



## AUDIT SERVICES AGREEMENT

between

**RB RAIL AS**

("Company")

and

**SABIEDRĪBA AR IEROBEŽOTU ATBILDĪBU "DELOITTE AUDITS LATVIA"**

("Contractor")

**RBCR-RBR-AGR-Z-00165**

Contract registration number: 1.19/LV-2025-25

Procurement procedure identification No.: RBR 2024/8

Riga

2025



Co-funded by  
the European Union

## TABLE OF CONTENTS

1. Definitions, Interpretation and Order of Precedence.....	3
2. Services .....	6
3. Annual Audit and Services .....	7
4. CEF Audit Services.....	8
5. Fee and Payments .....	9
6. Contractor's Other Obligations and Covenants.....	10
7. Company's Other Obligations and Covenants .....	13
8. Representations and Warranties .....	13
9. Variations.....	14
10. Communication .....	14
11. Intellectual Property Rights.....	15
12. Term and Termination .....	15
13. Liability.....	17
14. Force Majeure.....	18
15. Governing Law and Resolution of Disputes .....	18
16. Miscellaneous Provisions .....	19
Annex A: Approved Staff and Approved Sub-Contractors .....	Error! Bookmark not defined.
Annex B: Confidentiality Agreement.....	Error! Bookmark not defined.
Annex C: Contractor's Proposal .....	Error! Bookmark not defined.
Annex D: Data Agreement .....	Error! Bookmark not defined.
Annex 1 to Personal Data Transfer Agreement No. [●] .....	Error! Bookmark not defined.
Annex E: Technical Specification .....	Error! Bookmark not defined.

## AUDIT SERVICES AGREEMENT

This Agreement is entered into in the date indicated on the timestamp of the last signature of the Agreement by and between:

- (1) **RB Rail AS**, a public limited liability company registered in the Latvian Commercial Register with registration No 40103845025 and legal address at Satekles iela 2B, Riga, LV-1050, Latvia (the "Company"), represented by [.] acting on the basis of [.] on the one side, and
  - (2) **Sabiedrība ar ierobežotu atbildību "Deloitte Audits Latvia"**, a company registered in the Enterprise Register of the Republic of Latvia, registration No 40003606960, legal address at Republikas laukums 2A, Riga, LV-1010 (the "Contractor"), represented by [.] on the basis of [.] the
- Company and the Contractor referred to as the "Parties" and separately – as the "Party".

### WHEREAS:

- (A) this Agreement is entered into under the Rail Baltica Global Project which includes all activities undertaken by the respective beneficiaries and affiliated entities 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 with European standard gauge (1435mm) on the route from Tallinn through Pärnu-Riga-Panevėžys-Kaunas to Lithuanian-Polish border, with the connection of Kaunas-Vilnius, and related railway infrastructure in accordance with the agreed route, technical parameters and time schedule (the "Global Project");
- (B) the Company has organised a procurement procedure "Audit Services for 2025 - 2027" (identification No RBR 2024/8) (the "Procurement Procedure") where the tender proposal submitted by the Contractor (the "Contractor's Proposal") was selected as the winning bid;
- (C) this Agreement is co-financed from the Connecting Europe Facility ("CEF") Grant agreements 101079279-21-EU-TC-RBGP Part VII C; 101122614-22-EU-TC-RBGP Part VIII C; 101122611-22-EU-TG-RBGP Part VIII G; 101175270- 23-EU-TC-RBGP Part IX C; 101175278-23-EU-TG-RBGP PART IX G; 101155871 — 23-LV-TM-RBMMLV-CEF2-3MM and other recently signed grant agreements or future grant agreements (the "Grant Agreements") to be signed;

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

### 1. DEFINITIONS, INTERPRETATION AND ORDER OF PRECEDENCE

- 1.1. Definitions. In this Agreement, unless the context requires otherwise, the following definitions shall have the following meaning:
  - 1.1.1. "Affiliated Entity" and all together "Affiliated Entities" means each of entities affiliated to the Beneficiary as the term is used and defined under the Grant Agreements. Main Affiliated Entities are Rail Baltic Estonia OU in Estonia, Eiropas Dzelzceļa līnijas, sabiedrība ar ierobežotu atbildību in Latvia and LTG Infra AB in Lithuania. Additional Affiliated Entities are designated based on signed Grant Agreement.
  - 1.1.2. "Agreement" means this Agreement together with all its Annexes; whenever in the Agreement there is a reference to the Agreement, it includes a reference to all its Annexes, and reference to specific Annex following the reference to the Agreement is without prejudice to it.
  - 1.1.3. "Annex" means any of the annexes enclosed to this Agreement and listed in Clause 1.3.
  - 1.1.4. "Annual Audit Fee" as defined in Clause 5.1.1.
  - 1.1.5. "Annual Audit Services" as defined in Clause 2.1.1.
  - 1.1.6. "Applicable Laws" or "Laws" means any legislative act, regulation, decree, order, ordinance, statute, treaty, directive, judgment, or other legislative measure applicable to the Agreement, the Services, the Parties, etc. (including, but not limited to the Public Procurement Law of the Republic of Latvia).
  - 1.1.7. "Approved Staff" means key experts of organization listed in **Annex A** which are in a contractual relationship with the Contractor to provide a part of the Services.
  - 1.1.8. "Approved Sub-Contractor" any person or organisation listed in **Annex A** which is in a contractual relationship with the Contractor to provide a part of the Services.

- 1.1.9. “**Audit Standards**” means the applicable international standards on auditing, assurance and quality control and the related standards of ethics, including:
- (a) the International Standards on Auditing;
  - (b) the International Standard on Related Services (‘ISRS’) 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board;
  - (c) the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).
- 1.1.10. “**Auditor’s Report**” means the independent report of factual findings complying with the requirements of the CEF Standards, including with respect to its contents and form<sup>1</sup>.
- 1.1.11. “**BEN EE**” means the Ministry of Climate of the Republic of Estonia.
- 1.1.12. “**BEN LT**” means the Ministry of Transport and Communications of the Republic of Lithuania.
- 1.1.13. “**BEN LV**” means the Ministry of Transport of the Republic of Latvia.
- 1.1.14. “**Beneficiary**” means each of (and together the “**Beneficiaries**”) the following persons: (i) the Company, (ii) BEN EE, (iii) BEN LT, and (iv) BEN LV.
- 1.1.15. “**Business day**” means any day except Saturday, Sunday and any day which is a public holiday in the Republic of Latvia.
- 1.1.16. “**CEF**” means Connecting Europe Facility as defined in the Preamble of the Agreement.
- 1.1.17. “**CEF Audit**” means each audit of the financial statements pursuant to the requirements of the Grant Agreements with respect to specific period of the respective Grant Agreement carried out for each respective Beneficiary and the Affiliated Entity.
- 1.1.18. “**CEF Audit Fee**” as defined in Clause 5.1.2.
- 1.1.19. “**CEF Audit Services**” as defined in Clause 2.1.2.
- 1.1.20. “**CEF Standards**” means standards, conditions and requirements in relation to CEF financing and under and in relation to the Grant Agreements, including as provided in the model documents and templates related to CEF financing.
- 1.1.21. “**Company**” as defined in the above list of the parties to the Agreement.
- 1.1.22. “**Confidentiality Agreement**” the confidentiality agreement with the form and contents enclosed in **Annex B** (subject to finalization prior to signing by the relevant parties and adjustments or amendments reasonably requested by the Company or the Beneficiary, or the Affiliated Entity).
- 1.1.23. “**Contractor**” as defined in the above list of the parties to the Agreement.
- 1.1.24. “**Contractor’s Proposal**” as defined in the Preamble of the Agreement and enclosed in **Annex C** to the Agreement.
- 1.1.25. “**Corrective Period**” as defined in Clause 12.3.
- 1.1.26. “**Damages**” any direct cost, claim, damage, demand, loss, expense or liability incurred by the relevant person.
- 1.1.27. “**Data Agreement**” the personal data transfer agreement with the form and contents enclosed in **Annex D** (subject to finalization prior to signing by the relevant parties and adjustments or amendments reasonably requested by the Company or the Beneficiary, or the Affiliated Entity).
- 1.1.28. “**Defect**” means any error, fault, omission, defect or other non-compliance of the Deliverable or the Services with the requirements of the Agreement, the Applicable Laws, or the Good Industry Practice.
- 1.1.29. “**Deliverable(s)**” means any reports, materials, documents and/or other information or items which the Contractor is required to deliver to the Company or the Beneficiary as part of the Services.

<sup>1</sup> The current version of the reports template available at: [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/report/cfs\\_en.docx](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/report/cfs_en.docx). CFS template subject to updates from CINEA, to be published here: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents>

- 1.1.30. "Due Date" means the date by which certain obligation of the Contractor has to be fulfilled pursuant to the Agreement, the Technical Specification or the Applicable Laws.
- 1.1.31. "EUR" and "euro" means the official currency of the eurozone, officially known as the euro area.
- 1.1.32. "Fee" as defined in Clause 5.1 of the Agreement.
- 1.1.33. "Force Majeure Event" means any of the following events:
- (a) an act of the public enemy or war (declared or undeclared), threat of war, revolution, riot, insurrection, civil commotion, demonstration or sabotage;
  - (b) an act of vandalism or accidental damage or destruction of machinery, equipment, track or other infrastructure;
  - (c) a natural disaster or phenomena, including extreme weather or environmental conditions (such as lightning, earthquake, hurricane, storm, fire, flood, drought or accumulation of snow or ice);
  - (d) nuclear, chemical or biological contamination, epidemic or pandemic (except for COVID-19 pandemic);
  - (e) strike, lockout or other industrial action other than involving the Contractor or the Company.
- 1.1.34. "Global Project" as defined in the Preamble of the Agreement.
- 1.1.35. "Good Industry Practice" means, in relation to the performance of any activity to which this standard is applied, the exercise of that degree of skill, diligence, prudence and foresight as would reasonably be expected to be exercised by a properly qualified and competent person engaged in carrying out the Services or services of a similar size, nature, scope, type and complexity, complying with the Applicable Laws.
- 1.1.36. "Grant Agreements" as defined in the Preamble of the Agreement and further specified in the Technical Specification, as well as any future Grant Agreements.
- 1.1.37. "Participant" or "Participants" means the respective Beneficiary/ies and Affiliated Entity/ies as per this Agreement and the Technical Specification.
- 1.1.38. "Party" or "Parties" as defined in the above list of the parties to the Agreement.
- 1.1.39. "Procurement Procedure" as defined in the Preamble of the Agreement.
- 1.1.40. "Representatives" as defined in Clause 10.4.
- 1.1.41. "Request Notice" means a notice by which the Company issues a request and instruction to the Contractor to commence specific CEF Audit Services.
- 1.1.42. "Services" as defined in Clause 2.1.
- 1.1.43. "Signing Date" means the date on which this Agreement is signed by the Parties as indicated above or, if signed with secure electronic signature, the date indicated on the timestamp of the last signature of the Agreement.
- 1.1.44. "Supplier's Declaration" means Appendix 6<sup>2</sup> to the Common Procurement Standards and Guidelines for the Rail Baltica Project.
- 1.1.45. "Technical Specification" means Annex 1 of the Procurement Regulations attached in **Annex E** to this Agreement.
- 1.1.46. "Terms of Reference" means terms of reference for an independent report of factual findings on costs declared under a Grant Agreement financed under CEF with the form and contents<sup>3</sup> (subject to finalization prior to signing by the Participants and adjustments or amendments reasonably requested by any Participant or required to comply with the CEF Standards).
- 1.1.47. "Variations" as defined in Clause 9.1.

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<sup>2</sup> [https://www.railbaltica.org/wp-content/uploads/2024/04/RBGL-RBR-TPL-Z-00005\\_1.0\\_Supplier-Declar.Template.pdf](https://www.railbaltica.org/wp-content/uploads/2024/04/RBGL-RBR-TPL-Z-00005_1.0_Supplier-Declar.Template.pdf)

<sup>3</sup> The current version for the Template of reference at: [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/report/cfs\\_en.docx](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/report/cfs_en.docx). CFS template subject to updates from CINEA, to be published here: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents>

- 1.2. Interpretation. The following interpretation rules of the provisions of this Agreement shall apply:
- (a) The headings contained in this Agreement shall not be used in its interpretation.
  - (b) References to the singular shall include references in the plural and vice versa and words denoting natural persons shall include any other Persons.
  - (c) References to a treaty, directive, regulation, law or legislative provision shall be construed, at any particular time, as including a reference to any modification, extension or re-enactment of the respective treaty, directive, regulation, law or legislative provision at any time then in force and to all subordinate legislation enacted from time to time.
  - (d) Unless expressly stated to the contrary, any reference in this Agreement to the right of consent, approval or agreement shall be construed such that the relevant consent, approval or agreement shall not be unreasonably delayed or withheld.
  - (e) A reference to "writing" shall include an e-mail transmission and any means of reproducing words in a tangible and permanently visible form.
  - (f) The words "include" and "including" are to be construed without limitation.
  - (g) Unless indicated otherwise, all references to "days" shall mean calendar days.
  - (h) Unless expressly stated to the contrary, any reference in this Agreement to the right of consent, approval or agreement shall be construed such that the relevant consent, approval or agreement shall not be unreasonably delayed or withheld.
- 1.3. Annexes. The Agreement contains the following Annexes:
- 1.3.1. Annex A: Approved Staff and Approved Sub-Contractors;
  - 1.3.2. Annex B: Confidentiality Agreement;
  - 1.3.3. Annex C: Contractor's Proposal;
  - 1.3.4. Annex D: Data Agreement;
  - 1.3.5. Annex E: Technical Specification.
- 1.4. Order of precedence. In the event of any discrepancy or inconsistency between the documents forming part of this Agreement, the following order of precedence shall apply:
- (a) this Agreement document (body text);
  - (b) explanations (clarifications) of the Procurement Procedure documentation;
  - (c) the Procurement Procedure documents with the annexes (including the Technical Specification);
  - (d) clarifications of the Contractor's Proposal;
  - (e) the Contractor's Proposal.
- 2. SERVICES**
- 2.1. Services. The Company hereby engages, and the Contractor accepts such engagement and hereby undertakes to provide the services described under this Agreement (including the Technical Specification and other Annexes), consisting of (the "Services"):
- 2.1.1. the "Annual Audit Services": audits on the Company's annual financial statements for the years 2025, 2026 and 2027 as further specified in the Technical Specification; and
  - 2.1.2. the "CEF Audit Services": audits on the Global Project expenditure (eligible costs) to be provided to each of the Participants as further specified in the Agreement and the Technical Specification. Nothing in this Agreement shall be considered as promise or undertaking by the Company to request any CEF Audit Services or the Contractor to rely on that any part or the entire scope of the CEF Audit Services will be requested.
- 2.2. Scope of the Services. The scope of the Services covers all measures, including those not explicitly listed in the Agreement required for due performance of the Services in accordance with the terms and conditions of the Agreement and achievement of the intended results. When the achievement of the aforementioned is not possible without performance of a measure not explicitly listed in the Agreement, then performance of such a measure is considered as contractual obligation of the Contractor according to the Agreement.

- 2.3. Term of the Agreement. The Agreement enters into force when signed by the Parties and shall remain effective until complete fulfilment of the contractual obligations arising from the Agreement.
- 2.4. Term of the Services. It is intended that the Services will be provided until 31 December 2028.
- 2.5. Co-operation. The Parties shall cooperate with one another to fulfil their respective obligations under this Agreement. The Parties shall endeavour to maintain good working relationships among all key personnel engaged toward provision of the Services.
- 2.6. Meetings. The Company shall have a right, at any time during the Services provision period, to convene in person or online meetings with the Contractor for the assessment of any of the Deliverables and/or to discuss other matters relevant to any activities contemplated under this Agreement. The place and time of such meetings shall be within the sole discretion of the Company. The Contractor undertakes to act in good faith and reasonably cooperate with the Company with respect to the holding of and participating in any such meetings. If requested by the Company, the Contractor shall record meetings (also online meetings) between the Parties and prepare meeting reports within 5 (five) business days after each meeting. All meeting reports shall be confirmed by the Company.
- 2.7. Circumstances affecting performance. Each Party shall have an obligation to promptly notify the other Party in writing of any event or circumstances capable of impeding the proper or timely performance of its respective obligations under this Agreement.
- 2.8. Impediments and delays. If timely performance of the Services is affected due to impediments or delays caused by the Company or any third parties engaged by the Company:
- (a) the Contractor shall promptly notify the Company of the circumstances and probable effects of such impediment or delay on the performance of the Services (if not notified in timely manner, the Contractor shall lose its right to make any claim in this respect); and
  - (b) the Parties shall in good faith discuss such allegation of the Contractor, and, if agreed, the duration of the Services (including the term for delivery of any pending Deliverable) shall be extended by the number of days directly affected by such impediment or delay.
- 2.9. Language and copies. Each Deliverable under this Agreement shall be in the English language (and Latvian if so required under the Technical Specification or the Applicable Laws) and delivered to the Company as required under the Technical Specification (including with respect to the required number of originals or hard copies, etc.). The Contractor shall ensure that the Deliverables as well as other documentation are prepared in high quality English language using appropriate terminology, and the Contractor shall in this respect ensure proof reading by a person proficient in the use of the English language and undertake other relevant measures prior to submission of the Deliverables (or their drafts) or the documentation to the Company.
- 2.10. Defects. During the provision of the Services, the Company is entitled to notify the Contractor of each Defect within reasonable period after the Defect is identified by the Company or notified by the Beneficiary. Upon discovering a Defect, or upon receipt by the Contractor of a notification of the Defect from the Company, the Contractor shall, at the Contractor's cost, rectify the Defect within 5 (five) days, unless otherwise reasonably specified by the Company or agreed by the Parties.
- 2.11. Limits to Review by the Company. The Company can only verify the fact of execution or provision of each Deliverable, but the Company or the Participants are not entitled to influence the contents of or refuse to accept a Deliverable that is duly executed by the Contractor in accordance with the Applicable Laws that specifically regulate the respective Services. To the extent not contradicting the Applicable Laws, the Company and the Participants are entitled to provide to the Contractor their considerations with respect to the methods or approach chosen by the Contractor in provision of the Services.
- 2.12. No Waiver. The Company's review or acceptance of the Deliverable and/or the Services or any payments under this Agreement shall not be interpreted or construed to operate as a waiver of any right or cause for action under or in relation to this Agreement.

### 3. ANNUAL AUDIT AND SERVICES

Timeline of the Annual Audit Services. The Annual Audit Services shall be performed in accordance with the following timeline:

- 3.1.1. The Contractor carries out the preliminary audit with respect to the reporting year during the last quarter of the reporting year.
- 3.1.2. By 1<sup>st</sup> October of each reporting year the Contractor submits the proposed plan for the Annual Audit Services in respect of financial statements of the reporting year. The information request



for the purposes of the Annual Audit Services should be submitted at least 1 week prior to the agreed start of audit.

- 3.1.3. By 1<sup>st</sup> March of each following year the Contractor submits to the Company the auditor's report with respect to the annual financial statements of the preceding year (the draft of the report shall be submitted to management at least 3 (three) business days prior to submission of the final report).
- 3.1.4. By 15<sup>th</sup> March of each following year the Contractor submits to the Company the auditor's letter to the Company's management with respect to the annual financial statements of the preceding year.

#### 4. CEF AUDIT SERVICES

- 4.1. Commencement of the CEF Audit Services. The CEF Audit Services shall be commenced only when the respective Request Notice is issued by the Company and in accordance with such Request Notice.
- 4.2. Request Notice. Each Request Notice specifies scope and timing of CEF Audits to be performed following the respective Request Notice pursuant to the requirements of the respective Grant Agreement.
- 4.3. Timeline of the CEF Audit Services. The CEF Audit Services shall be performed in accordance with the timeline as per Request Notice, provided that:
  - 4.3.1. The Contractor shall have at least 30 (thirty) days for performance of the CEF Audit Services following the issuance of the Request Notice.
  - 4.3.2. The Company may, at the Company's sole discretion, provide the Contractor with information on the planned Request Notices and their scope (or co-ordinate the draft Request Notice(s) with the Contractor) in advance.
  - 4.3.3. The Contractor signs and submits to the Company the documents requested pursuant to and in accordance with Clause 4.4.
  - 4.3.4. The Contractor submits to the Company and the Participants the initial request for information. The Company and the Participants shall have at least 1 (one) week to prepare and submit the requested information and at least 3 (three) business days to respond to the additional information (follow-up) requests.
  - 4.3.5. The draft Auditor's Report with respect to each CEF Audit shall be submitted to the Company and the respective Participant at least 10 (ten) days before the due date stated in the Request Notice.
  - 4.3.6. The CEF Audit Services shall be completed, and the Auditor's Report submitted to the Company and the respective Participant by the due date stated in the Request Notice which is at least 30 (thirty) days before reporting deadline set by CINEA.
- 4.4. Additional Agreements. Prior to provision of the respective Services and upon a separate request (in whatever form) of the Company, the Contractor is required to sign and deliver to the Company within 10 (ten) days following the respective request:
  - (a) the Terms of Reference with the particular Participant, if requested, in relation to each CEF Audit to be provided to the respective Participant;
  - (b) the Confidentiality Agreement with the respective Participant, if requested, whose financial statements (or parts of those) are subject to or relevant to the CEF Audits;
  - (c) the Data Agreement with the respective Participant, if requested, whose financial statements (or parts of those) or any other documents containing personal data are subject to or relevant to the CEF Audits;

(when it is reasonably required, including due to any changes to the Applicable Laws or their interpretation, any of the signed additional agreements shall be respectively amended upon the request of the Company or the respective Participant).
- 4.5. Cancellation. The Company is entitled to cancel any Request Notice (entirely or partly) and/or any CEF Audit by notifying the Contractor in writing. If such notice is issued before commencement of the respective CEF Audit(s), the Company shall have no liability towards the Contractor with respect to such cancellation. If such notice is issued after the commencement of the respective CEF Audit(s) and the Contractor has commenced the work with respect to such CEF Audit, the Parties shall in good faith agree on compensation to the Contractor of the already incurred direct costs and expenses of the Contractor



in relation to such already commenced CEF Audit(s), and the Company shall pay such compensation when agreed. Such compensation shall not exceed the amount of the CEF Audit Fee with respect to each already commenced CEF Audit.

- 4.6. New Conditions to Grant Agreements. The Contractor is aware that the Beneficiaries plan to sign new Grant Agreements and/or amendments to the already signed Grant Agreements. As a result of it, the requirements of the CEF Audits may change. With respect to significant changes the Parties undertake in good faith to negotiate Variations, if any, to the Agreement to reasonably accommodate such changes.

## 5. FEE AND PAYMENTS

- 5.1. Fee. The Company undertakes to pay to the Contractor the following fees (the "Fee") as stated in Annex C in consideration of the due provision of:

5.1.1. the Annual Audit Services: a fee in the total amount of [CONFIDENTIAL] (the "Annual Audit Fee") which is split as follows:

- (a) [CONFIDENTIAL] for the Annual Audit Services with respect to year 2025;
- (b) [CONFIDENTIAL] for the Annual Audit Services with respect to year 2026;
- (c) [CONFIDENTIAL] for the Annual Audit Services with respect to year 2027;

5.1.2. the CEF Audit Services: a fee for each separate CEF Audit in the amount of [CONFIDENTIAL] (the "CEF Audit Fee") payable only with respect to the actually requested and provided CEF Audit Services with the maximum aggregate amount of all the CEF Audit Fees being limited to [CONFIDENTIAL] (the "CEF Audit Total Fee").

- 5.2. VAT. The Fee excludes value added tax ("VAT") that will be charged at the rate applicable by the Applicable Laws at the time of invoicing.

- 5.3. Compliance with tax obligations. It is acknowledged and agreed by the Parties that the Fee shall include all taxes and duties payable by the Contractor in the consequence of provision of the Services, except VAT. The Contractor shall, at the sole cost and expense of the Contractor, comply with the obligation to pay all taxes and duties relevant to the provision of the Services in accordance with the Applicable Laws. In addition, the Contractor shall assume all risks associated with the payment or obligation to pay such taxes and duties, if any. The Contractor assumes all risks associated with the possible increase in the amount of the Fee arising as a result of the obligation of having to pay any such taxes or duties.

- 5.4. All-inclusive. The Fee is the all-inclusive consideration for the duly provided Services. The Fee includes reimbursement of all and any expenditure incurred by the Contractor toward performance of any steps, actions or measures contemplated in accordance with this Agreement (including, without limitation, meetings with the Company and the Participants or other relevant third parties, travel costs, costs of training of personnel of the Company, etc.). The Contractor agrees and acknowledges that it shall have no right to request reimbursement by the Company of any additional expenditure whatsoever as may have been incurred by the Contractor toward provision of the services contemplated by this Agreement, unless reimbursement of such additional expenditure has been explicitly agreed between the Parties in writing.

- 5.5. Payments, costs, and commissions. Payment of the Contractor's invoices will be made in euro by bank transfer within 30 (thirty) days after completion of the respective Services and the receipt of the respective invoice in accordance with the Agreement. Each Party shall bear its own costs, fees, commissions and expenses incurred in connection with the transfer of any funds under this Agreement to the other Party.

- 5.6. Invoice details. The Contractor's invoices shall contain the following details:

Contractor:	Sabiedriba ar ierobežotu atbildību "Deloitte Audits Latvia"
Registration No:	40003606960
VAT payer's No or indication that the Contractor is not a VAT payer:	LV40003606960
Legal address, city, Zip code, country:	Republikas laukums 2A, Rīga, LV-1010

Legal name of Bank: AS Swedbank  
Bank SWIFT Code: HABALV22  
Bank Account No IBAN: [.]  
The Company's VAT No: LV40103845025  
Subject: For provided [Annual Audit Services OR CEF Audit Services] according to the Audit Service Agreement No. 1.19/LV-2025-25  
Specific information for the Company: Reference to the specific Grant Agreement if requested by the Company;  
Company's Representatives:  
[CONFIDENTIAL].

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

## 6. CONTRACTOR'S OTHER OBLIGATIONS AND COVENANTS

- 6.1. Standard of Performance. Without prejudice to the requirements prescribed elsewhere under the Agreement, the Contractor shall:
- 6.1.1. ensure that the Services and the Deliverables comply with (i) the specifications and requirements contained in the Agreement, including the Technical Specification, (ii) the Applicable Laws, including any requirements and recommendations of the European Union or its institutions, (iii) reasonable requirements, comments, or specific instructions of the Company or the Participants, as well as (iv) the CEF Standards, the Audit Standards and the Good Industry Practices;
  - 6.1.2. upon request of the Company to provide third parties with the explanation related with the prepared Deliverables;
  - 6.1.3. exercise reasonable professional skill, diligence and care as may be expected of a properly qualified and competent person carrying out services of a similar size, nature, type and complexity;
  - 6.1.4. ensure that with respect to the CEF Audit Services the Contractor's requests for information, including its scope and the requested methods of review, are reasonable and substantiated, without unnecessary exaggerations in this respect;
  - 6.1.5. ensure that its personnel are properly qualified and competent;
  - 6.1.6. act in good faith towards the Company and the Beneficiaries in respect of all matters under the Agreement;
  - 6.1.7. inform the Company on any material findings as soon as reasonably practicable.
- 6.2. Maintenance of Records. During the term of the Services and for a period of 10 (ten) years from expiration or termination of this Agreement for any reason whatsoever, the Contractor shall keep and maintain clear, adequate, and accurate records and documentation evidencing, to the reasonable satisfaction of the Company, that the Services have been carried out in accordance with the Agreement. In case of on-going audits, appeals, litigation or pursuit of claims concerning the grant, including in the case of correction of systemic or recurrent errors, irregularities, fraud or breach of obligations, the records shall be kept and maintained longer.

- 6.3. Access to Documentation. At all times during the term of the Services, the Company shall have access to all documentation related to the Services. This access shall be continuing and survive the termination of this Agreement for either cause or convenience. The documentation shall be kept accessible in a generally recognized format for a period of 10 (ten) years from the date of expiration or termination of this Agreement. All records forming part of such documentation shall be available to the Company's auditor, or expert appointed by the Company during the abovementioned period of time.
- 6.4. Right to Sub-Contractors and Staff. In carrying out the Services, the Contractor may rely only on the services of the Approved Sub-Contractors and the Approved Staff. In this respect:
- 6.4.1. The list of the Approved Sub-Contractors and the Approved Staff may, from time to time, be modified or supplemented always subject to a prior written consent of the Company and in accordance with the terms and subject to the criteria contained in the Applicable Laws.
  - 6.4.2. The Contractor shall have an obligation to notify the Company in writing of any changes to Approved Sub-Contractor or the Approved Staff data occurring during the term of this Agreement and of the required information for any new Approved Sub-Contractors or the Approved Staff member which it may subsequently engage toward provision of the Services.
  - 6.4.3. The Contractor shall obtain prior written consent of the Company for the replacement of each Approved Sub-Contractor or each Approved Staff member or involvement of any additional persons. Review and evaluation of the replacement of Approved Sub-Contractors or Approved Staff shall be carried out, and the consent or refusal to give consent shall be rendered by the Company in accordance with Applicable Laws (in particular, Article 62 of the Public Procurement Law of the Republic of Latvia).
  - 6.4.4. The Contractor shall retain the complete responsibility for the proper performance of all of its obligations under this Agreement, and any act, failure to act, breach, or negligence on the part of any of its Approved Sub-Contractors or the Approved Staff shall, for the purposes of this Agreement, be deemed to be the act, failure to act, breach or negligence of the Contractor itself.
  - 6.4.5. The Contractor shall be responsible for the work of the Approved Staff and ensure that the Company has free access to the Approved Staff during the Company's working hours, including but not limited to no later than until the end of business day answer to e-mail or recall to the Company.
  - 6.4.6. The Contractor shall ensure that all Approved Staff members are fully available with respect to the Services (including the Additional Services) until the expiry of the Additional Services Period. The Contractor shall ensure that the Approved Staff members participate in the meetings with the Company as requested by the Company from time to time.
  - 6.4.7. The Contractor must replace any Approved Staff member involved in the performance of the Service if requested by the Company and supported by the reasons such as repeated careless performance of duties, incompetence or negligence, non-fulfilment of obligations or duties stipulated in the Agreement, as well as other reasons prescribed under the Agreement (including Clause 6.5 and the Technical Specification).
- 6.5. Certain Negative Covenants. In carrying out the Services, the Contractor undertakes to ensure that not only the Contractor, but also the persons involved in the provision of the Services:
- 6.5.1. do not meet the characteristics set out in Section 42 Paragraph 2 of the Public Procurement Law of the Republic of Latvia as is stated in the Procurement Procedure regulations;
  - 6.5.2. is not considered to be:
    - (a) a citizen of Belarus or Russia, a natural person residing in Belarus or Russia, a legal person, entity, body established in Belarus or Russia;
    - (b) a legal person, entity or body whose proprietary rights are directly or indirectly owned by an entity referred to in Clause 6.5.2 a) of the Agreement;
    - (c) a natural or legal person, entity or body acting on behalf or at the direction of an entity referred to in Clauses 6.5.2 a) and 6.5.2 b) of the Agreement.
- 6.6. Security Clearance Requirements. The Contractor shall not involve in the performance of the Agreement a person convicted of an intentional criminal offense (employees, sub-contractors and/or any other person and personnel), regardless of the criminal record having been set aside or extinguished, a person of whom there are known facts that give grounds to doubt his or her ability to retain restricted access and/or classified information, as well as a person who has or may have a conflict of interest by involving him in the performance of the obligations under this Agreement. In this respect:

- 6.6.1. At the Company's request, the Contractor shall submit to the Company a statement (certificate) from the relevant state penalty register regarding the criminal record of the natural person who will be involved in the performance of the Agreement.
- 6.6.2. In order to assess the compliance of the natural person whom the Contractor intends to involve in the performance of the Agreement with the requirements specified in this Clause 6.5, the Company has the right to organize an additional security compliance check.
- 6.6.3. The Contractor undertakes to inform the natural person involved in the performance of the Agreement about the processing of personal data performed by the Company when organizing a security compliance check.
- 6.6.4. The Contractor shall submit to the Company in writing at least 10 (ten) business days prior to the involvement of any natural person in the performance of the Agreement the following information of the person: name, surname, personal identification code (or equivalent personal identification information), place of birth, position, company name (in case involved staff of sub-contractors), the country from which the person comes. At the Company's request, the Contractor shall also submit a brief description of the role and responsibilities of the natural person in the performance of the Agreement.
- 6.6.5. The Company has the right, at its own discretion, to prohibit a natural person specified by the Contractor from performing tasks related to the performance of the Agreement by notifying the Contractor thereof in writing if the requirements referred to in this section of the Agreement are not complied with. The Parties agree that such decision of the Company is incontestable.
- 6.6.6. If the Company prohibits a natural person specified by the Contractor from performing the tasks related to the performance of the Agreement, the Contractor shall replace this natural person with another natural person by notifying the Company in accordance with the procedure laid down in Clause 6.6.4.
- 6.6.7. If the Contractor cannot replace a natural person or if its replacement would cause disproportionately high expenses to the Contractor, the Contractor shall immediately provide the Company with a motivated explanation and the Parties shall try to agree on possible conditions and procedures in which this natural person may perform tasks related to the performance of the Agreement.
- 6.6.8. The Contractor shall take all necessary actions and measures in a timely manner to ensure that a natural person is not involved in the performance of the Agreement or the involvement is immediately terminated if the natural person does not comply with this Clause 6.5, otherwise creates or may create security risks for the Company, incl. risks to the Company's information systems, information or data, as well as risks to the Company's reputation or operations.
- 6.6.9. The Contractor is obliged to:
  - (a) ensure that a natural person who does not comply with the security clearance requirements is not involved in the performance of the Agreement;
  - (b) immediately replace a natural person who does not comply with the security clearance requirements in accordance with the provisions of this Agreement (and/or with the requirements of the Applicable Laws);
  - (c) observe and not contest the Company's written instructions and decisions in accordance with this Clause 6.6;
  - (d) provide the Company with all the necessary information and support related to the necessity to replace a natural person.
- 6.6.10. In any case, the Contractor shall immediately notify the Company in writing of any situation that has arisen before the start and during the performance of the Agreement, as a result of which there is or may be a risk of involving a natural person who does not comply with the security clearance requirements under this Clause 6.6, as well as notify the Company in writing of the replacement of such natural person involved in the performance of the Agreement.
- 6.6.11. If the Contractor violates the conditions referred to in this Clause 6.5 and/or disregards the Company's instructions regarding security clearance requirements, then it constitutes a material breach of the Agreement and a ground for the Company to terminate the Agreement according to Section 12.
- 6.7. No Conflicting Activity. Except with the Company's knowledge and express written permission, the Contractor shall not engage in any activity or accept any employment, other agreement, interest, or

contribution that would reasonably appear to compromise the Contractor's professional judgment and performance with respect to the provision of the Services. In performing the Services, the Contractor shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Services is compromised for reasons involving economic interest, political or national affinity, family, or emotional ties or any other shared interest.

- 6.8. Property of the Company. Anything supplied by or paid for by the Company for the use by the Contractor towards provision of the Services, except for the audit documentation in accordance with Article 1 and Article 34 of the Law on Audit Services produced by the Service Provider during the execution of the Agreement, shall constitute the property of the Company insofar as Applicable Laws do not provide otherwise and, to the extent practicable, shall be marked by the Contractor as property of the Company.
- 6.9. Reporting. If requested by the Company, the Contractor shall, in a format and at intervals to be agreed with the Company, provide the Company with regular reports and status updates on the progress of the Services, and use reasonable endeavours to provide any other information and status updates as may be reasonably requested by the Company at any time.

## 7. COMPANY'S OTHER OBLIGATIONS AND COVENANTS

- 7.1. Information. The Company shall (and shall ensure that the other Beneficiaries do), in a timely manner, provide to the Contractor any information as may reasonably be requested by the Contractor for the purposes of the Services. The Contractor shall be entitled to rely on the accuracy and completeness of information furnished by the Company or the other Beneficiaries. The Contractor shall provide prompt written notice to the Company or the respective Beneficiary if the Contractor becomes aware of any errors, omissions, or inconsistencies in the information provided by the Company or the respective Beneficiary.
- 7.2. Access to Employees and Officers. Upon request of the Contractor, the Company shall (and shall ensure that each of the Beneficiaries) ensure access to and possibility to meet and interview the relevant employees and officers for the purposes of the Services.
- 7.3. Decisions. On all matters properly referred to it in writing by the Contractor, the Company shall give its decision in writing so as not to delay the provision of Services and within a reasonable time.
- 7.4. Audit Related Obligations. The Company undertakes to (and shall cause the Participants to do the same) prepare the respective financial statements in accordance with the Applicable Laws and Standards and/or the CEF Standards, respectively, and submit to the Contractor in accordance with the Agreement.

## 8. REPRESENTATIONS AND WARRANTIES

- 8.1. Certain representations and warranties of the Parties. Each Party represents and warrants to the other Party, as of the Signing Date, as follows:
- (a) it has full power to enter into and perform this Agreement, and the person signing this Agreement on its behalf has been duly authorized and empowered to enter into such agreement;
  - (b) it has read this Agreement, understands it and agrees to be bound by it;
  - (c) it has entered into this Agreement with the aim of attaining all of the objectives and performing in all material respects all of the obligations and commitments herein set forth;
  - (d) it has entered into this Agreement without having any intention or goal whatsoever to violate the Applicable Laws, its own articles of association, other constitutional documents, laws or agreements of any kind to which it is a party to;
  - (e) it is not bankrupt and is not the subject of insolvency or winding-up proceedings, where its assets are being administered by a liquidator or by the court, it is not in an arrangement with creditors, where its business activities are suspended, or it is in any analogous situation arising from a similar procedure under the laws of the country where it is registered and submits its tax accounts; and
  - (f) it has entered into this Agreement of its own volition and in good faith.
- 8.2. Certain representations and warranties of the Contractor. The Contractor represents and warrants to the Company, as of the Signing Date, as follows:
- (a) it has all requisite qualification, skills and competence to perform the Services on the terms and conditions of this Agreement which are no less favourable than the terms and conditions of

service identified by the Contractor in any document submitted by the Contractor to the Company as part of the Procurement Procedure and on the terms of the Contractor's Proposal;

- (b) it holds and will hold for the entire term of the Agreement all requisite accreditations, recognitions, licenses, permits, approvals and consents necessary under the Applicable Laws to enable performance by the Contractor of the Services;
- (c) it has all requisite ability to ensure the highest quality of the Services;
- (d) it will assign competent and duly qualified personnel to carry out the Services according to the highest professional standards and the Good Industry Practices;
- (e) it is not deemed to be a person associated with the Company for the purposes of the Applicable Laws;
- (f) it is compliant with all of the requirements of the Supplier's Declaration and will continue to be compliant with all such requirements during the term of this Agreement.

## 9. VARIATIONS

- 9.1. Variations. Notwithstanding any provisions in this Agreement to the contrary, whenever the Company or the Contractor reasonably consider that a variation to the Agreement (the "Variations") is necessary, the Company and the Contractor shall negotiate in good faith on the terms of the intended Variations. For the avoidance of doubt, no Variation shall be effective unless and until concluded in writing by the respective Parties.
- 9.2. Scope of Variations. For the purpose of the Agreement, and at any time prior to the completion of the Services under the Agreement, as the case may be, the Variations may be concluded in respect of:
  - 9.2.1. amendments to the Agreement necessary to accommodate the new or updated requirements that significantly differs from the initial scope to be provided with respect to the CEF Audits following amendments to or signing of new Grant Agreements. Any increase in the CEF Audit Fee due to such variation shall not exceed 50 (fifty) % of the CEF Audit Fee stated in Clause 5.1.2. and the cumulative value of all such consecutive variations does not exceed 10 (ten) % of the CEF Audit Total Fee stated in Clause 5.1.2;
  - 9.2.2. additional audit services required to fulfill audit obligations imposed by other financing sources as determined by the respective funding authority provided that the cumulative value of the consecutive variations does not exceed 10 (ten) % of the Total Fee. The value for variations proposed by the Contractor cannot exceed costs for such specific Services in the corresponding industry.
- 9.3. Limitations to Variations. In case of Variations due to supply of additional Services or due to reasons which the Company could not foresee in advance, the total value of the Agreement may not change by more than the maximum amount permitted under the Applicable Laws. Notwithstanding anything to the contrary contained in the Agreement, the Company and the Contractor may agree on the supply of additional Services not previously foreseen under the Agreement if they do not change the nature of the Agreement (type and purpose specified herein) and if the total value of such additional Services does not concurrently reach the thresholds specified under the Applicable Laws.
- 9.4. Variations' Fee. The fee for additional Services as a result of the Variations, if any, shall be determined taking into account the calculations and fees under the Technical Specification and the Contractor's Proposal. Furthermore, such fee shall be consistent with the market practice and proportionate to the Fee for the Services with similar scope under the Agreement, if any. Variations not resulting in additional services or works, including Variations related to the timeline of the provision of the Services, shall not result in additional fees or compensation of costs.

## 10. COMMUNICATION

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



- (a) if delivered by hand, on the first (1) business day following the delivery day;
- (b) if sent by post, on the fifth (5) Business Day after the date of posting;
- (c) if sent by e-mail, the same Business Day if sent prior to 17:00 o'clock and the next Business Day if sent after 17:00 o'clock (Eastern European Time); communication by e-mail is deemed made when it is sent by the sending Party to the receiving Party, unless the sending Party receives a message of non-delivery.

10.3. Exchange of Information. The method of exchange of the information between the Contractor and the Company, the Participants or other relevant persons is agreed on case by cases basis. The information may be exchanged electronically over the internet, always complying with the IT security requirements, if any, acceptable to the involved persons.

10.4. Representatives. The Company and the Contractor shall appoint an officer, employee or individual to serve as its representative toward the implementation of the Agreement and supply or receipt of the Services (including the request or confirmation of the Services, issuance of the Request Notice, etc.), with full authority to act on its behalf in connection with this Agreement, without the right to conclude amendments to the Agreement (the "Representative"). Any restriction placed by either Party on its Representative's authority shall be notified to the other Party in writing to be effective. The Representatives may delegate their authority by notice in writing specifying the contact information of the delegate and specifying the scope of authority so delegated. Each Party may replace or remove any Representative by notifying in writing the other Party immediately, but not later than 1 (one) business day after the replacement or the removal of the respective Representative. The initial Representatives are:

- (a) the authorised representative(s) of the Company for the Agreement fulfilment issues and procedures:
  - [CONFIDENTIAL]
- (b) the authorised representative(s) of the Contractor for the Agreement fulfilment issues and procedures: [CONFIDENTIAL].

## 11. INTELLECTUAL PROPERTY RIGHTS

All documentation forming part of the Deliverables developed under this Agreement is the property of the respective Beneficiary at the moment of creation in accordance with the Applicable Laws, with the exception of the documents that are the property of the Contractor pursuant to Article 34(1) of the Law on the Audit Services of the Republic of Latvia. The Contractor hereby acknowledges and grants, without any additional fee or financial consideration of any kind, the rights to the Company to use, publish, submit and transfer to third parties the Deliverables in order to fulfil the requirements of the Applicable Laws or the CEF Standards or the Audit Standards.

## 12. TERM AND TERMINATION

12.1. Force and Expiry. The Agreement enters into force when signed by the Parties and expires once the Parties have fulfilled their contractual obligations arising out of this Agreement, unless terminated earlier pursuant to the provisions of the Agreement.

12.2. Termination for material breach. It is understood by the Parties that the grounds for termination specified in this Clause 12.2 is to be considered as a "substantial reason" for the purposes of Section 3<sup>1</sup> of Article 29 of the Law on the Audit Services of the Republic of Latvia. Subject to the provisions of Clause 12.3, either the Company or the Contractor shall be entitled to terminate this Agreement upon giving a written notice of termination to the other Party in the event of material breach by the Party of any of its obligations under this Agreement. The written notice of termination shall contain an itemized description of the breach. For the purposes of this Clause 12.1 an event of material breach shall include any of the following:

- (a) commitment by a Party of any persistent or material breach of this Agreement (which shall include failure to pay an amount of at least EUR 5,000 due to the other Party or perform any part of the Services valued at least EUR 5,000);
- (b) failure by any Deliverable to conform to any of the material requirements to such Deliverable, provided that such failure is not capable of being remedied during the Corrective Period;
- (c) any of the representations or warranties given by either Party under Clause 8.1 or any of the declarations, representations or warranties given by the Contractor under Clause 8.2 or the Contractor's Declaration proves to be untrue.



- 12.3. Corrective Period. In the event of a material breach by either Party of its obligations under this Agreement, the non-breaching Party shall allow the breaching Party 10 (ten) days for the corrective action or submission of a corrective action plan (the "Corrective Period"). The Corrective Period shall be counted from the date of receipt by the breaching Party of a written notice of breach. Should no satisfactory corrective action be taken, or acceptable corrective action plan provided by the breaching Party, the non-breaching Party shall have the right to terminate the Agreement. It is acknowledged and agreed by the Parties that the provisions of this Clause 12.3 shall not apply with respect to any of the events listed in Clause 12.4. In addition and for the avoidance of any doubt, the application of the Corrective Period under this Clause 12.3 shall be without prejudice to and shall not relieve either Party from the obligation to pay any contractual penalty in accordance with the provisions of Clause 13.2 or to pay Damages incurred by the other Party in accordance with the provisions of Clause 13.1.
- 12.4. Parties' Right to Terminate Immediately. It is understood by the Parties that the grounds for termination specified in this Clause 12.4 is to be considered as a "substantial reason" for the purposes of Section 3<sup>1</sup> of Article 29 of the Law on the Audit Services of the Republic of Latvia. Notwithstanding anything to the contrary contained in this Agreement, the Company and the Contractor may terminate this Agreement immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the following:
- (a) breach by the other Party of Clause 16.1;
  - (b) an event of Force Majeure has been continuing during more than sixty (60) days;
  - (c) the other Party had passed a resolution for winding-up (other than in order to amalgamate or reconstruct);
  - (d) the other Party is unable to pay its debts and has presented a petition for voluntary bankruptcy;
  - (e) the other Party had a bankruptcy order issued against it;
  - (f) liquidation, insolvency or legal protection proceedings have been initiated with respect to the other Party or the other Party is declared insolvent;
  - (g) the occurrence of any event analogous to the events enumerated under above paragraphs (d) - (f) under the law of any jurisdiction to which the other Party's assets and undertaking are subject.
- 12.5. Company's Right to Terminate Immediately. It is understood by the Parties that the grounds for termination specified in this Clause 12.5 is to be considered as a "substantial reason" for the purposes of Section 3<sup>1</sup> of Article 29 of the Law on the Audit Services of the Republic of Latvia. The Company may terminate this Agreement immediately upon giving the Contractor a written notice of termination explaining, in reasonable detail, the reason for termination, if:
- (a) CEF co-financing for further financing of the Services is not available to the Company fully or partly. In such a case, the Company shall pay the Contractor the fees in respect of the Services already provided under this Agreement up to the date of the notification of the termination of this Agreement and the Company is not obliged to pay contractual or any other penalty or damages to the Contractor;
  - (b) it is not possible to execute the Agreement due to the application of international or national sanctions, or the European Union or the North Atlantic Treaty Organization applied sanctions significantly affecting interests of financial or capital market.
- 12.6. Termination According to Public Procurement Law. The Agreement can be immediately terminated by the Company upon giving the Contractor a written notice of termination explaining, in reasonable detail, the reason for termination upon occurrence of any of the provisions mentioned in the Article 64 of the Public Procurement Law of the Republic of Latvia. In such a case, the Company shall pay the Contractor the Fee in respect of the Services already provided under this Agreement up to the date of the notification of the termination of this Agreement, but the Company shall have no other liability in this respect (including, but not limited to not being obliged to pay contractual or any other penalty or Damages to the Contractor).
- 12.7. Right to Advance. In the event the Contractor fails to fulfil any of its obligations, or fails to cure any breach in accordance with Clause 12.3 of this Agreement, and the Agreement is terminated by the Company, the Company may advance the Services to completion by employing the services of other professional service supplier(s) or by other means available to the Company. The Contractor shall be liable to the Company for any and all additional costs incurred due to failure by the Contractor to perform. The rights and remedies available to the Company set forth in accordance with this Clause shall be in addition to any and all other rights and remedies available under the Applicable Laws or this Agreement.

- 12.8. Consequences of Termination. Upon expiration or termination of this Agreement, the obligations of the Parties set forth in this Agreement shall cease, except with respect to the following:
- (a) any obligations arising as a result of any antecedent breach of this Agreement or any accrued rights; and
  - (b) the provisions stipulated in accordance with Clauses 6.2, 6.3, Section 11, Section 13, Section 15 and Clause 16.1 which shall survive the termination or expiry of this Agreement and continue in full force and effect along with any other Clauses of or Annexes hereof which are necessary to give effect to the Clauses specifically identified in this Clause 12.8(b).
- 12.9. Company's Obligation to Pay. Except in the event of termination by the Company occurring as a result of violation by the Contractor of Clause or termination by the Company according to Clause 12.5 or 12.6, in the event this Agreement is terminated for any reason prior to completion of the Services, the Parties shall in good faith agree and the Company shall have an obligation to pay the Contractor the documented costs reasonably and properly incurred by the Contractor with respect to the Services up to the date of termination. The "costs" for the purposes of this Clause shall include:
- (a) salaries for the Approved Staff and other personnel in the direct employ of the Contractor in the performance of the Services or relating to the Services (including related benefits and taxes for items such as social security and other benefits for the labour and employees),
  - (b) payments to the Approved Sub-Contractors with respect to actually provided Services,
  - (c) sales, use, gross receipts or other taxes related to the Services, imposed by any governmental authority, to the extent that the Contractor is responsible for such taxes.
- 12.10. No Prejudice to Other Rights. The right to terminate this Agreement shall be without prejudice to any other right of either Party which has accrued prior to or as a result of such termination or to any remedy available to either Party under the terms of this Agreement or in accordance with the Applicable Laws.

### 13. LIABILITY

- 13.1. Liability of Parties. The Parties are liable to each other and the Contractor is liable to the Participants, if any, with whom the Contractor is required to sign additional agreements pursuant to Clause 4.4, with respect to any breach of its respective obligations under this Agreement or any additional agreement referred to in Clause 4.4, the liable Party shall compensate the other Party or other relevant person for any Damages incurred as a result of such breach, subject to the following terms:
- (a) the amount of compensation shall be limited to the amount of reasonably foreseeable Damages suffered as a result of the breach(es), but not otherwise; and
  - (b) if either Party is considered to be liable jointly with third parties to the other, the proportion of compensation payable by the liable Party shall be limited to that proportion of liability which is attributable to the breach by the liable Party.
- 13.2. Contractual Penalty.
- 13.2.1. Should the Contractor fail to meet any of the Due Dates referred to in Clause 3 or Clause 4.3 and provided that the cause of such delay is attributable to the action or inaction of the Contractor, the Company shall be entitled to request the Contractor to pay to the Company a contractual penalty of 0.1% (zero point one percent) of the amount of the fee payable for the Deliverable to which such delay relates for each day of delay, provided that each such contractual penalty shall not exceed 10% (ten percent) of the fee payable for the Deliverable to which such delay relates.
  - 13.2.2. Should the Company delay any payment in accordance with Clause 5.5, the Contractor shall be entitled to request the Company to pay a contractual penalty in the amount of 0.1% (zero point one percent) from the delayed amount for each day of delay, provided that the total amount of such contractual penalty payable by the Company under this Clause 13.2 shall not exceed 10% (ten percent) of the delayed amount.
  - 13.2.3. The contractual penalties shall be applied upon the sole discretion of the entitled Party under the Agreement considering the material consequences of the breach.
  - 13.2.4. Payment of the contractual penalty shall not release the Party from performance of any of its obligations under the Agreement.
- 13.3. Limitation of Liability. Notwithstanding anything to the contrary set forth in this Agreement, in no circumstances shall any Party be liable to the other Party or other relevant person for any loss of

production, loss of profit, loss of revenue, loss of contract, liability incurred under other agreements or any indirect or consequential loss arising out of or in connection with this Agreement. The Contractor's total liability with respect to the Services carried out under this Agreement shall in no circumstances exceed the total amount of the Fee.

- 13.4. Insurance. During the validity term of the Agreement, the Contractor shall maintain valid civil liability insurance in the amounts not lower than required under the Applicable Laws. Upon the request of the Company, the Contractor shall provide a proof of its compliance with the requirements of this Clause.

#### 14. FORCE MAJEURE

- 14.1. Effects of Force Majeure Event. Subject to the requirements set forth in accordance with Clauses 14.2 and 14.3, each Party shall be relieved from liability for non-performance of its obligations under this Agreement (other than any obligation to pay) to the extent that the Party is not able to perform such obligations due to a Force Majeure Event (i) which has occurred after the Signing Date, (ii) which the affected Party could not foresee or prevent, (iii) which was not caused by the affected Party, and (iv) which makes it impossible to fulfil the respective obligations under the Agreement.
- 14.2. Action Upon Occurrence of Force Majeure Event. Each Party shall at all times, following the occurrence of a Force Majeure Event:
- (a) take reasonable steps to prevent and mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the Force Majeure Event as soon as practicable and use reasonable endeavours in accordance with Good Industry Practice to remedy its failure to perform; and
  - (b) not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to any failure to comply with its obligations under Clause 14.2(a).
- 14.3. Notification Requirements. Upon the occurrence of a Force Majeure Event, the affected Party shall notify the other Party as soon as reasonably practicable and in any event within 10 (ten) business days of it becoming aware of the relevant Force Majeure Event. Such notification shall give sufficient details to identify the particular event claimed to be a Force Majeure Event and shall contain detailed information relating to the failure to perform (or delay in performing), including the date of occurrence of the Force Majeure Event, the effect of the Force Majeure Event on the ability of the affected Party to perform, the action being taken in accordance with Clause 14.2(a) and an estimate of the period of time required to overcome the Force Majeure Event. The affected Party shall provide the other Party with any further information it receives or becomes aware of which relates to the Force Majeure Event and provide an update on the estimate of the period of time required to overcome its effects.
- 14.4. Notification of Resumed Performance. The affected Party shall notify the other 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).
- 14.5. Mitigation of Effects of Force Majeure Event. As soon as practicable after the notification specified pursuant to Clause 14.3, the Parties shall use reasonable endeavours to agree appropriate terms or modifications to the Services to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement.

#### 15. GOVERNING LAW AND RESOLUTION OF DISPUTES

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

## 16. MISCELLANEOUS PROVISIONS

- 16.1. Conflict of Interest, Corruption and Fraud. Notwithstanding any penalties that may be enforced against the Contractor under the Applicable Laws, or the laws of other jurisdiction(s), the Contractor shall be deemed to have committed a breach under this Agreement and the Company shall be entitled to terminate this Agreement immediately and without any regard to the provisions of Clause 12.3, if it is shown that the Contractor is guilty of:
- (a) offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or
  - (b) misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Company, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.
- 16.2. Confidentiality. On the Signing Date or as soon as possible after the Signing Date the Parties shall sign the Confidentiality Agreement.
- 16.3. Personal Data.
- 16.3.1. 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.
  - 16.3.2. The Parties acknowledge that for the purpose of the Agreement each of the Parties shall act as a controller.
  - 16.3.3. 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.
  - 16.3.4. 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.
  - 16.3.5. Besides other obligations provided for in the Agreement, each of the Parties undertakes:
    - (a) to process the personal data to the minimum extent necessary;
    - (b) not to infringe any rights of the data subjects;
    - (c) to implement and apply proper organizational and technical measures ensuring the compliance with the requirements of the law;
    - (d) to ensure the compliance with other requirements of the law governing the protection of personal data.
  - 16.3.6. With respect to the personal data in relation to the CEF Audits the Parties shall on the Signing Date or as soon as possible after the Signing Date sign the Data Agreement.
- 16.4. Relationship of Parties. The relationship between the Contractor and the Company under this Agreement is that of independent contractor. The Contractor (or the Approved Sub-Contractors or Approved Staff) is not an employee of the Company, is not carrying out the regular business of the Company and is not subject to the same employment regulations as are applicable to employees of the Company. Each of the Parties shall be solely and entirely responsible for their own acts and the acts of their employees. No benefits, special considerations, or employer/employee-type provisions are provided by the Company to the Contractor, its employees, its consultants, or the employees of such consultants.
- 16.5. Severability. If any provision of this Agreement shall be held to be illegal, invalid, void or unenforceable under the Applicable Laws, the legality, validity and enforceability of the remainder of this Agreement shall not be affected, and the legality, validity and enforceability of the whole of this Agreement shall not be affected.
- 16.6. Successors and Assigns. The Parties each bind themselves, their successors, legal representatives, and assigns to the other party to this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement. Neither Party shall assign or transfer its respective interest in the Agreement without written consent of the other Party, if not directly provided otherwise under the Agreement.

- 16.7. Amendments and Variations. No amendment to or Variation of this Agreement shall be effective unless made in writing by duly authorized representatives of both Parties, if not provided otherwise herein. The Agreement can be amended in compliance with the provisions of Article 61 of the Public Procurement Law of the Republic of Latvia.
- 16.8. Entire Agreement. This Agreement, and the Annexes hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and extinguishes all and any prior drafts, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.
- 16.9. Execution. This Agreement is executed as an electronic document.

For and on behalf of the Company:

For and on behalf of the Contractor:

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