem;
 - (e) Energy losses;
 - (f) Overload capability;
 - (g) Unbalance compensation technologies;
 - (h) Electromagnetic compatibility;
 - (i) Noise generation;
 - (j) Circuit breaker technologies (outdoor, Gas Insulated (GIS), hybrid);
 - (k) Climatic conditions with a focus on parameters of significant importance for electrification system: temperature, solar radiation, icing conditions, etc.;
 - (l) Technologies to ensure operation of TSS under climatic extreme conditions, e.g. ice loads, wind loads, both together, temperature; removal of ice;
 - (m) Earthing and bonding;
 - (n) RAMS;
 - (o) Maintenance conditions and requirements.
- 3.5.4. The Contractor shall propose different Energy subsystem technology options to be investigated and compared through a Multicriteria Analysis, covering at least the following technologies:
- (a) 1x25 kV electrification system, besides commonly agreed 2x25 kV electrification system. The Contractor shall provide a Multicriteria Analysis between reference option 2x25 kV and alternative 1x25 kV;
 - (b) Transformer TSS type;
 - (c) Static frequency converter (for the different available technologies);
 - (d) Other relevant technologies, on proposal of the Contractor.
- 3.5.5. Every TSS technology option shall be developed and presented by the Contractor in a form of structure layout, general drawings, description of key parameters, pros and cons etc.
- 3.5.6. For every TSS technology option the Contractor shall provide specific recommendations for the design, construction and maintenance stages.
- 3.5.7. The Contractor shall carry out a benchmarking analysis of 10 past years for the best practical implementation examples of similar TSS in terms of key technical parameters and operational capacity. The benchmarking analysis shall cover the key aspects that led to the selection of a particular TSS technology.
- 3.5.8. The Contractor shall identify and analyse TSS technology options (including corresponding components) through the economy perspective, by estimating CAPEX and OPEX as well as life-cycle costs. The following criteria shall be covered through the economy analysis of technology options by using MCA and LCC approach:
- (a) market situation analysis covering market conditions and availability, potential supplier identification, sourcing geography, delivery options, delivery terms, competitive situation, market entry conditions, quality considerations and pricing aspects etc.;
 - (b) electricity costs, losses, reactive power, back-feeding to ETG;

- (c) reactive power compensation;
 - (d) unified technical solutions through the Rail Baltica Global Project to achieve economies of scale;
 - (e) (costs) compensation for electricity balancing;
 - (f) possible integration into the existing ETG systems;
 - (g) Ease of maintenance;
 - (h) Ease of deployment.
- 3.5.9. Considering the gradual train traffic increase on Rail Baltica railway, the Contractor shall propose capacity expansion options (for instance, modular development approach) for TSS components.
- 3.5.10. Storage equipment study shall include:
- (a) State of the art technologies for electricity Storage equipment's;
 - (b) Analysis of pros and cons of such technologies system in the case of Rail Baltica railway;
 - (c) Conditions of implementation of such storage equipment's, in association with TSS or separately.
- 3.5.11. The Contractor shall develop the methodology for the identification, analysis and comparison of different deployment strategies for the Traction Sub-Station technology options.
- 3.5.12. Every TSS deployment strategy shall cover the following topics:
- (a) particular aspects linked to the TSS technology option;
 - (b) supplier market analysis (including competition perspective);
 - (c) risk analysis (including overall Energy subsystem scope perspective);
 - (d) single and multiple TSS supplier perspective (including construction and maintenance option);
 - (e) Typical timeframe for TSS implementation, and specific constraints (critical component delivery time, etc.);
 - (f) staging of TSS deployment based on gradual operation development of Rail Baltica railway;
 - (g) various construction technology options (including planning, number of construction bases etc.);
 - (h) long-term maintenance service as a part of construction contract.
- 3.5.13. The Contractor shall present the concept for TSS deployment planning process, based on results of deployment strategy analysis. The planning concept shall cover the measures to mitigate from risks, assumptions to be considered etc.
- 3.5.14. The Contractor shall analyse the TSS supplier market conditions and competition perspective, in particular:
- (a) the geographical area of the supplier market and analysis of criteria which limit the market;
 - (b) identify and analyse likely qualified suppliers;
 - (c) assess market volume and dynamics (trends)
 - (d) assess expected competition on a market for each TSS technology option
 - (e) (i.e. monopoly, oligopoly, limited competition, free competition, entry barriers etc.);
 - (f) propose measures to enhance proper competition;
 - (g) other.

3.6. WP 5: Overhead Catenary System

The Contractor shall perform for the Overhead Catenary System (OCS) of the Rail Baltica project:

- (a) State of art technology analysis of TSI compliant catenaries (types and vendors, speed allowed, spans, experience, etc.);
 - (b) Technical requirements to be applied for Rail Baltica OCS;
 - (c) Deployment strategy (delays and conditions);
 - (d) Market conditions.
- 3.6.2. The Contractor shall develop the main technical conditions and functional requirements to be used for the selection and analysis of OCS technology options.
- 3.6.3. The analysis of OCS technology options shall cover at least the following aspects:
- (a) Different TSI certified OCS available off the shelf and already under operation;
 - (b) Climatic conditions with a focus on parameters of significant importance for electrification system: temperature, solar radiation, transversal wind, icing conditions, etc;
 - (c) Technologies to ensure operation of OCS under extreme climatic conditions, e.g. ice loads, wind loads, both together, temperature; removal of ice;
 - (d) Interaction with rolling stock (diagnostic tools to ensure the rolling stock operation is not exceeding the required parameters);
 - (e) Different types of materials for catenary support components (i.e. cantilevers, poles);
 - (f) Catenary supporting structures (including visual aspect of integration into the natural landscape and ensuring construction and maintenance loads);
 - (g) Possible interface technologies with Polish OCS at Lithuanian / Polish border (3kV DC electrification system);
 - (h) Separate and common earthing and bonding systems and provide recommendations for parallel 3kV electrification systems in Riga and Tallinn urban areas;
 - (i) RAMS;
 - (j) Maintenance conditions and requirements;
 - (k) sensors, cameras, diagnostic tools to be used in track side, as well as on the rolling stock;
 - (l) monitoring data processing and management solutions for inspection, failure investigation, maintenance control, design improvement measures etc.
- 3.6.4. Every OCS technology solution shall be developed and presented by the Contractor in a form of structure layout, general drawings, description of key parameters, pros and cons etc.
- 3.6.5. For every OCS technology solution, the Contractor shall provide specific recommendations for the design, construction and maintenance stages.
- 3.6.6. The Contractor shall carry out a benchmarking analysis of 10 past years for the best practical implementation examples of similar OCS technology solution in terms of key technical parameters and operational capacity. The benchmarking analysis shall cover the key aspects that led to the selection of a particular OCS technology solution.
- 3.6.7. Considering the gradual train traffic increase on Rail Baltica railway, the Contractor shall propose capacity expansion options (for instance, modular development approach) for OCS components.
- 3.6.8. For every OCS technology solution, the Contractor shall analyse the modification of technical requirements, CAPEX, OPEX and LCC, for OCS operation at P1 speed range (according ENE TSI).
- 3.6.9. The Contractor shall identify and analyse multiple OCS technology solution (including corresponding components) through the economy perspective, by estimating CAPEX and OPEX as well as LCC. The following criteria shall be covered through the economy analysis of technology options by using MCA and LCC approach:

- (a) market situation analysis covering market conditions and availability, potential supplier identification, sourcing geography, delivery options, delivery terms, competitive situation, market entry conditions, quality considerations and pricing aspects etc.;
 - (b) unified technical solutions through the Rail Baltica railway to achieve economies of scale;
 - (c) interest of simplified solution for line sections where speed is limited to 160 km/h or less, or for service tracks in depot or intermodal centres;
 - (d) CAPEX /OPEX
 - (e) Ease of maintenance;
 - (f) Ease of deployment.
- 3.6.10. The Contractor shall develop the methodology for the identification, analysis and comparison of different deployment strategies for the OCS technology options.
- 3.6.11. Every OCS deployment strategy shall cover the following topics:
- (a) particular aspects linked to the OCS technology option;
 - (b) supplier market analysis (including competition perspective);
 - (c) risk analysis (including overall Energy subsystem scope perspective);
 - (d) single and multiple OCS supplier perspective (including construction and maintenance option);
 - (e) Typical implementation method for OCS implementation on a newly built infrastructure, taking into account the constraints of site access, operation of work trains and other technical and logistic factors;
 - (f) Typical timeframe for OCS implementation, and specific constraints (critical component delivery time, etc.);
 - (g) staging of TSS deployment based on gradual operation development of Rail Baltica railway;
 - (h) various construction technology options (including planning, number of construction bases etc.);
 - (i) long-term maintenance service as a part of construction contract.
- 3.6.12. The Contractor shall provide an analysis of the several recent examples of OCS implementation on similar infrastructure context. This analysis shall include detailed supporting elements (drawing, pictures, schedules, etc.).
- 3.6.13. The Contractor shall present the concept for OCS deployment planning process, based on results of deployment strategy analysis. The planning concept shall cover the measures to mitigate from risks, assumptions to be considered etc.
- 3.6.14. The Contractor shall analyse the OCS supplier market conditions and competition perspective, in particular:
- (a) the geographical area of the supplier market and analysis of criteria which limit the market;
 - (b) identify and analyse likely qualified suppliers;
 - (c) assess market volume and dynamics (trends);
 - (d) assess expected competition on a market for each OCS technology option (i.e. monopoly, oligopoly, limited competition, free competition, entry barriers etc.);
 - (e) propose measures to enhance proper competition;
 - (f) other.

3.7. WP 6: Energy Control Command System

- 3.7.1. The Contractor shall perform for the Energy Control Command System (ECCS) of the Rail Baltica project:
- (a) State of art analysis;
 - (b) Maintenance organization;
 - (c) Power demand management;
 - (d) Deployment strategy (delays and conditions);
 - (e) Market conditions ECCS system supply.
- 3.7.2. The Contractor shall develop the main technical conditions and functional requirements to be used for the selection and analysis of ECCS technology options. Options shall be proposed by the Contractor.
- 3.7.3. The analysis of ECCS technology options shall cover at least the following aspects:
- (a) Energy subsystem control management structure, covering the allocation of control facilities, system functionalities and technologies;
 - (b) Power metering equipment (including rolling stock equipment), sensors and monitoring systems for rolling stock and infrastructure, supplying data for energy consumption, control, maintenance management systems.
 - (c) Interface with other rail systems (e.g. infrastructure, rolling stock (on-board equipment), trackside control command and signalling, operation and traffic management);
 - (d) Maintenance conditions and requirements.
- 3.7.4. Every ECCS option shall be developed and presented by the Contractor in a form of structure layout, general drawings, description of key parameters, pros and cons etc.
- 3.7.5. For every ECCS option the Contractor shall provide specific recommendations for the design, construction and maintenance stages.
- 3.7.6. The Contractor shall carry out a benchmarking analysis of 10 past years for the best practical implementation examples of similar ECCS option in terms of key technical parameters and operational capacity. The benchmarking analysis shall cover the key aspects that led to the selection of a particular ECCS technology.
- 3.7.7. Considering the gradual train traffic increase on Rail Baltica railway, the Contractor shall propose capacity expansion options (for instance, modular development approach) for ECCS components.
- 3.7.8. The Contractor shall identify and analyse multiple ECCS options (including corresponding components) through the economy perspective, by estimating CAPEX and OPEX as well as life-cycle costs. The following criteria shall be covered through the economy analysis of technology options by using MCA and LCC approach:
- (a) Market situation analysis covering market conditions and availability, potential supplier identification, sourcing geography, delivery options, delivery terms, competitive situation, market entry conditions, quality considerations and pricing aspects etc.;
 - (b) Unified technical solutions through the Rail Baltica Global Project to achieve economies of scale;
 - (c) Energy storage management;
 - (d) Power demand control coordination;
 - (e) Energy metering (taking into account energy mix split);
 - (f) Possible integration into the existing ETG systems;
 - (g) CAPEX /OPEX
 - (h) Ease of maintenance;
 - (i) Ease of deployment.

- 3.7.9. The Contractor shall develop the methodology for the identification, analysis and comparison of different deployment strategies for the ECCS technology options.
- 3.7.10. Every ECCS deployment strategy shall cover the following topics:
- (a) particular aspects linked to the ECCS technology option;
 - (b) supplier market analysis (including competition perspective);
 - (c) risk analysis (including overall Energy subsystem scope perspective);
 - (d) single and multiple ECCS supplier perspective (including construction and maintenance option);
 - (e) Typical methods and timeframe for ECCS implementation, and specific constraints (critical component delivery time, etc.);
 - (f) staging of ECSS deployment based on gradual operation development of Rail Baltica railway;
 - (g) long-term maintenance service as a part of construction contract.
- 3.7.11. The Contractor shall provide an analysis of the several recent examples of ECCS implementation on similar infrastructure context. This analysis shall include detailed supporting elements (drawings, pictures, structural diagrams for control, communication, maintenance, etc.).
- 3.7.12. The Contractor shall present the concept for ECCS deployment planning process, based on results of deployment strategy analysis. The planning concept shall cover the measures to mitigate from risks, assumptions to be considered etc.
- 3.7.13. The Contractor shall analyse the ECCS supplier market conditions and competition perspective, in particular:
- (a) the geographical area of the supplier market and analysis of criteria which limit the market;
 - (b) identify and analyse likely qualified suppliers;
 - (c) assess market volume and dynamics (trends);
 - (d) assess expected competition on a market for each ECCS technology option (i.e. monopoly, oligopoly, limited competition, free competition, entry barriers etc.);
 - (e) propose measures to enhance proper competition;
 - (f) other.

3.8. WP 7: Deployment strategy and Procurement plan

- 3.8.1. Taking into account the conclusions of previous Work Packages, the Contractor shall define conditions to be considered for Energy subsystem deployment strategy development. These conditions shall reflect the robustness of proposed Energy subsystem deployment strategy as well as its sensitivity to the possible changes in related industry sectors. The conditions shall cover at least the following topics:
- (a) Electricity market situation and development plans;
 - (b) ETG situation and development plans;
 - (c) TSS technology development;
 - (d) OCS technology development;
 - (e) ECCS technology development;
 - (f) Supplier perspective;
 - (g) Usage of Building Information Modelling (BIM);
 - (h) Others.
- 3.8.2. The Contractor shall implement supplier market analysis for all identified Energy subsystem components and investigate the possibilities to maximise the economic efficiency with cost

savings driven by the potential economies of scale when these components are procured separately from the construction contract.

- 3.8.3. Within the scope of Energy subsystem deployment strategy development, the Contractor shall cover testing and operation of Energy subsystem during the deployment process.
- 3.8.4. The Contractor shall provide recommendations as set of requirements (for design and construction) for the future suppliers of Energy subsystem to Rail Baltica Global Project.
- 3.8.5. The Contractor shall implement benchmarking analysis of the implemented similar scope Energy subsystem procurement scenarios across Europe within last 10 years. The Contractor shall identify, analyse and compare various implemented Energy subsystem procurement scenarios as well as to present, analyse and compare new reasoned scenarios applicable to Rail Baltica Global Project.
- 3.8.6. Every Energy subsystem procurement scenario shall cover the following topics:
 - (a) procurement procedure selection;
 - (b) technical assistance contract in the procurement phase and contract implementation phase;
 - (c) risk assessment and mitigation measures;
 - (d) procurement planning;
 - (e) proposals evaluation methodology and criteria (weighting factors);
 - (f) options for separate procurement of Energy subsystem components.
- 3.8.7. The Contractor shall present the best procurement practices for the similar Energy subsystems in terms of key technical parameters and operational capacity.
- 3.8.8. The Contractor shall develop Energy subsystem procurement plans for several Energy subsystem procurement scenarios. The number of Energy subsystem procurement plans to be developed with the framework of this Study shall be defined after the analysis of possible procurement scenarios.
- 3.8.9. The Contractor shall define conditions to be considered for Energy subsystem procurement plan development. These conditions shall reflect the robustness of proposed Energy subsystem procurement plan as well as its sensitivity to the possible changes in related EU, national public procurement legislation and industry sectors. The conditions shall cover at least the following topics:
 - (a) EU, national public procurement legislation;
 - (b) Scheduling (staging, planning) of Energy subsystem procurement and implementation;
 - (c) Risk assessment;
 - (d) Market competition analysis;
 - (e) Other.
- 3.8.10. The Contractor shall provide recommendations as a set of requirements for Energy system procurement process (both for the design and implementation).

4. DELIVERABLES AND DEADLINES

4.1.1. Consulting services to be provided by the Contractor are split into the following deliverables:

No.	Deliverable	General scope ⁵ of the deliverable
1.	Inception report	Detailed description of services to be provided (including methodology and Study programme)
2.	First interim report	Full scope of WP 1

⁵ Minimal required scope of a corresponding deliverable is provided. During the Study preparation the scope of particular deliverable may cover a part of other deliverable depending on specific circumstances.

		Initial report covering WP 2 Initial report covering WP 3
3.	Second interim report	Revised content of First interim report Full scope of WP 2 Revised report covering of WP 3 Initial report covering WP 4 Initial report covering WP 5 Initial report covering WP 6
4.	Draft final report	Revised content of Second interim report Full scope of WP 3 Full scope of WP 4 Full scope of WP 5 Full scope of WP 6 Full scope of WP 7
5.	Final report	Updated and finalised Draft final report (including reports of all Work Packages demonstrating full service provision in accordance to the Contract)

4.1.2. Study results (deliverables) shall be delivered by the Contractor according to the following deadlines:

No.	Deliverable	Deadline	Payment, %
1.	Inception report	(1 month after CD) ⁶	
2.	First interim report	(3 months after CD)	20
3.	Second interim report	(5 months after CD)	30
4.	Draft final report	(7 months after CD)	30
5.	Final report	(8 months after CD)	20

4.1.3. The deadline for the provision of the Consulting services is [8 months] from the commencement date.

4.1.4. The Contractor shall provide enough time for the review of submitted deliverables by representatives of the Contracting authority and other stakeholders, leaving at least 10 working days for the review and preparation of their statement.

5. SERVICE CONTRACT MANAGEMENT

5.1. Contractor's obligations

5.1.1. 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.

⁶ CD - contract commencement date

- 5.1.2. In case Contracting authority finds (at any time of procurement process or during the implementation of the Contract for the provision of Consulting services) that provided information on education, experience of a Tenderer is found to be false, a Tenderer shall be eliminated from the procurement process or it shall be subject to the termination of Contract for the Consulting services (whatever is applicable).
- 5.1.3. The Contractor within its organisational and management structure (or in any other way) shall not be directly linked to any supplier of Energy subsystem technologies and components. In case Contracting authority finds (at any time of procurement process or during the implementation of the Contract for the provision of Consulting services) that Contractor is directly linked to any supplier of Energy subsystem technologies and components, a Tenderer shall be eliminated from the procurement process or it shall be subject to the termination of Contract for the Consulting services (whatever is applicable).
- 5.1.4. provided information on education, experience of a particular expert is found to be false, a corresponding expert shall be eliminated from the procurement process or from the Pool of experts (whatever is applicable).
- 5.1.5. The Contractor shall ensure necessary effort, means, resources and personnel required for the successful provision of services.
- 5.1.6. The Contractor shall be responsible for ensuring that its experts included in service contract are available throughout the service provision period.
- 5.1.7. 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.
- 5.1.8. The Contractor shall make its own arrangements for office facilities, personal computers and other facilities of appropriate performance and security standard for service provision.
- 5.1.9. The Contractor shall ensure that its team members (experts etc.) involved in service provision are adequately supported and equipped. In particular, the Contractor shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable team members to concentrate on their primary responsibilities. The Contractor must also transfer funds as necessary to support its activities under the Contract and ensure that his employees are paid regularly and in a timely manner. Costs for administration of service contract and office operation including telecommunication costs shall be included.
- 5.1.10. The Contractor will arrange for formal coordination and decision making on project interventions and establish an adequate internal management structure. Progress meetings with the Contracting authority are held at least once per month. If needed, ad-hoc and weekly meetings can be arranged, which may be initiated both by the Contractor, or the Contracting Authority.
- 5.1.11. Contracting authority is main coordinator of the communication between the Contractor, stakeholders and other third parties. The Contractor shall be responsible for timely provision of information, preparation and participation in the meetings, workshops, presentations necessary for the communication with stakeholders and other third parties **within Study's scope. No direct communication between the Contractor, stakeholders and other third parties is allowed without permission of Contracting authority.**
- 5.1.12. TWG shall be established by the Contracting authority consisting of key stakeholders of Rail Baltica project delivery organization. The governance of TWG shall done via rules of procedure established by Contracting authority. Contracting authority shall call at least 4 TWG meetings to present the deliverables of the Study and discuss the results. It is up to the Contractor to propose the meeting schedule and agendas.

5.2. Provision of services

- 5.2.1. 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.
- 5.2.2. The Contractor shall prepare detailed Study programme for its services to be provided during the Study. Study programme shall include graphical representation of **main Study's milestones and deadlines of deliverables** as required in Technical specification. Study programme shall cover possible risks for Study implementation and mitigation measures to avoid those risks in order to complete the Study on time. **The purpose of Study programme is to reflect Contractor's deep understanding of Study's objectives, scope and milestones as well as to present Contractor's**

endeavour to cover all necessary subjects and provided high quality professional Consulting services on time.

- 5.2.3. The Contractor shall carry out the tasks, prepare and provide all documents, reports, minutes of the meetings and any other information material required for the provision of the services.
- 5.2.4. 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.
- 5.2.5. As a part of services, the Contractor shall prepare information material in a fully comprehensive and understandable way, by providing explicit and full source details (initial information, evidences etc.) used for the analysis and provision of services. The deliverables shall include detailed explanation of methods employed that lead to the solutions delivered by the Contractor.
- 5.2.6. Contracting authority shall have no influence on outcome results (reports, summary, advice, decisions etc.) delivered by the Contractor. However, the Contractor shall consider Contracting **authority's reasoned observations on the initial information used and analysis** methods employed by the Contractor to provide outcome results of the services. The implementation of such observations is subject to the approval of the services by Contracting authority.
- 5.2.7. Together with the Final report delivery, the Contractor shall provide a separate Final completion report on Study implementation process, covering the good practices to be shared and issues arisen that could be improved. The main topics to be covered in this report are as follows:
 - (a) clarity and consistency of the tasks appointed to the Contractor;
 - (b) communication and cooperation with the Client (local institutions, stakeholders etc.);
 - (c) definition and deadlines for the milestones;
 - (d) provision of input data;
 - (e) issues encountered and recommendations for the improvement of Study implementation process;
 - (f) other.

5.3. Contractor's team

- 5.3.1. The Contractor shall propose an optimum structure for its team, based on the conditions of Technical specification, and where possible propose a core team with cross-functional roles.
- 5.3.2. For the provision of services, the Contractor shall ensure the availability of the following team members:

Key experts

No	Title
1.	Project manager
2.	Energy subsystem technology expert
3.	Railway overhead catenary system expert
4.	Energy subsystem control command system expert
5.	Railway construction planning expert
6.	State energy sector expert
7.	Economist

5.3.3. The Contractor shall be responsible for the availability of any other additional experts, including administrative personnel, necessary for the provision of Consulting services.

5.4. Confidentiality, independence and absence of conflict of interest

5.4.1. 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.

5.4.2. During the provision of services, the Contractor shall provide independent view based on its expertise, education and experience. The Contractor cannot show nor indicate any opinion linked to a particular supplier, company, organisation, institution whatsoever. No representation of any region, country, personal interests shall be shown by the Contractor throughout the service provision period.

5.5. Miscellaneous

5.5.1. Communication under service contract (e.g. information, requests, submissions, formal notifications, etc.) must be carried out in English.

5.5.2. All written materials, including all deliverables, shall meet the highest standards of English language and technical terminology proficiency. If requested by the Contracting Authority, the Contractor shall engage professional proofreading services at its own expense.

5.5.3. Contracting authority is deemed as the administrative instance and will be responsible for making the principal decisions. The contracting authority will be responsible for settling the operative and professional issues.

5.5.4. Upon a request by the Contracting Authority, the Contractor shall take part (at most 3) and, where necessary, prepare informative materials or work reports in meetings, forums, discussions, etc. organised by the Contracting Authority or where the Contracting Authority shall take part. Such events are, for instance, Rail Baltica Task Force meetings, workgroups, meetings in the European Commission, meetings with stakeholders in Latvia, Lithuania, Estonia, conferences, discussions, etc.

ANNEX C: Schedule of Study

Study Start Date: 17 January 2019

Deliverables:

No.	Deliverable	Deadline date ⁷
1.	Inception report	1 month after CD*
2.	First interim report	3 months after CD
3.	Second interim report	5 months after CD
4.	Draft final report	7 months after CD
5.	Final report	8 months after CD

*CD: Commencement date of the Contract. The **definitions** "Commencement date" and "Study Start Date" shall be considered as equal.

1. Defects Date: 10 (ten) working days after the deadline of a particular deliverable.
2. The Principal will accept all reports as describe in Clauses 7.5 and 7.6 only if they will be provided fully in good and enough quality and covers full scope defined in *Annex B: Technical Specification*.
3. The Principal may provide comments or remarks to Inception Report, First Interim Report, Second Interim Report and Draft Final Report after signing of the Provision Acceptance Note. In such situations the Contractor shall implement and/or considere mentioned comments and remarks until the submission of subsequent report.

⁷ In accordance with clause 4.1.2 of the Annex B (*Technical Specification*).

ANNEX D: Fee and Payment Schedule

1. Fee a service fee in the amount of EUR 321 737,22 (three thousand twenty one seven hundred thirty seven euro and 22 cents), including all taxes.

2. Schedule of payment of Fee

After delivery of the following Deliverables and signing of the Provisional Acceptance Certificate and/or Final Acceptance Certificate the Principal shall pay following amount of the Fee:

Deliverable	Payment amount (%)	Payment amount (EUR)
First Interim Report	20%	64 347,44
Second Interim Report	30%	96 521,17
Draft Final Report	30%	96 521,17
Final Study report	20%	64 347,44

ANNEX E: List of approved Sub-Contractors and Staff

List of approved Sub-Contractors

Name of the sub-contractor (registration No., legal address, legal representative)	Contact Information	Description of the sub-contracted task	Sub-contracted tasks	
			Amount, EUR (without VAT)	% from the proposed price
NONE				

List of key personnel

Position	Name and surname of the expert
Energy subsystem technology expert	[.]
Railway overhead catenary system expert	[.]
Energy subsystem control command system expert	[.]
Economist	[.]
State energy sector expert	[.]
Project Manager	[.]
Railway construction planning expert	[.]

Contact persons

Name and surname for contact persons	Phone number and e-mail address
Contact person for the Principal: Antanas Šnirpūnas, Railway Systems Engineer	[.]
Contact person for the Contractor: José Batllés Abad, Contract Manager	[.]

ANNEX F: Form of Provisional Completion Note

No [INSERT NUMBER]

Date: [INSERT DATE IN THE FORM OF 1 January 2019]

Location: [INSERT LOCATION]

For:

RB Rail AS

registration number 40103845025 legal address **K. Valdemāra iela 8-7**, Riga LV-1010, Latvia

(hereinafter, the "Principal")

This provisional completion note (the "Provisional Completion Note") is issued to the Principal by [•] [INSERT NAME, REGISTRATION NUMBER, INSERT LEGAL ADDRESS] (the "Contractor"), represented by [INSERT NAME OF REPRESENTATIVE ON THE BASIS OF INSERT BASIS OF REPRESENTATION].

In this Provisional Completion Note, unless the context requires otherwise, all Definitions shall have the meaning ascribed to such terms in accordance with the [INSERT AGREEMENT DATE IN THE FORM OF STUDY AGREEMENT NO INSERT AGREEMENT NUMBER] (the "Agreement") and ANNEX A: „Definitions and common terms” of the Agreement.

Whereas:

- (A) the Principal and the Contractor have entered into the Agreement;
- (B) Clause 7.4 of the Agreement stipulates that upon meeting a Study Milestone or producing a Deliverable constituting all or an identifiable part of the the Contractor shall issue to the Principal a Provisional Completion Note substantially in the form of Annex B: Technical Specification of the Agreement;
- (C) a Study Milestone has been met or a Deliverable has been completed.

The following Study Milestone(s) has/have been met on [INSERT DATE IN THE FORM OF 1 JANUARY 2019], as specified in accordance with Annex C: Schedule of the Study of the Agreement:

[DESCRIBE IN REASONABLE DETAIL THE STUDY MILESTONE ATTAINED. INSERT N/A, IF NO STUDY MILESTONE HAS BEEN ATTAINED]

The following Deliverable(s) has/have been completed on on [INSERT DATE IN THE FORM OF 1 JANUARY 2019] and are attached to this Provisional Completion Note:

[INSERT NAME OF THE DELIVERABLE. INSERT N/A, IF NO DELIVERABLES HAVE BEEN COMPLETED]

As stipulated in Clause 7.5 of the Agreement, in the event the Principal objects to the issue of the Provisional Completion Note, the Principal shall give a written notice to the Contractor setting out in reasonable detail **Defects or reasons for the objection** (the "Objection Notice") within fourteen (14) days following receipt of the Provisional Completion Note.

In the event of conflict between the text in this Provisional Completion Note and the Agreement, the Agreement shall take precedence.

Signature:

[INSERT NAME, SURNAME

INSERT POSITION

INSERT COMPANY NAME]

ANNEX G: FORM OF PROVISIONAL ACCEPTANCE CERTIFICATE NO. [·][INSERT NUMBER]

Date: [INSERT DATE IN THE FORM OF 1 January 2019]

Location: [INSERT LOCATION]

For: [·] (hereinafter, the "Contractor")

This provisional acceptance certificate (hereinafter Provisional Acceptance Certificate) is issued to the Contractor by RB Rail AS, registration number 40103845025, legal address K. Valdemāra iela 8-7, Riga, LV-1010 (hereinafter, the "Principal"), represented by [INSERT NAME OF REPRESENTATIVE ON THE BASIS OF INSERT BASIS OF REPRESENTATION].

In this Provisional Acceptance Certificate, unless the context requires otherwise, all defined terms shall have the meaning ascribed to such terms in accordance with the [INSERT AGREEMENT DATE] AGREEMENT ON OPERATION PLAN CONCEPT FOR RAIL BALTICA RAILWAY No [INSERT AGREEMENT NUMBER] (hereinafter, the "Agreement") and Annex A (*Definitions and Common Terms*) of the Agreement.

Whereas:

(A) the Principal and the Contractor have entered into the Agreement;

(B) the following Study Milestone(s) has been met and the following Deliverable(s) have been supplied to the Principal:

(i) [PLEASE IDENTIFY MILESTONE]

(ii) [PLEASE IDENTIFY DELIVERABLE]

(C) any and all Defects have been averted or no Objection Notices have been issued;

(D) as stipulated by Clause 7.8 of the Agreement, final acceptance shall be evidenced by means of the Principal issuing and both Parties attaching their signature to the Final Acceptance Certificate substantially in the form of Annex H (*Form of Final Acceptance Certificate*) (hereinafter, the "Final Acceptance Certificate");

The Principal is satisfied with the result of any and all achieved Study Milestones and/or Deliverables completed and submitted and, in accordance with Clause 7.5 of the Agreement, the Principal accepts the part of the Study performed as of the date of this Provisional Acceptance Certificate.

In the event of conflict between the text in this Provisional Acceptance Certificate and the Agreement, the Agreement shall take precedence.

Signatures:

[insert name, surname
insert position]

ANNEX H: FORM OF FINAL ACCEPTANCE CERTIFICATE NO [•][INSERT NUMBER]

Date: [INSERT DATE IN THE FORM OF 1 January 2019]

Location: [INSERT LOCATION]

For: [•] (hereinafter, the "Contractor")

This final acceptance certificate (hereinafter, "Final Acceptance Certificate") is issued to the Contractor by RB Rail AS, registration number 40103845025, legal address K. Valdemāra iela 8-7, Riga, LV-1010 (hereinafter, the "Principal"), represented by [INSERT NAME OF REPRESENTATIVE ON THE BASIS OF INSERT BASIS OF REPRESENTATION].

In this Final Acceptance Certificate, unless the context requires otherwise, all defined terms shall have the meaning ascribed to such terms in accordance with the AGREEMENT ON OPERATION PLAN CONCEPT FOR RAIL BALTICA RAILWAY No [INSERT AGREEMENT NUMBER] dated [INSERT DATE] (hereinafter, the "Agreement") and **Annex A (*Definitions and Common Terms*)** of the Agreement.

Whereas:

- (A) the Principal and the Contractor have entered into the Agreement;
 - (B) one or more Study Milestones have been met and/or Deliverables have been completed;
 - (C) any and all Defects have been averted or no Objection Notices have been issued;
 - (D) as stipulated by Clause 7. of the Agreement, final acceptance shall be evidenced by means of the Principal issuing and both Parties attaching their signature to the Final Acceptance Certificate substantially in the form of Annex H (*Form of Final Acceptance Certificate*) (**hereinafter, the "Final Acceptance Certificate"**);
- The Principal is satisfied with the result of the Study and/or all Deliverables completed and submitted and the Principal accepts the Study in its entirety.

The Contractor and the Principal confirm at the moment of signing this Final Acceptance Note that they do not have any material or other claims in connection with the Agreement (incl. but not limited to additional claims for Fee, contracting penalties, travel expenses, claims related to intellectual property, etc.).

In the event of conflict between the text in this Final Acceptance Certificate and the Agreement, the Agreement shall take precedence.

Signatures:

[insert name, surname
insert position]
RB Rail AS
Principal

[insert position]
[insert company name]
Contractor

ANNEX I: DECLARATION OF CONTRACTOR

I, **Consortium INECO – ARDANUY consisting of Ingeniería y Economía del Transporte S.M.E. M.P., S.A., reg no A28220168 (INECO) and ARDANUY Ingeniería, S.A., reg no A80480759 (ARDANUY)** the undersigned duly authorised representative, on behalf of 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 Contractor or an undertaking related to the Contractor 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 Contractor's business or any kind of economic ties with the Contractor;
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 Contractors' 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 Contractor which participated in a procurement procedure or restrictions with similar effect applies;
18. **To promote the adoption of the principles set forth in this Contractor's Declaration by my potential business partners** and promote the implementation of the principles set forth in this document towards own Contractors;
19. Not procure goods, works and services from other Contractors:
 - a. Who, or its member of the Management Board or the Supervisory Board or procurator of such Contractor, or a person having the right to represent such Contractor 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 Contractor to participate in the tender), economic activity of such Contractor has been suspended or discontinued, proceedings regarding bankruptcy of such Contractor have been initiated or such Contractor will be liquidated;
 - e. who has tax debts in the country where the procurement is organised or a country where such Contractor 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.

[.]

ANNEX J: CONTRACTORS FINANCIAL AND TECHNICAL PROPOSAL