

**SUPPLY AGREEMENT**  
*on Delivery and Installation of Audio-visual Equipment*

between

**RB Rail AS**  
("Company")

and

**[•]**  
("Contractor")

Contract registration number [•]  
CEF Contract No. [•]  
Procurement procedure identification No. RBR 2022/2

Riga

[date] 2022



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# SUPPLY AGREEMENT

## *on Delivery and Installation of Audio-visual Equipment*

This Agreement is entered into in Riga, on [date OR the date indicated on the timestamp of the last signature of the Agreement], by and between:

- (1) **RB Rail AS**, a public limited liability company registered in the Latvian Commercial Register with registration No 40103845025 and legal address at Satekles iela 2B, Riga, LV-1050, Latvia (the "Company"), represented by [●], and
- (2) [●], a company registered in [●] registration No. [●], legal address at [●] (the "Contractor"), represented by [●], on the other side,

(the Company and the Contractor referred to as the "Parties" and separately – as the "Party").

### WHEREAS:

- (A) this Agreement is entered into under the Rail Baltica 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 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 (the "Global Project");
- (B) the Company has organised a procurement procedure [●] (identification No. [●]) (the "Procurement Procedure") where the tender proposal submitted by the Contractor (the "Contractor's Proposal") was selected as the winning bid;
- (C) this Agreement is co-financed from the Connecting Europe Facility ("CEF"), [●], and other recently signed Grant Agreements or future Grant Agreements to be signed;

**THEREFORE**, the Parties agree as follows:

## 1. DEFINITIONS, INTERPRETATION AND ORDER OF PRECEDENCE

- 1.1. Definitions. In this Agreement, unless the context requires otherwise, the following definitions shall have the following meaning:
  - 1.1.1. "Acceptance Deed" as described in Clause 3.7.
  - 1.1.2. "Annex" means any of the annexes enclosed to this Agreement and listed in Clause 1.3.
  - 1.1.3. "Agreement" means this Agreement together with all its Annexes; whenever in the Agreement there is a reference to the Agreement, it includes a reference to all its Annexes, and reference to specific Annex following the reference to the Agreement is without prejudice to it.
  - 1.1.4. "Applicable Laws" means any legislative act, regulation, decree, order, ordinance, statute, treaty, directive, judgment, or other legislative measure applicable to the Agreement, the Services, the Parties, etc. (including, but not limited to the Public Procurement Law of the Republic of Latvia).
  - 1.1.5. "Approved Staff" means any person or organization listed in **Annex D: "List of Approved Sub-contractors and Approved Staff"** which is in a contractual relationship with the Contractor to provide a part of the Services.
  - 1.1.6. "Approved Sub-Contractor" any person or organisation listed in **Annex D: "List of Approved Sub-contractors and Approved Staff"** which is in a contractual relationship with the Contractor to provide a part of the Services.
  - 1.1.7. "Business day" means any day except Saturday, Sunday and any day which is a public holiday in the Republic of Latvia.
  - 1.1.8. "CEF" as defined in the Preamble of the Agreement.
  - 1.1.9. "Confidential Information" as defined in Clause 15.1 of the Agreement.
  - 1.1.10. "Contractor" as defined in the above list of the parties to the Agreement.

- 1.1.11. "Contractor's Declaration" means the declaration of the Contractor enclosed in **Annex A: "Declaration of the Contractor"**.
- 1.1.12. "Contractor's Proposal" as defined in the Preamble of the Agreement and enclosed in **Annex C: "Contractor's Proposal"**.
- 1.1.13. "Company" as defined in the above list of the parties to the Agreement.
- 1.1.14. "Completion Date" as defined in Clause 3.8(a).
- 1.1.15. "Corrective Period" as defined in Clause 12.3.
- 1.1.16. "Cure Period" as defined in Clause 3.5.
- 1.1.17. "Damages" any cost, claim, damage, demand, loss, expense or liability incurred by the relevant Party.
- 1.1.18. "Defect" means any error, fault, omission, defect or other non-compliance of Services with the requirements of the Agreement.
- 1.1.19. "Documentation" means all documents, records, correspondence, and files of the Contractor, its employees, engineers, and consultants created, developed, subsisting or used in relation to the Services.
- 1.1.20. "Equipment" as defined in Clause 2.1.1 of the Agreement.
- 1.1.21. "Installation Services" as defined in Clause 2.1.1 of the Agreement.
- 1.1.22. "Intellectual Property" as defined in Clause 11.1 of the Agreement.
- 1.1.23. "Fee" as defined in Clause 5.1 of the Agreement.
- 1.1.24. "Force Majeure Event" means any of the following:
- (a) an act of the public enemy or war (declared or undeclared), threat of war, revolution, riot, insurrection, civil commotion, demonstration or sabotage;
  - (b) an act of vandalism or accidental damage or destruction of machinery, equipment, track or other infrastructure;
  - (c) a natural disaster or phenomena, including extreme weather or environmental conditions (such as lightning, earthquake, hurricane, storm, fire, flood, drought or accumulation of snow or ice);
  - (d) nuclear, chemical or biological contamination, epidemic or pandemic (except for COVID-19 pandemic);
  - (e) strike, lockout or other industrial action other than involving the Contractor or the Company.
- 1.1.25. "Global Project" as defined in the Preamble of the Agreement.
- 1.1.26. "Good Industry Practice" means, in relation to the performance of any activity to which this standard is applied, the exercise of that degree of skill, diligence, prudence and foresight as would reasonably be expected to be exercised by a properly qualified and competent person engaged in carrying out Services or services of a similar size, nature, scope, type and complexity, complying with the Applicable Laws.
- 1.1.27. "Objection Notice" as defined in Clause 3.8(b).
- 1.1.28. "Party" or "Parties" as defined in the above list of the parties to the Agreement.
- 1.1.29. "Person" includes any person, company, body corporate, government, state or agency of a state or any association or partnership (whether or not it is separate legal person).
- 1.1.30. "Procurement Procedure" as defined in the Preamble of the Agreement.
- 1.1.31. "Representatives" as defined in Clause 10.4.
- 1.1.32. "Services" as defined in Clause 2.1.
- 1.1.33. "Signing Date" means the date on which this Agreement is signed by the Parties as indicated above or, if signed with secure electronic signature, the date indicated on the timestamp of the last signature of the Agreement.

- 1.1.34. "Technical Specification" means requirements included in the **Annex B: "Technical specification"**.
- 1.1.35. "Trainings" as defined in Clause 2.1.3 of the Agreement.
- 1.1.36. "Variations" as defined in Clause 9.1 of the Agreement.
- 1.1.37. "Warranty period" as defined in Clause 4.1 of the Agreement.
- 1.2. Interpretation.
- (a) The headings contained in this Agreement shall not be used in its interpretation.
  - (b) References to the singular shall include references in the plural and vice versa and words denoting natural persons shall include any other Persons.
  - (c) References to a treaty, directive, regulation, law or legislative provision shall be construed, at any particular time, as including a reference to any modification, extension or re-enactment of the respective treaty, directive, regulation, law or legislative provision at any time then in force and to all subordinate legislation enacted from time to time.
  - (d) Unless expressly stated to the contrary, any reference in this Agreement to the right of consent, approval or agreement shall be construed such that the relevant consent, approval or agreement shall not be unreasonably delayed or withheld.
  - (e) A reference to "*writing*" shall include an e-mail transmission and any means of reproducing words in a tangible and permanently visible form.
  - (f) The words "*include*" and "*including*" are to be construed without limitation.
  - (g) Unless indicated otherwise, all references to "days" shall mean calendar days.
- 1.3. Annexes. At the Signing Date the Agreement contains the following Annexes:
- 1.3.1. Annex A: "Declaration of the Contractor";
  - 1.3.2. Annex B: "Technical specification";
  - 1.3.3. Annex C: "Contractor's Proposal";
  - 1.3.4. Annex D: "List of Approved Sub-contractors and Approved Staff";
  - 1.3.5. Annex E: "Draft Non-disclosure Agreement".
- 1.4. Order of precedence. In the event of any discrepancy or inconsistency between the documents forming part of this Agreement, the following order of precedence shall apply:
- (a) this Agreement document (body text);
  - (b) the Technical Specification;
  - (c) explanations (clarifications) of the Procurement Procedure documentation;
  - (d) the Procurement Procedure documents with the annexes;
  - (e) clarifications of the Contractor's Proposal;
  - (f) the Contractor's Proposal;
  - (g) all other Annexes of the Agreement.

## 2. SERVICES

- 2.1. Services. The Company hereby engages, and the Contractor accepts such engagement and hereby undertakes to provide the services (the "Services") described under this Agreement (including the **Annex B: "Technical specification"** and other Annexes), including:
- 2.1.1. Delivery, installation, configuration of the audio-visual equipment mentioned in **Annex B: "Technical specification"** (the "Equipment") at the Company's office at Satekles iela 2B (5<sup>th</sup> floor), Riga (the "Installation Services");
  - 2.1.2. Provision of warranty obligations described in Section 4 of the Agreement;
  - 2.1.3. Provision of trainings for Company's staff on how to use (configure, store etc.) the Equipment after the Installation service are finished (the "Trainings");

- 2.1.4. Carrying out other related and additional activities as specified under the Agreement.
- 2.2. Scope of the Services. The scope of the Services covers all measures, including those not explicitly listed in the Agreement required for due performance of the Services in accordance with the terms and conditions of the Agreement. When achievement of the above results is not possible without performance of a measure not explicitly listed in the Agreement, then performance of such a measure is considered as contractual obligation of the Contractor according to the Agreement. Such measures include, but are not limited to:
- 2.2.1. interviews with the Company (its executives, officers, employees);
  - 2.2.2. obtaining of data, studies, other information etc. from the Company and the Third Parties, as well as assessment, structuring and other relevant use of such data, studies or other information;
  - 2.2.3. providing advice to the Company or relevant Third Parties to the extent required for performance of the Services;
  - 2.2.4. taking other measures required for due provision of the Services and performance of the Agreement.
- 2.3. Co-operation. The Parties shall cooperate with one another to fulfil their respective obligations under this Agreement. Parties shall endeavour to maintain good working relationships among all personnel engaged toward provision of the Services.

### **3. DELIVERY, ACCEPTANCE AND DEFECTS**

- 3.1. Commencement of the Services. The Services shall be commenced within 5 (five) days following the Signing Date.
- 3.2. Performance of the Installation Services. Prior to delivery and installation of the Equipment, the Representatives shall agree on time for delivery and installation of the Equipment. Prior to the installation of any parts of the Equipment or cables the Contractor's Representative must coordinate location and installation methods with the Company's Representative, performing on-site measurements and calculations as necessary.
- 3.3. Completion of the Installation Services. Contractor is obliged to finish all the Installation Services no later than within two (2) months following the Signing Date, unless the Company has agreed in writing to extend the term of execution of the Installation Services.
- 3.4. Language and copies. All the necessary Documentation shall be in the English or Latvian language and supplied to the Company in one (1) hard copies and electronically on an electronic data storage device, unless otherwise instructed by the Company.
- 3.5. Defects and Cure Period. During the provision of and until the final acceptance of the Services (pursuant to Clause 3.8), the Company shall notify the Contractor of each Defect promptly after Defect is identified by the Company and the Contractor shall have an obligation to notify the Company of each Defect as soon as the Defect is identified by the Contractor. Upon discovering a Defect, or upon receipt by the Contractor of a notification of the Defect from the Company, the Contractor shall, at the Contractor's cost, remedy the Defect within 10 (ten) days, unless otherwise reasonably specified by the Company or agreed by the Parties (the "Cure Period").
- 3.6. Failure to remedy Defects. In the event of inability or failure by the Contractor to remedy the Defect within the Cure Period, the Company shall be entitled, at the sole and exclusive discretion of the Company, to do any of the following:
- (a) allow the Contractor an additional time period for remedying the Defect, such time period to be determined in the sole discretion of the Company,
  - (b) remedy the Defect at own cost of the Company (including by means of relying on the services of a third Person) and demand reimbursement by the Contractor of costs incurred by the Company as a result of having to pay other Person toward carrying out any work or action,
  - (c) terminate the Agreement according to Section 12.
- 3.7. Completion of the Services. Delivery of the Services occurs when the Contractor has completed all the work it has undertaken to perform according to this Agreement. Upon completing the Services (including completion of the Training), the Contractor shall issue to the Company a signed Acceptance Deed. The Acceptance Deed shall include information on the Services provided, adequate supporting Documentation (manuals, warranty related documentation and any other information relevant to the

- Services completed). The Services must be fully completed and delivered no later than within 75 (seventy-five) days following the Signing Date.
- 3.8. Review by Company. When the Company receives Acceptance Deed from the Contractor, the Company shall review the received Services (for example, visual and technical condition of the Equipment, quality of installation etc.) within 10 (ten) business days from the date of receipt. After the Services are reviewed, the Company either:
- (a) accepts the Services by signing the Acceptance Deed if no reasons for rejection of the Acceptance Deed exist and delivering the signed Acceptance Deed to the Contractor; the date the Company accepts and signs the Deed of Acceptance shall constitute the "Completion Date" with respect to the Services as whole; the signed Acceptance Deed may have annexed to it a list of any outstanding Defects or deficiencies to be corrected by the Contractor; or
  - (b) rejects the acceptance of the Services and issues to the Contractor a written notice (the "Objection Notice") setting out in reasonable detail any Defect or reason for the rejection, thus initiating the Cure Period and the Defects remedy period pursuant to Clause 3.5.
- 3.9. Completion of the Services after Objection Notice. After the Defects specified by the Company in the Objection Notice have been remedied, the Contractor shall issue to the Company a second signed Acceptance Deed as per the procedure specified in Clause 3.7 and the Company shall perform the review as generally provided for in Clause 3.8, and:
- (a) in the event no further reasons for objection to the second Acceptance Deed exist, then the Defects remedy procedure is concluded and the provisions of Clause 3.8(a) are to be applied; or
  - (b) in the event the Company rejects the submitted second Acceptance Deed, it shall give a second Objection Notice, thus simultaneously continuing the Defects remedy procedure with the possibility for the Company, at its own discretion, to exercise its rights under Clause 3.6.
- 3.10. Acceptance. The Services are deemed to be accepted by the Company only when the Company has signed the Acceptance Deed.
- 3.11. Objection Notice and contractual penalty. For the avoidance of any doubt, issuance of the Objection Notice and Cure period shall be without prejudice to and shall not relieve the Contractor from the obligation to pay any contractual penalty in accordance with the provisions of Clause 13.2 or to pay Damages in accordance with the provisions Clause 13.3 of this Agreement.
- 3.12. No waiver. The Company's review or acceptance of the Services or any payments under this Agreement shall not be interpreted or construed to operate as a waiver of any right or cause for action under this Agreement.
- 3.13. Adjustments to Documentation. Without prejudice to any other rights available to the Company hereunder, the Company shall have a right to request and, upon receipt of such request, the Contractor shall have an obligation to explain in writing or adjust or supplement any of the information or data contained in the Documentation no later than within 10 (ten) days from the date of receipt of the Company's request, unless a longer period is agreed between the Parties. The Contractor agrees and acknowledges that it shall supply any such additional explanations, adjustments, or supplements in accordance with this Clause 3.13 without any additional fees or charges whatsoever being applicable; provided, however, that the requests for additional explanations, adjustments or supplements are within the scope of the Technical Specification. The Contractor shall notify the Company prior to commencement of work if it considers such Company's request being out of scope of the Technical Specification, otherwise it is presumed that it is within the scope.
- 3.14. Circumstances affecting performance. Each Party shall have an obligation to promptly notify the other Party in writing of any event or circumstances capable of impeding the proper or timely performance of its respective obligations under this Agreement.
- 3.15. Impediments and delays. If timely performance of the Services is affected due to impediments or delays caused by the Company or any third parties engaged by the Company:
- (a) the Contractor shall promptly notify the Company of the circumstances and probable effects of such impediment or delay on the performance of the Services (if not notified in timely manner, the Contractor shall lose its right to make any claim in this respect); and
  - (b) the Parties shall in good faith discuss such allegation of the Contractor, and, if agreed, the duration of the Services shall be extended by the number of days directly affected by such impediment or delay.

#### 4. WARRANTY

- 4.1. Warranty period. The Contractor shall provide a warranty for the Equipment at least 24 (twenty four) months starting from the Completion Date, unless a manufacturer of the relevant Equipment has provided a longer warranty period (the "Warranty period"), in such case the Warranty period is set according to the manufacturer's set Warranty period.
- 4.2. Quality of the Equipment. The Contractor will ensure that during the Warranty period any incompliance of the Equipment, that is normally covered by a warranty of similar type of goods, will be fixed. During the Warranty period the Equipment, inter alia, will meet following criteria:
  - 4.2.1. the Equipment will sustain the highest quality standards and will fulfil all of its intended functions;
  - 4.2.2. moving or adjustable parts or mechanisms of the Equipment will not be loose and will not deform during use.
- 4.3. Warranty claim procedure. During the Warranty period, the Parties will follow this procedure:
  - 4.3.1. Upon discovery of a defect, the Company shall notify the Contractor within 5 (five) business days. In such case the Company shall send the Contractor a claim specifying the deficiencies found and shall invite the Contractor to sign a deed of deficiencies within a period specified by the Company, which shall not be shorter than 2 (two) business days from the date of dispatch of the claim. If the Contractor fails to appear at the time specified by the Company, the Company shall be entitled to unilaterally draw up a deed of deficiencies and send this deed to the Contractor, but the Contractor shall accept it as correct and valid.
  - 4.3.2. Equipment or parts thereof which do not comply with the provisions of the Agreement shall be replaced by the Contractor with the Equipment which complies with the provisions of the Agreement or it shall be repaired in accordance with the warranty provisions of the Equipment manufacturer if the defects found can be remedied by repair and can be delivered to the Company no later than 14 (fourteen) calendar days after the date of receipt of the Company's claim of the defects found or, if for objective reasons this is not possible and the Company agrees, within a period agreed with the Company.
  - 4.3.3. If a period for rectification of defects exceeds 5 (five) business days, the Contractor shall, at the Company's request, replace the defective Equipment with the same or equivalent free of charge for the period of rectification of defects.
  - 4.3.4. If replacement or adequate repair of the Equipment is not possible or is not carried out within the specified timeframe, the Contractor shall refund the relevant amount for the Equipment not complying with the terms of the Agreement no later than 10 (ten) days after receipt of a request from the Company.
  - 4.3.5. Warranty does not cover damages or defects caused by improper use of the Equipment.
  - 4.3.6. Transport, installation and all other expenses incurred by the performance of the warranty obligations shall be borne by the Contractor.

#### 5. FEE AND PAYMENTS

- 5.1. Fee. In consideration of the due provision of the Services, the Company undertakes to pay to the Contractor a fee in the total amount of [●] EUR ([●]) (the "Fee").
- 5.2. VAT. The Fee excludes value added tax ("VAT") that will be charged at the rate applicable by the Applicable Laws at the time of invoicing.
- 5.3. Compliance with tax obligations. It is acknowledged and agreed by the Parties that the Fee shall include all taxes and duties payable by the Contractor in the consequence of provision of the Services, except VAT. The Contractor shall, at the sole cost and expense of the Contractor, comply with the obligation to pay all taxes and duties relevant to the provision of the Services in accordance with Applicable Laws. In addition, the Contractor shall assume all risks associated with the payment or obligation to pay such taxes and duties, if any. The Contractor assumes all risks associated with the possible increase in the amount of the Fee arising as a result of the obligation of having to pay any such taxes or duties.
- 5.4. All-inclusive. The Fee is the all-inclusive consideration for the duly provided Services. The Fee includes reimbursement of all and any expenditure incurred by the Contractor toward performance of any steps, actions or measures contemplated in accordance with this Agreement (including, without limitation,



meetings with the Company, training for Company's personnel, travel costs, installation costs, necessary materials, etc.). The Contractor agrees and acknowledges that it shall have no right to request reimbursement by the Company of any additional expenditure whatsoever as may have been incurred by the Contractor toward provision of the Services contemplated by this Agreement, unless reimbursement of such additional expenditure has been explicitly agreed between the Parties in writing.

- 5.5. Fee payment procedure. 100% (one hundred per cent) of the Fee is paid within 30 (thirty) days after the Company has accepted the provided Services by signing the respective Acceptance Deed and has received the respective Contractor's invoice.
- 5.6. Payments, costs, and commissions. Payment of the Contractor's invoices will be made in euro by bank transfer. Each Party shall bear its own costs, fees, commissions and expenses incurred in connection with the transfer of any funds under this Agreement to the other Party.
- 5.7. Invoice details. The Contractor's invoices shall contain the following details:

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:

The Company RB Rail AS

The Company's VAT No: LV40103845025

Subject: For provided services according to the Supply Agreement No. [●]

Specific information for  
the Company: [CEF reference]; Contract Manager: [●]

- 5.8. Invoicing. The Contractor shall send the invoice to the Company electronically to the following e-mail address: [invoices@railbaltica.org](mailto:invoices@railbaltica.org). The invoice is sent when the Contractor has received the respective Acceptance Deed signed by the Company. In case payment for the Services (in whole or in part) will be made from more than one financing source, and upon the Company's request, the Contractor shall issue separate invoices corresponding to the amounts financed from the financing source as indicated by the Company.
- 5.9. Set-offs. The Company shall have the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement, or other deduction of any kind that arises from this Agreement and from the obligations of the Contractor provided herein. If the Company uses the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement, or other deduction of any kind, then the Company notifies the Contractor no later than on the due date of the respective payment stating the amount, the grounds and the basis for the use of the right to set-off, retention, counterclaim, abatement or other deduction or other right.
- 5.10. VAT payer's status. If required by the Applicable Law, the Contractor shall obtain VAT payers status and VAT No. in the Republic of Latvia.

## 6. CONTRACTOR'S OTHER OBLIGATIONS AND COVENANTS

- 6.1. Standard of performance. Without prejudice to the requirements prescribed elsewhere under the Agreement, the Contractor shall:
  - 6.1.1. ensure that the Services comply with (i) the specifications and requirements contained in the Procurement Regulations, including the Technical Specification, (ii) the Applicable Laws, (iii) reasonable requirements, comments or specific instructions of the Company, (iv) to the

extent not being contrary to any of the above, the terms and conditions contained in the Contractor's Proposal, as well as (v) the Good Industry Practices;

- 6.1.2. carry out the Services in a conscientious, diligent, expeditious, proper, workmanlike and impartial manner;
  - 6.1.3. ensure collection and removal of packaging and other waste from Company's premises before the Completion Date;
  - 6.1.4. ensure that the warranty obligations are fulfilled in accordance with the terms of this Agreement;
  - 6.1.5. comply with the safety regulations or instructions regarding the use of the relevant premises which are given by the Company's Representative or the owner or manager of the relevant premises or area;
  - 6.1.6. use its best efforts, skill and experience in delivering the Services and to allocate qualified and suitable key personnel devoting such time as is reasonably required to fulfil the Contractor's duties hereunder;
  - 6.1.7. ensure that whenever required under this Agreement, the Applicable Laws or upon receipt of a separate request from the Company, materials etc. under or in relation to this Agreement features logos or other requisites pertinent to the Global Project, including, without limitation, reference to the fact that the Global Project is financed under the auspices of CEF.
- 6.2. Maintenance of records. During the term of the Services and for a period of 10 (ten) years from expiration or termination of this Agreement for any reason whatsoever, the Contractor shall keep and maintain clear, adequate, and accurate records and documentation evidencing, to the reasonable satisfaction of the Company, that the Services have been carried out in accordance. In case of on-going audits, appeals, litigation or pursuit of claims concerning the grant, including in the case of correction of systemic or recurrent errors, irregularities, fraud or breach of obligations, the records shall be kept and maintained longer.
- 6.3. Access to documentations. At all times during the term of the Services, the Company shall have access to all documentation related to the Services. This access shall be continuing and survive the termination of this Agreement for either cause or convenience. The documentation shall be kept accessible in a generally recognized format for a period of 10 (ten) years from the date of expiration or termination of this Agreement. All records forming part of such Documentation shall be available to the Company's auditor, or expert appointed by the Company during the abovementioned period of time.
- 6.4. Right to sub-contractors and staff. In carrying out the Services, the Contractor may rely only on the services of the Approved Sub-Contractors and the Approved Staff. In this respect:
- 6.4.1. The list of the Approved Sub-Contractors and the Approved Staff may, from time to time, be modified or supplemented in agreement with the Company and in accordance with the terms and subject to the criteria contained in the Applicable Laws. The Parties shall specify the name, contact details and legal representative(s) of each Approved Sub-Contractor as at the Signing Date in **Annex D: "List of Approved Sub-contractors and Approved Staff"**.
  - 6.4.2. The Contractor shall have an obligation to notify the Company in writing of any changes to Approved Sub-Contractor or the Approved Staff data specified **Annex D: "List of Approved Sub-contractors and Approved Staff"** occurring during the term of this Agreement and of the required information for any new Approved Sub-Contractors or the Approved Staff member which it may subsequently engage toward provision of the Services.
  - 6.4.3. The Contractor shall obtain prior written consent of the Company for the replacement of each Approved Sub-Contractor or each Approved Staff member, or each key personnel indicated in **Annex D: "List of Approved Sub-contractors and Approved Staff"** and involvement of additional Sub-Contractors or Staff members, or key personnel. Review and evaluation of the replacement of Approved Sub-Contractors or Approved Staff shall be carried out, and the consent or refusal to give consent shall be rendered by the Company in accordance with Applicable Laws (in particular, Article 62 of the Public Procurement Law of the Republic of Latvia).
  - 6.4.4. The Contractor shall retain the complete responsibility for the proper performance of all of its obligations under this Agreement, and any act, failure to act, breach, or negligence on the part of any of its Approved Sub-Contractors or the Approved Staff shall, for the purposes of this Agreement, be deemed to be the act, failure to act, breach or negligence of the Contractor itself.

- 6.4.5. The Contractor must replace every Approved Staff or Approved Sub-Contractor's member involved in the performance of the Services, if requested by the Company and supported by the reasons such as repeated careless performance of duties, incompetence or negligence, non-fulfilment of obligations or duties stipulated in the Agreement, as well as other reasons prescribed under the Agreement (including Clause 6.5).
- 6.5. Security clearance requirements. The Contractor shall not involve in the performance of the Agreement a person convicted of an intentional criminal offense (employees, sub-contractors and/or any other person and personnel), regardless of the criminal record having been set aside or extinguished, and/or a person of whom there are known facts that give grounds to doubt his or her ability to retain restricted access and/or classified information, as well as a person who has or may have a conflict of interest by involving him in the performance of the obligations under this Agreement. In this respect:
- 6.5.1. At the Company's request, the Contractor shall submit to the Company a statement (certificate) from the relevant state penalty register regarding the criminal record of the natural person who will be involved in the performance of the Agreement.
- 6.5.2. In order to assess the compliance of the natural person whom the Contractor intends to involve in the performance of the Agreement with the requirements specified in this Clause 6.5, the Company has the right to organize an additional security compliance check.
- 6.5.3. The Contractor undertakes to inform the natural person involved in the performance of the Agreement about the processing of personal data performed by the Company when organizing a security compliance check.
- 6.5.4. The Contractor shall submit to the Company in writing at least 10 (ten) business days prior to the involvement of any natural person in the performance of the Agreement the following information of the person: name, surname, personal identification code (or equivalent personal identification information), place of birth, position, company name (in case involved staff of sub-contractors), the country from which the person comes. At the Company's request, the Contractor shall also submit a brief description of the role and responsibilities of the natural person in the performance of the Agreement.
- 6.5.5. The Company has the right, at its own discretion, to prohibit a natural person specified by the Contractor from performing tasks related to the performance of the Agreement by notifying the Contractor thereof in writing if the requirements referred to in this section of the Agreement are not complied with. The Parties agree that such decision of the Company is incontestable.
- 6.5.6. If the Company prohibits a natural person specified by the Contractor from performing the tasks related to the performance of the Agreement, the Contractor shall replace this natural person with another natural person by notifying the Company in accordance with the procedure laid down in Clause 6.5.4.
- 6.5.7. If the Contractor cannot replace a natural person or if its replacement would cause disproportionately high expenses to the Contractor, the Contractor shall immediately provide the Company with a motivated explanation and the Parties shall try to agree on possible conditions and procedures in which this natural person may perform tasks related to the performance of the Agreement.
- 6.5.8. The Contractor shall take all necessary actions and measures in a timely manner to ensure that a natural person is not involved in the performance of the Agreement or the involvement is immediately terminated if the natural person does not comply with this Clause 6.5, otherwise creates or may create security risks for the Company, incl. risks to the Company's information systems, information or data, as well as risks to the Company's reputation or operations.
- 6.5.9. The Contractor is obliged to:
- (a) ensure that a natural person who does not comply with the security clearance requirements is not involved in the performance of the Agreement;
  - (b) immediately replace a natural person who does not comply with the security clearance requirements in accordance with the provisions of this Agreement (and/or with the requirements of the Applicable Laws);
  - (c) observe and not contest the Company's written instructions and decisions in accordance with this Clause 6.5;

- (d) provide the Company with all the necessary information and support related to the necessity to replace a natural person.
- 6.5.10. In any case, the Contractor shall immediately notify the Company in writing of any situation that has arisen before the start and during the performance of the Agreement, as a result of which there is or may be a risk of involving a natural person who does not comply with the security clearance requirements under this Clause 6.5, as well as notify the Company in writing of the replacement of such natural person involved in the performance of the Agreement.
- 6.5.11. If the Contractor violates the conditions referred to in this Clause 6.5 and/or disregards the Company's instructions regarding security clearance requirements, then it constitutes a material breach of the Agreement and a ground for the Company to immediately terminate the Agreement according to Clause 12.5(b).
- 6.6. No conflicting activity. Except with the Company's knowledge and express written permission, the Contractor shall not engage in any activity or accept any employment, other agreement, interest, or contribution that would reasonably appear to compromise the Contractor's professional judgment and performance with respect to the provision of Services and/or the Global Project. In performing the Services, the Contractor shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Services is compromised for reasons involving economic interest, political or national affinity, family, or emotional ties or any other shared interest.
- 6.7. Information furnished by Company. The Contractor shall be entitled to rely on the accuracy and completeness of information furnished by the Company. The Contractor shall provide prompt written notice to the Company if the Contractor becomes aware of any errors, omissions, or inconsistencies in the information provided by the Company or provision of the Services.
- 6.8. Visibility requirements. At all times during performance of the Services, the Contractor undertakes to comply with each of the following requirements:
- 6.8.1. any report, brochure, document, or information related to the Services carried out by the Contractor hereunder or any other person, or which the Contractor makes publicly available shall include each of the following:
- (a) a funding statement which indicates that the Services are financed from CEF funds substantially in the following form: "Co-financed by the Connecting Europe Facility of the European Union";
  - (b) with respect to printed materials, a disclaimer releasing the European Union from liability with respect to any contents of any distributed materials substantially in the form as follows: "The sole responsibility of this publication lies with the author. The European Union is not responsible for any use that may be made of the information contained therein". The disclaimer in all official languages of the European Union can be viewed on the website <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>; and
  - (c) the flag of the Council of Europe and the European Union.
- 6.8.2. the requirements set forth in Clauses 6.8.1(a) and 6.8.1(c) can be complied with by means of utilizing the following logo (if the Contractor uses this logo, the Contractor shall ensure that the individual elements forming part of the logo are not separated (the logo shall be used as a single unit) and sufficient free space is ensured around the logo):



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- 6.8.3. in order to comply with the latest applicable visibility requirements established by the European Union, the Contractor shall regularly monitor changes to visibility requirements; as at the Signing Date, the visibility requirements are available for review on the webpage <https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>.
- 6.9. Reporting. The Contractor shall, in a format and at intervals to be determined by the Company:

- (a) provide the Company with reports and status updates on the progress of the Services;
- (b) use reasonable endeavours to provide any other information and status updates as may be reasonably requested by the Company at any time; and
- (c) report on any changes to the Annexes of this Agreement which the Contractor considers may be needed in order to fulfil the objectives set out in the Agreement (in any case, any change to the above-mentioned documentation can be made only pursuant to this Agreement, if agreed by Parties, and, if the proposed changes are compliant with the Applicable Laws).

## **7. COMPANY'S OTHER OBLIGATIONS AND COVENANTS**

- 7.1. Supply of information. Unless otherwise provided under this Agreement, the Company shall, in a timely manner, provide to the Contractor any information as may reasonably be requested by the Contractor for the purposes of the Services, provided that the Company is in possession of such information.
- 7.2. Review of Documentation. The Company shall examine Documentation as may be submitted by the Contractor for review by the Company toward partial completion of the Services.
- 7.3. Decisions. On all matters properly referred to it in writing by the Contractor, the Company shall give its decision in writing so as not to delay the provision of Services and within a reasonable time.
- 7.4. Access rights. The Company shall provide the Contractor access to the Company's premises in Riga, Satekles iela 2B, to the extent necessary for the performance of the Services.

## **8. REPRESENTATIONS AND WARRANTIES**

- 8.1. Certain representations and warranties of the Parties. Each Party represents and warrants to the other Party, as of the Signing Date, as follows:
  - (a) it has full power to enter into and perform this Agreement, and the person signing this Agreement on its behalf has been duly authorized and empowered to enter into such agreement;
  - (b) it has read this Agreement, understands it and agrees to be bound by it;
  - (c) it has entered into this Agreement with the aim of attaining all of the objectives and performing in all material respects all of the obligations and commitments herein set forth;
  - (d) it has entered into this Agreement without having any intention or goal whatsoever to violate the Applicable Laws, its own articles of association, other constitutional documents, laws or agreements of any kind to which it is a party to;
  - (e) it is not bankrupt and is not the subject of insolvency or winding-up proceedings, where its assets are being administered by a liquidator or by the court, it is not in an arrangement with creditors, where its business activities are suspended, or it is in any analogous situation arising from a similar procedure under the laws of the country where it is registered and submits its tax accounts; and
  - (f) it has entered into this Agreement of its own volition and in good faith.
- 8.2. Certain representations and warranties of the Contractor. The Contractor represents and warrants to the Company, as of the Signing Date, as follows:
  - (a) it has all requisite qualification, skills and competence to perform the Services on the terms and conditions of this Agreement which are no less favourable than the terms and conditions of service identified by the Contractor in any document submitted by the Contractor to the Company as part of the Procurement Procedure and on the terms of the Contractor's Proposal;
  - (b) it holds and will hold for the entire term of the Agreement all requisite accreditations, recognitions, licenses, permits, approvals and consents necessary under the Applicable Laws to enable performance by the Contractor of the Services;
  - (c) it has all requisite ability to ensure the highest quality of the Services;
  - (d) it will assign competent and duly qualified personnel to carry out the Services according to the highest professional standards and the Good Industry Practices;
  - (e) it is not deemed to be a person associated with the Company for the purposes of the Applicable Laws;
  - (f) it is compliant with all of the requirements of the Contractor's Declaration;

- (g) it has been registered as a VAT payer in the Republic of Latvia [OR if the Contractor and the Company are residing in different jurisdictions, the Services under this Agreement will not be provided through a permanent establishment or fixed base maintained by the Contractor in the Republic of Latvia. The Contractor is aware that the applicable laws of Latvia prescribe certain instances when payments to non-residents are subject to a withholding tax (for instance, in case of management and consultancy services), and the Company will be obliged to make such withholdings with the following exception. No withholdings will be made if the Contractor (before the Company will be obliged to make any payment under the Agreement) will provide all necessary information and documents (including, where relevant, a residence certificate confirmed by the competent authority of the Contractor's country of residence and the Latvian State Revenue Service) allowing to make an exemption from such withholding pursuant to the terms of the applicable laws of Latvia and international conventions or agreements between Latvia and the Contractor's country of residence].

## 9. VARIATIONS

- 9.1. Variations. Notwithstanding any provisions in this Agreement to the contrary, whenever the Company or the Contractor reasonably consider that a variation to the Agreement (the "Variations") is necessary, the Company and the Contractor shall negotiate in good faith on the terms of the intended Variations. For the avoidance of doubt, no Variation shall be effective unless and until concluded in writing by the respective Parties.
- 9.2. Variations scope. For the purpose of the Agreement, and at any time prior to the completion of the Services under the Agreement, as the case may be, Variations may be issued in respect of:
- 9.2.1. amendments to the Agreement, or any part thereof, to comply with the amendments or adjustments to the Applicable Laws;
  - 9.2.2. supply of additional services not previously foreseen under the Agreement;
  - 9.2.3. provisions of the Agreement, which prescribe the conclusion of Variations;
  - 9.2.4. implementation of any amendments to the Agreement as initiated or approved by the Company during the provision of the Services which are necessary due to such reasons which the Company could not foresee in advance.
- 9.3. Limitations to the Variations. In case of Variations due to supply of additional Services or due to reasons which the Company could not foresee in advance, the total value of the Agreement may not change by more than the maximum amount permitted under the Applicable Laws.
- 9.4. De minimis. Notwithstanding anything to the contrary contained in the Agreement, the Company and the Contractor may agree on the supply of additional services not previously foreseen under the Agreement if they do not change the nature of the Agreement (type and purpose specified herein) and if the total value of such additional services does not concurrently reach the thresholds specified under the Applicable Laws.
- 9.5. Variations fee. If possible, fee for additional services as a result of Variations, if any, shall be determined taking into account the calculations and fees under the **Annex B: "Technical specification"** and **Annex C: "Contractor's Proposal"**. Furthermore, such fee shall be consistent with the market practice and proportionate to the Fee for the Services with similar scope under the Agreement, if any. Variations not resulting in additional services or works, including Variations related to the timeline of the provision of the Services, shall not result in additional fees or compensation of costs.

## 10. COMMUNICATION

- 10.1. Main principles. Communication under the Agreement (e.g., information, requests, submissions, formal notifications, etc.) must:
- (a) be carried out in English or Latvian;
  - (b) be made in writing (including electronic form);
  - (c) be primarily carried out between the Representatives as specified in Clause 10.4 or otherwise notified to each other;
  - (d) bear the Agreement's number.
- 10.2. Presumption of receipt. Notices, declarations, invoices etc. shall be deemed received:

- (a) if delivered by hand, on the first (1) business day following the delivery day;
  - (b) if sent by post, on the fifth (5) business day after the date of posting;
  - (c) if sent by e-mail, the same business day if sent prior to 17:00 o'clock and the next business day if sent after 17:00 o'clock (Eastern European Time); communication by e-mail is deemed made when it is sent by the sending Party to the receiving Party, unless the sending Party receives a message of non-delivery.
- 10.3. Exchange over internet. For the purposes of the performance of the Agreement, the Parties agree that information may be exchanged electronically over the internet, always complying with the IT security requirements, if any, determined by the Contractor.
- 10.4. Representatives. The Company and the Contractor shall appoint an officer, employee or individual to serve as its representative toward the implementation of the Agreement and supply or receipt of the Services (including the request or confirmation of the Services, signing of the Acceptance Deed and the Objection Notice), with full authority to act on its behalf in connection with this Agreement, without the right to conclude amendments to the Agreement (the "Representative"). Any restriction placed by either Party on its Representative's authority shall be notified to the other Party in writing to be effective. The Representatives may delegate their authority by notice in writing specifying the contact information of the delegate and specifying the scope of authority so delegated. Each Party may replace or remove any Representative by notifying in writing the other Party immediately, but not later than 1 (one) business day after the replacement or the removal of the respective Representative. The initial Representatives are:
- (a) the authorised representative of the Company for the Agreement fulfilment, issues and procedures is [●], e-mail: [●], phone: [●];
  - (b) the authorised representative of the Contractor for the Agreement fulfilment, issues and procedures is [●], e-mail: [●], phone: [●].

## 11. INTELLECTUAL PROPERTY RIGHTS

- 11.1. Proprietary rights. All intellectual property rights (the "Intellectual Property") created by the Contractor in relation to provision of the Services is and shall become the property of the Company as of the moment of creation regardless of whether the respective Documentation etc. is produced or finally accepted.
- 11.2. Copyright waiver. The Company may use Documentation that is created by the Contractor in relation to provision of the Services in any manner the Company sees fit for the benefit of the Global Project starting from the moment of creation regardless of whether respective Documentation is produced or finally accepted. The Company may reproduce and disclose this kind of Documentation to any of its cooperation partners or other Global Project stakeholders without any approval of the Contractor and without incurring obligation to pay any royalties or additional compensation whatsoever to the Contractor. The Company can combine any Documentation produced by the Contractor and can use it with other deliverables produced by other persons and publish them in their entirety or in parts (acting in a good faith and abstaining from modifications of any data and information) without incurring obligation to pay any royalties or additional compensation whatsoever to the Contractor. The Company is not required to publish the author of this kind of Documentation, but the Company may not however misrepresent the author of such Documentation.
- 11.3. No additional royalty. It is acknowledged and agreed by the Parties that consideration for the transfer of ownership in the Intellectual Property shall be forming part of the Fee and no additional royalty, fee or other consideration of any kind shall be payable by the Company to the Contractor or to any third party in consideration of the transfer of ownership in the Intellectual Property.
- 11.4. Other Contractor's representations and warranties. The Contractor represents and warrants that:
- (a) it owns all intellectual property required for the purposes of completing its obligations under this Agreement and that, to the extent any intellectual property is not owned by the Contractor, it has obtained all requisite consents from owner(s) of all such intellectual property to fulfil all of the obligations undertaken by the Contractor under this Agreement and has fully discharged all obligations with respect to payment of any royalties or fees;
  - (b) that no Documentation and information deliverable to the Company under the terms of this Agreement will infringe any existing intellectual property of any third party.

- 11.5. License in Contractor's intellectual property. The Contractor hereby grants the Company an irrevocable and non-exclusive license to use, reproduce, modify and/or enhance any intellectual property of the Contractor which is provided under the Agreement, provided and to the extent the intellectual property of the Contractor is used by the Company for the purposes of the Global Project. It is agreed and acknowledged by the Parties that the license fee for the grant of license in accordance with this Clause 11.5 forms part of the Fee and such license shall continue to be valid irrespective of expiration of this Agreement following completion of the Services or termination of this Agreement for any reason.
- 11.6. Contractor's liability. In the event, any of the representations or warranties contained in this Section 11 prove to be untrue or inaccurate, the Contractor undertakes, at its own cost and expense, to indemnify the Company and defend and settle any claim raised by any third-party against the Company alleging infringement of its intellectual property in the Documentation and information. In the event a court of competent jurisdiction resolves in a binding judgment that the Documentation and information, or any part thereof, infringe Intellectual Property of any third party, the Contractor shall, at its own cost and expense, procure for the Company the right of continued use of the Documentation and information, or part thereof infringing intellectual property of a third party.

## 12. TERM, TERMINATION AND SUSPENSION

- 12.1. Entry into force and expiry. The Agreement enters into force when signed by the Parties and expires once the Parties have fulfilled their contractual obligations arising out of this Agreement, unless terminated earlier pursuant to the provisions of the Agreement.
- 12.2. Termination for material breach or bankruptcy. Subject to the provisions of Clause 12.3, either the Company or the Contractor shall be entitled to terminate this Agreement upon giving a written notice of termination to the other Party in the event of material breach by the Party of any of its obligations under this Agreement. The written notice of termination shall contain an itemized description of the breach. For the purposes of this Clause 12.2 an event of material breach shall include any of the following:
- (a) commitment by a Party of any persistent or material breach of this Agreement.
  - (b) failure by the Contractor to duly address any of the matters raised in the second Objection Notice given by the Company in accordance with Clause 3.9(b);
  - (c) failure by the Services to conform to any of the material requirements contained in the Agreement, provided that such failure is not capable of being remedied upon receipt of the rejection in accordance with Clause 3.8(b);
  - (d) failure by the Company, as applicable, to make any payment to the Contractor in accordance with this Agreement within at least 15 (fifteen) business days from the date of payment falling due;
  - (e) any of the representations or warranties given by either Party under Clause 8.1 or any of the declarations, representations or warranties given by the Contractor under Clause 8.2 or the Contractor's Declaration proves to be untrue.
  - (f) failure by the Contractor to comply with any set deadlines in the Agreement.
- 12.3. Corrective Period. In the event of a material breach by either Party of its obligations under this Agreement, the non-breaching Party shall allow the breaching Party 10 (ten) days for the corrective action or submission of a corrective action plan (the "Corrective Period"). The Corrective Period shall be counted from the date of receipt by the breaching Party of a written notice of breach. Should no satisfactory corrective action be taken, or acceptable corrective action plan provided by the breaching Party, the non-breaching Party shall have the right to terminate the Agreement. It is acknowledged and agreed by the Parties that the provisions of this Clause 12.3 shall not apply with respect to any of the events listed in Clause 12.4. In addition and for the avoidance of any doubt, the application of the Corrective Period under this Clause 12.3 shall be without prejudice to and shall not relieve either Party from the obligation to pay any contractual penalty in accordance with the provisions of Clause 13.2 or to pay Damages incurred by the other Party in accordance with the provisions of Clause 13.3. To clarify, the Corrective Period is not applied where the breach of the Agreement is related to Defects and Acceptance procedures as referred to in Clauses 12.2(b) and 12.2(c) as in these cases the purpose of the Corrective Period is fulfilled by the Cure Period and its prior application.
- 12.4. Parties' right to terminate immediately. Notwithstanding anything to the contrary contained in this Agreement, the Company and the Contractor may terminate this Agreement immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the following:



- (a) breach by a Party of Clause 19.1;
  - (b) an event of Force Majeure has been continuing during more than thirty (30) days;
  - (c) a Party had passed a resolution for winding-up (other than in order to amalgamate or reconstruct);
  - (d) a Party is unable to pay its debts and has presented a petition for voluntary bankruptcy;
  - (e) a Party had a bankruptcy order issued against it;
  - (f) liquidation, insolvency or legal protection proceedings have been initiated with respect to a Party or a Party is declared insolvent;
  - (g) the occurrence of any event analogous to the events enumerated under above paragraphs (d) - (f) under the law of any jurisdiction to which a Party's assets and undertaking are subject.
- 12.5. Company's right to terminate immediately. The Company may terminate this Agreement immediately upon giving the Contractor a written notice of termination explaining, in reasonable detail, the reason for termination, if:
- (a) CEF co-financing for further financing of the Services is not available to the Company fully or partly;
  - (b) breach by the Contractor of any of the confidentiality undertakings contained in Section 15 or the undertakings under Clause 6.4 or Clause 6.5;
- If paragraph (a) or (b) of this Clause 12.5 is applied, the Company shall pay the Contractor the Fee in respect of the Services already provided under this Agreement up to the date of the notification of the termination of this Agreement, but the Company shall have no other liability in this respect (including, but not limited to not being obliged to pay contractual or any other penalty or Damages to the Contractor);
- (c) it is not possible to execute the Agreement due to the application of international or national sanctions, or the European Union or the North Atlantic Treaty Organization applied sanctions significantly affecting interests of financial or capital market.
- 12.6. Termination according to Public Procurement Law. The Agreement can be immediately terminated by the Company upon giving the Contractor a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the provisions mentioned in the Article 64 of the Public Procurement Law of the Republic of Latvia. In such a case, the Company shall pay the Contractor the Fee in respect of the Services already provided under this Agreement up to the date of the notification of the termination of this Agreement, but the Company shall have no other liability in this respect (including, but not limited to not being obliged to pay contractual or any other penalty or Damages to the Contractor).
- 12.7. Consequences of termination. Upon expiration or termination of this Agreement, the obligations of the Parties set forth in this Agreement shall cease, except with respect to the following:
- (a) any obligations arising as a result of any antecedent breach of this Agreement or any accrued rights; and
  - (b) the provisions stipulated in accordance with Clauses 6.2, 6.3, Section 11, Section 13, Section 15, Section 16, Section 17, Section 18 and Clause 19.1 which shall survive the termination or expiry of this Agreement and continue in full force and effect along with any other Clauses of or Annexes hereof which are necessary to give effect to the Clauses specifically identified in this Clause 12.7(b).
- 12.8. No obligation to pay costs incurred prior to acceptance. Notwithstanding anything set forth in this Agreement to the contrary, the Company shall have no obligation to pay any of the costs incurred by the Contractor with respect to the Services (or part of the Services) not deemed as having been accepted by the Company in accordance with Clauses 3.7, 3.8, 3.9 and 3.10.
- 12.9. No prejudice to other rights. The right to terminate this Agreement shall be without prejudice to any other right of either Party which has accrued prior to or as a result of such termination or to any remedy available to either Party under the terms of this Agreement or in accordance with the Applicable Laws.
- 13. LIABILITY**
- 13.1. Liability of Parties. The Contractor shall be liable to compensate Damages incurred by the Company arising out of or in connection with this Agreement and pay contractual penalty set forth in accordance with Clause 13.2 if a breach of any of the obligations of the Contractor under this Agreement is established against the Contractor. The Company shall be liable to pay the contractual penalty set forth

in accordance with Clause 13.2 if a breach of payment obligations of the Company under this Agreement is established against the Company.

- 13.2. Contractual penalty. In the event the actions and/or inactions of the Contractor result in a failure by the Contractor to meet any of the set deadlines, the Company shall be entitled to claim from the Contractor a contractual penalty in the amount of 0.1% (zero point one percent) from the total amount of the Fee for each day of delay, provided that the total amount of the contractual penalty payable by the Contractor under this Clause 13.2 shall not exceed 10% (ten percent) of the total amount of the Fee. In the event of failure by the Company to pay any amount in accordance with Clause 5.5, the Contractor shall be entitled to claim from the Company a contractual penalty in the amount of 0.1% (zero point one percent) from the delayed amount for each day of delay, provided that the total amount of such contractual penalty payable by the Company under this Clause 13.2 shall not exceed 10% (ten percent) of the delayed amount.
- 13.3. Compensation for Damages. Notwithstanding of and without prejudice to any contractual penalty payable in accordance with Clause 13.3 and subject to the provisions of Clause 13.5, in the event it is established that either Party (or relevant Party's sub-contractor) is liable to the other Party with respect to any breach of its respective obligations under this Agreement, the liable Party shall compensate the other Party for any Damages incurred as a result of such breach, subject to the following terms:
- (a) the amount of compensation shall be limited to the amount of reasonably foreseeable Damages suffered as a result of the breach(es), but not otherwise; and
  - (b) if either Party is considered to be liable jointly with third parties to the other, the proportion of compensation payable by the liable Party shall be limited to that proportion of liability which is attributable to the breach by the liable Party.
- 13.4. Attribution of Damages. Any Damages suffered by either Party shall, for the purposes of Clause 13.3, be reduced to the extent that the Damages are caused by or contributed to by the other Party's own negligence or breach of its obligations under this Agreement.
- 13.5. Limitation of liability. Notwithstanding anything to the contrary set forth in this Agreement, in no circumstances shall any Party be liable to the other Party 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 Agreement.
- 13.6. Transfer of risks. Up until the Completion Date the Contractor shall be liable for any casualty risk in connection with which the Equipment is destroyed or damaged.

#### **14. FORCE MAJEURE**

- 14.1. Effects of Force Majeure Event. Subject to the requirements set forth in accordance with Clauses 14.2 and 14.3, each Party shall be relieved from liability for non-performance of its obligations under this Agreement (other than any obligation to pay) to the extent that the Party is not able to perform such obligations due to a Force Majeure Event.
- 14.2. Action on becoming aware of Force Majeure Event. Each Party shall at all times, following the occurrence of a Force Majeure Event:
- (a) take reasonable steps to prevent and mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the Force Majeure Event as soon as practicable and use reasonable endeavours in accordance with Good Industry Practice to remedy its failure to perform; and
  - (b) not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to any failure to comply with its obligations under Clause 14.2(a).
- 14.3. Notification requirements. Upon the occurrence of a Force Majeure Event, the affected Party shall notify the other Party as soon as reasonably practicable and in any event within 3 (three) business 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 14.2(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.

- 14.4. Notification of resumed performance. The affected Party shall notify the other Parties 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).
- 14.5. Mitigation of effects of Force Majeure Event. As soon as practicable after the notification specified pursuant to Clause 14.3, 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 Agreement.

## 15. CONFIDENTIALITY

- 15.1. Confidential Information. "Confidential Information" means, in relation to the Company, all information of a confidential nature relating to the Company and its affiliates which is supplied by the Company (whether before or after the date of this Agreement) to the Contractor, either in writing, orally or in any other form and, inter alia, includes any information relating to the Company's premises and systems installed (or planned to be installed), safety technical equipment and its location and related procedures, plans and layout of the Company's premises, as well as technical documentation and other information related to the Company's premises, 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:
- (a) the Company confirms in writing is not required to be treated as confidential; or
  - (b) the Contractor can show that the Confidential Information was in its possession or known to it (by being in its use or being recorded in its files or computers or other recording media) prior to receipt from the Company and was not previously acquired by the Contractor from the Company or its affiliates under an obligation of confidence; or
  - (c) was developed by or for the Contractor at any time independently of this Agreement.
- 15.2. Undertakings with respect to Confidential Information. 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 Company.
- 15.3. Permitted disclosure. The Contractor shall, without the prior written consent of the Company, be entitled to disclose Confidential Information:
- (a) that is reasonably required by the Contractor in the performance of its obligations pursuant to this Agreement, including the disclosure of any Confidential Information to any employee, agent, officer, Approved Sub-Contractor or adviser to the extent necessary to enable the Contractor to perform its obligations under this Agreement;
  - (b) to enable a determination to be made pursuant to Section 17;
  - (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 the Applicable Laws 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.
- 15.4. Obligations of recipients. Whenever disclosure is permitted to be made pursuant to Clauses 15.3(a) or 15.315.3(c), the Contractor shall require that the recipient of Confidential Information be subject to the same obligation of confidentiality as that contained in this Agreement.
- 15.5. Obligations on termination or expiry of Agreement. If this Agreement is terminated for whatsoever reason or it expires or the Company so requests, the Contractor shall:

- (a) return to the Company 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.
- 15.6. No press release. Save as required by the Applicable Laws, the Contractor shall not issue any press release in relation to the matters contemplated under this Agreement without the prior written consent of the Company (such consent not to be unreasonably withheld or delayed) as to both the content and the timing of the issue of the press release.
- 15.7. Right to publish. For the avoidance of any doubt, the Company shall have the right to publish any of the documents, information or data provided by the Contractor to the Company during provision of the Services.
- 15.8. Remedies. The Parties acknowledge and agree that a breach of the provisions of this Section 15 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 15.2, 15.4 or 15.6 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.
- 15.9. Non-disclosure agreement. If so requested by the Company, the Contractor shall ensure that persons that are involved in the performance of the Agreement sign a separate non-disclosure agreement (based on the draft of the non-disclosure agreement included in **Annex E: "Draft Non-disclosure Agreement"**).

## 16. RIGHT TO AUDIT

- 16.1. Right to audit. Notwithstanding anything to the contrary set forth in this Agreement, the Company itself, a reputable outside independent body or expert engaged and authorized by the Company shall be entitled to inspect and/or audit the Contractor to ensure compliance with the terms of this Agreement, including inspecting and/or auditing:
- (a) the performance of any aspect of the 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.
- 16.2. Obligation to assist. The Contractor shall provide all reasonable assistance to the Company or the independent body authorized by the Company in carrying out any inspection or audit pursuant to this Section 16. The Company shall be responsible for its own costs, or the costs incurred by the outside independent body designated by the Company, 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 Company for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 16.3. Survival of termination. The rights and obligations of the Company set forth in accordance with this Section 16 shall survive expiration or termination of this Agreement for any reason and shall continue to apply during the period of 10 (ten) years following expiration or termination of this Agreement for any reason whatsoever.

## 17. ON-THE-SPOT VISITS

- 17.1. Right to perform on-the-spot visits. By submitting a written notice 5 (five) business days in advance, but at the same time reserving the right of an unannounced on-the-spot visits without any advance notice, the Company may carry out on-the-spot visits to the sites and premises where the activities implemented within the Agreement are or were carried out.
- 17.2. Personnel involved. On-the-spot visits may be carried out either directly by authorised staff or representatives of the Company or by any other Person outside the Company in case this Person is authorised to do so on behalf of the Company. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Company shall ensure that any authorised Person shall be bound by all confidentiality obligations mentioned in the Agreement.
- 17.3. Access to the information. The Contractor shall provide to the performer of the on-the-spot visit or any other authorised Person 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 Person 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 Person the copying of the information and documents, with due respect to the confidentiality obligation.

- 17.4. 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.

## 18. GOVERNING LAW AND RESOLUTION OF DISPUTES

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

## 19. MISCELLANEOUS PROVISIONS

- 19.1. Conflict of interest, corruption and fraud. Notwithstanding any penalties that may be enforced against the Contractor under the Applicable Laws, or the laws of other jurisdiction(s), the Contractor shall be deemed to have committed a breach under this Agreement and the Company shall be entitled to terminate this Agreement immediately and without any regard to the provisions of Clause 12.3, if it is shown that the Contractor is guilty of:
- (a) offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or
  - (b) misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Company, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.
- 19.2. Personal data. For the purpose of execution of this Agreement, the Parties might transfer to each other certain personal data, such as data on employees of the Parties, data on suppliers, etc. Furthermore, the Party transferring to the other Party certain personal data shall be responsible for informing and, if necessary, obtaining the consent of the data subject for the processing of the personal data. The Parties agree and acknowledge that for the purpose of the Agreement each of the Parties shall be viewed as controllers of personal data. In this respect:
- 19.2.1. The Party shall transfer the personal data to the other Parties and such other Parties shall process the personal data only for the purposes of execution of the Agreement and other such purposes as required by the Applicable Laws.
  - 19.2.2. The Parties agree that except where the Party has a separate legal basis for processing the personal data referred to in the Applicable Laws governing the protection of personal data, the Party shall not process the personal data for any other purpose.
  - 19.2.3. Besides other obligations provided for in the Agreement, each of the Parties undertakes:
    - (a) to process the personal data to the minimum extent necessary;
    - (b) not to infringe any rights of the data subjects;

- (c) to implement and apply proper organizational and technical measures ensuring the compliance with the requirements of the law;
  - (d) to ensure the compliance with other requirements of the statutory law governing the protection of personal data.
- 19.3. Damages covered by insurance. To the extent any Damages are actually covered by any insurance, the Parties waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance current as of the date of this Agreement.
- 19.4. Relationship of Parties. The relationship between the Contractor and the Company under this Agreement is that of independent contractor. The Contractor (or the Approved Sub-Contractors or Approved Staff) is not an employee of the Company, is not carrying out the regular business of the Company and is not subject to the same employment regulations as are applicable to employees of the Company. Each of the Parties shall be solely and entirely responsible for their own acts and the acts of their employees and sub-contractors. No benefits, special considerations, or employer/employee-type provisions are provided by the Company to the Contractor, its employees, its consultants, or the employees of such consultants.
- 19.5. Severability. If any provision of this Agreement shall be held to be illegal, invalid, void or unenforceable under the Applicable Laws, the legality, validity and enforceability of the remainder of this Agreement shall not be affected, and the legality, validity and enforceability of the whole of this Agreement shall not be affected.
- 19.6. Successors and assigns. The Parties each bind themselves, their successors, legal representatives, and assigns to the other party to this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement. Neither Party shall assign or transfer its respective interest in the Agreement without written consent of the other Party, if not directly provided otherwise under the Agreement.
- 19.7. Amendments and Variations. No amendment to or Variation of this Agreement shall be effective unless made in writing by duly authorized representatives of both Parties, if not provided otherwise herein. The Agreement can be amended in compliance with the provisions of Article 61 of the Public Procurement Law of the Republic of Latvia.
- 19.8. Entire agreement. This Agreement, and the Annexes hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and extinguishes all and any prior drafts, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.
- 19.9. Execution. This Agreement is executed as an electronic document.

**20. DETAILS AND SIGNATURES OF THE PARTIES**

For and on behalf of the Company:

For and on behalf of the Contractor:

Name, title:     [•]

Name, title:     [•]

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A QUALIFIED ELECTRONIC SIGNATURE  
AND CONTAINS TIME SEAL

## Annex A: "Declaration of the Contractor"

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

1. To respect the freely-exercised right of workers, without distinction, to organise, 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 organise, 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 recognised 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 agreement, 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 agreements 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 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 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 characterise, 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 an 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 Contractor's 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 an 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 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, management of criminal organisation;
      - ii. fraud, misappropriation or laundering, human trafficking;
      - 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 agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel agreement, 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 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.

**[name, surname, position]**

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND  
CONTAINS A TIME STAMP



**Annex B: "Technical specification"**

**Annex C: "Contractor's Proposal"**

**Annex D: "List of Approved Sub-contractors and Approved Staff"**

## Annex E: "Draft Non-disclosure Agreement"

### Tripartite Non-disclosure Agreement No. [●]

Riga, THE DATE IS INDICATED ON THE TIME STAMP OF THE SIGNATURE OF THE DOCUMENT

This Tripartite Nondisclosure Agreement (the "Agreement") is made by:

**RB Rail AS**, a company registered in the Latvian Commercial Register under the registration No. 40103845025, having its registered office at Satekles iela 2B, Riga, LV-1050, Latvia ("RB Rail"), represented by [●] acting in accordance with [●];

[●] a company registered [●] under the registration No. [●], having its registered office [●], (the "Contractor") represented by [●], acting in accordance with [●]; and

[NAME AND SURNAME] with business address in [●], identification code: [●], address: [●], (the "Employee");

with each individually also referred to as the "Party" and collectively referred to as the "Parties", and with the Contractor and the Employee individually also referred to as the "Recipient" and collectively referred to as the "Recipients".

1. **Purpose.** RB Rail and the Contractor have entered into an Agreement on Delivery and Installation of Audio-visual Equipment, dated [●], (the "Supply Agreement") under which the Contractor provides delivery, installation, configuration of the audio-visual equipment, , trainings for Company's staff, warranty services etc., to the RB Rail (the "Services"). According to the Supply Agreement, the Contractor and the Employee during the performance of the Services shall be granted access to certain information on RB Rail (the "Confidential Information") and both Recipients jointly and severally undertake to take necessary measures to protect and avoid disclosure of the Confidential Information as set in the Agreement.
2. **Confidential Information** means any information, statements, and deliberations – whether in oral, visual or written form, recorded or embodied in whatever form – received before, during or after fulfilment of the Services that is related to RB Rail AS and/or Rail Baltica project. Confidential Information cannot be disclosed to any third parties/persons or made public otherwise under any circumstances except as set in the Agreement. The Confidential Information includes, among other things, the respective documents and information received from RB Rail under this Agreement regarding the Services, any information relating to the RB Rail's premises and systems installed (or planned to be installed), safety equipment and its location and related procedures, plans and layout of the RB Rail's premises, as well as technical documentation and other information related to the RB Rail's premises, irrespectively, whether it is specified as confidential. In case of doubt, whether the respective information is confidential, the Recipients will process and handle it as Confidential Information until RB Rail confirms otherwise.
3. **Obligations of the Recipients:**
  - 3.1. not to use the Confidential Information for purposes other than the implementation of the Services;
  - 3.2. not to disclose or permit disclosure of any Confidential Information to third parties (other than the persons of the Contractor who are required to have the Confidential Information in relation to the Services) or to directors, officers, employees consultants or agents of the Contractor, other than directors, officers, employees, consultants and agents of the Contractor who are required to have the Confidential Information in relation to the Services;
  - 3.3. take all reasonable measures to protect and avoid disclosure or use of Confidential Information in order to prevent it from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such information. Such measures shall include, but not be limited to, the highest degree of care that the Recipient utilizes to protect its own Confidential Information of a similar nature, which shall be no less than reasonable care;
  - 3.4. notify in writing of any actual or suspected misuse, misappropriation or unauthorized disclosure of Confidential Information which may come to the Recipient's attention;
  - 3.5. notify in writing of the existence, terms and circumstances regarding a request or demand to disclose all or any part of the Confidential Information by a court or competent public authority (the "Disclosure Order").
4. **Exceptions.** Notwithstanding the above, the Recipients shall not be liable to RB Rail with regard to disclosure of any Confidential Information if it:
  - 4.1. has been made public in a way that does not constitute a violation of this Agreement;

- 4.2. becomes known to the Recipient, without restriction, from a source other the RB Rail without breach of this Agreement by the Recipient and otherwise not in violation of the RB Rail's rights.
5. **Limitations.** The obligation not to disclose the Confidential Information does not apply when it results from the applicable provisions of law and these persons demand its disclosure. In the event that the Recipient receives a Disclosure Order, the Recipient shall disclose only that portion of the Confidential Information which it is legally required to disclose, and prior to such disclosure, the Recipient, if permitted by applicable law, shall give the RB rail, and the disclosing party's legal counsel, an opportunity to review the Confidential Information in prior to the disclosure.
  6. **Term.** The obligations of this Agreement shall become effective as date of its signing by all Parties and shall be for unlimited time period or maximum time period allowed by laws.
  7. **Return of Materials.** All Confidential Information supplied to the Recipient directly by RB Rail shall be promptly returned to RB Rail, accompanied by all copies of such Confidential Information made by the Recipient, within five (5) business days after the written request and the Recipient shall use its reasonable endeavors to ensure that anyone to whom the Recipient has supplied any Confidential Information destroys or permanently erases (to the extent technically practicable) such Confidential Information and any copies made by them, in each case save to the extent that such recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body, or where the Confidential Information has been disclosed under Clause 5 of this Agreement.
  8. **Remedies.** In the event that the Recipient breaches its commitments under the Agreement, the Recipient shall compensate all direct damages to RB Rail. The Parties also agree that the Recipient's obligations set forth in the Agreement are necessary and reasonable in order to protect RB Rail's interests and its business. RB Rail and the Recipients each expressly agree that due to the unique nature of the Confidential Information, compensation of direct damages solely might be inadequate to compensate RB Rail for any breach by the Recipients of their covenants and agreements set forth in this Agreement. Accordingly, the Parties agree and acknowledge that any such violation or threatened violation shall cause irreparable injury to the RB Rail and that, in addition to any other remedies that may be available, in law, in equity or otherwise, RB Rail shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by the Recipients, without the necessity of posting a bond or other security or proving actual damages.
  9. **Governing Law and Dispute Resolution.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Republic of Latvia, without giving effect to principles of conflicts of law. All disputes arising out of or in connection with this Agreement shall be dealt with by amicable negotiation. If the Parties are unable to reach an agreement by negotiation, then any dispute, disagreement or claim arising from this Agreement which relates to the same or any breach thereof, termination or invalidity shall be finally resolved in the light of general civil jurisdiction rules of the Republic of Latvia.
  10. **Amendment and Waiver.** Any term of this Agreement may be amended with the written consent of RB Rail and the Recipients. Any amendment or waiver effected in accordance with this Section shall be binding upon the Parties and their respective successors and assigns. Failure to enforce any provision of this Agreement by a Party shall not constitute a waiver of any term hereof by such Party.
  11. **Authorization.** The persons signing this Agreement on behalf of the undersigned have the authority to do so and to bind the undersigned to the terms hereof.
  - 12.

RB Rail	Contractor	Employee
[•]	[•]	[•]

THIS DOCUMENT IS ELECTRONICALLY SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP