

According to list

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**Answers to the questions from Candidates
in procurement No. P/2016-4 "Directors & Officers Liability Insurance for RB Rail AS"**

Management of RB Rail AS has prepared following answers on questions received from Candidates until February 15, 2016:

No	Question	Answer
1.	Could you provide with more on the financials (report/statement/opening balance sheet)?	The results are not yet audited and hence cannot be made public.
2.	Could you provide about progress in funding the Project including split between EU and shareholder states (is 85/15 still the case?)?	This is still the case. The activities are financed on 85/15 basis.
3.	Has auditor been appointed - if yes who has been appointed?	Upon submission not approved by the Supervisory Board, but in a tender process Grant Thornton selected for 2014&2015 audit.
4.	What is current status on project progress - is design / construction work still planned for 2018, has it started?	There are delays in planning and procurement; though some minor works will start in 2018, currently expectations are for 2019.
5.	Do all contractors and advisors will be external (and not employed by RB Rail)?	Yes.
6.	Estimated Project cost/budget?	CEF1 is EUR 442 million co-financing
7.	Is the company RB Rail aimed to be no-profit and with potential loss covered by the respective owners/states?	RB Rail is a commercial entity, not a non-profit organisation. It is financed by its shareholders and EU CEF funding.
8.	What are the sanctions if timeline or budget are not held?	RB Rail AS is governed by the Statutes. General commercial law provisions apply. RB Rail's internal governance is based on the Shareholders' Agreement that sets certain rules of decision making, incl. Budget approval and execution.

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		CEF funded projects are governed by the Grant agreement and applicable EU regulations.
9.	Are there persons with competence within financing or larger state projects?	In RB RAIL AS there are currently none, but consultants in E&Y and PWC have that competency.

More details on RB Rail AS and Rail Baltica project:

RB Rail AS is the central coordinator of Rail Baltica project. RB Rail AS is mandated to receive full project financing (442 million EUR INEA Connecting Europe Facility co-financing) and ensure its utilization for all three beneficiaries - Ministry of Economic Affairs and Communications of Estonia, Ministry of Transport of Latvia and Ministry of Transport and Communications of Lithuania.

Implementing bodies are Estonian Technical Regulatory Authority and Rail Baltic Estonia OU, Latvian Eiropas dzelzceļa līnijas SIA, as well as Lithuania Lietuvas geležinkeliai AB and Rail Baltica statyba UAB.

Rail Baltica project will build new 1435 mm or European standard width railway in the Baltic countries, to connect Tallin - Riga - Kaunas - Warsaw - Berlin.

Strategic goals

The strategic goals for 2016 are:

- Agreement on responsibility split between RB Rail and national structures. Implement legal framework for inter-beneficiary agreement;
- Establish transparent and legally adequate framework, in order to timely, efficiently and transparently fulfill project activities, ensure credibility from European partners on project sustainability;
- Strengthen administrative capacity: transparent and professional establishment of the Management Board and operational level personnel. Attract high level professionals, avoiding politicization of management level personnel.

The management of company is carried out by the management board. Currently there is single board member - CEO and Chairperson of the Board. According to the strategic goals three additional board members shall be hired during 2016. Supervisory Board, consisting of 6 members, two representing each country, is involved in steering, strategic planning and management of the company.

During 2016 key strategic goal is to implement legal framework for inter-beneficiary agreement.

To establish transparent and legally adequate framework, Chairperson of the Board organizes independent internal and external controls, procurement process, as well pursues good corporate governance practice.

The company employs three employees and according to the strategic goals, plans to strengthen administrative capacity during 2016, employing in total 15 high level professionals. Including supervisory board, total employee number would be 21.

Project implementation

Management board and supervisory board will implement the strategy, incurring frequent business trips within the Baltic countries, as well Europe; CEO will enforce publicity of the project. Project technical implementation and construction phase will start in 2018. Until then technical planning, preparation, as well project management and control actions will be carried out.

RB Rail AS will be monitored by INEA according to CEF Grant Agreement on a regular basis as the coordinator of the project. From total project financing, in 2015 company spent 786 thousand EUR in project implementation, from which 103 thousand were CEF eligible expense. In 2016 it is planned to spend 3,4 million EUR, from which 1,5 million will be CEF eligible expense. In 2017 it is forecasted 4 million EUR and 2 million EUR respectively total spending and CEF eligible expense.

Board Project Manager



Vija Vītola