

Annex No 9.1: Draft Agreement for Part No.1

AGREEMENT
ON
THE SUPPLY OF OFFICE GOODS
between

RB Rail AS

and

[●]

Contract registration number [●]

CEF¹ Contract No INEA/CEF/TRAN/M201[●]/[●] [●]

Procurement procedure identification No RBR 2020/6

Riga

Dated [●] [●] 202[●]

¹ Grant Agreement under the Connecting Europe Facility

AGREEMENT NO [●]
ON THE SUPPLY OF OFFICE GOODS

This Agreement on the supply of office goods (the “**Agreement**”), together with all Annexes thereto, is entered into in Riga, on [●] [●] of the year 2020 (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 (the “**Principal**”), represented by 2 (two) Management Board Members [●] acting on the basis of the Regulations on Representation Rights dated 25 May 2018, on the one side,

and

[●], a [●] company registered in the [●], registration No [●], legal address at [●] (the “**Contractor**”), represented by [●][●] acting on the basis of [●], on the other side

who are collectively referred to as the “**Parties**” and separately – as “**Party**”

WHEREAS

- (A) This Agreement is entered into under 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 commercialise the Rail Baltica railway – a new fast conventional double track electrified railway line according TSI INF P2-F1 criteria 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) RB Rail has organised a procurement procedure “*Supply of office goods, full-service rental of coffee machines and related supplies for RB Rail AS in Latvia, Lithuania and Estonia*” (identification No RBR 2020/6) (the “**Procurement Procedure**”);
- (C) In the Part I of the Procurement Procedure the Contractor’s tender proposal (the “**Contractor’s Proposal**”; enclosed to this Agreement as *Annex 2: Contractor’s Technical Proposal*; and as *Annex 3: Contractor’s Financial Proposal*) was selected for entering into this Agreement;
- (D) This Agreement is co-financed from the Connecting Europe Facility (CEF), CEF Contract No INEA/CEF/TRAN/ M201[●]/[●], Activity [●], Action No: [●], furthermore considering the term of this Agreement it may also be co-financed from other CEF Contracts and/or Activities in the future.

1. SUBJECT MATTER OF THE AGREEMENT

- 1.1. The Contractor sells and delivers to the Principal the office supplies referred to in *Annex 1: Technical Specification* and *Annex 2: Contractor’s Technical Proposal* (the “**Goods**”) in accordance with the provisions of this Agreement on an **on-demand basis** with the Parties agreeing upon each delivery of the Goods as a separate purchase/supply order (the “**Order**”) and the Principal pays the Contractor for the Goods delivered in full accordance with the provisions of the Agreement.

2. TOTAL VALUE OF THE AGREEMENT AND THE PRICING OF GOODS

- 2.1. During the term of the Agreement, the Contractor sells and delivers the Goods to the Principal on the basis of Orders placed in accordance with the Agreement, for a total amount of no more than **EUR 80 000,00** (eighty thousand euros, 00 cents) (the “**Total value**”), excluding VAT. The Principal is under no obligation to place Orders for Goods for the Total value of the Agreement, and likewise the Contractor is not guaranteed any specific amount or value of Orders during the term of the Agreement.
- 2.2. The price of the Goods includes all costs associated with the supply and delivery of the Goods (i.e. the costs of packaging, delivery, etc.), all taxes (except VAT which shall be paid at the applicable rates) and fees, (the “**Price of the Goods**”).
- 2.3. The Price of the Goods (specific pricing of a unit of Goods) are determined from the Contractor’s catalogue of Goods (the “**Catalogue**”) freely accessible at [●] (internet address indicated in the Tenderer’s Application for participation in the Procurement Procedure) for the base prices indicated in the Catalogue on the respective

day when the Order is sent by the Principal and in addition by applying the Contractor's proposed discount of [●] % ([●] percent) to the base prices indicated in the Catalogue.

- 2.4. During the term of this Agreement the Catalogue has to be fully accessible by the Principal and the Contractor's proposed discount cannot be changed or otherwise modified and has to be applied to every Order without exception. Additionally, during the term of this Agreement the Catalogue has to comply with the remaining requirements stipulated in *Annex 1: Technical Specification* and *Annex 2: Contractor's Technical Proposal*.

3. PAYMENTS

- 3.1. The Principal pays for each Order in accordance with the invoice prepared by the Contractor. The Contractor prepares the invoice electronically and sends it electronically to the Principal's e-mail address: invoices@railbaltica.org.
- 3.2. The Contractor's invoices shall contain the following Contractor's details and details about the Agreement:

Contractor	[●]
Registration No	[●]
VAT payer's No or indication that the Contractor is not a VAT payer	[●]
The Principal's VAT No	
Legal address, city, Zip code, country	[●]
Legal name of Bank	[●]
Bank SWIFT Code	[●]
Bank Account No IBAN	[●]
Subject:	For provided services according to the Principal's Agreement No [●] (CEF Contract No INEA/CEF/TRAN/M[●]/[●]Activity No [●]), Contract Manager: [●]

- 3.3. Once a month, by the 5th day of the month, the Contractor shall submit to the Principal an invoice for the Orders made in the previous calendar month that were duly accepted by a mutually signed delivery note.
- 3.4. If the Principal finds deficiencies in the submitted invoice, the Principal shall inform the Contractor about such identified deficiencies, and the Contractor shall submit a corrected invoice to the Principal within 3 (three) business days.
- 3.5. The Principal shall pay the invoices submitted by the Contractor in accordance with the provisions of the Agreement for the fulfilled Orders, within 30 (thirty) days after the date of receipt of the respective invoice.
- 3.6. Payment shall be deemed made when the Principal has made a payment from its bank account to the Contractor's bank account specified in the Agreement.
- 3.7. The parties agree to recognize as valid and payable invoices prepared electronically without the "signature" part of the details area.
- 3.8. [OPTIONAL] The Contractor ensures that 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 Contractor 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 [●]" (the "Residence Certificate") confirmed by Competent Authority of [●] 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. The Principal/,I is entitled to make any deductions from the payments due to the Contractor if the Contractor doesn't comply with this provision.

4. ORDERS PROCEDURE

- 4.1. The Principal shall place an Order electronically by having its authorised person perform the necessary online ordering procedures in the Catalogue. The Order is valid if it is placed by the Principal's authorized person as distinguishable from the e-mail address specified in this Agreement. The Parties agree that the minimum amount of a specific Order (Price of the Goods ordered) shall be at least EUR 50 (fifty euros). The Contractor ensures that the Catalogue has the required technological capabilities to fully enable online ordering procedures.

- 4.2. The Order shall be deemed received on the same day the Order is placed in the Catalogue.
- 4.3. The Contractor confirms the receipt and acceptance of the Order for execution within 1 (one) business day from the day of its receipt by sending an e-mail to the Principal's authorized person to the e-mail address specified in the Agreement.
- 4.4. When delivering the Goods, the Contractor shall comply with the requirements set out in this Agreement and its Annexes.
- 4.5. When executing the Order, the Contractor delivers the Goods within 3 (three) business days. If after receiving the Order the Contractor finds that a specific unit of Goods is not available then the Contractor immediately coordinates with the Principal upon a new specific delivery time, in such a situation the Contractor is obliged to justify in writing objective reasons for the unavailability of the specific unit of Goods, but the Principal may decide to apply a contractual penalty in accordance with Clause 8.1. of this Agreement for each day of the specific delivery term that exceed the normal term for delivery of Goods as provided in this Clause 4.5. of the Agreement depending on the objective reasoning provided by the Contractor.
- 4.6. The Contractor shall authorise the following employee(s), who is directly responsible for the organization of Orders, supplies and deliveries, consulting the Principal in matter related to the Goods as well as general performance of the Agreement (the "**Contractor's authorized person**"):
 - 4.6.1. Name, surname, telephone, e-mail of the employee: [●];
 - 4.6.2. [●]
- 4.7. The Principal authorizes the following employee(s) to handle the Orders procedures, as well as to resolve all issues related to the performance of the Agreement (the "**Principals' authorized person**"):
 - 4.7.1. Name, surname, telephone, e-mail of the employee: [●];
 - 4.7.2. [●]
- 4.8. The authorized persons of the Parties shall maintain active communication with each other during the term of the Agreement, as well as be responsible for monitoring the performance of the Agreement, including the timely submission and acceptance of invoices, their approval and submission for payment.
- 4.9. In the event that an authorized person of the Principal and / or the Contractor is substituted during the performance of the Agreement, the respective Party shall immediately inform the other Party thereof in writing. In such circumstances, no separate amendments to the Agreement are required.
- 4.10. Each of the Parties undertakes to list and store all executed Orders throughout the term of the Agreement.
- 4.11. If the Contractor does not confirm the receipt and acceptance of an Order in accordance with Clause 4.3. of this Agreement or if the Contractor does not inform the Principal about the necessity to modify an Order in accordance with Clause 4.5. of this Agreement then an Order is considered as mutually agreed upon. The 2nd (second) business day after the Principal sends the Order to the Contractor will be considered as the first day of the Goods delivery term.
- 4.12. *Annex 1: Technical Specification* contains a list most frequently ordered Goods, which does not restrict the Principal during the term of the Agreement to order other Goods (specific units) covering the same subject matter of the Agreement and having a similar or identical nature of the specific Goods as specified in *Annex 1: Technical Specification*. The Principal shall utilise its rights under this Clause 4.12. in accordance with Paragraph 5 of Article 61 of the Public Procurement Law.
- 4.13. During the term of the Agreement the Contractor can replace goods with equivalent ones or ones better in quality, parameters and functionality, or in case Goods indicated in the Annex 2: Contractor's Technical Proposal are not available or manufactured anymore. Such replaced Goods shall confirm with all requirements established in *Annex 1: Technical Specification*.

5. DELIVERY AND ACCEPTANCE OF THE GOODS

- 5.1. Delivery of Goods is made to one of the following addresses (as specified in each Order):
 - 5.1.1. K.Valdemāra street 8-7, Riga, LV-1010, Latvia;
 - 5.1.2. Endla 16, Tallinn 10142, Estonia;
 - 5.1.3. J. Basanavičiaus str. 24, Vilnius, 03224, Lithuania
- 5.2. Addresses named above may be changed in case location of any of RB Rail AS offices changes during the Contract fulfilment (within the Baltic states boundaries). The Parties may agree on another place of delivery of the Goods within the city boundaries of Tallinn, Riga or Vilnius respectively. The Contractor, no later than 1

(one) business day before the delivery of the Goods, agrees with the Principal on the specific time of delivery, observing the Principals' business hours: on business days from 9:00 o'clock to 18:00 o'clock.

- 5.3. When accepting the Goods, the Principal verifies their assortment and quantity, as well as is entitled to verify the conformity and quality of the Goods and if there are no issues with the specific Order then the Principal accepts the goods by signing the delivery note issued by the Contractor. If any of the Goods do not comply with the provisions of the Agreement and/or the Order, or the Goods have not been delivered in the amount and/or quality specified in the Order, the Principal's authorized person shall immediately inform the Contractor about the issues or discrepancies with the Order and the delivery note will not be signed by the Principal. In such cases, the Principal is entitled not to accept and pay for the Goods at all or to accept the part of the Goods or the Order that complies with the terms of the Agreement and the specific Order.
- 5.4. The Contractor shall, no later than within 2 (two) business days, counting from the next business day after the Contractor was informed about issues and/or discrepancies with an Order that led to the Principal's refusal to sign the delivery note, eliminate the respective deficiencies at its own expense and pay the Principal a contractual penalty in accordance with Clause 8.1. of the Agreement. If the Contractor repeatedly delivers Goods for which previously the Principal has refused to sign the delivery note (i.e. both the Goods delivered with a new and separate Order and the Goods re-delivered after the Contractor has been informed about issues and/or discrepancies), the Principal has the right to unilaterally terminate the Agreement in accordance with Clause 12 of the Agreement.
- 5.5. The Contractor shall hand over the Goods to the Principal together with the documentation containing the characteristics, properties and terms of use / instructions of the Goods (if available and required) as further specified in *Annex 1: Technical Specification*.
- 5.6. The Goods shall be deemed delivered and handed over to the Principal from the moment when the authorized persons of the Parties have signed the respective delivery note, as well as the Contractor has handed over to the Principal the documents referred to in Article 5.4. of the Agreement. The Principal has the right to raise claims within 14 (fourteen) days from the signing of the specific delivery note regarding the non-compliance of the Goods with the provisions of the Agreement and its Annexes. If the Principal has filed claims within the term specified in this Clause, the Contractor is obliged to immediately eliminate the defects at its own expense by delivering the Goods that fully comply with the requirements of this Agreement.
- 5.7. The Contractor ensures that 3 (three) copies of the delivery note drawn up in accordance with the regulatory enactments of the country where the specific Order is being delivered (Republic of Latvia; Republic of Estonia; Republic of Lithuania) are submitted to the Principal, of which 1 (one) copy remains with the Contractor and 2 (two) copies are handed over to the Principal.

6. ADDITIONAL WARRANTIES OF THE CONTRACTOR

- 6.1. The Contractor guarantees and provides:
 - 6.1.1. that throughout the term of the Agreement the Goods delivered by it will meet the technical requirements specified in *Annex 1: Technical Specification*, will be new and unused and delivered in original packaging and all documentation specified in *Annex 1: Technical Specification* (e.g. instructions for usage of Goods, certificates, safety data sheets, confirmations about cooperation or launching cooperation with such manufacturer (Organic farming) of Goods etc. (if applicable)) will be provided together with Goods;
 - 6.1.2. that the conformity of the Goods (quality and other indicators) will comply with the technical documentation of its manufacturer, the standards specified in the European Union, the provisions of the Agreement, the quality and / or conformity certificate and the statutory laws and enactments of the country where the specific Order will be delivered.

7. OWNERSHIP OF GOODS

- 7.1. The ownership and title of the Goods are transferred to the Principal after full payment of the invoice for the respective Goods.

8. LIABILITY

- 8.1. For delay in delivery of the Goods specified in the Agreement and/or specific Orders and/or non-compliance of the quantity and/or quality of the delivered Goods with the provisions of the Agreement and/or specific Order, the Contractor shall pay the Principal a contractual penalty in the amount of 0.5% (zero point five percent) of the Goods that were delivered with a delay or did not comply with the requirements of the

Agreement and/or specific Order for each day of delay, but not exceeding 10% (ten percent) of the total amount of the Agreement.

- 8.2. The Principal has the right to deduct the calculated contractual penalty from the payment amount when making payment for the delivered Goods. Payment of the contractual penalty does not release the Contractor from obligation to fulfil the Agreement and compensate the Principal for the losses caused.
- 8.3. For the delay in payment terms specified in the Agreement, the Principal shall pay the Contractor a contractual penalty for the delay in the amount of 0.5% (zero point five percent) of the amount of late payment for each day of delay, but not exceeding 10% (ten percent) of the amount of late payment.
- 8.4. If within the term specified in accordance with the provisions of Clause 5.4. of the Agreement, the Contractor misses the delivery term specified from the Principal's refusal to sign the delivery note, the Contractor shall pay a contractual penalty in the amount of 10% (ten percent) of the value of the Goods that were of low quality or were not delivered on time.
- 8.5. In case the Contractor does not observe the delivery terms of the Goods specified in the Orders and/or the compliance of the quantity and/or quality of the delivered Goods with the provisions of the Agreement and/or the Order for which the Principal has refused to sign the delivery note, the Principal has the right to withdraw from the specific Order and/or to terminate the Agreement in accordance with Clause 12 of this Agreement by sending a respective notice to the Contractor in writing.
- 8.6. Until the Contractor has handed over the Goods to the Principal in accordance with Article 5.6. of this Agreement, the Contractor shall bear full risk of the Goods deteriorating or being damaged without any reservations.
- 8.7. The Parties shall be liable for direct losses caused to the other Party as a result of their actions and/or omissions.
- 8.8. In case subcontractors are involved in the performance of the Agreement, the Contractor shall be liable to the Principal for the proper performance of their obligations as if he had performed the relevant part of the Agreement himself. The replacement of subcontractors involved in the performance of the Agreement (as per *Annex 5: Approved subcontractors*) and the involvement of a new subcontractor must be ensured in accordance with Article 62 of the Public Procurement Law.

9. PERSONAL DATA PROTECTION

- 9.1. The Parties shall have the right to process personal data obtained from the other Party only for the purpose of fulfilling the obligations under this Agreement, while ensuring compliance with the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) ("GDPR").
- 9.2. The Party transferring the personal data to the other Party for processing shall be responsible for obtaining the consent of the data subjects concerned.
- 9.3. The Parties undertake not to transfer to third parties the data of natural persons obtained from the other Party, except in cases when the Agreement provides otherwise, or the regulatory enactments provide for the transfer of such data.
- 9.4. If, in accordance with regulatory enactments, a Party may be obliged to transfer to third parties the personal data obtained from the other Party, it shall inform the other Party thereof prior to the transfer of such data, unless prohibited by regulatory enactments.
- 9.5. Notwithstanding the provisions of Clause 9.3. of the Agreement, the Contractor agrees that the Principal transfers the personal data received from the Contractor to third parties who provide services to the Principal and with whom the Principal cooperates to ensure its operation and performance of the Agreement.
- 9.6. The Parties undertake to destroy, at the request of the other Party, the data of natural persons obtained from the other Party if the need to process them to ensure the performance of the Agreement ceases.

10. VISIBILITY REQUIREMENTS

- 10.1. The Contractor is obliged to comply with the following visibility requirements:
 - 10.1.1. Any reports, brochures, other documents or information connected with this Agreement which the Contractor produces and submits to the Principal, any other third person or makes publicly available must include the following:
 - 10.1.1.1. a funding statement stating that supply of Goods is performed from the funding from the CEF: "Rail Baltica is co-financed by the European Union's Connecting Europe Facility";

10.1.1.2. (for printed materials) a disclaimer releasing the European Union from any liability in terms of the content of the dissemination materials: "The sole responsibility of this publication lies with the author. The European Union is not responsible for any use that may be made of the information contained therein." This disclaimer in all European Union official languages can be seen at the website: <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>

10.1.1.3. the European Union flags.

10.1.2. Requirements set in Clause 10.1.1.1. and 10.1.1.3. can be fulfilled by using the following logo:



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

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

10.1.3. The Contractor is obliged to comply with the latest visibility requirements set by the European Union. For that purpose, the Firm shall follow the changes in the visibility requirements on its own. On the date of conclusion of this Agreement the visibility requirements are published on the following website: <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>.

11. FORCE MAJEURE

- 11.1. If an extraordinary situation arises that is beyond the control of the Parties and which could not be reasonably predicted by the relevant Party, which makes the fulfilment of the obligations pursuant to the Agreement absolutely impossible, this situation is deemed to be force majeure, such as war, strike, earthquake, flood, lockout, embargo, governmental acts or orders or restrictions, or any other reason where failure to perform is beyond the reasonable control and is not caused by the negligence or intentional conduct or misconduct of the nonperforming Party.
- 11.2. In case of force majeure the affected Party must notify the other Party without any undue delay and provide proof of the event occurred.
- 11.3. The affected Party's obligations will be suspended as long as the extraordinary force majeure situation lasts. The other Party's counter-performances will be suspended during the same period of time.

12. TERM OF THE AGREEMENT AND THE TERMINATION OF THE AGREEMENT

- 12.1. The Agreement enters into force on Effective date and is valid until the fulfilment of the obligations of the Parties under this Agreement.
- 12.2. The Principal is entitled to place Orders in accordance with the provisions of the Agreement for **36 (thirty-six) months** from the Effective date or until the Total value of the Agreement has been reached, whichever comes first. In case the Total value of the Agreement has not been reached, yet the initial 36 (thirty-six) month term for placement of Orders has passed, then the Agreement can be further prolonged for an additional 1 (one) year, or until Total value of the Agreement has been reached, whichever comes first.
- 12.3. By sending a written notice to the Contractor, the Principal is entitled to terminate this Agreement unilaterally from the date of sending the notice, in the following cases:
 - 12.3.1. The Contractor has not delivered the Goods to the Principal (has not fulfilled any of the Orders) within 10 (ten) calendar days after the end of the delivery period specified in the respective Order;
 - 12.3.2. The Contractor fails to perform any other obligations or responsibilities specified in the Agreement and the Contractor has not remedied such failure within 10 (ten) calendar days after receipt of a respective written notice from the Principal;
 - 12.3.3. After refusal by the Principal to sign the delivery note for a specific Order, the Contractor repeatedly delivers Goods that do not comply with the provisions of the Agreement (Order) and/or the

Contractor has not eliminated the defects of the Goods in accordance with Clause 5.4 of the Agreement.

- 12.3.4. the Contractor's insolvency proceedings have been initiated or other circumstances have occurred which prevent or prevent the Contractor from continuing the performance of the Agreement in accordance with the provisions of the Agreement, or which adversely affect the rights of the Principal arising from the Agreement;
 - 12.3.5. this Agreement has been substantially amended in a way which is not permitted in accordance with Article 61 of the Public Procurement Law;
 - 12.3.6. The Agreement has not been concluded in accordance with the provisions provided for in the Procurement Procedure documents, or the provisions of the draft procurement agreement included in the Procurement Procedure documents have been substantially changed;
 - 12.3.7. at the time of awarding the Agreement, the Contractor complied with any of the exclusion grounds referred to in Article 42 of the Public Procurement Law and should have been excluded from the Procurement Procedure;
 - 12.3.8. the Contractor should not have been awarded the Agreement due to a material breach of obligations under the Treaty on European Union, the Treaty on the Functioning of the European Union and the Public Procurement Law identified by the Court of Justice of the European Union in the procedure provided for in Article 258 of the Treaty on the Functioning of the European Union;
 - 12.3.9. The Principal does not have access to the CEF co-financing for further payment for the delivery of the Goods. In such a case, the Principal undertakes to pay the Contractor the amounts provided for in the Agreement for the Orders received before the termination of the Agreement, without paying the contractual penalty or losses that may occur to the Contractor in the event of such termination;
 - 12.3.10. 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.
- 12.4. The Contractor has the right to unilaterally terminate the Agreement by notifying the Principal in writing at least 10 (ten) business days in advance, if the Principal has not paid more than two of the invoices issued by the Contractor and the Contractor is not responsible for non-payment of invoices and the Principal has not remedied the situation within 10 (ten) business days after receipt of the respective notice.
 - 12.5. The Principal has the right to terminate this Agreement 30 (thirty) days in advance by notifying the contractor in writing. In such case, the Principal undertakes to pay the Contractor the amounts provided for in the Agreement for the Orders received before the termination of the Agreement, without paying the contractual penalty or losses that may occur to the Contractor in the event of such termination.
 - 12.6. The Agreement may be terminated by mutual written agreement of the Parties.
 - 12.7. In any the event of termination of the Agreement, the Parties undertake to fulfil all obligations that have arisen prior to the termination of the Agreement.

13. CHEKS AND AUDITS

- 13.1. By giving a written notice 5 (five) business days in advance, but in case of an unannounced check 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. On-the-spot visits may be carried out either directly by the authorised staff of the Principal or by any other outside body authorised to do so on behalf of the Principal. Information provided in the framework of on-the-spot visits shall be treated on confidential basis. The Principal shall ensure that any outside body authorised shall be bound by the confidentiality obligation. The Contractor shall provide to the performer of the on-the-spot visit or any other outside body authorised access to all the information and documents, including information and documents in electronic format, which is requested by the authorised staff of the performer of the on-the-spot visit or any other outside body authorised for the performance of an on-the-spot visit and which relates to the implementation of the Agreement, as well as shall allow the authorised staff of the performer of the on-the-spot visit or any other outside body authorised copying of the information and documents, with due respect to the confidentiality obligation.
- 13.2. By virtue of Council Regulation (Euratom, EC) No 2185/961 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU) No 883/20132 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the

procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities. Where appropriate, OLAF findings may lead to criminal prosecution under national law.

- 13.3. By giving a written notice 5 (five) business days in advance, but in case of an unannounced check or audit without an advance notice, the Principal may carry out technical, legal and financial checks and audits in relation to the implementation of the Agreement. Checks and audits may be carried out either directly by the authorized staff of the Principal or by any other outside body authorised to do so on Principal's behalf. Information and documents obtained in the framework of checks or audits shall be treated on a confidential basis.
- 13.4. Contractor shall provide to the performer of the check or audit or any other outside body authorised access to all the information and documents, including information in electronic format, which is requested by the performer of the check or audit or any other outside body authorised for the performance of the check or audit and which relates to the implementation of the Agreement, as well as shall allow the performer of the check or audit or any other outside body authorised by it copying of the information and documents with due respect to the confidentiality obligation.
- 13.5. During the term of the Agreement the Contractor may be subject to checks and audits performed by either the Principal or the authorised government institution in relation to the delivery and/or characteristics and origins of specific Goods that are regulated by statutory requirements regarding green public procurement² as further indicated in *Annex 1: Technical Specification and Annex 2: Contractor's Technical Proposal*. The Contractor undertakes to fully cooperate with both the Principal and any authorised government instructions and acknowledges its liability in case such specific Goods do not comply with the statutory law during the term of this Agreement.

14. OTHER PROVISIONS

- 14.1. The Parties confirm that they have the appropriate authority to enter into this Agreement and to assume the obligations set forth therein, as well as the ability to perform the obligations set forth in this Agreement.
- 14.2. The Parties shall observe the confidentiality of the information received from the other Party, shall not disclose such information to third parties, except in the cases and in accordance with the procedures specified in the regulatory enactments in force in the Republic of Latvia. The condition of confidentiality applies to information that has become available to the Parties during the performance of the Agreement, including written information, oral information, electronic information and any other information, regardless of the type, time and place of provision of information.
- 14.3. During the term of the Agreement, amendments to the Agreement may be made by mutual agreement of the Parties in the cases and in accordance with the procedures specified in Article 61 of the Public Procurement Law. Any changes or additions to the Agreement must be made in writing and signed by both Parties. Such changes and additions shall become an integral part of the Agreement upon their signing.
- 14.4. This Agreement is governed and interpreted by the statutory laws and regulations of the Republic of Latvia.
- 14.5. The Parties shall endeavour to resolve any dispute arising out of or in connection with the performance of the Agreement through negotiations or mutual agreement. If disputes cannot be resolved by negotiation or agreement within 30 (thirty) days, it will be submitted to a court in accordance with the procedures specified in the statutory laws of the Republic of Latvia.
- 14.6. If any of the provisions of the Agreement becomes invalid in case of changes in statutory law, the Agreement shall not become invalid in other respects thereof and in such case the Parties are obliged to apply the requirements of statutory law in force to the Agreement.
- 14.7. The Parties shall immediately inform each other about the change of the details (legal status, location, etc.) essential for the performance of the Agreement.
- 14.8. The Agreement is signed in 2 (two) copies, each on [●] pages, one copy for each Party. The Agreement has 5 annexes on [●] pages.

15. ANNEXES

Annex 1: Technical Specification;
Annex 2: Contractor's Technical Proposal;
Annex 3: Contractor's Financial Proposal;
Annex 4: Contractor's Declaration;

² Cabinet of Minister Rules No.353 on requirements for conducting green public procurement (*Prasības zajajam publiskajam iepirkumam un to piemērošanas kārtība*) of 20 June 2017

Annex 5: Approved subcontractors.

Principal: RB Rail AS	Contractor: [.]
[.]	[.]
_____	_____

Annex 1: Technical Specification

Annex 2: Contractor's Technical Proposal

Annex 3: Contractor's Financial Proposal

Annex 4: Contractor's Declaration

I, the undersigned duly authorised representative, on behalf of [*name of the Contractor*] 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 15 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 must be informed of such deductions at the time of each payment. The wages, hours of work and other conditions of work must 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 Supplier or an undertaking related to the Supplier 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 Supplier's business or any kind of economic ties with the Supplier;
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 Suppliers' 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 Supplier which participated in a procurement procedure or restrictions with similar effect applies;
18. To promote the adoption of the principles set forth in this Supplier's Declaration by my potential business partners and promote the implementation of the principles set forth in this document towards own Suppliers;
19. Not procure goods, works and services from other Suppliers:
 - a. Who, or its member of the Management Board or the Supervisory Board or procurator of such Supplier, or a person having the right to represent such Supplier 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 must evaluate the possibility of such Supplier to participate in the tender), economic activity of such Supplier has been suspended or

discontinued, proceedings regarding bankruptcy of such Supplier have been initiated or such Supplier will be liquidated;

- e. who has tax debts in the country where the procurement is organised or a country where such Supplier 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.

_____ [signature] [name, last name] [position] [date]

Annex 5: Approved subcontractors