

SERVICE AGREEMENT

between

RB Rail AS

and

Compensa Vienna Insurance Group ADB Latvijas filiāle

Contract registration No 1.19/LV-2023-8

CEF¹ contract No INEA/CEF/TRAN/M2014/1045990;
INEA/CEF/TRAN/M2015/1129482;
INEA/CEF/TRAN/M2016/1360716;
INEA/CEF/TRAN/M2019/2098304;
INEA/CEF/TRAN/M2019/2098073;
INEA/CEF/TRAN/M2020/2428991
101079279-21-EU-TC-RBGP Part VII C

Procurement identification No RBR 2022/27



**Co-funded by
the European Union**

¹ Grant Agreement under the Connecting Europe Facility

SERVICE AGREEMENT

This Service Agreement, together with all annexes thereto, (the "Agreement") enters into force on the day of its signing by both Parties. Considering that the Agreement has been signed by representatives of both Parties via a secure digital signature, the day of signing of the Agreement is considered as the date when the specific electronic file containing the Agreement has been duly signed with a secure digital signature by all required representatives of both Parties (i.e. the timestamp of the last digital signature required to enter into this Agreement shall be used as signing date (the "Effective Date"). Agreement is entered into force between:

- (1) **RB Rail AS**, a joint stock company registered in the Latvian Commercial Register with registration number 40103845025, legal address at Satekles iela 2B, Riga, LV-1050, Latvia (the "Policyholder"), represented by **Head of Legal Department Baiba Zauere** acting on the basis of Regulations on Representation Rights dated 17 October 2022, on the one side,

and

- (2) **Compensa Vienna Insurance Group ADB Latvijas filiāle**, a foreign merchant branch organized and existing under Latvian law with registration number 40103942087, legal address at Vienības gatve 87H, Riga, LV-1004, Latvia, (the "Insurer") represented by a person authorized to represent the merchant activities related to a branch Aigars Freimanis on the basis of the statutes and an attorney Jānis Lasis on the basis of the Power of Attorney dated 1 March 2019, on the other side,

who are collectively referred to as the "Parties" and each separately – as the "Party".

WHEREAS:

- (A) This Agreement is entered into under the Global Project which includes all activities undertaken by the respective beneficiaries and implementing bodies of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania in order to build, render operational and commercialise the Rail Baltica railway – a new fast conventional double track electrified railway line according to TSI INF P2-F1 criteria and European standard gauge (1435mm) on the route from Tallinn through Pärnu-Riga-Panevėžys-Kaunas to Lithuanian-Polish border, with the connection of Kaunas – Vilnius, and related railway infrastructure in accordance with the agreed route, technical parameters and time schedule (the "Global Project");
- (B) The Policyholder has organised procurement "Directors and Officers Liability Insurance" (identification No RBR 2022/27) (the "Procurement") whereby the Insurer's tender proposal (the "Insurer's Proposal") was selected as the winning bid;
- (C) This Agreement is co-financed from the Connecting Europe Facility (CEF).

1. Subject of the Agreement

- 1.1. The Policyholder shall order and pay, but the Insurer shall undertake to perform insurance of directors and officers liability of the Policyholder for the period 12 (twelve) calendar months as specified in Clause 2.1 and issue an insurance policy (the "Policy") in accordance with the Technical specification (Annex A: "Technical specification") and financial proposal of the Insurer for the Procurement (Annex B: "Insurer's Proposal"), as well as the terms and conditions of this Agreement, which shall become as integral parts of this Agreement, hereinafter - the "Service".
- 1.2. On the Effective Date, or on a later date if so agreed with the Policyholder, the Insurer shall issue a Policy to the Policyholder, which shall become as an integral part of this Agreement and shall come into force on 25 April 2023, 00:00 (Eastern European Time).
- 1.3. **The terms and conditions of the Policy and the terms and conditions which are added by the Insurer in the Annex B: "Insurer's Proposal" shall not be contrary to the terms and conditions of the other parts forming this Agreement. In case of contradiction or discrepancies, between Policy and/or terms and conditions which are added by the Insurer in the Annex B: "Insurer's Proposal" and the other parts forming this Agreement, the terms and conditions of the other parts forming this Agreement shall prevail.**
- 1.4. Upon signing this Agreement, the Insurer confirms that equal insurance coverage and limits of responsibility shall be ensured for the whole period of the Agreement and it shall not be entitled to terminate the Agreement during its validity term unless it is explicitly stated in the Clause 2.4 of the Agreement.

2. Validity Period and Validity of the Agreement

- 2.1. This Agreement shall be valid 24 (twenty-four) hours per day until the date when the Parties will have fulfilled their contractual obligations arising out of this Agreement. **The validity period of the Policy shall be from 25 April 2023 at 0:00 until 24 April 2024 at 23:59 (Eastern European time).**
- 2.2. Upon mutual agreement, the Parties shall be entitled to terminate this Agreement at any time.
- 2.3. The Policyholder shall be entitled to unilaterally terminate this Agreement before the expiry thereof by warning the Insurer on that in writing 15 (fifteen) calendar days in advance, if:
 - 2.3.1. the Insurer fails to fulfil the liabilities set in this Agreement or fulfils them in a part;
 - 2.3.2. the Insurer has been declared as insolvent, undergoes the restructuring, winding-up proceedings or bankruptcy proceeding under the court judgement;
 - 2.3.3. a licence for performance of insurance has been annulled for the Insurer;
 - 2.3.4. the contractual penalty calculated for the Insurer has reached the maximum amount set in the Agreement - 10% (ten percent) from the amount of the Premium referred to in Clause 3.1 of the Agreement;
 - 2.3.5. in other special cases, having reasonable grounds for that, by informing the Insurer on that in writing at least 30 (thirty) calendar days in advance.
- 2.4. The Insurer shall be entitled to unilaterally terminate this Agreement before expiry thereof by warning the Policyholder on that in writing 15 (fifteen) calendar days in advance, if:
 - 2.4.1. the Policyholder undergoes the winding-up proceedings;
 - 2.4.2. the contractual penalty calculated for the Policyholder has reached the maximum amount set in the Agreement - 10% (ten percent) from the amount of the Premium referred to in Clause 3.1 of this Agreement.
- 2.5. Upon terminating the Agreement in an unilateral manner, in accordance with Clauses 2.3 and 2.4 of the Agreement, the Insurer shall pay back to the Policyholder a part of the unused Premium, which shall be proportional with the remaining validity period of the Policy, without deducting expenses for administrative expenses, by making the repayment within 10 (ten) working days from the day of receipt of the submission of the Policyholder.
- 2.6. In case of need the Policyholder may request to prolong the insurance period for 1 (one) calendar month and in total not exceeding 10% (ten percent) from the amount referred to in Clause 3.1 of this Agreement.

3. Insured Amount and Premium

- 3.1. The Policyholder shall pay to the Insurer the insurance premium (the "Premium") in the amount of EUR **35 141,00** (thirty-five thousand one hundred forty one euros 0 cents) for the provision of the Service and the Insurer, upon occurrence of the insured event, shall pay the insurance indemnity.
- 3.2. The Policyholder shall pay the Premium for the Service provided by the Insurer - insurance of liability of directors and officials, excluding VAT, in accordance with Section 52, Paragraph 1, Clause 20 of the Value Added Tax Law of the Republic of Latvia.
- 3.3. In case if regulatory enactments of the Republic of Latvia changes during the validity period of the Agreement and the Services provided by the Insurer are taxable with VAT, the Policyholder shall pay them in addition, and the amounts included in the Agreement shall be considered as the ones that exclude the value added tax.
- 3.4. The Premium shall include all expenses in relation to provision with insurance, except for expenses of the event stipulated in Clause 3.3 of the Agreement.
- 3.5. The Policyholder shall pay the Premium within 30 (thirty) calendar days after the Effective Date and the day of receipt of the invoice issued by the Insurer, to the current account specified in the invoice.
- 3.6. The Insurer's invoices shall contain the following Policyholder's details:

Insurer	Compensa Vienna Insurance Group ADB Latvijas filiāle
Registration No	40103942087
VAT payer's No or indication that the Insurer is not a VAT payer	LV40103942087
Legal address (street, house, area, country, postcode)	RĪGA, VIENĪBAS GATVE 87H, LV-1004

Name of Bank (legal name)	[CONFIDENTIAL]
Bank SWIFT Code	[CONFIDENTIAL]
IBAN	[CONFIDENTIAL]
The Policyholder's VAT No	RB RAIL AS Registration No 40103845025 LV40103845025

- 3.7. The day on which the payment made by Policyholder is registered with the Policyholder's bank shall be deemed to be the day of execution of the payment (payment date).
- 3.8. The Insurer shall send the invoice to the Policyholder electronically to the following e-mail address: invoices@railbaltica.org. The Parties agree that the invoices should be submitted only electronically and that the invoice should not contain the requisite "signature".

4. Rights and Obligations of the Parties

- 4.1. The Policyholder shall:
- 4.1.1. comply with the terms and conditions of the Agreement;
 - 4.1.2. undertake to provide the Insurer with all information necessary for fulfilment of the Agreement;
 - 4.1.3. pay the Premium referred to in Clause 3.1 of this Agreement, in accordance with the terms and conditions of this Agreement;
 - 4.1.4. be entitled to attract expert for evaluation of the insured event;
 - 4.1.5. in case if the Policyholder has not showed any objections regarding the decision taken on indemnity within 10 (ten) calendar days from the receipt of the decision made, it shall be deemed that it agrees with the decision made;
 - 4.1.6. within 10 (ten) workings days after occurrence of the insured event has come to the attention of the management board of the Policyholder, notify the Insurer on the occurrence of the insured event by sending information on the insured event to e-mail address of the Insurer.
- 4.2. The Insurer shall:
- 4.2.1. ensure proper quality of the Service, in accordance with the Insurer's Proposal submitted to the Policyholder and provisions of the present Agreement;
 - 4.2.2. undertake to precisely comply with and fulfil the provisions of the Agreement in a timely manner;
 - 4.2.3. pay the insurance indemnity, in accordance with the amount, procedure and terms set in the Insurance Contract Law of the Republic of Latvia and this Agreement;
 - 4.2.4. in case of occurrence of the insured event, make a decision regarding disbursement of the insurance indemnity and disburse the insurance indemnity within 90 (ninety) calendar days after the day of receipt of all necessary documents, which prove the occurrence of the insured event and the amount of losses;
 - 4.2.5. in case of termination of the Policy in accordance with the procedure referred to in Clause 2.5 of the Agreement the Insurer shall pay back a part of the unused Premium in proportion with the remaining validity period of the Policy, without deducting expenses for administrative expenses;
 - 4.2.6. provide that the insurance conditions (attached as part of Annex B: "Insurer's Proposal") shall remain unchanged for the whole validity period of the Agreement;
 - 4.2.7. not be entitled to refuse to disburse the insurance indemnity within the term set in Clause 4.2.4 of the Agreement;
 - 4.2.9. receive the Premium, in accordance with the provisions of Clause 3.1 of the Agreement;
 - 4.2.10. if the Policyholder fails to agree with the amount of losses calculated by the Insurer pursuant to agreement between the Parties, the Insurer may disburse a part of the insurance indemnity up to the amount that is not disputed by any of the Parties, until making payment of loss in full;
 - 4.2.11. be compliant with all of the requirements of the Supplier's Declaration² and will continue to be compliant with all such requirements during the term of this Agreement.

5. Responsibility of the Parties

² Appendix 6 to the Common Procurement Standards and Guidelines for the Rail Baltica Project, that can be found here: https://www.railbaltica.org/wp-content/uploads/2021/06/APPENDIX-6_SUPPLIERS-DECLARATION_June_2021.pdf

- 5.1. The Policyholder and the Insurer confirm by mutual signing of the Agreement that there are no circumstances prohibiting the Parties to enter into this Agreement.
- 5.2. The Insurer confirms of having all necessary rights in order to provide the Service in accordance with the terms and conditions of this Agreement.
- 5.3. Upon entering into the present Agreement, the Insurer confirms of being informed and evaluated all risks covered.
- 5.4. The Parties shall be responsible for failure to fulfil the Agreement or improper fulfilment thereof, as well as for losses caused to the other Party, if they have occurred as a result of activity or inactivity of one Party or employees thereof, as well as activities or neglect caused as a result of gross negligence and evil intent. The Party at fault shall compensate to the other Party the occurring losses.
- 5.5. The Insurer shall have an obligation to prove any circumstances, exempting it from the liabilities set in the Agreement to disburse the insurance indemnity.
- 5.6. If the Insurer fails to provide the Service, in accordance with the terms and conditions of the Agreement, which is reflected in non-compliance of the terms set in this Agreement, the Policyholder is entitled to request the Insurer to pay to the Policyholder a contractual penalty in the amount of 0.1% (one tenth of a percent) from the annual Premium for each day of delay. The total amount of the contractual penalty shall not exceed 10 % (ten percent) from the amount of the Premium.
- 5.7. If the Policyholder fails to make the payment of the Premium, in accordance with the terms and conditions of this Agreement, the Insurer is entitled to request the Policyholder to pay to the Insurer a contractual penalty in the amount of 0.1 % (one tenth of a percent) from the Premium of the Agreement for each day of delay. The total amount of the contractual penalty shall not exceed 10 % (ten percent) from the amount of the Premium.
- 5.8. Payment of the contractual penalty shall not exempt the Parties from fulfilment of liabilities of this Agreement.

6. Right to audit and on-the-spot visits

- 6.1. A reputable outside independent body or expert engaged and authorized by the Policyholder shall be entitled during 10 (ten) years following expiration or termination of this Agreement to inspect and/or audit the Insurer to ensure compliance with the terms of this Agreement, including inspecting and/or auditing:
 - 6.1.1. the performance of any aspect of the Service; and/or
 - 6.1.2. any documentation, including all payrolls, accounts of the Insurer and/or other records used in or related to the performance of the Services.
- 6.2. By submitting a written notice 5 (five) working days in advance, the Policyholder may carry out on-the-spot visits to the sites and premises where the activities implemented within the Agreement are or were carried out with having an 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, as well as shall allow the authorised staff of the performer of the on-the-spot visit the copying of the information and documents, with due respect to the confidentiality obligation.
- 6.3. By virtue of "Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities", "Regulation (EU, Euratom) No 883/2013 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999" and other legislation and documentation relating to European Union grant awarding and subsequent monitoring processes, the European Commission; the European Anti-Fraud Office; the European Climate, Infrastructure and Environment Executive Agency; the European Court of Auditors and other European Union institutions and bodies might perform checks, reviews, audits and investigations towards the Insurer in case such activities are related to the use of grants awarded.

7. Governing law and resolution of disputes

- 7.1. This Agreement shall be governed by and construed in accordance with the law of the Republic of Latvia.
- 7.2. The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Agreement by way of amicable negotiations.
- 7.3. Should the Parties fail to agree by means of amicable negotiations within the time period of 30 (thirty) days from the date of serving of the respective written complaint to the other Party, the Parties shall submit all their disputes arising out of or in connection with this Agreement to the exclusive jurisdiction of the courts of the Republic of Latvia.

8. Force Majeure

- 8.1. Subject to the requirements set forth in accordance with Clause 8.2 and 8.3 of the Agreement, 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 an event that meets all the following criteria (the "Force Majeure Event"):
 - 8.1.1. It is an event that cannot be avoided and whose consequences cannot be overcome;
 - 8.1.2. It could not be foreseen at the time when the Agreement was concluded;
 - 8.1.3. It was not caused by the act of the affected Party or a person under its control;
 - 8.1.4. It makes it impossible to fulfil the obligation arising from the Agreement.
- 8.2. Each Party shall at all times, following the occurrence of a Force Majeure Event:
 - 8.2.1. take reasonable steps to prevent and mitigate the consequences of such an event upon the performance of its obligations under this Agreement;
 - 8.2.2. 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
 - 8.2.3. 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 8.1 of this Agreement.
- 8.3. Upon the occurrence of a Force Majeure Event, the affected Party shall notify the other Party as soon as reasonably practicable and in any event within 3 (three) working days of it becoming aware of the relevant Force Majeure Event. Such notification shall give sufficient details to identify the particular event claimed to be a Force Majeure Event and shall contain detailed information relating to the failure to perform (or delay in performing), including the date of occurrence of the Force Majeure Event, the effect of the Force Majeure Event on the ability of the affected Party to perform, the action being taken in accordance with Clause 8.2 of the Agreement 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.
- 8.4. The affected Party shall notify the other Party as soon as practicable once the performance of its affected obligations can be resumed (performance to continue on the terms existing immediately prior to the occurrence of the Force Majeure Event).
- 8.5. As soon as practicable after the notification specified pursuant to Clause 8.4 of the Agreement, the Parties shall use reasonable endeavours to agree appropriate terms or modifications to the scope of Service to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement.

9. Confidentiality

- 9.1. Confidential Information means, in relation to the Policyholder, all information of a confidential nature relating to the Policyholder and its affiliates which is supplied by the Policyholder (whether before or after the date of this Agreement) to the Insurer, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, memoranda and other documents and information which contain or otherwise reflect or are derived from such information (the "Confidential Information"), but excludes information which:
 - 9.1.1. the Policyholder confirms in writing is not required to be treated as confidential;
 - 9.1.2. the Insurer can show that the Confidential Information was in its lawful 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 Policyholder and was not previously acquired by the Insurer from the Policyholder under an obligation of confidence; or
 - 9.1.3. was developed in a lawful way by or for the Insurer at any time independently of this Agreement.
- 9.2. The Insurer shall (i) at all times keep confidential all Confidential Information received by it and shall not disclose such Confidential Information to any other person, and (ii) 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 Policyholder.
- 9.3. Notwithstanding anything to the contrary set forth in accordance with this Section 9, the Insurer shall, without the prior written consent of the Policyholder, be entitled to disclose Confidential Information:
 - 9.3.1. that is reasonably required by the Insurer in the performance of its obligations pursuant to this Agreement, including the disclosure of any Confidential Information to any employee, contractor, agent, officer, Sub-Contractor (of any tier) or adviser to the extent necessary to

- enable the Insurer to perform its obligations under this Agreement (subject to the same confidentiality undertakings by the recipients);
 - 9.3.2. to enable a determination to be made pursuant to Section 6;
 - 9.3.3. 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 (subject to the same confidentiality undertakings by the recipients);
 - 9.3.4. to the extent required by 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
 - 9.3.5. 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.
- 9.4. Upon request of the Policyholder, the Insurer shall:
 - 9.4.1. return to the Policyholder all of the Confidential Information then within the possession or control of the Insurer; or
 - 9.4.2. destroy such Confidential Information using a secure and confidential method of destruction.
- 9.5. Save as required by the applicable laws, the Insurer shall not issue any press release in relation to the matters contemplated under this Agreement without the prior written consent of the Policyholder as to both the content and the timing of the issue of the press release.
- 9.6. The Parties acknowledge and agree that a breach of the provisions of this Section 9 may cause the Policyholder irreparable damages that could not be adequately remedied by an action at law. Accordingly, the Insurer agrees that the Policyholder is 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.

10. Visibility Requirements

- 10.1. At all times during provision of the Service, the Insurer undertakes to comply with each of the following requirements:
 - 10.1.1. Any report, brochure, document or information related to the Service provided by the Insurer to the Policyholder or any other person which the Insurer makes publicly available shall include each of the following:
 - 10.1.1.1. a funding statement which indicates that the Agreement is financed from CEF funds substantially in the following form: "Co-funded by the European Union";
 - 10.1.1.2. 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: "Co-funded by the European Union. Views and opinions expressed are those of the author(s) only and do not necessarily reflect those of the European Union or the granting authority. Neither the European Union nor the granting authority can be held responsible for them". The disclaimer in all official languages of the European Union can be viewed on the website https://cinea.ec.europa.eu/communication-toolkit_en; and
 - 10.1.1.3. the flag of the Council of Europe and the European Union.
 - 10.1.2. The requirements set forth in Clause 10.1.1.1 and 10.1.1.3 of the Agreement can be fulfilled by using the following logo:



- 10.1.3. the Supplier shall ensure that the logo remains distinct and separate and no other visual identity or logo may be used to highlight the EU support.
- 10.1.4. in order to comply with the latest applicable visibility requirements established by the European Union, the Supplier shall regularly monitor changes to visibility requirements; as at the Signing Date, the visibility requirements are available for review on the webpage https://cinea.ec.europa.eu/communication-toolkit_en.

11. Authorised Persons of the Parties

- 11.1. During the control of fulfilment of the Agreement the responsible person of the Policyholder shall be: [CONFIDENTIAL], telephone number [CONFIDENTIAL], e-mail address: [CONFIDENTIAL].
- 11.2. During the control of fulfilment of the Agreement the responsible person of the Insurer shall be: [CONFIDENTIAL], telephone number [CONFIDENTIAL], e-mail address: [CONFIDENTIAL].

12. Final Provisions

- 12.1. In case if any of the provisions of the Agreement becomes void as a result of amendment to regulatory enactments, this Agreement shall not become void with regard to other Clauses thereof. In such a case the Parties shall apply the Agreement in accordance with the effective regulatory enactments.
- 12.2. In case if details for any of the Parties or contact persons of the Parties or contact information thereof set in Section 11 of the Agreement are changed, the relevant Party shall notify the other Party on that in writing within 5 (five) working days from the day of occurrence of such changes. After receipt of the notification it shall become as an integral part of the Agreement. If the Party fails to fulfil the provisions of the present Clause, it shall be deemed that the other Party has fulfilled its liabilities in full by using the information available in this Agreement regarding the other Party.
- 12.3. In case of reorganisation of the Parties, this Agreement shall remain valid and the provisions thereof shall be binding to the legal successor thereof. The Party shall warn the other Party in writing on the occurrence of such circumstances ten days in advance.
- 12.4. The Parties shall agree in writing on amendments or supplementations to the Agreement, except for the case of information change referred to in Clause 12.2 of this Agreement. The written agreements shall be signed and prepared in two copies, one copy for each of the Parties, and shall be enclosed with this Agreement as an integral part thereof.
- 12.5. Information exchange between the Parties may be performed also by using e-mails, which shall become as integral parts of the Agreement, except for terms and conditions of the Agreement, which provides for information exchange in the written form.
- 12.6. The Parties shall not be entitled to deliver their rights and obligations related to this Agreement and arising from that to third persons.
- 12.7. 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, the Global Project stakeholders and their employees etc. 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 acknowledge that for the purpose of the Agreement each of the Parties shall act as a controller. The Party shall transfer the personal data to the other Party and such other Party shall process the personal data only for the purposes of execution of the Agreement and other such purposes as required by applicable laws. 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.
- 12.8. Annexes to this Agreement shall become as an integral part of this Agreement.
- 12.9. This Agreement is prepared as an electronic document.

13. Details and Signatures of the Parties

For and on behalf of the Policyholder:

For and on behalf of the Insurer:

Name, title: **Baiba Zauere**
Head of Legal Department

Name, title: **Aigars Freimanis**
Person authorized to represent
the merchant activities related to
a branch

Name, title: **Jānis Lasis**
Attorney

Bank details: AS "Luminor Bank"
RIKOLV2X
LV32RIKO0000084270995

Bank details: [CONFIDENTIAL]

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

Annex A: "Technical specification"

**TECHNICAL SPECIFICATION FOR THE PROCUREMENT
"DIRECTORS AND OFFICERS LIABILITY INSURANCE"
(ID NO. RBR 2022/27)**



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

Riga
2023

1. INTRODUCTION TO RAIL BALTICA

The Baltic countries Estonia, Latvia and Lithuania have historically been linked to the east-west railway transport axis using the 1520 mm gauge railway system. Because of the existing historical and technical constraints, the existing rail system is incompatible with mainland European standards, thus there is a consensus that Estonia, Latvia and Lithuania need to be fully integrated into the wider European rail transport system. Currently there is no efficient 1435 mm railway connection along the Warsaw-Kaunas-Riga-Tallinn axis, i.e. there are missing links or significant bottlenecks. Thus, there are no direct passenger or freight services along the railway axis as the existing infrastructure does not allow for competitive services compared to alternative modes of transport. Thus, the clear majority of the North-South freight is being transported by road transport and the overall accessibility in the region is low.

The ambitions of the Rail Baltica Global project (Global Project) are:

- to become a powerful catalyst for sustainable economic growth in the Baltic States;
- to set a new standard of passenger and freight mobility;
- to ensure a new economic corridor will emerge;
- sustainable employment and educational opportunities;
- an environmentally sustainable infrastructure;
- new opportunities for multimodal freight logistics development;
- new intermodal transport solutions for passengers;
- safety and performance improvements;
- a new value platform for digitalization and innovation;
- completion of Baltic integration in the European Union transport ecosystem.

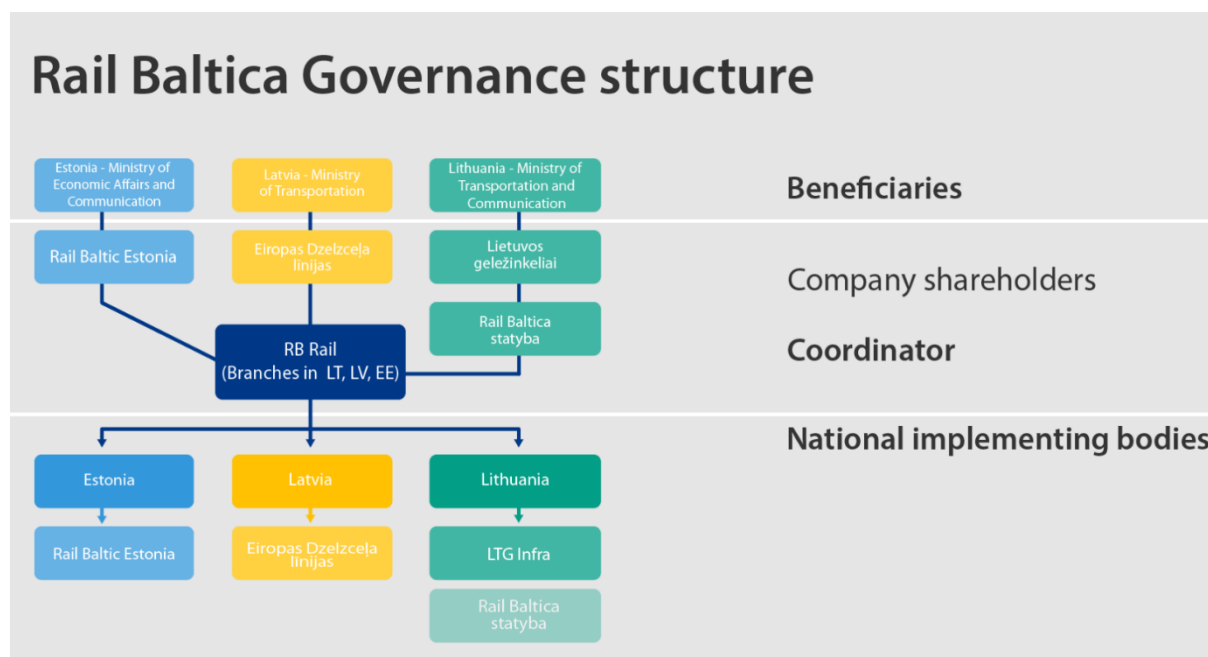
Rail Baltica is already designed to become a part of the EU TEN-T North Sea – Baltic Core Network Corridor, which links Europe's largest ports of Rotterdam, Hamburg and Antwerp – through the Netherlands, Belgium, Germany and Poland – with the three Baltic States, further connecting to Finland via the Gulf of Finland short sea shipping connections with a future fixed link possibility between Tallinn and Helsinki. Further northbound extension of this corridor shall pave the way for future connectivity also with the emerging Arctic corridor, especially in light of the lucrative prospects of the alternative Northern Circle maritime route development between Europe and Asia. Furthermore, the North Sea – Baltic Corridor crosses with the Baltic-Adriatic Corridor in Warsaw, paving the way for new supply chain development between the Baltic and Adriatic seas, connecting the Baltics with the hitherto inadequately accessible Southern European markets. In a similar fashion, Rail Baltica shall strengthen the synergies between North-South and West-East freight flows, creating new trans-shipment and logistics development opportunities along the Europe and Asia overland trade routes. The new Rail Baltica infrastructure would, therefore, not only put the Baltics firmly on the European rail logistics map, but also create massive opportunities for value creation along this infrastructure with such secondary economic benefits as commercial property development, revitalization of dilapidated urban areas, private spin-off investment, new business formation, technology transfer and innovation, tourism development and other catalytic effects. Rail Baltica aims to promote these effects from the early stages of the Global Project, learning from the key global success stories and benchmarks in this regard.

RB Rail AS was established by the Republics of Estonia, Latvia and Lithuania, via state-owned holding companies, to coordinate the development and construction of the fast-conventional standard gauge railway line on the North Sea – Baltic TEN-T Core Network Corridor (Rail Baltica II) linking three Baltic states with Poland and the rest of the EU.

Additional info on the role of RB Rail AS and its organisational structure can be found:

- a) in the "AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF ESTONIA THE GOVERNMENT OF THE REPUBLIC OF LATVIA, AND THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA ON THE DEVELOPMENT OF THE RAIL BALTIC/RAIL BALTICA RAILWAY CONNECTION", that is accessible here: <https://likumi.lv/ta/id/292029-par-igaunijas-republikas-valdibas-latvijas-republikas-valdibas-un-lietuvass-republikas-valdibas-ligumu-par-irail-balticrail-balticai-dzelzcela-savienojuma-izveidi>;
- b) on RB Rail AS official webpage: <https://www.railbaltica.org/> (please see sub-sections under the section "PROJECT IMPLEMENTERS").

The diagram below illustrates the shareholder and project governance structure of the Rail Baltica project.



RB Rail AS together with governments of Estonia, Latvia and Lithuania (represented by the ministries in charge of transport policy) have applied for co-financing and signed Grant Agreements under the Connecting Europe Facility (CEF) Transport sector call in 2014, 2015, 2016, 2019, 2020 and 2021 (seven grant agreements in total) to support the Global Project expenses.

Rail Baltica is a joint project of three EU Member States – Estonia, Latvia and Lithuania – and concerns the building of a fast conventional double-track 1435 mm gauge electrified and ERTMS equipped mixed use railway line on the route from Tallinn through Pärnu (EE), Riga (LV), Panevėžys (LT), Kaunas (LT) to the Lithuania/Poland state border (including a Kaunas – Vilnius spur) with a design speed of 240km/h. In the longer term, the railway line could potentially be extended to include a fixed link between Helsinki and Tallinn, as well as integrate the railway link to Warsaw and beyond.

The expected core outcome of the Rail Baltica Global Project is a European gauge (1435mm) double-track railway line of almost 900 km in length meant for both passenger and freight transport and the required additional infrastructure (to ensure full operability of the railway). It will be interoperable with the TEN-T Network in the rest of Europe and competitive in terms of quality with other modes of transport in the region. The indicative timeline and phasing of the project implementation can be found here: <http://www.railbaltica.org/about-rail-baltica/project-timeline/>.

2. FRAMEWORK OF ASSIGNMENT

RB Rail AS is looking for a service provider capable of providing the Services. The provision of Services means that RB Rail AS's accountable persons are covered with liability insurance in accordance with this technical specification ("Technical Specification") and other provisions set by related Procurement documents. It is understood that accountable persons include existing members, ex-members and future members of the Policyholder's Supervisory Board (*padome*) ("SB Members"), Policyholder's Management Board (*valde*) ("MB Member"), and Policyholder's Shareholder representatives ("SH Representatives") and other persons who are deemed to be Insured Persons in accordance with this section.

Tenderer offering the Services have to envisage that Directors and Officers Liability Insurance should cover any financial loss (including, but not limited to expenditures, financial losses, damages, compensations, costs of expertise, law services for advocacy, other litigation costs and sums payable as a result of settlements) which arises by any claim against any Insured Person (as defined below) with respect to the Insurance Cover.

Detailed information regarding the Services:

Type	Directors and Officers Liability Insurance
Policyholder	RB Rail AS

Policyholder's legal address	Satekles iela 2B, Riga, LV-1050
Policy	An insurance policy that is issued in order to certify that the performance of the Services is ensured.
Policy Period	12 (twelve) months starting from 25 April 2023, 0:00 (Eastern European Time) till 24 April 2024, 23:59 (Eastern European Time), 24 hours in day.
Insurance coverage scope	A. Insured Person's liability cover B. Policyholder's reimbursement cover (Policyholder's expenses for claims against Insured Person)
Limit of Liability	EUR 20 000 000 (twenty million euros) any one claim and in the aggregate for the Policy Period with the following exception – maximum limit of the insurance cover for SB Members and SH Representatives must be sub-limited to EUR 6 000 000 (six million euros) any one claim and in the aggregate.
Insured Persons	<p>Insured Person means:</p> <ol style="list-style-type: none"> I. any natural person who was or is, or becomes MB Member, SB Member, SH Representative or manager of any of the Policyholder's branches (irrespective of the type of contract/type of authorization under which all the aforementioned persons perform their duties); II. any natural person who was or is, or becomes a director or officer of the Policyholder and/or its branches; III. any employee of the Policyholder and/or its branches that doesn't meet any other criteria only if and to the extent a claim is made against him or her for a wrongful act when named as a co-defendant with other Insured Person; IV. any employee while acting in a managerial capacity at the Policyholder and/or its branches, or who is deemed to be performing any activity normally carried out by an Insured Person (including, but not limited to the Policyholder's chief accountant, legal counsel and members of a procurement commission established by the Policyholder, and those employees of the Policyholder and the Policyholder's branches who are members of any procurement commission established by Rail Baltic Estonia OÜ (reg. No 12734109), Sabiedrība ar ierobežotu atbildību "Eiropas dzelzceļa līnijas" (reg. No 40103836785), Akcine bendrove Lietuvos geležinkeliai (reg. No 110053842), AB "LTG Infra" (reg No 305202934), UAB "Rail Baltica statyba" (reg. No 303227458), Estonian Transport Administration (<i>Transpordiamet</i>) (reg. No. 70001490); V. any employee of the Policyholder and/or its branches in respect of an employment wrongful act; VI. any spouse or domestic partner or civil partner of any natural person who falls within the scope of definition of Insured Person above, but only in respect of an action to enforce a judgment obtained against such person against the property of that spouse or domestic partner or civil partner arising from a claim covered by this Directors and Officers Liability Insurance. <p>Insured Person does not include any external auditor or liquidator or administrator or receiver or administrative receiver or legal or other professional adviser of the Policyholder and/or its branches.</p>
Insurance Cover	Third Party liability for losses resulting from a claim against Insured Person in relation to wrongful acts they have committed (actual or alleged breach of duty, negligence, error, misstatement, omission, a conflict of interest, accounting inaccuracies, power of attorney misuse, false statements, false recommendations, expenses, damages, compensations and other payments the Insured Person is or will be obliged to pay in connection with

	any Third Party claim which incurred in connection with the performance of duties and passing decisions at Policyholder and/or Policyholder's branches, as well as reimbursement of expertise, legal, litigation and other expenses for the Insured Person against third-party claims, including sums as a result of a settlement, etc.).
Exclusions	Limited to exclusions commonly included in Directors and Officers Liability Insurance according to the market practice in Europe, unless otherwise specified in this Technical Specification or other Procurement related documents.
Notification	If a claim is made against the Insured Person during the Policy Period, the Policyholder shall provide a written notice as soon as practicable after the MB Member of the Policyholder becomes aware of such claim. If the Insured Person first becomes aware of a wrongful act or first becomes aware of a situation or circumstance that the Insured Person reasonably considers may become a claim, the Insured Person or the Policyholder provides a written notice of that as soon as practicable (" <u>Circumstance Notification</u> "). If such Circumstance Notification is made during the Policy Period, any claim that is subsequently made will be treated as having been made during the Policy Period.
Third Party	Any individual or legal entity, including without limitation, a state authority, RB Rail AS, RB Rail AS branches and RB Rail AS shareholders who have suffered losses in the result of the insurable event.
Minimum Insurance cover extensions and sub-limits	Defence costs – up to full Limit of Liability. Emergency costs – up to 5% (five percent) of the total Limit of Liability. Regulatory crisis response expenses - sub-limited at least up to EUR 250,000. Reputation recovery costs – sub-limited at least up to EUR 100,000. Loss mitigation costs – sub-limited at least up to EUR 100,000. Assets and Liberty costs – sub-limited at least up to EUR 250,000. Extradition costs – sub-limited at least up to EUR 250,000. Insolvency hearing costs – sub-limited at least up to EUR 100,000. Personal liability for corporate taxes – sub-limited at least up to EUR 1,000,000. Environmental and Pollution claims defence costs – sub-limited at least up to EUR 250,000. Civil fines, Administrative fines and Penalties Extension – sub-limited at least up to EUR 200,000 in the aggregate. Employment Practices Liability– sub-limited at least up to EUR 500 000. Bodily Injury/ Property Damage Defence Costs – sub-limited at least up to EUR 500 000. Advancement costs extension. Retired Insured discovery period extension. Discovery period extension as defined below. In cases other than those referred to in this sub-section, no sub-limits apply, i.e., total limit for each such case is up to the full Limit of Liability. If applicable laws limits the maximum amount of any of the aforementioned sub-limits, then it must be sub-limited to the extent permitted by law.
Retroactive Date	28 October 2014
Discovery Period	Extended Discovery Period 90 days with no additional premium, but 3 years in the case, if this Policy is neither renewed nor replaced with the Insurer for any reason or the Limit of Liability will be reduced. The Policyholder may purchase additional Discovery Period for the additional premium of:

	up to 100% of the annual premium for the 12 months Discovery Period;
Retired Directors	<p>The Insurer will provide an unlimited extended Discovery Period for any Insured Person who retires or resigns, other than by reason of a transaction or insolvency, during the Policy Period, provided that:</p> <ul style="list-style-type: none"> (i) this Policy is not renewed or replaced with any other Insured Person liability cover; or (ii) where this Policy is renewed or replaced with any other Insured Person liability cover, such renewal or replacement policy does not provide an extended discovery period of at least 6 (six) years for such retired Insured Persons.
Past Insured	<p>An Insured Person who during the Policy Period has retired from or ceased to hold an office as Insured Person other than an individual disqualified by an official, regulatory or judicial body or authority or court or arbitration, provided that there is no merger or acquisition and the Policyholder is not insolvent.</p> <p>The Insurer will pay to or on behalf of a Past Insured any loss arising from any claim first made against them following the expiry date of the Policy Period for a wrongful act committed before the Insured Person ceases to hold the office of an Insured Person, provided that such a Past Insured is not covered by any other policy affording Directors and Officers or Management Liability Cover which renews or replaces this Policy further to its expiration. Any claim shall be allocated to the last Policy Period and the remaining Limit of Liability shall apply.</p>
Insurance Territory	Worldwide, excluding USA, Canada, Russia, Belarus and other countries with which it is prohibited for the Policyholder to cooperate on the basis of regulatory enactments.
Trigger	Under this insurance, the grounds for indemnification must be any written demand for monetary or non-monetary relief or any civil (including arbitration and other alternative dispute resolution), criminal, regulatory or administrative proceeding against an Insured Person for a wrongful act, deemed to be made upon receipt by or service upon the Insured Person, whichever is earlier within the Insurance Period or Extended Reporting (discovery) Period (if it is in force) - claims made policy.
Representation	Representative of Insured Person (sworn advocate) against the third-party claims shall be selected by the Insured Person. The Insurer can only object to the chosen representative in case there is plausible probability of occurrence of corruption, conflict of interest or other material irregularities.
Payment of Insurance Premium	The Insurance Premium payment shall be made within 30 (thirty) calendar days from the conclusion of the Contract and after receipt of all necessary documents (including but limited – Insurer’s invoice).
Payment of Insurance Indemnity	The Insurance Indemnity payment shall be made within 90 (ninety) days from the moment the Insurer has received all requested and necessary documents and information from all parties from whom it would be reasonable to expect relevant documents and information.
Deductibles	<p>Nil euros (EUR 0,00) for Insured Person’s liability;</p> <p>Five thousand euros (EUR 5 000) Policyholder’s reimbursement cover.</p>
Jurisdiction	Policy and provision of Services (including without limitation any issues arising out of or in connection with negotiation, validity, enforceability or other non-contractual disputes) is in all respects to be construed in accordance with and governed by Latvian law only.
Policyholder’s financial information	RB Rail AS Annual Report 2021 - https://www.railbaltica.org/wp-content/uploads/2022/05/RB-rail-AS-Annual-report-2021.pdf
Additional notes	Verbatim of proposed insurance terms and definitions might differ from those in the Regulations for this Procurement, however the alternative

verbatim shall not be narrower in scope than the terms of these Regulations or for this Procurement and should be aligned with and reflect the terms of the Regulations for this Procurement and its annexes (including this Technical Specification). In the event of discrepancies, the terms and definitions set herein shall prevail.

Annex B: "Insurer's Proposal"

[CONFIDENTIAL]