

**CONTRACT NO 8/2019-54**  
**LEASING OF FOUR-WHEEL DRIVE VEHICLES**  
**(PROCUREMENT IDENTIFICATION NO. RBR 2019/11)**

This contract on leasing of four-wheel drive vehicles (hereinafter referred to as the "Contract"), together with all annexes thereto, is entered into in Riga, on 16 September of the year 2019 (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 (hereinafter referred to as "Client") represented by Chairperson of the Management Board Timo Riihimäki and Management Board Member Mart Nielsen acting on the basis of the Regulations on Representation Rights dated 25 May 2018, on the one side

and

SIA „Transporent, registration number 40003722171 (hereinafter referred to as "Contractor") represented by Chairmen of the Board Arnis Jaudzems acting on the basis of statutes ,

together hereinafter referred to as the Parties or each one individually as the Party, on the basis of the results of procurement procedure "Leasing of four-wheel drive vehicles" Id. No. RBR 2019/11 (hereinafter referred to as "Procurement"), without mislead, deceit or coercion as follows:

**1. SUBJECT OF THE CONTRACT**

- 1.1. The Contractor shall provide the Client with the full service leasing of 3 (three) four-wheel drive vehicles (hereinafter referred to as the "Services"), in the amount, payment and terms defined by the Contractor`s Technical proposal (Annex 1) (hereinafter referred to as "Specification") and Financial proposal (Annex 2), which are prepared in accordance with the regulation of Procurement.
- 1.2. The Client shall make monthly lease payments (hereinafter referred to as "Service Payment" or "Service Payments") for the Services to the Contractor in accordance with the terms and amounts specified in the Payment Schedule, submitted and prepared in accordance with the Financial proposal (Annex 2) and Clause 2.4.
- 1.3. The Contractor undertakes to transfer to the Client 3 (three) **Dark Grey Metallic, Subaru Forester 2.0i XL EyeSight** (hereinafter referred to as "Car" or "Cars") confirming to the Specification, within 3 (three) weeks from the Effective Date of the Contract. The Cars shall be transferred to Client in Riga Krasta street 40, LV-1003, TC Motors (Subaru Dealer), but at Service completion Client shall transfer Cars to the Contractor in Subaru dealer TC Motors or by mutual agreement in the administrative territory of Riga.
- 1.4. If the Cars delivery is more than 1(one) month, the Contractor undertakes to provide 3(three) temporary cars (hereinafter referred to as "Temporary cars") after one month from the Effective date of the Contract, that can be used by the Client without mileage limit for the remaining Car delivery period according to the Clause 2.40. of the Specification and for the monthly payment **479,74 EUR** (four hundred seventy-nine euro and 74 cents) without VAT in accordance with the Financial proposal (Annex 2).
- 1.5. The Temporary cars should comply with the Specification requirements. The Contractor shall ensure that all provisions of the Contract will be covered and are in force for Temporary cars, unless otherwise specified.
- 1.6. The Client will hand over the Temporary cars to the Contractor within 3 (three) working days after the delivery of the Cars.
- 1.7. The Services providing period is 60 (sixty) month from the signing the Acceptance - Transfer Act including acceptance of the Temporary car.

- 1.8. In the event of any discrepancy or inconsistency between the documents forming part of this Contract, the following order of precedence shall apply:
- this Contract;
  - Explanations (clarifications) of the Procurement documentation;
  - Procurement documents with the annexes (including Technical specification);
  - Clarifications of the Contractor's proposal;
  - Contractor's proposal;
  - All other Annexes of the Contract.

## 2. CONTRACT AMOUNT. PAYMENT ARRANGEMENTS

- 2.1. The total amount for the provided Services is **104 487,37 EUR** (one hundred four thousand four hundred eighty seven euro and 37 cents) (hereinafter referred to as the "Amount of the Contract"), incl. the Contract price **86 353,20 EUR** (eighty six thousands three hundred fifty three euro and 20 cents) and VAT 21% **18 134,17 EUR** (eighteen thousand one hundred thirty four euro and seventeen cents).
- 2.2. The Amount of the Contract is determined taking into account the Financial proposal of the Services specified in Annex 2. The Amount of the Contract is inclusive of the costs of materials, products, equipment, works, delivery and transport, all taxes and duties as well as other costs related to the provision of the Services.
- 2.3. The Client shall make Service payments in terms, amounts and currency in accordance with the Contract, Payment Schedule and the invoice received from the Contractor only for the actual Service term.
- 2.4. The Payment Schedule shall be drawn up at the actual time of arrival of the Car, subject to the provisions of this Contract.
- 2.5. It is acknowledged and agreed by the Parties that the Service payments shall include all costs and expenses incurred by the Contractor and Approved Sub-Contractors toward performing the Services. Value added tax will be charged at the rate applicable in accordance with applicable law at the time of invoicing.
- 2.6. The Client undertakes to pay the invoice prepared by the Contractor within 30 (thirty) calendar days from the date of receipt of the relevant invoice referred to in Clause 2.8, by transfer to the Contractor's bank account. Should the payment day be a day off or holiday, payments shall be made on the next banking day. If the Client uses the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement or other deduction of any kind, then the Client 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 Client uses its right to set-off, retention, counterclaim, abatement or other deduction or other right.
- 2.7. The Contractor shall issue an invoice for the preceding month, taking into account the Schedule of payments, and shall submit to the Client by 5 th date of the current month. The Contractor's invoices shall contain the following Contractor's details and details about the Contract:

Contractor	SIA Transparent
Registration No	40003722171
VAT payer's No or indication that the Contractor is not a VAT payer	LV40003722171
Legal address, city, Zip code, country	Kārļa Ulmaņa gatve 75, Rīga, LV-1046
Legal name of Bank	[●]
Bank SWIFT Code	[●]
Bank Account No IBAN	[●]
Subject:	For provided services according to the Contract No _ Full service leasing of four-wheel drive vehicle Activity No 34, Contract Manager: [●]

- 2.8. The Contractor shall send the invoice to the Client electronically to the following e-mail address: [invoices@railbaltica.org](mailto:invoices@railbaltica.org). The Client shall review the invoice to verify whether it contains all necessary requisites. The Parties agree that in accordance with the Law on Accounting and Value Added Tax Law of the Republic of Latvia the invoices may be issued without the requisite "signature".
- 2.9. Each Party shall bear its own costs, fees, commissions and expenses incurred in connection with the transfer of any funds under this Contract to the other Party.
- 2.10. The Service payment shall be fixed and unchanged during the period of validity of the Contract.
- 2.11. If any of the payments provided for in the Contract are delayed due to the fault of the Client, the Contractor shall be entitled to request a penalty for late payment from the Client in accordance with Clause 2.12.
- 2.12. In case of delayed payment stipulated by the Contract the Client shall pay to the Contractor a penalty for delay in the amount of 0.05% (zero point zero five percent) of the delayed amount per each working day of delay but not exceeding 10% (ten percent) of the delayed amount.
- 2.13. All Service payments and other payments provided for in the Contract shall be made in EUR.
- 2.14. If, during the duration of this Contract, taxes or duties are introduced which impose additional payments on the Contractor in connection with this Contract or the Car, the Contractor shall be entitled, by mutual written agreement with the Client, to increase the payments of the Contract accordingly, by informing the Client in writing 2 (two) months in advance.

### **3. RIGHTS AND OBLIGATIONS OF THE PARTIES**

#### **3.1. Rights of the Client:**

- 3.1.1. the unimpeded use of leased Cars in the territory of the Baltic States (Republic of Latvia, Republic of Lithuania, Republic of Estonia), as well as, with the prior written consent of the Contractor, in other countries;
- 3.1.2. to the free warranty service and Service in accordance with the Specification;
- 3.1.3. modify and improve the assembly and value of the Car by means of modifications, in advance in agreement with the Contractor and obtaining written consent (with the exception of the improvements made by the Client, which saves the Car or protects it from complete or partial destruction, if it has not been possible to reconcile such improvements with the Contractor);
- 3.1.4. to claim the Cars from any illegal possession, to request the removal of the malfunction of the Cars and to claim damages caused by other persons to the Cars;
- 3.1.5. at the acceptance of the Car:
  - 3.1.5.1. to carry out a test driving and to check the compliance of the Car with all the requirements referred to in the Specification;
  - 3.1.5.2. prior to acceptance, the signing of the Acceptance - Transfer Act shall, as far as possible, verify the technical and visual condition of the Car and, in the case of claims, immediately present any identified faults to the Contractor, inform the Contractor in writing and, without the express authority of the Contractor, to request the removal of the detected defects on behalf of the Cars vendor on behalf of the Contractor without additional charge. Otherwise, the Client shall be liable to the Contractor for any damage suffered in accordance with the provisions of the Contractor;
  - 3.1.5.3. check the completeness and validity of the documentation given to the Cars, the conditions of the manufacturer's and seller's warranty;
  - 3.1.5.4. indicate the differences identified in the Acceptance - Transfer Act and require the Contractor to rectify them.

#### **3.2. Responsibilities of the Client:**

- 3.2.1. accept and use the Car in accordance with the requirements for operation and use thereof prescribed in the Contract and the Cars user's manual, including with due consideration of the requirements set by the manufacturer of the Car, as well as the rules of the compulsory civil liability insurance policy (OCTA) and the KASKO policy;

- 3.2.2. to make timely Service payments in accordance with the procedure laid down in Clause 2.3.;
- 3.2.3. to cover the unexpected costs incurred by the Client during the use of the Car, as well as any current charges related to the use of the Car which are not included in the Service payments of the Contract:
  - 3.2.3.1. fines in connection with a violation of the regulatory enactment committed by the driver of a Car (for example, a fine for an infringement in road traffic);
  - 3.2.3.2. expenses arising from the installation and maintenance of any accessories for the Car by the Client, unless specified in this Contract;
  - 3.2.3.3. comply with the mileage limit allowed for the Client period specified in the Specification.
  - 3.2.3.4. Keep the documentation related to the use of the Car carefully during the Service period, which the Client has received with the Car for the entire duration of the Contract.
- 3.2.4. Notify the Contractor without delay (but not later than within 24 hours):
  - 3.2.4.1. if the Car has been lost, damaged, partially or wholly destroyed;
  - 3.2.4.2. about information related to hazards of destruction, loss or damage to the Car;
  - 3.2.4.3. if the Car documentation missing or damaged.
- 3.2.5. within period of a 7 (seven) days to inform the Contractor if:
  - 3.2.5.1. the location, bank details, or other details of the Client specified in this Contract have been changed;
  - 3.2.5.2. undertaken reorganization of the Client;
  - 3.2.5.3. there are other important events affecting the performance of the obligations of the Client under this Contract and, in this context, the Contractor should be notified of the measures and means to be taken;
  - 3.2.5.4. at the end of the Service or at the end of the Contract prior to the expiry date, the Client must return the Car to the person designated by the Contractor or to the Contractor, in the configuration initially received by the Client, considering the depreciation of the asset.
  - 3.2.5.5. To present this Contract and the documents referred to therein to interested parties in accordance with the requirements of regulatory enactments;
  - 3.2.5.6. Refer to the maintenance stations specified by the Car Contractor within the time limits specified in the Car documentation (at the relevant mileage or time-limit according to the maintenance interval specified in the Car documentation) for maintenance purposes.

### **3.3. Rights of the Contractor:**

- 3.3.1. check and review the technical state of the Car in advance agreed time and date with the Client;
- 3.3.2. check the documents related to the implementation of this Contract and, in agreement with the Client, obtain information regarding the technical condition and use of the Car;
- 3.3.3. to remove the Car from an illegal possession, to require the removal of conditions which disrupt the operation of the Car and to claim damages for damage caused by other persons to the Car;
- 3.3.4. the Contractor shall be entitled to return the Car at the end of the Service period or after the termination of the Contract;
- 3.3.5. appoint Approved Sub-Contractors (Annex 5) for Service providing. The Contractor can change or amend Sub-Contractors only in compliance with the provisions of Section 62 of the Public Procurement Law of the Republic of Latvia.

### **3.4. Obligations of the Contractor:**

- 3.4.1. to acquire or secure their rights to use, including hire-purchase, Cars specified in the subject-matter of this Contract which comply with the Regulation Requirements and the Specification after the entry into force of this Contract and to supply them to the Client within the time limits specified in the Contract in accordance with Specification;

- 3.4.2. to issue the relevant documents (acts, powers, copies of insurance policies, statements, etc.) required for the use of the Car during the Service term as Latvia and abroad (subject to the conditions of Clause 3.1.1);
- 3.4.3. at the same time as the transfer of the Car to the representative of the Client, to issue to the Client the original of the Road Car Owner's Civil Liability Insurance Policy (OCTA) and a copy of the KASKO Insurance Policy in force 1 (one) year from the date of acceptance of the Car (the date of mutual signing of the Acceptance - Transfer Act);
- 3.4.4. to provide car insurance (KASKO) in accordance with the provisions of the Specification;
- 3.4.5. during the operation of this Contract, to pay the Car taxes and duties specified in laws and other regulatory enactments, as well as the Road Traffic Safety Directorate for the roadworthiness and registration fee of the Car;
- 3.4.6. Within 7 (seven) days inform the Client if:
  - 3.4.6.1. the location, bank details or other details of the Contractor specified in this Contract have been changed;
  - 3.4.6.2. the reorganization of the Contractor is intended or has taken place;
  - 3.4.6.3. there are other important events affecting the performance of the obligations of the Contractor under this Contract, and in this context the Contractor is required to communicate the measures and means to be taken.
- 3.4.7. The Contractor shall provide Services hereunder and under the Regulations, as well as shall provide the content of the Services defined in the Specification which is an integral part of the Contract.

#### **4. CAR TRANSFER TERMS**

- 4.1. To demonstrate the rights of the Client to accept in the possession and use of the Cars as well as the actual acceptance of the Cars, the Parties (their authorized representatives) shall, for each Car, sign the Acceptance - Transfer Act.
- 4.2. When accepting a Car and related documentation, the Client shall have the rights specified in this Contract and in the regulatory enactments. Before signing the Acceptance - Transfer Act Client shall have the right (but not the obligation) to study thoroughly technical condition of the Car, carry out a Car test driving and Contractor should provide enough fuel for the test driving, during the time agreed with the Contractor in advance. Study of the technical condition shall be performed during one working day.
- 4.3. At the time of the transfer of the Car, when drawing up the Acceptance - Transfer Act, it shall indicate:
  - 4.3.1. the national registration number of the Car;
  - 4.3.2. any defect or defect of the Car (for example: additional equipment not complying with the Specification) which has been detected at the time of its adoption, as well as the final date and procedures for the removal of such defects or deficiencies;
  - 4.3.3. odometer readings;
  - 4.3.4. the amount of fuel in the tank;
  - 4.3.5. the value of the Car.
- 4.4. The ownership of the Car, the risk of accidental destruction and the responsibility of the owner of the source of increased danger shall be transferred to the Client at the moment when the Car is accepted by mutual signature of the Acceptance - Transfer Act.
- 4.5. If the supply of a Car is delayed due to the Contractor's fault, it pays the Client a contractual penalty of EUR 100.00 (one hundred *euros* and 00 cents) per unit of the Car. The contractual penalty shall be calculated for each working day overdue from the first day on which the performance of the Contract's obligations is overdue, but not more than 10 per cent (ten per cent) of the total amount of the Contract.
- 4.6. If the Car complies with the Specification, the Client shall not have the right to refuse to receive the Car.
- 4.7. As a user of the Car, the Client takes full and unlimited responsibility for a significant decrease in the value of the Car, which cannot be classified as normal depreciation. In the depreciation classification, the Parties shall be guided by the Automobile Normal Depreciation Instructions

(Annex 3), which are included in the guidelines developed by the Procurement Monitoring Bureau of Latvia for the procurement of public car rentals.

- 4.8. From the time of signature of the Acceptance - Transfer Act, the Client shall bear any potential costs or losses in relation to third parties which may arise from the operation of the Car, with the exception of expenses for risks insured under this Contract.

## **5. WARRANTY and LIABILITY OF THE PARTIES**

- 5.1. The Car is owned or held by the Contractor on the basis of ownership rights (in possession), which, for the purposes of this Contract, is considered to be equivalent to the ownership of property rights in such a way that the Contractor is the only one who ensures timely compliance with the obligations of the Contract to the Client.
- 5.2. The Contract shall remain in force if the obligations and rights of the Contractor, including the ownership of the Car, are transferred to other persons and are binding on the new owner of the Car in respect of the contractual rights and obligations of the Contractor.
- 5.3. The Party shall be fully and unreservedly responsible for the accuracy and accuracy of all documents, invoices and other materials or information to be submitted to the other Party. The Party shall reimburse the other Party for the losses suffered by the latter which have occurred in the event of the first Party's knowingly false provision of information or the deliberate concealment of true information.
- 5.4. The Contractor represents and warrants to the Client, as of the effective date it is compliant with all of the requirements of the Contractor's Declaration contained in Annex 4: Declaration of Contractor and will continue to be compliant with all such requirements during the term of this Contract.
- 5.5. If the Contractor fails to comply with the terms of performance of the Services stipulated by the Contract, the Contractor shall pay to the Client a penalty in the amount of 0.05% (zero point zero five percent) of the Amount of the Contract per each day of delay but not exceeding 10 % (ten percent) of the amount of the Amount of the Contract. The Client shall have the right to deduct the calculated penalty from the amount of payment when performing the payment according to the Contract.
- 5.6. The payment of the penalty set forth in clauses 2.12, 4.5. and 5.5. hereof shall not release the Parties from the performance of obligations.
- 5.7. Notwithstanding anything to the contrary set forth in this Contract, in no circumstances shall the Contractor or Client be liable to one another for any loss of production, loss of profit, loss of revenue, loss of contract, liability incurred under other agreements or any indirect or consequential loss arising out of or in connection with this Contract.

## **6. INSURANCE**

- 6.1. The Contractor shall, for the duration of this Contract, insure the Cars against damage and theft (KASKO) in conformity with this Contract and the Annexes thereto, as well as carry out the compulsory civil liability insurance of the entitled user of the car (OCTA).
- 6.2. The amounts payable for Car insurance are included in the amount of the Contract.
- 6.3. The insurance shall be valid during the term of the Services and shall cover all areas and meets all requirements specified in the Specification.
- 6.4. If the Vehicle is involved in a traffic accident Client must complete all documents required by law and by the insurance company, and no later than on the next working day after occurrence of the accident must forward them to Contractor. The Contractor shall be in charge of further dealing with the insurance company (for example, ensure repair etc.).
- 6.5. The Client must comply with road traffic and safety requirements in the course of the operation of the Car, as specified in the insurance rules, which the Contractor shall submit to the Client on the date of conclusion of the Contract.
- 6.6. If a Car is damaged, destroyed or lost/stolen in a way that cannot be considered as an insurance case, or the insurance fee does not cover the full amount of the loss, or the Client fails to comply with the terms of the insurance contract, and in the event of the complete death of the Car, where the insurance case does not occur under the insurance contract, the Client shall be

obliged after the insurance undertaking has declared that the insurance fee will not be paid, to pay to the Contractor the amount represented by the residual value of the Car and the amount of Service payments outstanding at the time of accidental damage, destruction or loss/theft. The Parties shall, within 15 (fifteen) calendar days of the notification of the insurance undertaking referred to in this Clause, agree on the amount, maturity and payment arrangements of the amount of unpaid Service payments to be paid by the Client.

- 6.7. If the Client does not agree with the conclusion of the insurance company regarding the non-recognition of a Car as damaged or destroyed or that such insurance case is not provided for in the insurance contract, these legal disputes shall not exempt the Client from the performance of its duties referred to in this Clause. The relationship arising from this Contract shall be deemed to have been terminated in respect of the damaged Car.
- 6.8. In cases where the term of the repair of a Car equal or exceeds 2 (two) days, as well as in cases where the Car has died or is unusable, as approved by the insurer, the Contractor shall ensure that the damaged Car is replaced by an equivalent Car for the repair period or the remainder of the Service period.

### **7. RETURN OF THE CAR TO THE CONTRACTOR**

- 7.1. Upon termination of the Service term, but not later than on the last day of the Service term, the Client shall be required to transfer the Car to the Contractor by signing the Acceptance - Transfer Act, specifying the odometer readings and the fuel balance at the time of transfer.
- 7.2. The returned Car must be fitted according to the Car technical documentation and include all the equipment that the Car has been installed. The Car supplied by the Client shall not have any visible damage to internal or external parts which has not occurred as a result of normal depreciation.
- 7.3. If the technical condition of a Car transferred by the Client does not meet the conditions of Clause 7.2, the Client shall make the necessary repairs to the Cars for its own means in connection with need to improve the technical condition of the Car in order to meet the manufacturer's specifications, in accordance with the provisions of Clause 7.8.
- 7.4. If the mileage of the Car exceeds the limit of 150 000 km, the Client shall pay the Contractor payment for extra mileage in the amount determined in the Specification.
- 7.5. Prior to the return of the Car, the Client must remove all modifications and enhancements (accessories) of the Car assembly and value that have been made by the Client during its use, if this does not damage the technical condition and assembly of the Car.
- 7.6. If the Contractor unilaterally terminates the Contract, any improvements to the Car made by the Client without the consent of the Contractor, which cannot be separated from the Car without damaging the Car, shall, without any consideration, be transferred to the Ownership of the Contractor. The Contractor is entitled to reject from these improvements and to require the Client to separate them from the subject-matter of the Services. In such a case, any potential costs must be borne by the Client.
- 7.7. Within the time limit for the return, the Client shall transfer the Car to the Contractor in the place indicated by him. After the transfer of the Car, an act certifying the transfer of the Car to the Contractor shall be drawn up and the right to the Car as well as the risk associated with the Car shall be transferred to the Contractor. By signing the Acceptance Transfer Act, the Parties confirm that the technical condition of the Car complies with the conditions of this Contract and excludes any possible requirements regarding the Car assembly, damage, use capacity or defects in proper operation.
- 7.8. The Contractor shall be required to carry out an immediate inspection of the Car. If the Contractor refuses to accept the Car, indicating shortcomings in the technical condition and performance which have not occurred as a result of normal depreciation, within 5 (five) working days from the date of return, the Contractor shall make a relevant statement stating the faults and deficiencies of the technical condition of the Car. The Client must cover all costs related to the repair work carried out by the Car or re-install the Car in such a way that it complies with the manufacturer's specifications. The respective deadlines and arrangements shall be agreed by the Parties.
- 7.9. If the Client does not agree with the statement of the Contractor regarding the shortcomings of the Car, the Client shall have the right to organise an independent expert-examination

demonstrating the conformity of the technical condition and normal performance with the provisions of this Contract. A representative of an independent expert-examination company (representatives) shall prepare an expert assessment regarding the technical condition of the Car. The expert assessment decisions shall be final and binding on the Parties concerned.

- 7.10. If the results of the expert assessment demonstrate the inadequacy of the claims and statements of the person identified by the Contractor, the Contractor shall bear the costs associated with the expert-examination. If the expert assessment has demonstrated that the Car does not comply with the provisions of this Contract, the Client shall bear all costs related to the expert-examination and shall act in accordance with the requirements of this Contract.

## **8. PROCEDURE FOR AMENDING THE CONTRACT AND PROCEDURES FOR ALLOWING FOR DEROGATION FROM THE CONTRACT**

- 8.1. The Contract shall become effective upon the date of its signing by Parties and shall be valid until complete fulfilment of the contractual obligations by the Parties.
- 8.2. The Contract may be terminated if mutually agreed by the Parties in writing or according to the provisions of the Contract.
- 8.3. Notwithstanding anything to the contrary contained in this Contract, a Party may terminate this Contract partly or in full 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 14.2;
  - (b) an event of Force Majeure has been continuing during more than sixty (60) days;
  - (c) breach by the Contractor any of the confidentiality undertakings contained in Section 13. Confidentiality;
  - (d) liquidation, insolvency or legal protection proceedings have been initiated with respect to the other Party or the other Party is declared insolvent;
  - (e) the occurrence of any event analogous to the events enumerated under Clauses 8.3. (d) under the law of any jurisdiction to which the other Party's assets and undertaking are subject.
- 8.4. **The Client may terminate this Contract** immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination, if:
- 8.4.1. CEF Co-financing for further financing of the Services are not available to the Client fully or partly; In such a case, the Client shall pay the Contractor the fees in respect of the Services provided under this Contract up to the date of the notification of the termination of this Contract and the Client is not obliged to pay contractual or any other penalty or damages to the Contractor.
  - 8.4.2. it is not possible to execute the Contract 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.
  - 8.4.3. The Contractor does not fulfil its obligations under the Contract in its entirety or in any part thereof and does not complete them during 10 (ten) days from the Client relevant notifying;
  - 8.4.4. The Contractor fails to comply with any terms for commencement and/or performance (conveyance) of the Services, including Cars delivery terms specified in the Contract and if the delay of the Contractor lasts at least 10 (ten) calendar days.
- 8.5. The Contract can be immediately terminated upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the provisions mentioned in the Section 64 of the Public Procurement Law. In such a case, the Client shall pay the Contractor the fees in respect of the Services provided under this Contract up to the date of the notification of the termination of this Contract and the Client is not obliged to pay contractual or any other penalty or damages to the Contractor.
- 8.6. Upon expiration or termination of this Contract, the obligations of the Parties set forth in this Contract shall cease, except with respect to the following:
- (a) any obligations arising as a result of any antecedent breach of this Contract or any accrued rights; and



(b) the provisions stipulated in accordance with Clauses 2.12., 4.5., 14.2, 14.6, 14.7, 14.8, and Clause 13. Confidentiality, Clause 10. Right to Audit, Clause 11. On-the-spot-visits and Clause 9. Procedures for Dispute Settlement which shall survive the termination or expiry of this Contract 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 8.6(b).

**8.7. The Contractor is entitled to terminate this Contract** upon giving the other Party a written notice in 1 (one) month prior of termination explaining, in reasonable detail, the reason for termination, if:

8.7.1. the Client has knowingly provided false information in this Contract or other documents submitted to the Contractor which have caused material damage to the Contractor;

8.7.2. the Client has knowingly provided incomplete or incorrect information (documents) regarding an accident (insurance case) or in relation to this Contract;

8.7.3. the Client has gross violated the provisions of this Contract or insurance policy in respect of an accident (insurance case);

8.7.4. the loss was intentionally caused by the Client or was caused by the fact that the Car was driven by a person who did not have a driving licence of the relevant category;

8.7.5. the Client does not fulfil the obligations laid down in this Contract relating to the performance of the maintenance of the Car;

8.7.6. the Client has not fulfilled or failed to comply adequately with the obligations laid down in this Contract relating to the information of the Contractor and the maintenance of the Car Documents and has caused damage to the Contractor;

8.7.7. The Client without written permission of the Contractor, has entered into an agreement regarding the transfer of the Car, such as the subleasing of the Car, or the encumbrance of the Car with limited property rights or other requirements for the benefit of a third party, as the Contractor has the right to claim the Client to cover the losses incurred;

8.7.8. The Client does not comply with the Contractor's requirements for the use (exploitation), maintenance and repair of the Cars in accordance with the provisions of this Contract;

8.7.9. Service payments are not paid in whole or in part, and this breach of payment obligation will continue to take place 20 (twenty) days after the relevant payment date, which is the due date specified in the Contractor's invoice and the Contractor has complied with the deadlines for the submission of invoices laid down in the Contract.

**8.8.** In the event of breach by the Client of its obligations under this Contract Clause 8.7., the Contractor shall allow the Client 10 (ten) days for corrective action or submission of a corrective action plan. The corrective period shall be counted from the date of receipt by the Client of a written notice of breach. Should no satisfactory corrective action be taken, or acceptable corrective action plan provided by the Client, the Contractor shall have the right to terminate the Contract in accordance with the provisions of Clause 8.7.

**8.9.** If the Contractor unilaterally terminate the Contract and the Client refuses to transfer the Car in accordance with the provisions of this Contract, the Contractor may take the Car into its possession without initiating additional legal procedures. When taking over a Car, the Contractor is entitled to take any necessary action to remove the Car from the premises where it is located. In such a case, the Client shall cover in full and without additional conditions the Contractor's expenses necessary to carry out those activities.

**8.10.** The Client have the right to terminate this Contract partly or in full upon giving the Contractor a written notice 30 (thirty) days in advance by covering the difference of Car residual value according to the Customer accountancy data and Car market value, if such has occurred.

**8.11.** The Contract considered to be terminated regarding to the Car that has been stolen, exploded, destroyed or has become unfit for use, and these facts were confirmed by the insurer's decision on the refusal of payment of insurance or reimbursement, and the conditions referred to in Clause 6.6 have been fulfilled.

## **9. PROCEDURES FOR DISPUTE SETTLEMENT**

**9.1.** This Contract shall be governed by and construed in accordance with law of the Republic of Latvia.

- 9.2. The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Contract through good faith debate, discussion, and negotiating prior to submitting them to mediation, arbitration, or other legal proceeding.
- 9.3. If the Parties cannot agree, any dispute arising out of or in connection with this Contract shall be submitted to the court pursuant to procedure specified by the laws of the Republic of Latvia.

#### **10. RIGHT TO AUDIT**

- 10.1. Notwithstanding anything to the contrary set forth in this Contract including, the Client itself, a reputable outside independent body or expert engaged and authorized by the Client shall be entitled to inspect and/or audit the Contractor to ensure compliance with the terms of this Contract, including inspecting and/or auditing:
  - (a) the performance of any aspect of the Services; 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 Services.
- 10.2. The Contractor shall provide all reasonable assistance to the Client or the independent body authorized by the Client in carrying out any inspection or audit pursuant to this Clause 10. Right to Audit. The Client shall be responsible for its own costs, or the costs incurred by the outside independent body designated by the Client, 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 Contract, in which case the Contractor shall reimburse the Client for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 10.3. The rights and obligations of the Client set forth in accordance with this Clause 10. Right to Audit shall survive expiration or termination of this Contract for any reason and shall continue to apply during eleven (11) years following expiration or termination of this Contract for any reason whatsoever.

#### **11. ON-THE-SPOT-VISITS**

- 11.1. By submitting a written notice five (5) working days in advance, but at the same time reserving the right of an unannounced on-the-spot visit without an advance notice, the Client may carry out on-the-spot visits to the sites and premises where the activities implemented within the Contract are or were carried out.
- 11.2. On-the-spot visits may be carried out either directly by authorized staff or representatives of the Client or by any other outside body or third party authorized to do so on behalf of the Client. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Client shall ensure that any authorized outside body or third party shall be bound by the same confidentiality obligations.
- 11.3. Contractor shall provide to the performer of the on-the-spot visit or any other authorized outside body or third party access to all the information and documents, including information and documents in electronic format, which is requested by the authorized staff of the performer of the on-the-spot visit or any other authorized outside body or third party for the performance of an on-the-spot visit and which relates to the implementation of the Contract, as well as shall allow the authorized staff of the performer of the on-the-spot visit or any other authorized outside body or third party the copying of the information and documents, with due respect to the confidentiality obligation.
- 11.4. By virtue of Council Regulation (Euratom, EC) No 2185/961 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU) No 883/20132 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by 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.

## 12. FORCE MAJEURE

- 12.1. Subject to the requirements set forth in accordance with Clauses 12.2 and 12.3, each Party shall be relieved from liability for non-performance of its obligations under this Contract (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. 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 Contract, 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 Contract to the extent that it is not able to perform, or has not in fact performed, its obligations under this Contract due to any failure to comply with its obligations under Clause 12.2(a).
- 12.3. 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 ten (10) 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. 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. 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 Services to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Contract.

## 13. CONFIDENTIALITY

- 13.1. "Confidential Information" means, in relation to the Client, all information of a confidential nature relating to the Client and its affiliates which is supplied by the Client (whether before or after the date of this Contract) to the Contractor, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, memoranda and other documents and information which contain or otherwise reflect or are derived from such information, but excludes information which:
- 13.1.1. the Client confirms in writing is not required to be treated as confidential; or
  - 13.1.2. 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 Client and was not previously acquired by the Contractor from the Client under an obligation of confidence; or
  - 13.1.3. was developed by or for the Contractor at any time independently of this Contract.
- 13.2. 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. 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 Client, be entitled to disclose Confidential Information:

- (a) that is reasonably required by the Contractor in the performance of its obligations pursuant to this Contract, 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 Contract;
  - (b) to enable a determination to be made pursuant to Clause 11. On-the-spot-visits;
  - (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.** 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 Contract.
- 13.5.** If this Contract is terminated for whatsoever reason, the Contractor shall:
- (a) return to the Client 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.** Save as required by applicable law, the Contractor shall not issue any press release in relation to the matters contemplated under this Contract without the prior written consent of the Client (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.** For the avoidance of any doubt, the Client shall have the right to publish any of the documents, information or data provided by the Contractor to the Client during provision of the Services.
- 13.8.** The Parties acknowledge and agree that a breach of the provisions of this Section 13. Confidentiality 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.

#### **14. MISCELLANEOUS PROVISIONS**

- 14.1.** Each Party warrants to the other Party that it has full power to enter into and perform this Contract, and the person signing this Contract on its behalf has been duly authorized and empowered to enter into such agreement. Each Party further acknowledges that it has read this Contract, understands it and agrees to be bound by it.
- 14.2.** 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 Contract and the Client shall be entitled to terminate this Contract immediately 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 Contract; or
  - (b) misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Client, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.
- 14.3.** Notices under the Contract 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 Contract. Delivery can be by hand or facsimile message against a written confirmation of receipt

or by registered letter, in exceptional cases, notices shall also be entitled to be sent by e-mail. Any communication between the Parties shall take effect upon receipt by the other Party of the relevant letter, e-mail or fax.

- 14.4. To the extent damages are covered by insurance, the Client 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 Contract.
- 14.5. The relationship between the Contractor to the Client under this Contract is that of independent contractors. The Contractor (or the Contractor's Sub-Contractors) is not an employee of the Client, is not carrying out the regular business of the Client and is not subject to the same employment regulations as are applicable to employees of the Client. 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 Client to the Contractor, the Contractor's employees, or the Contractor's consultants, or the employees of such consultants.
- 14.6. If any provision of this Contract shall be held to be illegal, invalid, void or unenforceable under Applicable Laws, the legality, validity and enforceability of the remainder of this Contract shall not be affected, and the legality, validity and enforceability of the whole of this Contract shall not be affected.
- 14.7. The Client and the Contractor each bind themselves, their successors, legal representatives, and assigns to the other party to this Contract and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Contract. Neither Party shall assign or transfer its respective interest in the Contract without written consent of the other Party.
- 14.8. No amendment to or variation of this Contract shall be effective unless made in writing and signed by duly authorized representatives of both Parties. The Contract can be amended in compliance with the provisions of Section 61 of the Public Procurement Law of the Republic of Latvia.
- 14.9. This Contract, 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. The following are added to the Contract for its entry into force as an integral part:
  - 14.9.1. Annex 1 - Technical specification on 5 (five) pages.
  - 14.9.2. Annex 2 – Financial proposal (should be added with Payment schedule) on 1 (one) page.
  - 14.9.3. Annex 3 — Manual of normal depreciation of motor vehicles on 10 (ten) pages.
  - 14.9.4. Annex 4 — Contractor`s declaration 3 (three) on pages.
  - 14.9.5. Annex 5 – Contractor`s proposal and clarifications (not attached to Contract) on 109 (hundred and nine) pages.
- 14.10. This Contract may be executed in two counterparts to be held by each Party which counterparts, taken together, shall constitute one and the same instrument.
- 14.11. The Contractor and the Client undertake to notify each other immediately of the change of registered and postal addresses of the Parties.

## **15. CONTACTS OF THE CONTRACTING PARTIES**

- 15.1. Contacts on behalf of the Contractor: [●], phone [●], e-mail: [●]
- 15.2. Contacts on behalf of the Client: [●], phone: [●];  
e-mail: [●]

## **16. ADDRESSES AND BANK PROPERTIES OF THE CONTRACTING PARTIES**

**Client:****RB Rail AS**

Registered address:

Krishna Valdemar Street 8-7, Riga, LV-1010

email: [info@railbaltica.org](mailto:info@railbaltica.org)

Reg. No. LV40103845025

Bank details: [●]

Code: [●]

Account: [●]

**Contractor:****SIA "Transporent"**

Registered address:

Karla Ulmana Street 75, Riga, LV-1046

email: [klientucentrs@sixt.lv](mailto:klientucentrs@sixt.lv)

Reg. nr. LV40003722171

Bank details: [●]

Code: [●]

Account: [●]

Chairperson of the Management Board

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**Timo Riihimäki**

Member of the Management Board

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**Mart Nielsen**

Chairmen of the Board

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**Arnis Jaudzems**