

# **SERVICE AGREEMENT FOR THE PROVISION OF DIRECTORS AND OFFICERS LIABILITY INSURANCE**

between

**RB RAIL AS**

and

**“Compensa Vienna Insurance Group” ADB Latvijas filiāle**

**RBCR-RBR-AGR-Z-00124**

Agreement registration No. 1.19/LV-2024-17

Procurement procedure identification No. RBR 2023/18

Riga

2024



**Co-funded by  
the European Union**

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## SERVICE AGREEMENT

This agreement, together with all annexes thereto, (the "Agreement") enters into force on the day of its signing by both Parties. Considering that the Parties have signed the Agreement using qualified electronic signatures, the day of signing of the Agreement is considered as the date that is indicated in the last affixed qualified electronic signature (the "Effective Date"). Agreement is entered into by:

- (1) **RB Rail AS**, a company registered in the Commercial Register of the Republic of Latvia, registration No 40103845025, legal address at Satekles iela 2B, Riga, LV-1050, Latvia (the "**Principal**"), represented by Kitija Gruškevica Member of the Management Board, acting on the basis of Regulations on Representation Rights, dated 14 April 2023, 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 and an attorney Jānis Lasis on the basis of the Power of Attorney dated 1 March 2019, on the other side

(both 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 2023/18) (the "Procurement") whereby the Insurer's tender proposal that is added as an Annex B: "Insurer's Proposal" to the Agreement (the "Insurer's Proposal") was selected as the winning bid;
- (C) This Agreement is co-financed from the Connecting Europe Facility funding instrument ("CEF") and other recently signed grant agreements or future grant or financing agreements to be signed;

### 1. SUBJECT OF THE AGREEMENT

- 1.1. The Insurer undertakes to provide Policyholder's directors and officers liability insurance for a period of 12 (twelve) calendar months (starting from the moment specified in Clause 2.1 of the Agreement), issue a respective insurance policy (the "Policy") and perform all other obligations under the Agreement in accordance with the provisions of the technical specification contained in Annex A: "Technical specification" to the Agreement ("Technical Specification"), Insurer's Proposal and any other terms and conditions contained in 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 2024, 00:00 (Eastern European Time).
- 1.3. **The terms and conditions of the Policy and other terms and conditions which are added by the Insurer in the Insurer's Proposal shall not be contrary to the terms and conditions of the other parts forming this Agreement.**

For the sake of clarity, the above, inter alia, means that in the event of any discrepancies between the terms and conditions submitted by the Insurer and the terms and conditions contained in documents governing the submission of proposals under the Procurement (the “Regulations”) and/or other Procurement related documents that are prepared and used by the Policyholder during the Procurement, the terms and conditions contained in the Regulations and/or other Procurement related documents that are prepared and used by the Policyholder during the Procurement shall prevail. This provision may be amended only if the Parties have explicitly agreed in writing to such changes.

- 1.4. Upon signing this Agreement, the Insurer confirms that equal insurance coverage, i.e., limits of liability and responsibility, shall be ensured for the entire duration of the Policy and the Insurer 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 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 2024 at 0:00 until 24 April 2025 at 23:59 (Eastern European time) and the Policy shall be valid for 24 (twenty-four) hours per day.**
- 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 and, thus, also the Policy 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 is declared as insolvent, undergoes the restructuring, winding-up proceedings or bankruptcy proceeding under the court judgement;
  - 2.3.3. a licence for provision of relevant insurance services 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 any other case, if there is a material breach of the Agreement.
- 2.4. The Insurer shall be entitled to unilaterally terminate this Agreement and, thus, Policy 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 and Policy 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 administrative expenses, by making the repayment within 10 (ten) working days from the day of receipt of the submission of the Policyholder.
- 2.6. The Policyholder has rights to unilaterally prolong the Policy’s validity period indicated in Clause 2.1 of the Agreement for additional 2 (two) calendar month on the same terms and conditions and in total not exceeding 20% (twenty percent) from the amount referred to in Clause 3.1 of this Agreement or request

the provision of an extended Discovery Period in accordance with the terms of the Agreement (including the Technical Specification and Insurer's Proposal).

### 3. INSURED AMOUNT AND PREMIUM

- 3.1. The Policyholder shall pay to the Insurer the insurance premium (the "Premium") in the amount of EUR **27 444** (twenty-seven thousand four hundred forty-four 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. In accordance with Section 52, Paragraph 1, Clause 20 of the Value Added Tax Law of the Republic of Latvia, the Policyholder shall pay the Premium without paying value added tax (the "VAT").
- 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 the VAT, the Policyholder shall pay them in addition, and the amounts indicated in the Agreement shall be considered as the ones that exclude the VAT.
- 3.4. The Premium shall include all expenses related to provision of Services, 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 and details about the Insurer:

The 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, city, Zip code, country:	Rīga, Vienības gatve, 87H, LV-1004
Legal name of Bank:	SEB BANK
Bank SWIFT Code:	UNLALV2X
Bank Account No IBAN:	LV84UNLA0003031467640
The Policyholder's name, registration No and VAT No:	RB Rail AS Registration No: 40103845025 VAT No: LV40103845025
Subject:	For provided services according to the Agreement No. 1.19/LV-2024-17
Specific information:	<i>CEF reference if so requested by the Policyholder and/or other information requested by the Policyholder, if any.</i>

- 3.7. The day on which the payment made by Policyholder is registered with the 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](mailto: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 involve experts for evaluation of the insured events;
  - 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 in writing), 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 other 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 amounts, procedures 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 administrative expenses;
  - 4.2.6. provide that the insurance conditions (included in the 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 Declaration<sup>1</sup> and will continue to be compliant with all such requirements during the term of this Agreement.

## 5. REPRESENTATIONS, WARRANTIES AND LIABILITY

- 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 Agreement, the Insurer confirms that it has been informed of and has assessed all insured risks.
- 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 deadlines indicated in the 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 amount of the Premium for each day of delay. The total amount of such contractual penalty shall not exceed 10 % (ten percent) from the amount of the Premium.
- 5.7. If the Insurer has issued a correct invoice and 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 for each day of delay. The total amount of such 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

- 6.1. Notwithstanding anything to the contrary set forth in this Agreement, the Policyholder itself or authority auditing the Policyholder shall at reasonable times, on reasonable notice and during normal business hours be entitled to inspect and/or audit the Insurer 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 of the Insurer and/or other records used in or reasonably related to the performance of the Services provided that nothing herein shall obligate the Insurer to disclose any documents or other material relating to the profitability or internal profit and loss/balance sheets associated with the Insurer's business, payroll information, or information or material that constitute legally privileged documents or information that Insurer is reasonably bound to maintain as confidential by written obligation to a third party.

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<sup>1</sup> 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](https://www.railbaltica.org/wp-content/uploads/2021/06/APPENDIX-6_SUPPLIERS-DECLARATION_June_2021.pdf)



- 6.2. The Insurer shall provide all reasonable assistance in carrying out any such inspection or audit pursuant to this Section 6. The Policyholder shall be responsible for its own costs incurred toward carrying out such inspection or audit, unless, in the case of any such audit, that audit reveals that the Insurer is not compliant with the terms of this Agreement, in which case the Insurer shall reimburse the Policyholder for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 6.3. The rights and obligations of the Policyholder set forth in accordance with this Section 6 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.
- 6.4. Audit results, including information and documentation disclosed or made available to the Policyholder in the course of any such audit shall be deemed the confidential information and treated as such.

## 7. ON-THE-SPOT VISITS

- 7.1. 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 (to the extent relevant for the Agreement) without any advance notice, 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.
- 7.2. On-the-spot visits may be carried out either directly by authorized staff or representatives of the Policyholder or by any other outside body or third party authorized to do so on behalf of the Policyholder. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Policyholder shall ensure that any authorized outside body or third party shall be bound by the same confidentiality obligations.
- 7.3. The Insurer shall provide to the performer of the on-the-spot visit or any other authorized outside body or third party access to all the information and documents, including information and documents in electronic format, which is requested by the authorized staff of the performer of the on-the-spot visit or any other authorized outside body or third party for the performance of an on-the-spot visit and which relates to the implementation of the Agreement, as well as shall allow the authorized staff of the performer of the on-the-spot visit or any other authorized outside body or third party the copying of the information and documents, with due respect to the confidentiality obligation.
- 7.4. 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.

## 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 8.2.1. and 8.3. 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 8.2.1. 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 and 7;
  - 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 performance of the Agreement, the Insurer undertakes to comply with each of the following requirements:
- 10.1.1. any report, brochure, document, or information related to the Agreement, which the Insurer makes publicly available, shall include each of the following:
    - (a) a funding statement which indicates that the Agreement is financed from CEF funds substantially in the following form: "Co-funded by 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: "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](https://cinea.ec.europa.eu/communication-toolkit_en); and

(c) the flag of the Council of Europe and the European Union.

10.1.2. the requirements set forth in Clauses 10.1.1(a) and 10.1.1(c) of the Agreement should be complied with means of utilizing the following logo:



10.1.3. in order to comply with the latest applicable visibility requirements established by the European Union, the Insurer 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](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]
- 11.2. During the control of fulfilment of the Agreement the responsible person of the Insurer shall be: [CONFIDENTIAL].

## 12. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 12.1. This Agreement shall be governed by and construed in accordance with the law of the Republic of Latvia.
- 12.2. 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.
- 12.3. 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 courts of general jurisdiction of the Republic of Latvia.

## 13. FINAL PROVISIONS

- 13.1. 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.
- 13.2. 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.
- 13.3. 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.

- 13.4. The Parties shall agree in writing on amendments or supplementations to the Agreement, except for the case of information change referred to in Clause 13.2 of this Agreement. The written agreements shall be signed with qualified electronic signatures or wet ink (in such cases the respective documents shall be prepared in two copies, one copy for each of the Parties) and shall be enclosed with this Agreement as an integral part thereof.
- 13.5. The Parties shall not be entitled to deliver their rights and obligations related to this Agreement and arising from that to third persons.
- 13.6. 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 an independent 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.
- 13.7. All annexes to this Agreement shall become as an integral part of this Agreement.
- 13.8. This Agreement is prepared as an electronic document.

#### 14. DETAILS AND SIGNATURES OF THE PARTIES

For and on behalf of the Policyholder:

RB Rail AS  
Registration No 40103845025  
Legal address: Satekles iela 2B, Rīga, LV-1050, Latvia

Bank account details:  
AS "Luminor Bank"  
RIKOLV2X  
LV32RIKO0000084270995

Member of Management Board  
Kitija Gruškevica

For and on behalf of the Insurer:

"Compensa Vienna Insurance Group" ADB Latvijas filiāle  
Registration No 40103942087  
Legal address: Vienības gatve 87H, Rīga, LV-1004  
Bank account details:  
AS "SEB banka"  
UNLALV2X  
LV84UNLA0003031467640

**Aigars Freimanis**  
Person authorized to represent the merchant activities related to a branch

**Jānis Lasis**  
Attorney

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 2023/18)****Co-funded by  
the European Union**Riga  
2024

## 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.

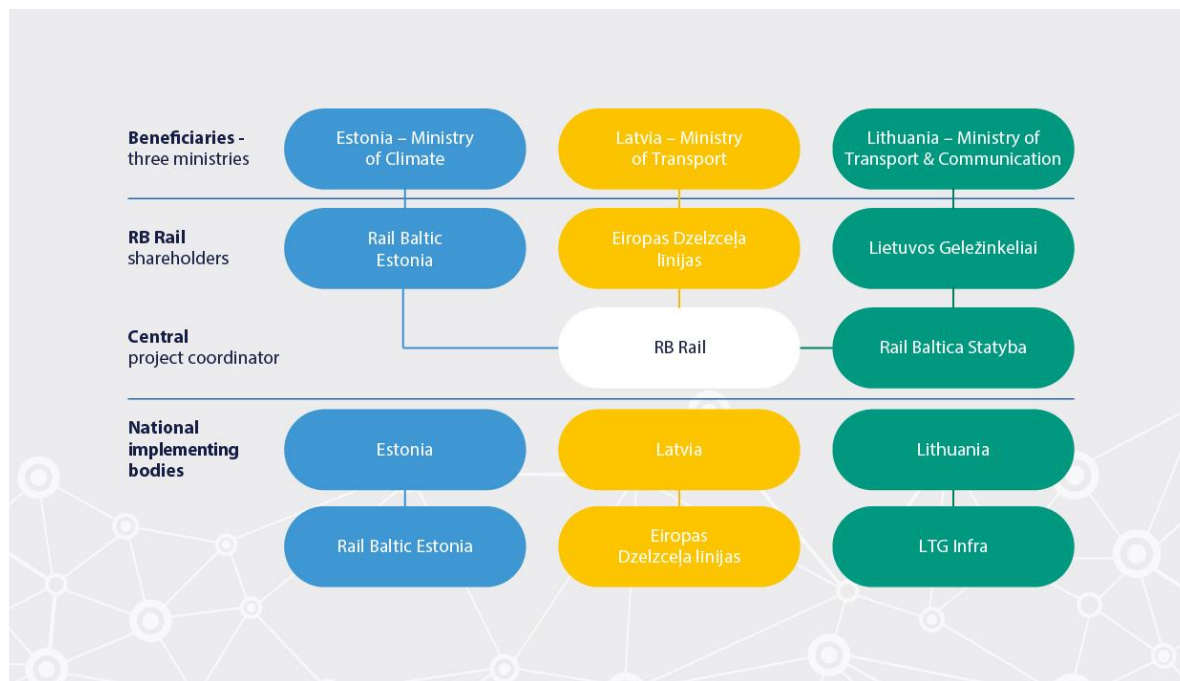
RB Rail AS was established by the Republics of Estonia, Latvia and Lithuania, via state-owned holding companies, to coordinate the development and construction of the fast-conventional standard gauge railway line on the North Sea – Baltic TEN-T Core Network Corridor (Rail Baltica II) linking three Baltic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



For the sake of clarity:

- 1) Rail Baltic Estonia OÜ (reg. No 12734109), Sabiedrība ar ierobežotu atbildību “Eiropas dzelzceļa līnijas” (Registration No 40103836785), AB “LTG Infra” (Registration No 305202934), UAB “Rail Baltica statyba” (Registration No 303227458) are national Implementing Bodies (legal entities responsible for implementing the Rail Baltica Global project in their respective countries) and **they are under the supervision of RB Rail AS but are not subsidiaries of RB Rail AS;**
- 2) EIROPAS DZELZCEĻA LĪNIJAS, Sabiedrība ar ierobežotu atbildību (Registration No 40103836785), osauhing Rail Baltic Estonia (Registration No 12734109) and Rail Baltica statyba, UAB (Registration No 303227458) **are Shareholders of RB Rail AS.**
- 3) Ministry of Transport & Communication (Registration No 188620589) is a Shareholder of Akcine bendrove Lietuvos geležinkeliai (Registration No 110053842), and of Akcine bendrove Lietuvos geležinkeliai (Registration No 110053842), Ministry of Climate of the Republic of Estonia (Klimaministerium) (Registration No 70001231) and Satiksmes ministrija (Registration No 90000088687) **are Shareholders of Rail Baltica statyba, UAB** (Registration No 303227458), osauhing Rail Baltic Estonia (Registration No 12734109) and EIROPAS DZELZCEĻA LĪNIJAS, Sabiedrība ar ierobežotu atbildību (Registration No 40103836785) respectively on country base.

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, 2021 and 2023 (eight grant agreements in total) to support the Global Project expenses. RB Rail AS activities are not related to sales activities and RB Rail AS has no total revenue or net profit.

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 (also - the "Policyholder") is looking for a service provider capable of providing the Services mentioned in this section. 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:

<b>Type</b>	Directors and Officers Liability Insurance
<b>Policyholder</b>	RB Rail AS
<b>Policyholder's legal address</b>	Satekles iela 2B, Riga, LV-1050
<b>Policy</b>	An insurance policy that is issued in order to certify that the performance of the Services is ensured.
<b>Policy Period</b>	12 (twelve) months starting from 25 April 2024, 0:00 (Eastern European Time) till 24 April 2025, 23:59 (Eastern European Time), 24 hours in day.
<b>Insurance coverage scope</b>	A. Insured Person's liability cover B. Policyholder's reimbursement cover (Policyholder's expenses for claims against Insured Person)
<b>Limit of Liability</b>	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.
<b>Insured Persons</b>	Insured Person means: <ul style="list-style-type: none"> <li>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);</li> <li>II. any natural person who was or is, or becomes a director or officer of the Policyholder and/or its branches;</li> <li>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</li> </ul>

	<p>against him or her for a wrongful act when named as a co-defendant with other Insured Person;</p> <p>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);</p> <p>V. any employee of the Policyholder and/or its branches in respect of an employment wrongful act;</p> <p>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> <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	<p>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.).</p>
Exclusions	<p>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.</p>
Notification	<p>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.</p> <p>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</p>

	Period, any claim that is subsequently made will be treated as having been made during the Policy Period.
<b>Third Party</b>	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.
<b>Minimum Insurance cover extensions and sub-limits</b>	<p>Defence costs – up to full Limit of Liability.</p> <p>Emergency costs – up to 5% (five percent) of the total Limit of Liability.</p> <p>Regulatory crisis response expenses - sub-limited at least up to EUR 250,000.</p> <p>Reputation recovery costs – sub-limited at least up to EUR 100,000.</p> <p>Loss mitigation costs – sub-limited at least up to EUR 100,000.</p> <p>Assets and Liberty costs – sub-limited at least up to EUR 250,000.</p> <p>Extradition costs – sub-limited at least up to EUR 250,000.</p> <p>Insolvency hearing costs – sub-limited at least up to EUR 100,000.</p> <p>Personal liability for corporate taxes – sub-limited at least up to EUR 1,000,000.</p> <p>Environmental and Pollution claims defence costs – sub-limited at least up to EUR 250,000.</p> <p>Civil fines, Administrative fines and Penalties Extension – sub-limited at least to EUR 200,000 in the aggregate.</p> <p>Employment Practices Liability– sub-limited at least up to EUR 500 000.</p> <p>Bodily Injury/ Property Damage Defence Costs – sub-limited at least up to EUR 500 000.</p> <p>Advancement costs extension.</p> <p>Retired Insured discovery period extension.</p> <p>Discovery period extension as defined below.</p> <p>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.</p> <p>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.</p>
<b>Retroactive Date</b>	28 October 2014
<b>Discovery Period</b>	<p>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.</p> <p>The Policyholder may purchase additional Discovery Period for the additional premium of:</p> <p>up to 100% of the annual premium for the 12 months Discovery Period;</p>
<b>Retired Directors</b>	<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"> <li>(i) this Policy is not renewed or replaced with any other Insured Person liability cover; or</li> <li>(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.</li> </ul>

<b>Past Insured</b>	<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.</p> <p>Any claim shall be allocated to the last Policy Period and the remaining Limit of Liability shall apply.</p>
<b>Insurance Territory</b>	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.
<b>Trigger</b>	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.
<b>Representation</b>	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.
<b>Payment of Insurance Premium</b>	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).
<b>Payment of Insurance Indemnity</b>	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.
<b>Deductibles</b>	<p>Nil euros (EUR 0,00) for Insured Person's liability;</p> <p>Five thousand euros (EUR 5 000) Policyholder's reimbursement cover.</p>
<b>Jurisdiction</b>	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.
<b>Policyholder's financial information</b>	RB Rail AS Annual Report 2022 - <a href="https://www.railbaltica.org/wp-content/uploads/2023/05/RB-Rail-AS-annual-report-2022.pdf">https://www.railbaltica.org/wp-content/uploads/2023/05/RB-Rail-AS-annual-report-2022.pdf</a>
<b>Additional notes</b>	The literal wording of proposed insurance terms and definitions might differ from those included in the Regulations for this Procurement, however the alternative wording 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 in the Regulations for this Procurement and its annexes shall prevail.

**ANNEX B: "INSURER'S PROPOSAL"**

[CONFIDENTIAL]