

SERVICE AGREEMENT
ON THE PROVISION OF MOBILE COMMUNICATION SERVICES IN [LATVIA/LITHUANIA/ESTONIA]

between

RB Rail AS

and

[●]

Agreement registration No	[●]
Procurement procedure No	[●]
CEF ¹ Agreement No	[●]

Riga, dated [●]

¹ Grant Agreement under the Connecting Europe Facility

SERVICE AGREEMENT ON THE PROVISION OF MOBILE COMMUNICATION SERVICES IN [LATVIA/LITHUANIA/ESTONIA]

This SERVICE AGREEMENT ON THE PROVISION OF MOBILE COMMUNICATION SERVICES IN [LATVIA/LITHUANIA/ESTONIA] (the "Agreement"), together with all Annexes thereto, is entered into in [●], on THE DATE INDICATED ON THE TIMESTAMP OF THE LAST SIGNATURE OF THE DOCUMENT (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 [●] acting on the basis of [●], on the one side,

and

[●], registration No [●], registered address: [●] (the "Contractor"), represented by [●], acting on the basis in accordance with the [●], on the other side,

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 "Mobile Communication Services in Latvia, Lithuania and Estonia" (identification No RBR [●]) (the "Procurement");
 - (C) In the Procurement the Contractor's tender proposal (the "Contractor's Proposal"; enclosed to this Agreement as *Annex [●]: Contractor's Financial Proposal*) was selected for entering into this Agreement;
- this Agreement is co-financed from the Connecting Europe Facility (CEF), CEF Agreement No [●] and other recently signed Grant Agreements or future Grant Agreements to be signed.

1. SUBJECT MATTER OF THE AGREEMENT

- 1.1. The Contractor shall provide mobile communication services in [LATVIA/LITHUANIA/ESTONIA] to the Principal (the "Services") in accordance with the Principals request and the requirements specified in this Agreement, its *Annex A: Technical Specification - Proposal* and the *Annex B: Financial Proposal* (the "Services").
- 1.2. The Contractor shall provide the Services with its own material and technical means and personnel, If necessary, attracting additional resources, the cost of which are included in the fee for the Services specified in the Agreement.
- 1.3. [OPTIONAL] For the avoidance of doubt, the Contractor shall commence the provision of the Services upon and per the Principal's request and provided that the provision of the mobile communication services under the previous agreement has been terminated.

2. TOTAL VALUE AND PAYMENT TERMS

- 2.1. During the term of the Agreement, the Contractor performs the Services for the Principal for a total amount not exceeding EUR [●] ([●] euros, 00 cents), excluding VAT (the "Total value"). The Principal is under no obligation to procure the Services for the Total value of the Agreement, and likewise the Contractor is not guaranteed any specific amount or value of Services during the term of the Agreement.
- 2.2. The fee for the Services includes all costs associated with the provision of the Services as specified in detail in *Annex A: Technical Specification - Proposal*, all taxes (except VAT which shall be paid at the applicable rates) and fees.
- 2.3. The amount of the monthly invoice shall be calculated in accordance with tariffs indicated under *Annex B: Financial Proposal* and taking into account the actual consumption of the Services in the respective month.

- 2.4. The Contractor's invoices shall contain the following Contractor's details and details about the Agreement:

Principal	RB Rail AS
Registration No	40103845025
VAT No	LV40103845025
Address	Kr. Valdemāra iela 8-7, Rīga, Latvija, LV-1010

Contractor	[●]
Registration No	[●]
VAT payer's No or indication that the Contractor is not a VAT payer	[●]
Legal address, city, zip code, country	[●]
Legal name of Bank	[●]
Bank SWIFT Code	[●]
Bank Account No IBAN	[●]
Subject:	For provided services according to Agreement No. [●] , Agreement Manager: [●]

- 2.5. Once a month, by the tenth (10th) day of the month, the Contractor shall submit an invoice to the Principal for the Services provided in the previous month together with a detailed report of the Services provided to the Principal (i.e. report in MS Excel or CSV format of outgoing calls for each connection, the amount of internet data, roaming services). The Contractor prepares the invoice and the detailed report electronically and sends them electronically to the Principal's e-mail address: invoices@railbaltica.org.
- 2.6. If, after reviewing the submitted invoice and detailed report, the Principal finds deficiencies, the Principal shall inform the Contractor about the identified deficiencies and the Contractor shall submit an updated invoice and / or detailed report to the Principal within two (2) working days.
- 2.7. For the Services actually provided by the Contractor, based on the invoice and report submitted by the Contractor, the Principal shall make a transfer to the bank account indicated in the Contractor's invoice within thirty (30) days after the date of receipt of the correctly issued invoice and report.
- 2.8. The payment shall be deemed made when the Principal has made the respective payment from the Principals bank account to the Contractors bank account specified under the Agreement or the respective invoice.

3. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 3.1. The Contractor is entitled:
- 3.1.1. to receive payment from the Principal for the Services provided in conformance with the terms of the Agreement in the order and the amount specified by the Agreement;
- 3.1.2. to request from the Principal information necessary for the fulfilment of the obligations under the Agreement.
- 3.2. The Contractor is obliged:
- 3.2.1. to ensure the provision of quality and uninterrupted Services in accordance with the requirements of this Agreement and any part thereof;
- 3.2.2. to have due regard to any comments or instructions made by the Principal in connection with the performance of the Agreement and the provision of the Services and shall provide reasons to the Principal where it does not take into account any such comments;
- 3.2.3. to immediately, but not later than within three (3) days upon receipt of such request from the Principal, activate a new connection or deactivate an existing connection of the mobile communication services;
- 3.2.4. to provide the Services at a high professional level, in accordance with the provisions of the Agreement, its Annexes and the requirements of the regulatory enactments in force in the Republic

of [LATVIA/LITHUANIA/ESTONIA], including the processing of personal data, provision of electronic communications services and security of information technology systems;

- 3.2.5. immediately, but not later than within one working day, inform the Principal about possible or foreseeable delays in the performance of the Agreement and circumstances, events and problems that affect or may affect the accurate and complete performance of the Agreement or Services, or their performance within the specified time;
 - 3.2.6. to eliminate the non-compliance of the Services with the requirements of the Agreement and its annexes in accordance with the procedures specified in this Agreement free of charge;
 - 3.2.7. upon the Principal's request to provide the Principal with information related to the provision of the Services;
 - 3.2.8. to provide the Principal with an opportunity to constantly monitor the quality of the Contractor's Services;
 - 3.2.9. to notify the Principal in case the costs of the Services provided under the Agreement reach Total value under Clause 2.1;
 - 3.2.10. to ensure the performance of the Agreement and the Services that do not endanger, create risks or otherwise adversely affect the security and defence interests of the Principal in any way;
 - 3.2.11. to comply with the Service tariffs specified in the Agreement and its **Annex B: Financial Proposal**;
 - 3.2.12. to inform the Principal at least one working day in advance about the expected interruptions of the Services related to the planned network coverage improvement works;
 - 3.2.13. to ensure that the Contractor is registered in the Register of Electronic Communications Merchants throughout the performance of the Agreement;
 - 3.2.14. to ensure that the Contractor and the sub-contractors involved in the performance of the Agreement (if any) have the certificates, licenses, permits, etc. specified in the regulatory enactments in force in the Republic of [LATVIA/LITHUANIA/ESTONIA] throughout the performance of the Agreement;
 - 3.2.15. to immediately notify the Principal's contact persons specified in the Agreement regarding the information technology security incident and take all actions necessary for its prevention.
- 3.3. The Principal is entitled:
- 3.3.1. to provide binding comments or instructions in connection with the performance of the Agreement and the provision of the Services;
 - 3.3.2. to request the Contractor to immediately, but not later than within three (3) days upon receipt of such request, activate a new connection or deactivate an existing connection of the mobile communication services;
 - 3.3.3. to reduce or increase the number of connections for each type of tariff plan under the *Annex A: Technical Specification - Proposal* by notifying the Contractor at least three (3) days in advance;
 - 3.3.4. to provide all information related to the conclusion and performance of the Agreement to other institutions which have the right to request and receive this information in connection with the performance of tasks or functions specified in an external regulatory enactment;
 - 3.3.5. if deficiencies or other inaccuracies are established in the performance of the Services with the requirements set forth in the Agreement, which should be eliminated, and about which the Principal has informed the Contractor, the Principal has the right not to pay the invoice in full or in part, as the case may be, submitted by the Contractor. In this case, the contractual penalty specified under the Agreement cannot be applied to the Principal;
 - 3.3.6. to constantly monitor the quality of the provision of Services and to control the progress of the Agreement, as well as to request and receive from the Contractor information related to the provision of the Services;
 - 3.3.7. to submit claims to the Contractor (incl. to apply for payment of contractual penalties), if the performance of the Agreement or the quality of the Services does not comply with the provisions of the Agreement;
 - 3.3.8. to perform inspections of the Contractor, its sub-contractors, as well as employees / representatives involved in the performance of the Agreement in accordance with regulatory enactments on ensuring critical infrastructure security, involving the competent security authority if necessary (incl. transfer personal data to the competent security authority to perform necessary inspections).

3.4. The Principal is obliged:

- 3.4.1. to pay for the Services provided in conformance with the terms of the Agreement in the order and amount specified in this Agreement;
- 3.4.2. to provide the Contractor with the information necessary for the timely and high-quality performance of the Agreement, insofar as such information is at the disposal of the Principal and is to be disclosed in accordance with the laws and regulations in force in the Republic of [LATVIA/LITHUANIA/ESTONIA] and this Agreement;
- 3.4.3. to comply with the Contractor's Terms of Use - [●], the current version of which is published on the Contractor's website [●], insofar as they do not contradict the Agreement and are not considered significant amendments under the section two of the Article 61 of the Public Procurement Law of the Republic of Latvia. The Parties agree that in the event of any conflict, this Agreement shall prevail.

4. REPRESENTATIVES

- 4.1. The Contractor authorizes the following employees who are directly responsible for the organization, execution and the performance of the Agreement on behalf of the Contractor, advising the Principal on the Services and any part thereof, as well as for the general execution of the Agreement:
 - 4.1.1. *Name, surname, telephone, e-mail of the Contractors representative:* [●]
- 4.2. The Principal authorizes the following employees who are directly responsible for the organization, execution and the performance of the Agreement on behalf of the Principal, as well as all issues related to the performance of the Agreement:
 - 4.2.1. *Name, surname, telephone, e-mail of the Principals representative:* [●]
- 4.3. The authorized persons of the Parties maintain contacts with each other, as well as are responsible for monitoring the Agreement, including timely submission and acceptance of invoices, and payment.
- 4.4. In the event that any of the authorized representatives of the Contractor or the Principal are replaced during the performance of the Agreement, the respective Party shall immediately inform the other Party in writing thereof. In such circumstances no amendments to the Agreement are necessary.

5. PROCEDURE FOR SUBMITTING CLAIMS

- 5.1. If the Contractor does not provide the Services in the quality specified in the Agreement or in accordance with the requirements specified in the Agreement or its annexes, or fails to fulfil other obligations specified in the Agreement, the Principal has the right to draw up and submit a claim to the Contractor. The Contractor is obliged to eliminate the identified deficiencies at his own expense within the term specified in the Principal's claim.
- 5.2. Following the Clause 5.1 the Principal is also entitled to make a claim regarding the quality of the provided Services in cases when service interruptions are detected that are not related to the planned network coverage improvement works or the user's location outside the Contractor's mobile network coverage area.
- 5.3. If the Contractor does not eliminate the discrepancies or deficiencies recorded in the claim within the term specified by the Principal, the Principal is entitled not to pay for the Services that do not comply with the provisions of the Agreement.

6. LIABILITY

- 6.1. The Parties shall be liable to compensate direct damages incurred by the other Party arising out of or in connection with this Agreement and pay contractual penalty if a breach of any of the obligations of the Party under this Agreement is established against the respective Party.
- 6.2. If the Principal fails to make any payment due to the Contractor under this Agreement on the due date then, without prejudice to any other right or remedy available to the Contractor, the Contractor shall be entitled to charge the Principal a penalty of 0.5 (zero point five) per cent of the unpaid amount for each day of delay, but not more than 10 (ten) per cent of the unpaid amount, until payment in full is made.
- 6.3. If the Contractor does not provide the Services in the quality specified under the Agreement or in accordance with the requirements specified in the Agreement or its annexes, or fails to perform the obligations specified under the Agreement then, without prejudice to any other right or remedy available to the Principal, the Principal shall be entitled to charge the Contractor a penalty of 0.5 (zero point five) per cent of the Total amount under Clause 2.1 for each day of delay, but not more than 10 (ten) per cent of the Total amount, until the respective violation is remedied.
- 6.4. Payment of a contractual penalty shall not release the Parties from the performance of obligations arising out of this Agreement.

7. DATA PROTECTION

- 7.1. 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).
- 7.2. The Party transferring the personal data to the other Party for processing shall be responsible for obtaining the consent of the data subjects concerned.
- 7.3. 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.
- 7.4. 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.
- 7.5. Notwithstanding the provisions of Clause 7.3 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.
- 7.6. 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.

8. CONFIDENTIALITY

- 8.1. "Confidential Information" means all information of a confidential nature relating to the Parties and their affiliates which is supplied by the a Party (whether before or after the date of this Agreement) to the other Party, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, memoranda and other documents which contain or otherwise reflect or are derived from such information.
- 8.2. Both Parties shall at all times keep confidential (and take reasonable steps to procure that its employees and agents shall keep confidential) and shall not at any time for any reason disclose or permit to be disclosed to any person or otherwise make use of or permit to be made use of any Confidential Information obtained during implementation of this Agreement, relating to the Services, other Party's business methods, plans, systems, finances, projects, trade secrets. The obligation to keep confidentiality shall remain effective also after the expiration or termination of this Agreement.
- 8.3. Upon termination of this Agreement for whatever reason both Parties shall deliver to the other Party all working papers or other material and copies provided to him pursuant to this Agreement or prepared by him either in pursuance of this Agreement or previously.
- 8.4. The Parties agree that the Principal, the Contractor and the employees and staff of the Contractor who during the performance of the Services shall be granted access to the IT systems and/or data or information of the Principal shall sign a tripartite mutual agreement on the nondisclosure of Confidential Information of the Principal.

9. VISIBILITY REQUIREMENTS

- 9.1. The Contractor is obliged to comply with the following visibility requirements:
 - 9.1.1. any kind of informative or promotional material (including reports, brochures, other documents or information) connected with Services which the Contractor provides to the Principal, must include the following:
 - (i) a funding statement stating that Services is the recipient of the funding from the CEF: "Rail Baltica is co-financed by the European Union's Connecting Europe Facility";
 - (ii) (for printed materials) a disclaimer releasing the European Union from any liability in terms of the content of the dissemination materials: "The sole responsibility of this publication lies with the author. The European Union is not responsible for any use that may be made of the information contained therein." This disclaimer in all European Union official languages can be seen at the website: <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>;
 - (iii) the European Union flag.
 - 9.1.2. requirements set in Clause 9.1.19.1.1(i) and 9.1.19.1.1(iii) can be fulfilled by using the following logo:



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

- 9.1.3. 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;
- 9.1.4. the Contractor is obliged to comply with the latest visibility requirements set by the European Union. For that purpose, the Contractor 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>.

10. RIGHT TO AUDIT

- 10.1. Notwithstanding anything to the contrary set forth in this Agreement including, the Principal itself, a reputable outside independent body or expert engaged and authorized by the Principal shall be entitled to inspect and/or audit the Contractor to ensure compliance with the terms of this Agreement, including inspecting and/or auditing:
 - 10.1.1. the performance of any aspect of the Services; and/or
 - 10.1.2. 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 Principal or the independent body authorized by the Principal in carrying out any inspection or audit pursuant to this **Error! Reference source not found.** The Principal shall be responsible for its own costs, or the costs incurred by the outside independent body designated by the Principal, incurred toward carrying out such inspection or audit, unless, in the case of any such audit, that audit reveals that the Contractor is not compliant with the terms of this Agreement, in which case the Contractor shall reimburse the Principal for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 10.3. The rights and obligations of the Principal set forth in accordance with this **Error! Reference source not found.** shall survive expiration or termination of this Agreement for any reason and shall continue to apply during ten (10) years following expiration or termination of this Agreement 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 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.
- 11.2. On-the-spot visits may be carried out either directly by authorised staff or representatives of the Principal or by any other outside body or third party authorised to do so on behalf of the Principal. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Principal shall ensure that any authorised outside body or third party shall be bound by the same confidentiality obligations.
- 11.3. Contractor shall provide to the performer of the on-the-spot visit or any other authorised outside body or third party access to all the information and documents, including information and documents in electronic format, which is requested by the authorised staff of the performer of the on-the-spot visit or any other authorised outside body or third party for the performance of an on-the-spot visit and which relates to the implementation of the Agreement, as well as shall allow the authorised staff of the performer of the on-the-spot visit or any other authorised outside body or third party the copying of the information and documents, with due respect to the confidentiality obligation.
- 11.4. OLAF checks and inspections. 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. AGREEMENT TERM AND TERMINATION

- 12.1. The Agreement shall enter into force on the day when the Agreement is mutually signed by the Parties and shall remain valid for twenty four (24) months, or until the Total value of the Agreement is exhausted, depending on whichever occurs first.
- 12.2. During the term of the Agreement the Parties may conclude amendments to the Agreement to the permitted extent and in accordance with the Section 61 of the Public Procurement Law.
- 12.3. Any amendments to the Agreement must be made in writing and signed by the Parties. Amendments to the Agreement made in writing and signed by the Parties shall become an integral part of the Agreement.
- 12.4. The Contractor has the right to terminate the Agreement unilaterally by notifying the Principal in writing at least ten (10) working 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 breach within ten (10) days upon the receipt of a respective notice.
- 12.5. The Principal has the right to terminate the Agreement unilaterally by notifying the Contractor in writing at least ten (10) working days in advance, if:
 - 12.5.1. the Contractor fails to fulfil its obligations under the Agreement, or their performance does not comply with the provisions of the Agreement or the laws and regulations in force in the Republic of [LATVIA/LITHUANIA/ESTONIA], of which the Principal has informed the Contractor in a written (including electronic) claim;
 - 12.5.2. during the performance of the Agreement, it becomes clear that the Contractor is not able to perform the Services in accordance with the provisions of the Agreement and/or certain circumstances have occurred that prevent or prevent the Contractor from continuing the performance of the Agreement in accordance with the provisions of the Agreement;
 - 12.5.3. the Insolvency proceedings of the Contractor are declared or the liquidation proceedings of the Contractor are initiated;
 - 12.5.4. the Principal has received information from the competent security authority that the Contractor cannot provide the Services for the Principal;
 - 12.5.5. substantial amendments have been made to the Agreement which are not permitted under the Article 61 of the Public Procurement Law of the Republic of Latvia;
 - 12.5.6. at the time of awarding the Agreement, the Contractor fell under with one of the exclusions referred to in the first paragraph of Article 42 of the PPL and was to be excluded from the procurement procedure;
 - 12.5.7. the Contractor should not have been awarded the Agreement due to a serious breach of his obligations under the Treaty on European Union, the Treaty on the Functioning of the European Union and the PIL identified by the Court of Justice in accordance with Article 258 TFEU;
 - 12.5.8. the Agreement cannot be performed because international or national sanctions or sanctions imposed by a member state of the European Union or a North Atlantic Treaty organization affecting significant financial and capital market interests have been applied during the performance of the Agreement
 - 12.5.9. by the third party's decision the Connecting Europe Facility (CEF) co-financing of the Agreement becomes unavailable to the Principal fully or partly.
- 12.6. The Principal upon its sole discretion has the right to terminate the Agreement unilaterally at any time by notifying the Contractor in writing at least thirty (30) days in advance to the Contractor's legal address specified in the Agreement. The Principal has the right not to observe the notice period specified in this Clause of the Agreement and to terminate the Agreement immediately if the Contractor is excluded from the register of electronic communications merchants.
- 12.7. The Agreement may be terminated before the term specified under Clause **Error! Reference source not found.** by mutual written agreement of the Parties.
- 12.8. In any case of termination of the Agreement, the Parties undertake to fulfil all obligations arising before the termination of the Agreement.

13. FORCE MAJEURE

- 13.1. 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.

- 13.2. In case of force majeure the affected Party must notify the other Party without any undue delay and provide proof of the event occurred.
- 13.3. 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.

14. SUB-CONTRACTORS

- 14.1. In carrying out the Services, the Contractor may only rely on the services of those sub-contractors listed in *Annex A: Technical Specification - Proposal* as such list may, from time to time, be modified or supplemented in agreement with the Principal and in accordance with the terms and subject to the criteria contained in the applicable Public Procurement Law of the Republic of Latvia. The Contractor shall have an obligation to notify the Principal in writing of any intended changes to sub-contractor specified in *Annex A: Technical Specification - Proposal* during the term of this Agreement and of the required information for any new sub-contractors which it may want to subsequently engage toward provision of the Services.
- 14.2. Pursuant to the Public Procurement Law of the Republic of Latvia the Contractor shall obtain prior written consent of the Principal for the replacement of each sub-contractor indicated in *Annex A: Technical Specification - Proposal* and involvement of additional sub-contractors.
- 14.3. Review and evaluation of the replacement of sub-contractors shall be carried out, and the consent or refusal to give consent shall be rendered by the Principal in accordance with Article 62 of the Public Procurement Law of the Republic of Latvia.
- 14.4. The Contractor shall replace the sub-contractor which, during the effectiveness of this Agreement, meets any of the compulsory grounds for exclusion of tenderers (or sub-contractors) that were verified during the Procurement Procedure.
- 14.5. The Contractor shall have an obligation to notify the Principal in writing of any changes to sub-contractor data specified in *Annex A: Technical Specification - Proposal* occurring during the term of this Agreement. The Contractor shall have an obligation to notify the Principal in writing of any changes to sub-contractor data specified in *Annex A: Technical Specification - Proposal* occurring during the term of this Agreement.
- 14.6. The Contractor retains the complete responsibility for the proper performance of all of its obligations under this Agreement, and any act, failure to act, breach or negligence on the part of any of its sub-contractors shall, for the purposes of this Agreement, be deemed to be the act, failure to act, breach or negligence of the Contractor.

15. DISPUTE RESOLUTION

Disputes and disagreements regarding the Agreement and its performance, which may arise during the term of the Agreement, shall be resolved by the Parties through mutual negotiations. If such disputes and disagreements cannot be resolved through negotiations within thirty (30) days, they shall be resolved in the court of the Republic of Latvia in accordance with the procedures specified in the regulatory enactments in force in the Republic of Latvia. When considering disputes arising from the Agreement, the regulatory enactments in force in the Republic of Latvia shall apply

16. MISCELLANEOUS PROVISIONS

- 16.1. Neither Party may assign its obligations under the Agreement to a third party without coordination with the other Party.
- 16.2. The Agreement is binding on the Principal and the Contractor, as well as on all third parties who legally take over their rights and obligations.
- 16.3. In all matters not stipulated in the Agreement, the Parties shall act in accordance with the laws and regulations of the Republic of Latvia.
- 16.4. The Parties shall notify each other in writing of any changes in the details of the respective Party. Separate amendments to the Agreement on changes in the details of the Parties are not required.
- 16.5. The agreement is executed as an electronic document together with the following annexes:
 - 16.5.1. *Annex A: Technical Specification - Proposal*;

16.5.2. *Annex B: Financial Proposal;*

16.5.3. *Annex C: Contractors Declaration.*

17. DETAILS OF THE PARTIES AND SIGNATURES

Principal:

RB Rail AS

Registration No 40103845025

Legal address: K. Valdemāra iela 8-7, Rīga
Latvia, LV-1010

Bank account details:

[●]

[●]

[●]

[●]

Contractor:

[●]

[●]

[●]

Bank account details:

[●]

[●]

[●]

[●]

Annex A: Technical Specification - Proposal

Annex B: Financial Proposal

Annex C: Contractors Declaration

I, the undersigned duly authorised representative, on behalf of [•] undertake:

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

12. To characterize, monitor, control and treat as required prior to discharge or disposal air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-Products generated from operations;
13. To reduce or eliminate at the source or by practices, such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials, waste of all types, including water and energy;
14. To adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery;
15. To disclose (a) any situation that may appear as a conflict of interest, such as but not limited to: where a Contractor or an undertaking related to the Contractor has advised a Beneficiary or Implementing Body or has otherwise been involved in the preparation of the procurement procedure; and (b) if any Beneficiaries' or Implementing Bodies' official, professional under contract with Beneficiary or Implementing Body or sub-contractor may have a direct or indirect interest of any kind in the Contractor's business or any kind of economic ties with the Contractor;
16. Not to offer any benefit such as free goods or services, employment or sales opportunity to a Beneficiary's and Implementing Body's staff member in order to facilitate the Contractors' business with Beneficiaries or Implementing Bodies;
17. Within a period set in the applicable national legislation following separation from service or award of a contract, as the case may be, to refrain from offering employment to any Beneficiaries' and Implementing Bodies' staff in service and former Beneficiaries' and Implementing Bodies' staff members who participated in the procurement process and to whom a legal restriction to receive material benefits from or be employed by a Contractor which participated in a procurement procedure or restrictions with similar effect applies;
18. To promote the adoption of the principles set forth in this Contractor's Declaration by my potential business partners and promote the implementation of the principles set forth in this document towards own Contractors;
19. Not procure goods, works and services from other Contractors:
 - a. who, or its member of the Management Board or the Supervisory Board or procurator of such Contractor, or a person having the right to represent such Contractor in activities related to a subsidiary, has been found guilty in any of the following criminal offences by a such punishment prescription of prosecutor or a judgement of a court that has entered into effect and is non-disputable and not subject to appeal:
 - i. bribetaking, bribery, bribe misappropriation, intermediation in bribery, taking of prohibited benefit or commercial bribing;
 - ii. fraud, misappropriation or laundering;
 - iii. evading payment of taxes and payments equivalent thereto,
 - iv. terrorism, financing of terrorism, invitation to terrorism, terrorism threats or recruiting and training of a person for performance of terror acts.
 - b. who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of an infringement of employment rights which means:
 - i. employment of such one or more citizens or nationals of countries, which are not citizens or nationals of the European Union Member States, if they reside in the territory of the European Union Member States illegally;
 - ii. employment of one person without entering into a written employment contract, not submitting an informative declaration regarding employees in respect of such person within a time period laid down in the laws and regulations, which is to be submitted regarding persons who commence work;
 - c. who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of

infringement of competition rights manifested as a vertical Contract aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel Contract, except for the case when the relevant authority, upon determining infringement of competition rights, has released the candidate or tenderer from a fine or reduced fine within the framework of the co-operation leniency programme;

- d. whose insolvency proceedings have been announced (except the case where a bailout or similar set of measures is applied within insolvency proceedings oriented towards prevention of possible bankruptcy and restoration of solvency of the debtor, in which case I shall evaluate the possibility of such Contractor to participate in the tender), economic activity of such Contractor has been suspended or discontinued, proceedings regarding bankruptcy of such Contractor have been initiated or such Contractor will be liquidated;
- e. who has tax debts in the country where the procurement is organised or a country where such Contractor is registered or permanently residing, including debts of State social insurance contributions, in total exceeding an amount which is common threshold in public procurements in the respective country.

On behalf of the Contractor
